





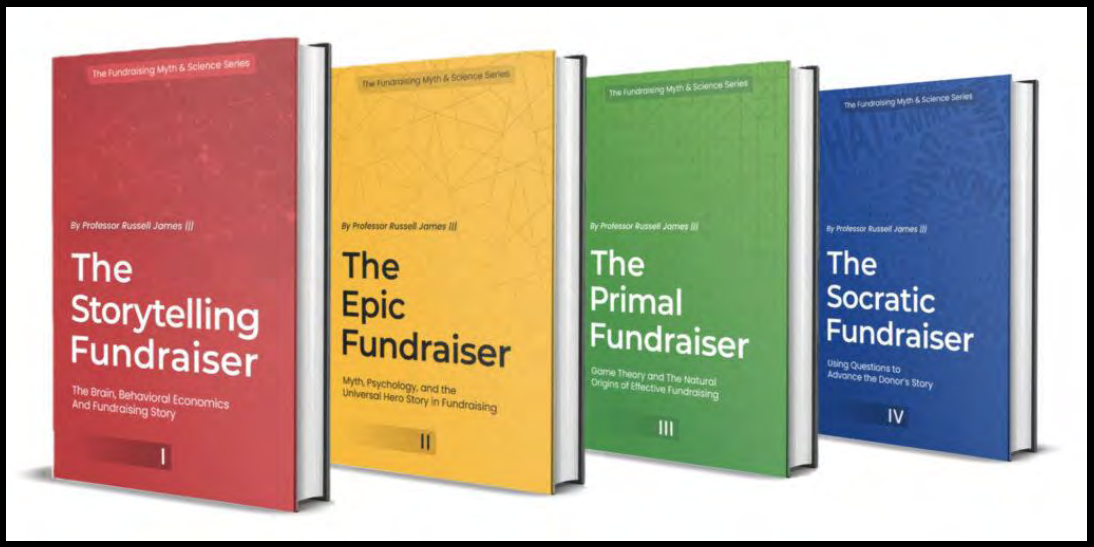


Fundraising Myth & Science Series

The Professor's Slides Edition

Combining The Storytelling, Epic, Primal, Socratic, and Visual Fundraiser

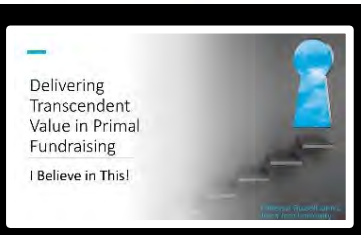
















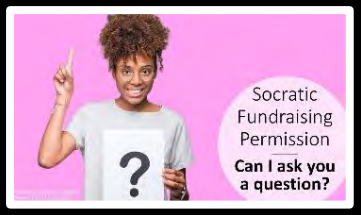
















Professor Russell James III

The Fundraising Myth & Science Series:
The Professor's Slides Edition

Book I: The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story

Book II: The Epic Fundraiser: Myth, Psychology, and the Universal Hero Story in Fundraising

Book III: The Primal Fundraiser: Game Theory and the Natural Origins of Effective Fundraising

Book IV: The Socratic Fundraiser: Using Questions to Advance the Donor's Story

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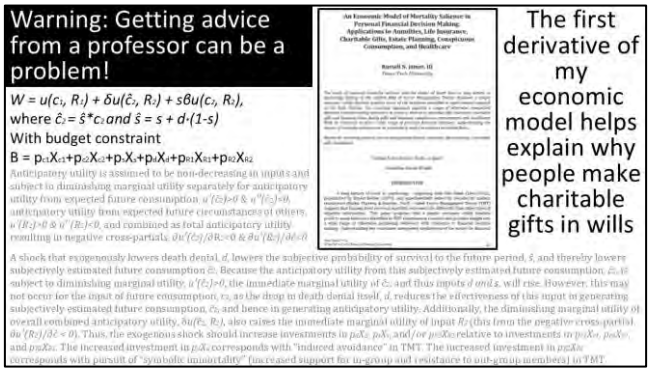
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The Storytelling Fundraiser:

The Brain, Behavioral Economics, and Fundraising Story

The Fundraising Myth & Science Series: Book I

INTRODUCTION TO THE SERIES:
THE "ONE BIG THING" IN FUNDRAISING



A warning

Getting advice from a professor can be a problem. I understand why. Professors love to be technical, theoretical, and esoteric. Being a professor, I'm guilty too. I love complex statistical methods. I love obscure scholarly writing. Worse yet, I love theory. I can happily spend all day discussing how the first derivative of my mathematical model explains charitable bequest giving.[1]



Warning retracted

But I'm not going to do that.

Why not? Because I've been there. Before I was a research professor, I was a fundraiser. For eleven years I worked in planned and major gifts. And since I've been there, I care about real-world outcomes. I care about practical results.



Why v. how

This series covers research and theory. It explores:

- Neuroscience
- Economics
- Sociology
- Psychology
- Anthropology
- Ethology
- Myth

[1] James, R. N., III. (2017). An economic model of mortality salience in personal financial decision making: Applications to annuities, life insurance, charitable gifts, estate planning, conspicuous consumption, and healthcare. *The Journal of Financial Therapy, 7*(2), 62-82.

- Law, and
- Literature.

If you think that's too much, I understand. This seems far removed from everyday fundraising. You're busy. You've got a job to do. The theory of *why* something works might be a curiosity. But it's not the job.



First, let me make a practical argument. Unless you understand the "why," the "how" won't make sense. When it doesn't make sense, things can go wrong. But once you know the "why," you'll be better at the "how." You'll know when the "how" applies. And you'll know when it doesn't.

More than that, you'll be able to create your own "how." You can shape your "how" to fit your situation. What works for this cause? For this charity? For this event? For this media? For this generation? For this donor? For this gift? Knowing the underlying "why" guides every answer.



A promise

Also, let me make a promise. This isn't just academic theory. This is about effective fundraising. Yes, this series dives deep into the rabbit hole of academic research. But it's still about being a better fundraiser tomorrow than you were yesterday.



The one thing

So, I'm not going to start with scholarly technicalities. Instead, I want to start with some famous cowboy advice. In the movie *City Slickers*, Jack Palance, playing Curly the cowboy, says, "Do you know what the secret of life is?" "This." [He holds up one finger.] "One thing. Just one thing. You stick to that, and the rest don't mean sh*t." Billy Crystal asks, "But what is the 'one thing?'" Palance smiles and says, "That's what *you* have to find out."

That *one thing* for fundraising is what I want to share with you now.



The one big thing in fundraising

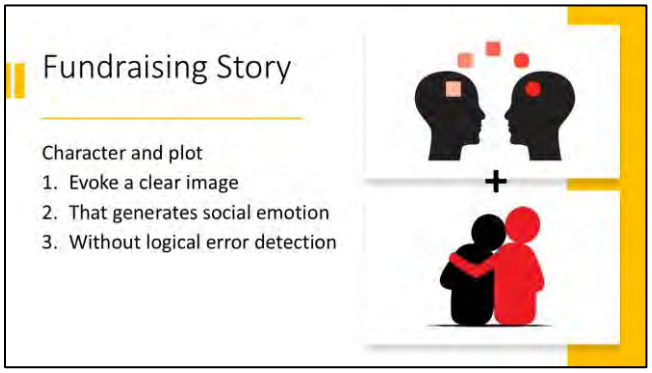
After more than a quarter century as a fundraiser and a professor focused on fundraising research, theories, data, and experiments, I want to tell you the "one big thing." It's this:

Advance the donor's hero story.

It's a simple, five-word sentence.[2] But it can change everything. If you understand every component *deeply*, it holds the key to donor motivation. If you master every part, you can become powerfully effective in fundraising.

Diving into that one big thing

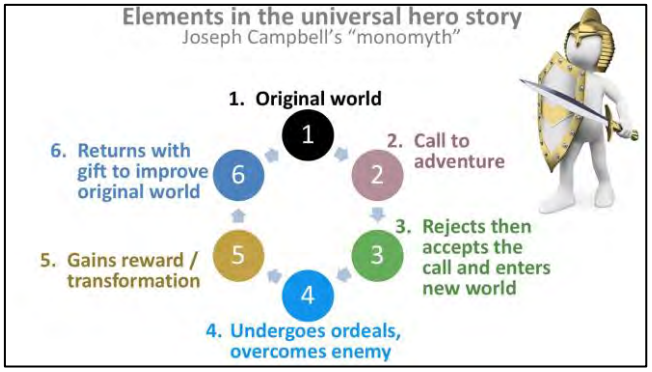
What exactly do these words mean? For compelling fundraising storytelling, they have special meanings.



A *story* uses character and plot. In fundraising, it must

- Evoke a clear image
- That generates social emotion
- Without logical error detection.

A *hero story* is an archetypal story structure. Joseph Campbell describes it this way:



"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."[3]

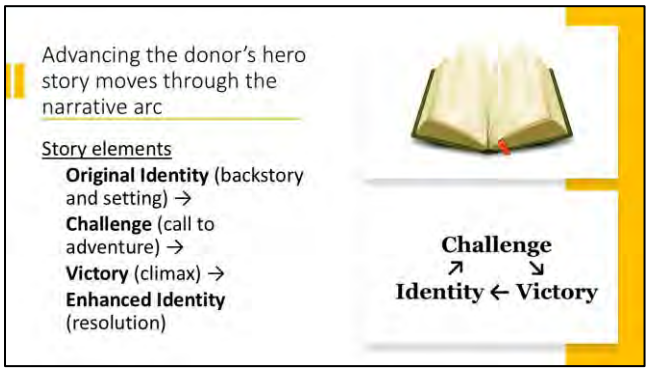
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[2] In academic literature, s*ee* James, R. N., III. (2017). Natural philanthropy: A new evolutionary framework explaining diverse experimental results and informing fundraising practice. *Palgrave Communications*. DOI: 10.1057/palcomms.2017.50. p. 1. ("Advance the donor's hero story.")
In fundraising literature, *see, e.g.,* Ahern, T. (2015). *Seeing through a donor's eyes*. Emerson & Church. p. 63 ("Why are donors critical to your vision? Have you made them the heroes?"), p. 93 ("But in the end the true heroes are the donors. They solved this particular problem by investing in the project."), p. 123 ("Make your donor the real hero of the story."), p. 129 ("With the ask, after all, the prospect steps into the picture and becomes the hero of the story (assuming she responds affirmatively to your case)."); Ahern, T. & Joyaux, S. P. (2007). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 108, ("This is what we call being 'donor-centric': treating your donors as heroes."), p. 193 ("Donor-centric recognition is a different thing altogether: It treats donors universally as heroes."), p. 280 ("The donor-centric organization offers something valuable: hero status as a donor."), p. 327 ("In a donor-centered newsletter, the donor is unquestionably the hero."), p. 387 ("Donor-centric newsletters go beyond just sharing the credit: they make the donor the hero of the story."); Baker, B., Bullock, K., Gifford, G. L., Grow, P., Jacobwith, L. L., Pitman, M. A., Truhlar, S., & Rees, S. (2013). *The essential fundraising handbook for small nonprofits.* The Nonprofit Academy. p. 65 ("Suddenly, your donor is a hero."); Craver, R. (2015). *Retention fundraising: The new art and science of keeping your donors for life*. Emerson & Church. p. 88 ("1. You need a hero. (Your donor, not you!)"); Kihlstedt, A. (2010). *Capital campaigns: Strategies that work* (3rd ed.). Jones & Bartlett. p. 302 ("The final appeals invite people to help close the gap, to be among the heroes who made the campaign cross the finish line."); Million, H. (2006). *Fear-free fundraising: How to ask people for money.* Independently published. p. 93 ("However, you'll be more than just an investor—you'll also be a hero.").
[3] Campbell, J. (1949/2004). *The hero with a thousand faces (commemorative ed.)*. Princeton University Press. p. 28.

The hero progresses through:[4]

Original Identity → Challenge → Victory → Enhanced Identity

A *donor's hero story* means that the donor is, or identifies with, the hero. This story includes the donor's heroic gift. A heroic gift sacrificially protects the donor's people and values in a crisis (threat or opportunity).



Advancing the donor's hero story means moving through a narrative arc. This includes

1. Backstory and setting *(original identity)*

   This develops motivation from life story, values, and social norms before the ask.

2. An inciting incident *(challenge)*

   This promises heroism and forces a choice at the ask.

3. Climax and resolution *(victory and enhanced identity)*

   This confirms heroism through impact reporting, gratitude, and compatible publicity after the ask.

The "one big thing" starts simple. But understood deeply, it creates a unified framework for compelling fundraising.

What's ahead

This book series explores research and theory underlying the "one big thing." The books are

I. THE STORYTELLING FUNDRAISER: The Brain, Behavioral Economics, and Fundraising Story

II. THE EPIC FUNDRAISER: Myth, Psychology, and The Universal Hero Story in Fundraising

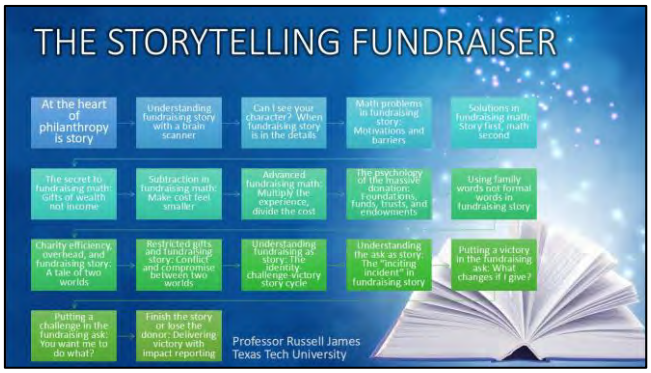
III. THE PRIMAL FUNDRAISER: Game Theory and the Natural Origins of Effective Fundraising

IV. THE SOCRATIC FUNDRAISER: Using Questions to Advance the Donor's Story

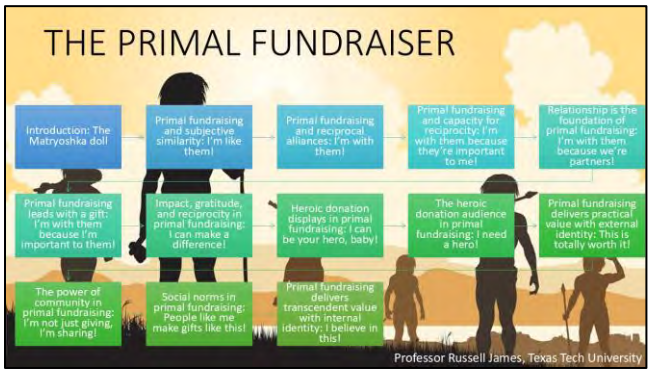
Each book takes a different perspective. This has two purposes. The first is to find the language that connects best for you.

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[4] Following the previous quote,
The beginning point of "the world of common day" is "**original identity**."
"venturing forth into a region of supernatural wonder" is "**challenge**."
"fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
The charitable gift serves as the ending step in the heroic story: It allows the donor "to bestow boons on his fellow man." This can serve as the ending step for many types of personal heroic challenges and victories. However, it can simultaneously apply to the fundraising scenario where the gift request itself constitutes the challenge. The fundraising challenge can promise a victory that delivers enhanced identity.









- Maybe you like scientific experiments testing words and phrases? THE STORYTELLING FUNDRAISER is for you.
- Maybe myth and psychology are more your thing? THE EPIC FUNDRAISER might speak to you.
- Maybe the natural origin of behavior piques your interest? THE PRIMAL FUNDRAISER covers this.
- Maybe you just want to know what to say at your next donor meeting? THE SOCRATIC FUNDRAISER is what you need.

Using these diverse perspectives has a second purpose. It shows triangulation. The approaches are vastly different. Yet, they each point to the same answers. This triangulation increases confidence in the answers. It also increases the depth of understanding. The more deeply you understand the "why," the easier it is to figure out the best "how," even in new circumstances.



Conclusion

Properly understood, you only have to do one thing. Advance the donor's hero story. That's it. But doing that one thing requires skill, understanding, and even artistry. In his book on storytelling, Robert McKee explains,

"The essential form of story is simple. But that's like saying that the essential form of music is simple. It is. It's twelve notes. But these twelve notes conspire into everything and anything we have ever called music.

> The essential elements of the Quest are the twelve notes of our music, the melody we've listened to all our lives. However, like the composer sitting down at the piano, when a [storyteller] takes up this seemingly simple form, he discovers how incredibly complex it is, how inordinately difficult to do."[5]



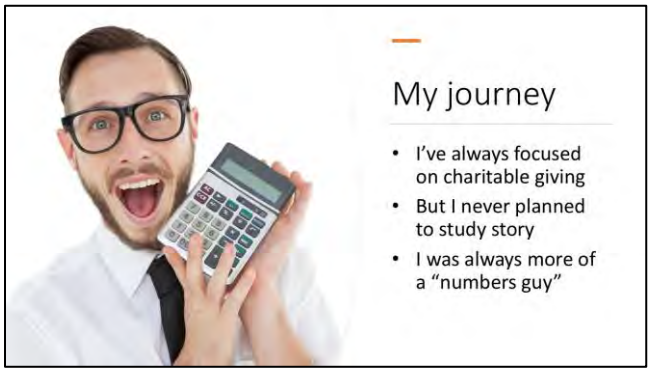
Mastering those skills is a journey. In this series, you may find that it's sometimes a strange journey. Along the way, you'll encounter some "fabulous forces."[6] It won't always be easy. This is graduate-level work. But I challenge you to leave behind your ordinary world. Take this journey. Ultimately, you'll come back from your adventure with new powers. You'll come back with the ability to help others. You'll come back with the power to encourage generosity.

[5] McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting.* Regan Books. p. 197.
[6] Campbell, J. (1949/2004). *The hero with a thousand faces (commemorative ed.)*. Princeton University Press. p. 28.



1

AT THE HEART OF PHILANTHROPY IS STORY



My journey

My career has always focused on charitable giving. This was true in my practice experience, my research, and my teaching.

But I'll admit it. I *never* planned to study story.

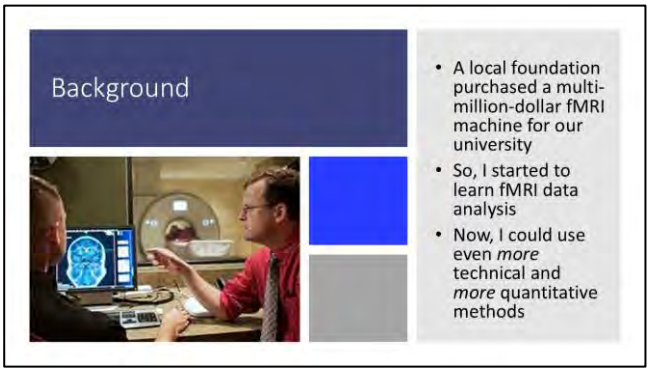
I was always more of a "numbers guy." My law practice focused on tax calculations in estate and gift planning. My fundraising career started in complex planned gifts. When my career shifted to academic research, I focused on quantitative data analysis. My teaching focused on technical aspects in gift planning.

My work was always about philanthropy. But it was more about data than story. It was not about the "soft" side of philanthropy.



Plot twist

And then, something happened. I was in the middle of my decades-long quest to understand philanthropy. (Specifically, I focus on how to encourage generosity.) As usual, I was applying technical, quantitative research methods. And then, quite unexpectedly, I was attacked. I was attacked by story.

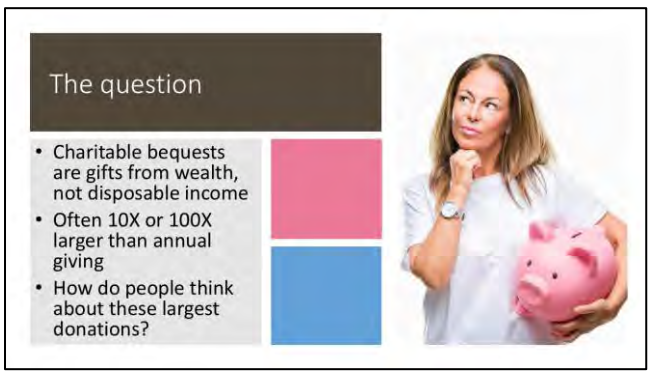


Background

What led to this attack? Let me share a little background. Years ago, a local foundation made a gift.[1] They purchased a $3 million fMRI machine for our university.[2] We were about to have cutting-edge brain-imaging research capabilities. I was excited! This hard science technology would be a perfect way to learn more about charitable decisions.

So, I started to train in fMRI data analysis.[3] (The freedom to chase such schemes is one of the advantages of having tenure.) This might seem like it was a big leap, but it really wasn't. My Ph.D. had focused on econometric analysis. Data analysis in fMRI is just a complex version of those methods.[4]

Armed with this new fMRI machine, I continued my quest to understand philanthropy. With the help of experienced colleagues, I was now able to use even *more* technical and *more* quantitative methods.

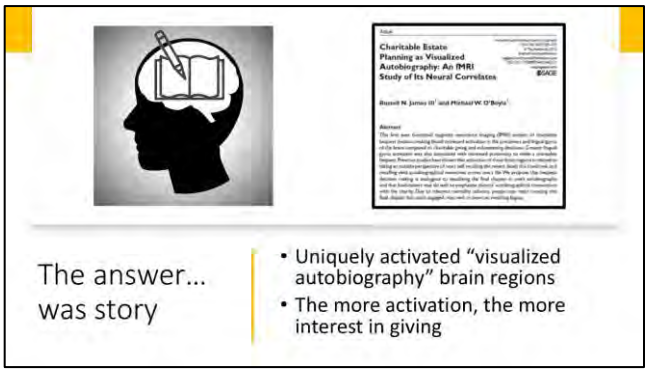


The question

The first topic I explored was charitable bequest decisions. These aren't the typical "pocket-change" donations. These are gifts from wealth, not disposable income. They're often 10x or 100x larger than a donor's annual giving.[5]

How do people think about these largest of donations? After all the neuroimaging and data analysis, I found the answer. What did it show about these major gifts from wealth? What it showed was story.

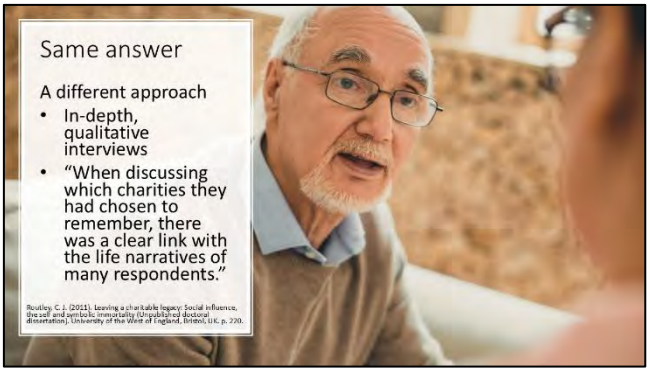
[1] The gift came from the CH Foundation. This is the same foundation that later established the endowed professorship that I now hold as the CH Foundation Chair in Personal Financial Planning.
[2] fMRI is an acronym for functional magnetic resonance imaging.
[3] I trained at the University of New Mexico's MIND Institute and Harvard's Martinos Center.
[4] Admittedly fMRI analysis includes some new wrinkles like Fourier transforms and hemodynamic response functions. But fMRI data analysis is still just statistical analysis of a longitudinal dataset, albeit one that is orders of magnitude larger than typical econometric datasets.
[5] Decedents in 2007 with estates of under $2 million, $2 to <$5 million, $5 to <$10 million, $10 to <$50 million, $50 to <$100 million, and $100 million+, produced charitable estate gifts averaging 3.5 times, 20 times, 25 times, 28 times, 50 times, and 103 times, respectively, their average annual giving in the last five years prior to death. Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy*. Urban Institute. p. 13. https://www.urban.org/sites/default/files/publication/99018/patterns_of_giving_by_the_wealthy_2.pdf.



The answer

Let me be more formal. Charitable bequest decisions uniquely activated "visualized autobiography" brain regions.[6] These parts of the brain are used when visualizing personal, autobiographical events from the past. The more strongly these regions were activated, the more interested the person was in making the gift. The gift decision was about life story and life story connections.

At the end of a long road of quantitative, technical, "hard science" research, I came to the answer. And the answer was story.



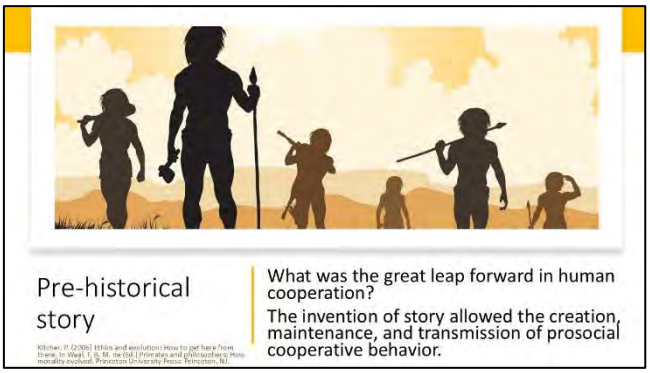
Same answer

There was an easier way to get this answer. It didn't actually require a $3 million fMRI machine. A few years before, on the other side of the Atlantic, Dr. Claire Routley wanted to answer the same question. She also wanted to know, "How do people think about charitable bequest decisions?"

She took a different approach. She didn't stick people in a brain scanner. Instead, she talked to them. Her in-depth, qualitative interviews with bequest donors also found an answer. What was the key factor in these decisions? It was the donor's life-story connection with the cause. Dr. Routley explained,

> "When discussing which charities they had chosen to remember, there was a clear link with the life narratives of many respondents."[7]

Different roads led to the same destination. The quantitative "hard science" approach gave an answer. The qualitative "soft" approach gave the same answer. And the answer was story.



Pre-historic story

Story and philanthropy are strongly connected. Anthropology reveals just how deep this connection is. Storytelling was fundamental to the origins of human moral action.

Anthropologist Philip Kitcher describes a radical increase in human cooperation that

[6] James, R. N., III. & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373.
[7] Routley, C. J. (2011). *Leaving a charitable legacy: Social influence, the self and symbolic immortality* [Ph.D. dissertation]. University of the West of England. p. 220.

happened about 20,000 years ago.[8] This was shown by dramatically larger human settlements and trading networks.

What happened? What was the great leap forward that suddenly allowed humans to function in large groups? What allowed cooperation in networks outside the village? Kitcher suggests that the crucial step that allowed for this extended cooperation was an

"enlargement and refinement of sympathy."

This was made fixed through a

"compendia of rules, parables, and stories."[9]

The key was the invention of story. Prosocial cooperative behavior began to grow. It began to grow through story. Story allowed it to be created, transmitted, and maintained.



Modern pre-historic story

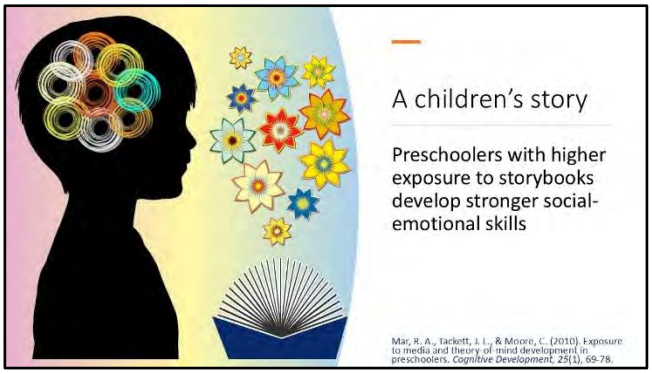
This isn't just a matter of pre-historic speculation. The Agta are an indigenous hunter-gatherer tribe. They live in an isolated area of the Philippine Islands. Anthropologist Andrea Migliano analyzed stories from oral traditions of the Agta. She found that

"most of the content was about cooperation, egalitarianism, and gender equality."[10]

This is story in its original, natural, prehistoric form. What was its function? To communicate and maintain cooperative moral behavior.

We've heard about the "moral of the story." But it may be that "the story *is* the moral." In other words, story is the key that unlocks prosocial morality. Without story, prosocial cooperative behavior can't be created. It can't be maintained. It can't be transmitted. Professor of philosophy Phil Hopkins explains,

"Ethics, then, requires and is embedded in stories. We tell stories ... about the way things relate in the world, the way the world itself is, such that this or that character or action is right or good."[11]



A children's story

The story is the moral. It's the source of prosocial cooperative behavior. We can see this in prehistoric anthropology. We can see this in indigenous tribes. We can also see this in modern preschoolers.

[8] Kitcher, P. (2006). Ethics and evolution: How to get here from there. In F. B. M. de Waal (Ed.), *Primates and philosophers: How morality evolved* (pp. 120-139). Princeton University Press.
[9] *Id* at 137.
[10] Yong, E. (2017, December 5). The desirability of storytellers. *The Atlantic.* https://www.theatlantic.com/science/archive/2017/12/the-origins-of-storytelling/547502/
[11] Hopkins, P. (2015). *Mass moralizing: Marketing and moral storytelling*. Lexington Books. p. 19.



Cognitive development researchers have found this. Preschoolers with higher exposure to storybooks develop stronger social-emotional skills.[12] But it's not just the volume of storybook exposure that matters. Specific story elements predict the development of empathy and social-emotional skills. This comes from stories with

- "whole, well-rounded, characters"
- "that trigger the reader's identification" and
- "evoke emotional responses"[13]

These story elements increase prosocial development in preschoolers. We'll see later, they also drive fundraising success.



A grownup story

And what about us? What about grownups in a massively connected, cooperative, modern civilization? Findings across many experiments show similar results. Exposure to stories increases empathy and prosocial actions.[14]

Also, consider this. Suppose we want to know which social behavior is and is not permitted. Where do we go? We have laws. Some experts – lawyers – provide guidance. Other experts – judges – mete out punishment. These people are not just experts on statutes. Mostly, they are experts on *stories*.

We call these stories "case law." Law students spend little time memorizing statutes. Instead, they focus on stories. Becoming a lawyer is about learning to *think* like a lawyer.[15] This is the work of understanding *stories* and *story* interpretation. The real essence of human cooperative behavior is found in *stories*. Even in complex modern society, this is still true.



Conclusion

Despite my best efforts, understanding philanthropy inevitably led me to story. But it doesn't matter what road we take.

[12] Mar, R. A., Tackett, J. L., & Moore, C. (2010). Exposure to media and theory-of-mind development in preschoolers. *Cognitive Development, 25*(1), 69-78.
[13] Aram, D., & Aviram, S. (2009). Mothers' storybook reading and kindergartners' socioemotional and literacy development. *Reading Psychology, 30*(2), 175-194. p. 176.
[14] Dodell-Feder, D., & Tamir, D. I. (2018). Fiction reading has a small positive impact on social cognition: A meta-analysis. *Journal of Experimental Psychology: General, 147*(11), 1713-1727; Rathje, S., Hackel, L., & Zaki, J. (2021). Attending live theatre improves empathy, changes attitudes, and leads to prosocial behavior. *Journal of Experimental Social Psychology, 95*, 104138.
[15] Mertz, E. (2007). *The language of law school: Learning to "think like a lawyer".* Oxford University Press.

- We can use the hard science of neuroimaging.
- We can employ the qualitative nuance of in-depth interviews.
- We can explore pre-historic human society.
- We can examine modern anthropology.
- We can track preschool psychological development.
- We can even look at the practice of law.

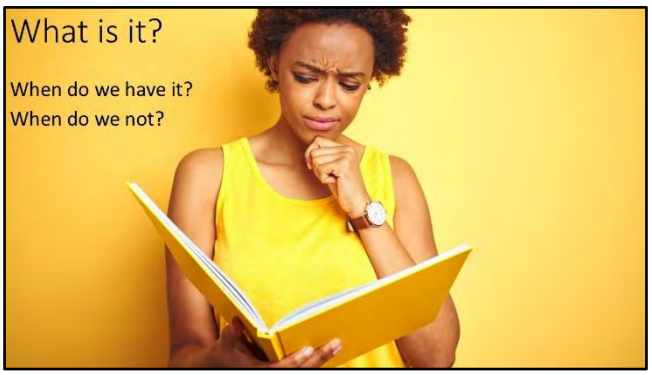
Whatever road we take, the destination is the same. At the heart of any social cooperative behavior is story. At the heart of philanthropy is story. At the heart of fundraising is story.



2

UNDERSTANDING FUNDRAISING STORY WITH A BRAIN SCANNER

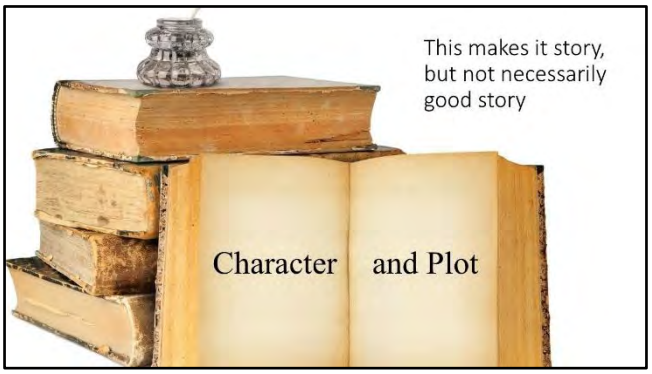
Philanthropy originates in story. In the earliest foundations of human social cooperation, story is at the center.[1] In empathy development of preschool children, story is at the center.[2] In personal motivations for major gifts of wealth, story is at the center.[3]



What is it?

But what is story? What do we mean by that word? When do we have it? When do we not?

Different sources give different answers. There are many different lists of elements of a story. Any particular story contains many elements. But at its core, what is essential for a story?



Character and plot

A story requires two elements: character and plot. Without character and plot, it isn't a story. With character and plot, it is.

Other elements may be nice. But they don't define a story. A story can have a theme. But so can a financial statement. A story can have a point of view. But so can a structural

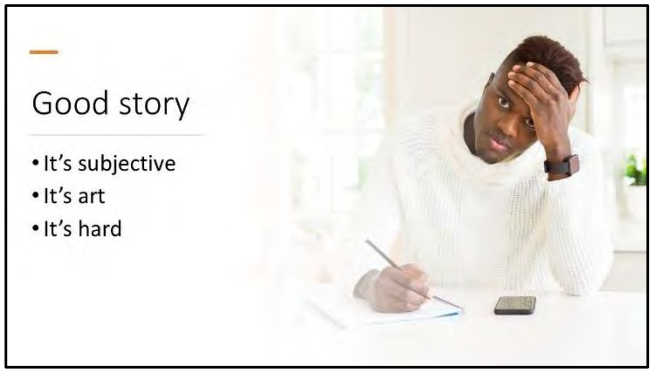
[1] Kitcher, P. (2006) Ethics and evolution: How to get here from there. In F. B. M. de Waal, (Ed.) *Primates and philosophers: How morality evolved* (pp. 120-139). Princeton University Press; Yong, E. (2017, December 5). The desirability of storytellers. *The Atlantic.* https://www.theatlantic.com/science/archive/2017/12/the-origins-of-storytelling/547502/

[2] Aram, D., & Aviram, S. (2009). Mothers' storybook reading and kindergartners' socioemotional and literacy development. *Reading Psychology, 30*(2), 175-194; Mar, R. A., Tackett, J. L., & Moore, C. (2010). Exposure to media and theory-of-mind development in preschoolers. *Cognitive Development, 25*(1), 69-78.

[3] Routley, C. J. (2011). *Leaving a charitable legacy: Social influence, the self and symbolic immortality* [Ph.D. dissertation]. University of the West of England. p. 220.

engineering report. These elements can appear in a story. But they don't create a story. However, if there is character and plot, there is a story.

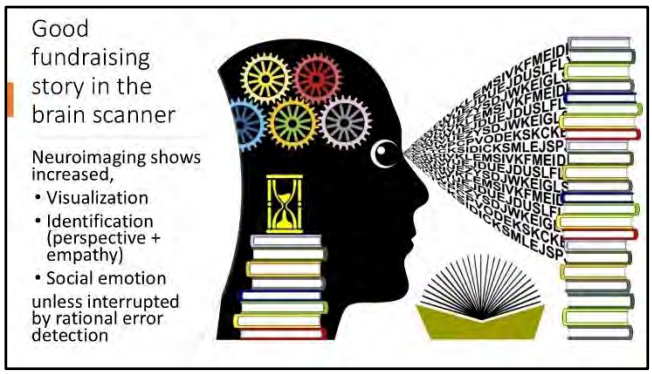
Having character and plot makes it a story. But this doesn't always make it a *good* story. It may not be a useful or persuasive story. So, what does it take to create a compelling story?



Good story

Unfortunately, it's hard to create a good story. The skills may take years to learn. Even years of practice doesn't guarantee mastery. There is no simple blueprint to becoming a Faulkner or Hemingway. Reading this chapter, or any other, won't turn you into Steinbeck.

So now what? Compelling story is subjective. It is an art. But there is something objective about it: the way it looks *in the brain*.



Fundraising story

Compelling fundraising story does something special. It leads to giving. Neuroimaging shows what this looks like in the brain. In these studies, giving is triggered by

1. Social emotion.

This comes from

2. Identifying with another (i.e., perspective + empathy).

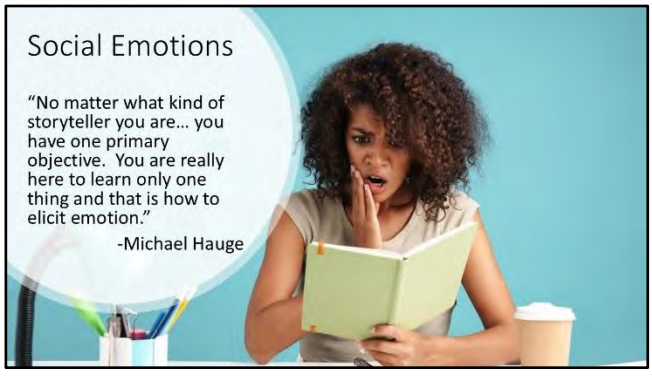
This is aided by

3. Visualization.

These steps work. Unless. They work unless they are interrupted by

4. Rational error detection.

Let's look at each of these steps in more detail.



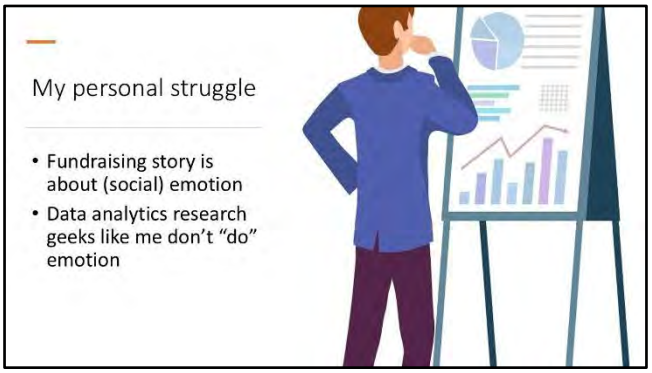
1. Social emotion

What's the goal of effective story? In his workshop for aspiring Hollywood screenwriters, Michael Hauge explains,

"No matter what kind of storyteller you are ... you have one primary objective. You are really

here to learn only one thing and that is how to elicit emotion."[4]

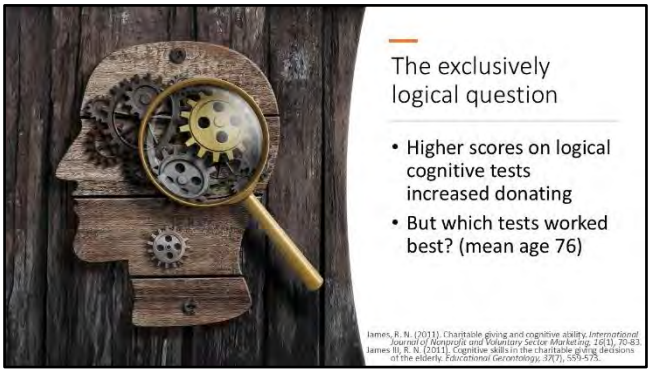
This goal of eliciting emotion is a bit narrower for the fundraiser. Fundraisers encourage sharing with others. This means they must elicit *social* emotions. A story that makes us hungry or horny *does* trigger emotion. (It might even make a good screenplay for certain genres.) However, those aren't the kind of emotions that help with fundraising. Instead, compelling fundraising story must generate *social* emotions.



My personal struggle

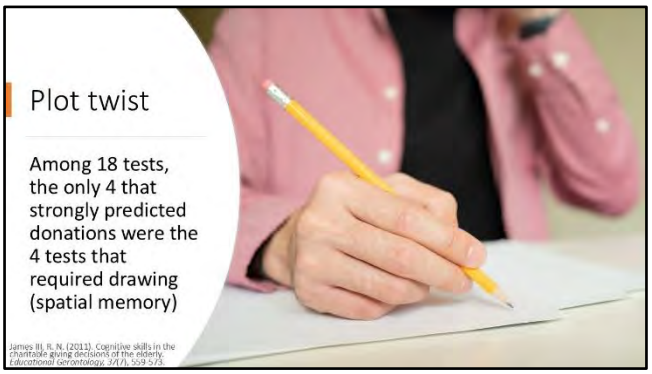
Fundraising story is about emotion. It's about social emotion. This may seem obvious. But please understand that this is hard for me.

I'll admit it. Data analytics research geeks like me don't *do* emotion. So, in my research, I tried to avoid it.



In one project, I went looking *exclusively* for logic. I had already published findings about giving and cognition. Higher scores on logical cognitive tests led to more donations.[5] Now I wanted to learn which tests worked best.[6]

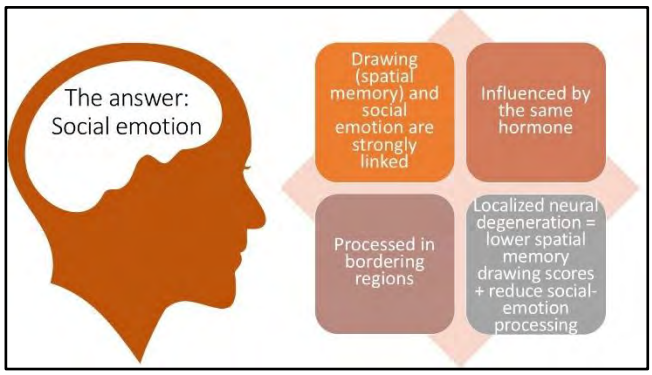
This study involved a large group of older adults (mean age of 76). They completed eighteen different panels of logical cognitive tests. The tests measured math, memory, reading, and other logical tasks.



Plot twist

Here's what happened. Only four among those eighteen tests strongly predicted donations. These four were also the *only* tests that required drawing. Yes, drawing. In one test, people were shown a card with three geometric figures. They then attempted to reproduce the drawing from memory. In another test, they drew lines to complete a complex connect-the-dots task.

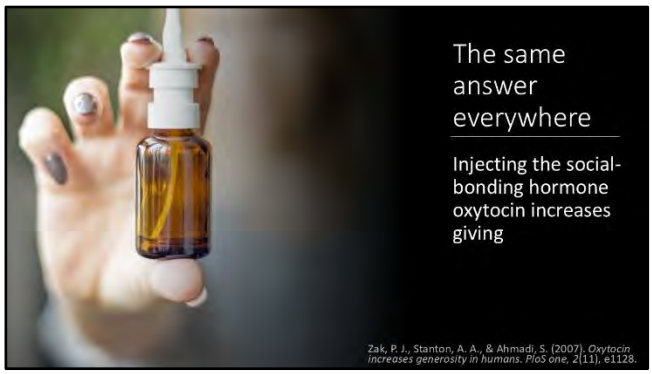
[4] Hauge, M. & Vogler, C. (2003). *The hero's 2 journeys* [Audiobook]. Writer's AudioShop. ISBN 978-1880717479
[5] James, R. N., III. (2011). Charitable giving and cognitive ability. *International Journal of Nonprofit and Voluntary Sector Marketing, 16*(1), 70-83.
[6] James, R. N., III. (2011). Cognitive skills in the charitable giving decisions of the elderly. *Educational Gerontology, 37*(7), 559-573.



The answer

What on earth did this mean? The answer was surprising. Spatial memory (tested by drawing) and social emotion are linked. The same hormone influences both.[7] Connected brain areas process both.[8] (The two regions border each other.)

Among this elderly group, some regions of neural degeneration would be no surprise. Any deterioration at this place would do two things. It would lower scores on spatial memory drawing tests. And it would reduce social-emotional processing.

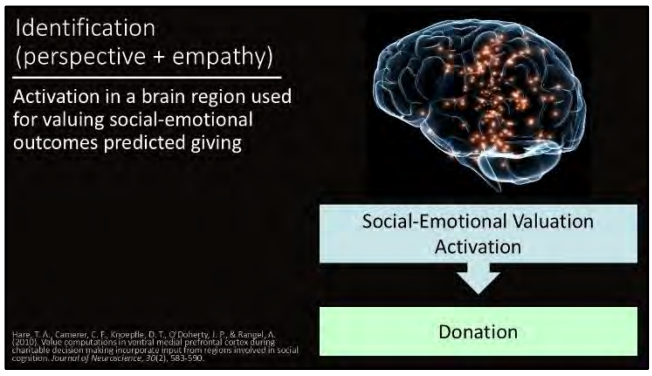


My attempt to ignore social emotion had failed. I was like Jonah fleeing in the opposite direction. But despite my best efforts, I had been captured, returned, and spit back on the shore. I couldn't avoid it. Philanthropy was about social emotion.

The same answer everywhere



Fortunately, not everyone is so stubborn. Neuroscience research has repeatedly found the same connection. For example, injecting the social-bonding hormone oxytocin increasing giving.[9]



Neuroimaging shows the connection, too. Even the first neuroimaging study of giving found it. Donation decisions uniquely engaged a brain region that

"plays key roles in social attachment and affiliative reward mechanisms in humans and other animals."[10]

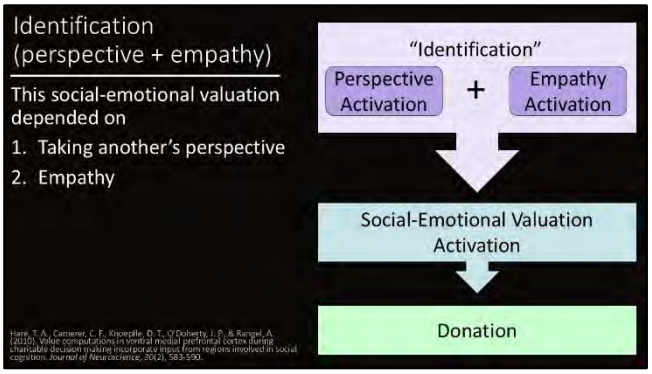
Philanthropy is about social emotion. As neuroimaging technology evolved, a more detailed answer emerged.

[7] The social-bonding hormone oxytocin affects both philanthropic decisions and spatial memory. For spatial memory, *see* Neumann, I. D. (2008). Brain oxytocin: a key regulator of emotional and social behaviours in both females and males. *Journal of Neuroendocrinology, 20*(6), 858-865. p. 862. For philanthropic decisions, *see* Zak, P. J., Stanton, A. A., & Ahmadi, S. (2007). Oxytocin increases generosity in humans. *PloS One, 2*(11), e1128.

[8] *See* discussion in James (2011). Cognitive skills in the charitable giving decisions of the elderly. *Educational Gerontology, 37*(7), 559-573.

[9] Zak, P. J., Stanton, A. A., & Ahmadi, S. (2007). Oxytocin increases generosity in humans. *PloS one, 2*(11), e1128.

[10] Moll, J., Krueger, F., Zahn, R., Pardini, M., de Oliveira-Souza, R., & Grafman, J. (2006). Human fronto–mesolimbic networks guide decisions about charitable donation. *Proceedings of the National Academy of Sciences, 103*(42), 15623-15628.

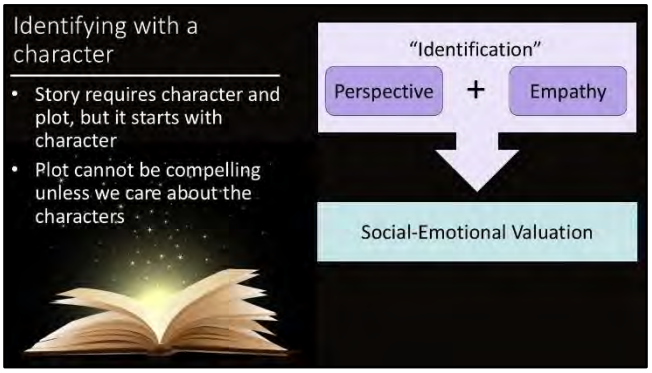


2. Identifying (perspective + empathy)

A later study used more advanced neuroimaging.[11] What predicted charitable giving? It was activation in a brain region used for valuing social-emotional outcomes.[12] No surprise there.

But this activation depended on input from two other brain regions. One shifts attention to focus on another's perspective.[13] The other plays a role in empathy.[14] Both parts were needed.[15] Both together made donating feel valuable. This, in turn, predicted giving. In other words,

Perspective activation + empathy activation
↓
Social-emotional valuation activation
↓
Donation

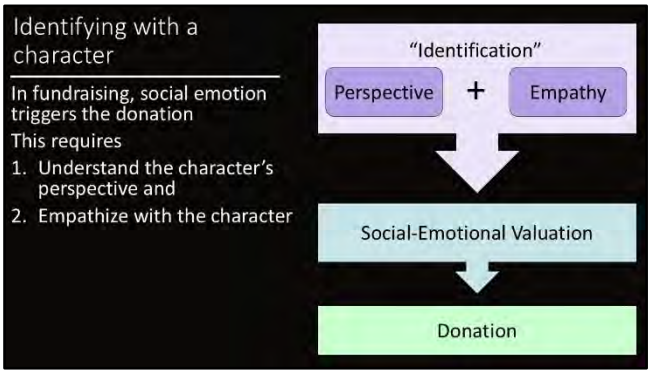


Identifying with the character

Story requires both character and plot. But it starts with character. Plot cannot be compelling unless we care about the characters.

In effective fundraising story, social emotion is the goal. That's what triggers the donation. But social emotion requires specific character elements. The audience must be able to

1. Understand the character's perspective, and
2. Empathize with the character.



In other words, they must *identify* with the character. As an equation this would be

Identify = Perspective + Empathy

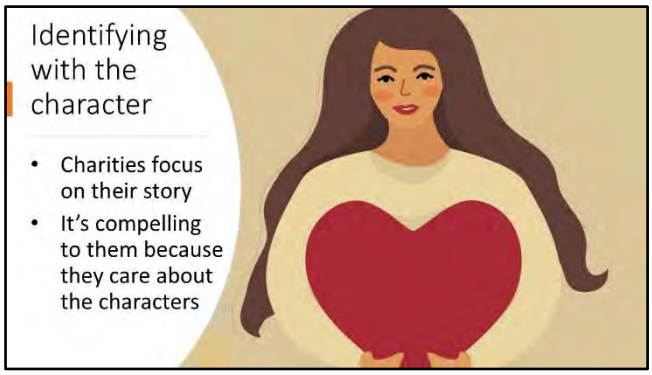
In neuroimaging,

Identifying (perspective + empathy)
↓

[11] Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience, 30*(2), 583-590.
[12] The ventral medial prefrontal cortex. *See*, Adolphs, R. (2009). The social brain: neural basis of social knowledge. *Annual Review of Psychology, 60*, 693-716.
[13] posterior superior temporal cortex
[14] anterior insula
[15] A later study found some people rely more on empathy while others rely more on perspective taking. Tusche, A., Böckler, A., Kanske, P., Trautwein, F. M., & Singer, T. (2016). Decoding the charitable brain: Empathy, perspective taking, and attention shifts differentially predict altruistic giving. *Journal of Neuroscience, 36*(17), 4719-4732.

Social-emotional valuation
↓
Donation

An effective story starts with a character. It starts with a character the audience can identify with.



Charities like to focus on their stories. Charity insiders find these stories compelling. They know the characters. They care about the characters.

But a donor is not the same. He[16] may not know these characters. That's a critical difference. The charity's story might have a great plot. But unless the donor identifies with the characters, that doesn't matter. If a donor doesn't care, the story can't work.

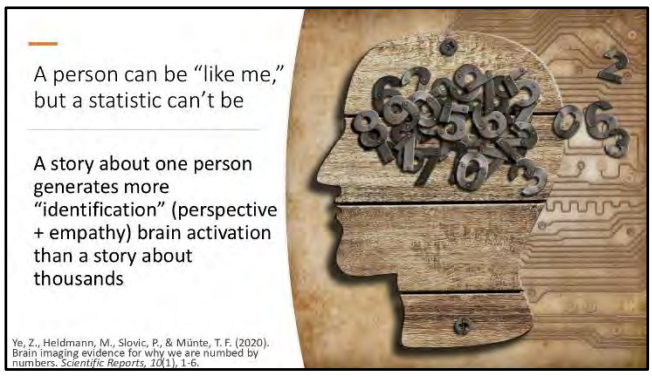


"Like me"

Who is the easiest character to identify with? The answer is, yourself. Taking your own perspective isn't hard. Having empathy for yourself comes naturally. This reality applies to story. Storytelling guru Robert McKee explains,

"Empathetic means 'like me.'"[17]

This also applies to fundraising. Donors identify with those they feel are *like* them in some meaningful way. When a person is "like me," it's easier to take their perspective. It's easier to empathize with them.



We might argue that a story about thousands of people ought to be compelling. But this isn't a good character. It's a story about a number. It's not a story about a character "like me."

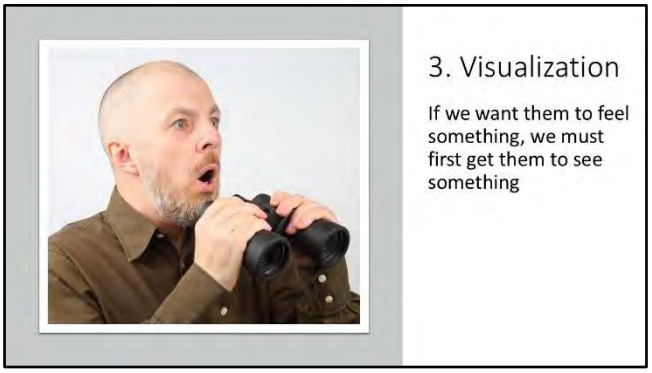
A story about one person is different. That character can be "like me." In fundraising, the story about one person works better than the story about thousands.[18]

[16] As a convention for clarity and variety, throughout this series the donor is referred to with "he/him/his" and the fundraiser is referred to with "she/her/hers." Of course, any role can be played by any gender.
[17] Mckee, R. (1997) *Story: Substance, structure, style and the principles of screenwriting*. ReganBooks. p. 141.
[18] Lee, S., & Feeley, T. H. (2016). The identifiable victim effect: A meta-analytic review. *Social Influence, 11*(3), 199-215.



In brain imaging, a story about one person does something else. It generates more perspective and empathy activation.[19] It helps people identify (perspective + empathy) with another. This leads to donations.

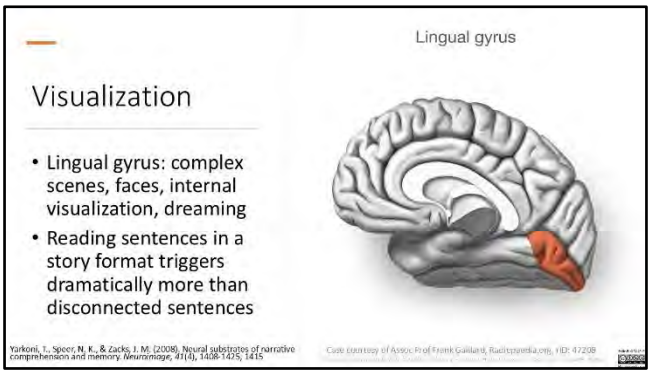
The most compelling fundraising story is *the donor's* story. But any story can become *the donor's* story to some extent. As the donor *identifies* with the story characters, the story becomes the donor's story.



3. Visualizing

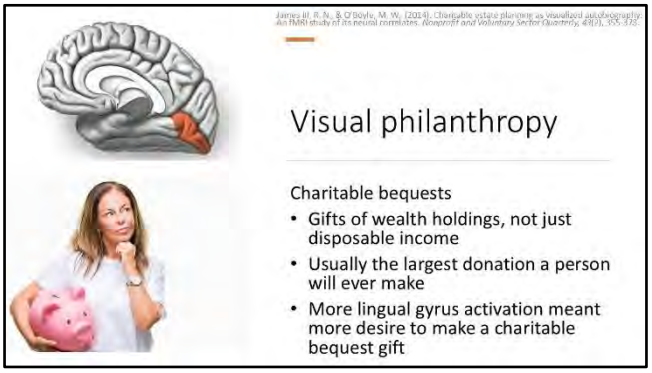
Social emotion is the goal. It triggers giving. This requires identifying with a character. It requires perspective + empathy. But before identifying comes visualizing. If we want people to *feel* something, we must first get them to *see* something.

In neuroimaging, words trigger internal visual representations.[20] Story increases this experience.[21] That's what makes it powerful.



The back of the brain processes vision. One region is called the lingual gyrus. (It doesn't have anything to do with speech. It just looks like a tongue.) This area processes complex scenes and faces. It's also used in internal visualization. (Damaging this area means losing the ability to dream.)[22]

Reading disconnected sentences triggers a little bit of lingual gyrus activation. Reading sentences in a story format triggers dramatically more activation.[23]



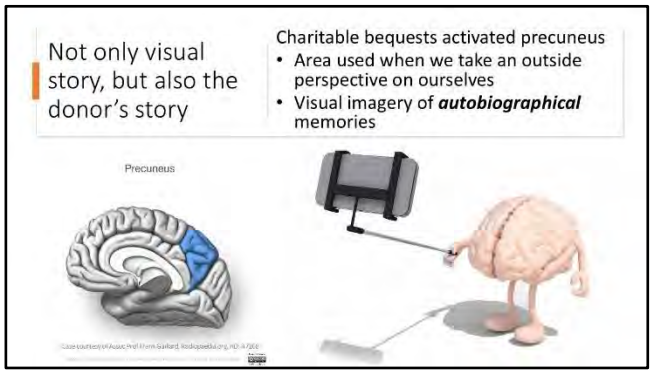
Visual philanthropy

What about fundraising? It's hard to recreate *major* gift decisions in the lab. But we can ask people about charitable bequests. These are

[19] Ye, Z., Heldmann, M., Slovic, P., & Münte, T. F. (2020). Brain imaging evidence for why we are numbed by numbers. *Scientific Reports, 10*(1), 1-6.
[20] Dils, A. T., & Boroditsky, L. (2010). Visual motion aftereffect from understanding motion language. *Proceedings of the National Academy of Sciences, 107*(37), 16396-16400.
[21] Zwaan, R.A. (2004). The immersed experiencer: toward an embodied theory of language comprehension. In B.H. Ross (Ed.), *The psychology of learning and motivation*, vol. 44 (pp. 35-62). Elsevier.
[22] Bischof, M., & Bassetti, C. L. (2004). Total dream loss: A distinct neuropsychological dysfunction after bilateral PCA stroke. *Annals of Neurology, 56*, 583-586.
[23] Yarkoni, T., Speer, N. K., & Zacks, J. M. (2008). Neural substrates of narrative comprehension and memory. *Neuroimage, 41*(4), 1408-1425. p. 1415.

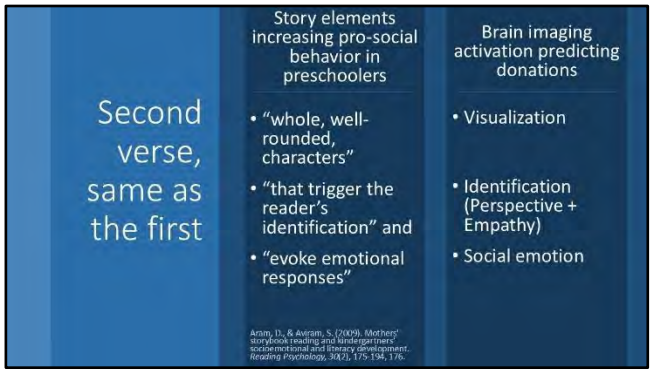
usually the largest donation a person will ever make.[24] Also, these are gifts of wealth holdings, not just disposable income.

What's unique about these decisions? You guessed it. It is lingual gyrus activation.[25] More activation means more desire to make a charitable bequest gift.



But that isn't all. These decisions also activate the precuneus. This area is used when we take an outside perspective on ourselves.[26] It's required for visual imagery of *autobiographical* memories.[27] Thus, charitable bequest decisions are driven by "visualized autobiography."

This isn't just about visual story. This is about *the donor's* story.



Second verse, same as the first

Exposing preschoolers to storybooks develops their prosocial skills.[28] This comes from specific story elements. These are

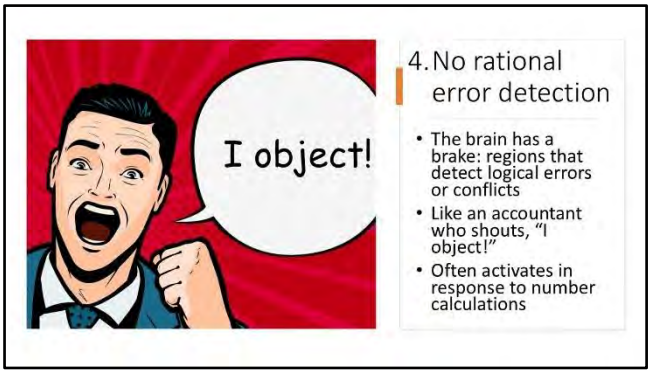
- "whole, well-rounded, characters"
- "that trigger the reader's identification" and
- "evoke emotional responses".[29]

What increases giving? Neuroimaging says

- Visualizing
- Identifying (perspective + empathy), and
- Social emotion.

Notice the parallels.[30] The answers are the same. Apparently, what works for preschoolers also works for donors.

[24] James, R. N., III. (2009). The myth of the coming charitable estate windfall. *The American Review of Public Administration, 39*(6), 661-674.
[25] James, R. N., III., & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373.
[26] Vogeley, K., & Fink, G. R. (2003). Neural correlates of the first-person-perspective. *Trends in Cognitive Sciences, 7*(1), 38-42.
[27] Fletcher, P. C., Frith, C. D., Baker, S. C., Shallice, T., Frackowiak, R. S., & Dolan, R. J. (1995). The mind's eye—precuneus activation in memory-related imagery. *Neuroimage, 2*(3), 195-200.
[28] Mar, R. A., Tackett, J. L., & Moore, C. (2010). Exposure to media and theory-of-mind development in preschoolers. *Cognitive Development, 25*(1), 69-78.
[29] Aram, D., & Aviram, S. (2009). Mothers' storybook reading and kindergartners' socioemotional and literacy development. *Reading Psychology, 30*(2), 175-194, p. 176.
[30] Also, notice how these elements merge. Identifying with another requires both perspective taking and empathy. But perspective taking is a form of visualization. And empathy is a form of social emotion. Thus, identifying with another requires both visualization and social emotion.

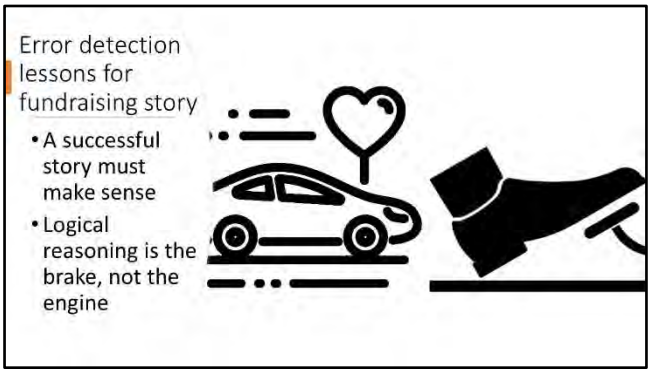


4. No rational error detection

The final element of a successful story is actually the *absence* of an element. Emotion is powerful. But the brain prevents runaway emotional decisions. It has a brake.

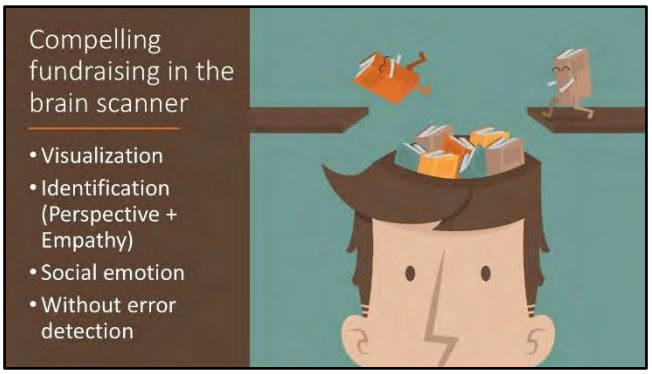
That brake comes from regions that detect logical errors or conflicts.[31] This puts cognitive control on emotional decisions. These regions are like an accountant who shouts, "I object!" They often activate in response to number calculations. These are mathematical, logical, error-detecting brain regions. They can interrupt social-emotional processes.

The lesson for fundraising story is two-fold. First, a successful story must make sense. We can't get lost in a story if obvious errors keep pulling us out of it.



Second, logical reasoning is the brake. It's not the engine. Preventing a logical, mathematical objection is important. These could interfere with an otherwise effective, visual, emotional story. But math or logic can't drive a story. They can't drive a gift. They can only stop it.

Conclusion



Story means character and plot. But what makes compelling fundraising story? In neuroimaging, it triggers

- Visualizing
- Identifying (perspective + empathy), and
- Social emotion
- Without error detection

That's what it looks like in the brain scanner. That's the technical outcome.

But how do we make it happen? The next chapter begins to explore this. It examines practical techniques that create this magical result.

[31] Botvinick, M. M., Cohen, J. D., & Carter, C. S. (2004). Conflict monitoring and anterior cingulate cortex: An update. *Trends in Cognitive Sciences, 8*(12), 539-546.

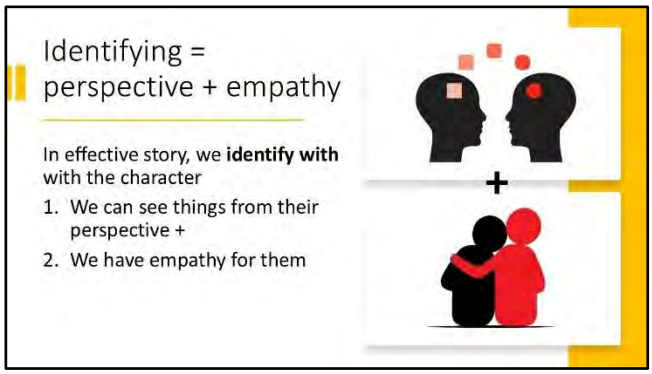


3

CAN I SEE YOUR CHARACTER?

WHEN FUNDRAISING STORY IS IN THE DETAILS





Story character

A story needs character and plot. But it starts with character. A plot might be good. It might have a challenge. It might have a victory. But if we don't care about the character, plot doesn't matter.

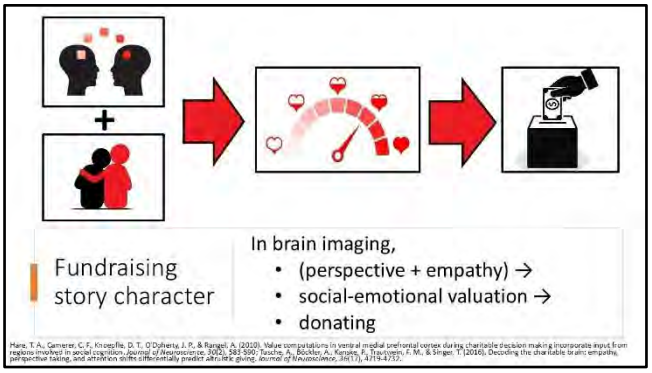
In an effective story, we *identify* with the character.[1] We can see things from their perspective. We have empathy for them. As an equation, this would be

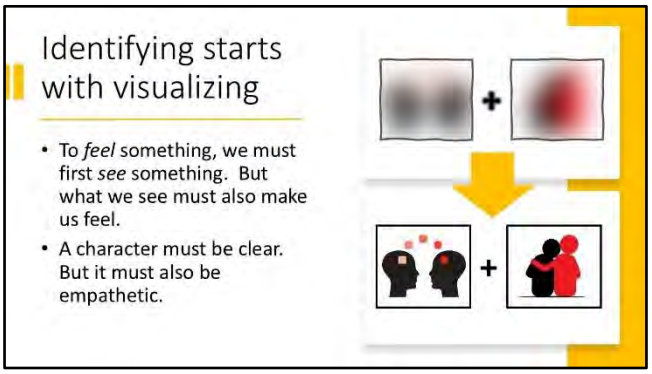
Identify = Perspective + Empathy.

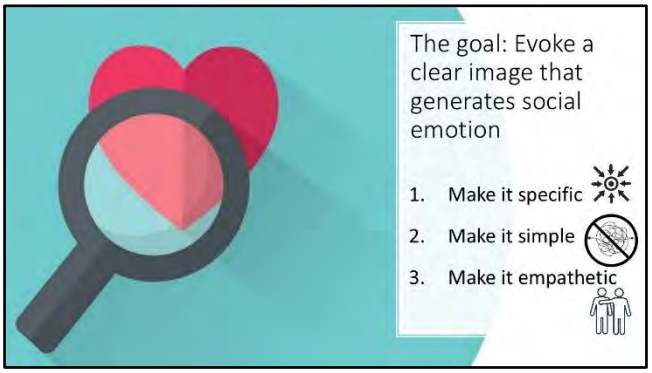
Fundraising story character

In brain imaging, donating is predicted by social-emotional valuation.[2] This, in turn,

[1] As a general concept, one researcher explains the role of identification with a character this way. "Telling a compelling story involves creating convincing characters, using enticing and enthralling plotlines and understanding one's audience. Stories resonate with audiences because they have narrative fidelity, generate points of identification, and have recognizable story structure: a beginning, middle and end." Kent, M. L. (2015). The power of storytelling in public relations: Introducing the 20 master plots. *Public Relations Review, 41*(4), 480-489. p. 484. doi:10.1016/j.pubrev.2015.05.011
As a specific example of the importance of identification from fundraising, an in-depth investigation of donor motivations for giving to university athletic programs found that, "'vicarious achievement' was a primary motivational factor for donors to university athletic programs. Kim, S., Kim, Y., & Lee, S. (2019). Motivation for giving to NCAA Division II athletics. *Sport Marketing Quarterly, 28*(2). 77-90.
[2] Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience, 30*(2), 583-590; Moll, J., Krueger, F., Zahn, R., Pardini, M., de Oliveira-Souza, R., & Grafman, J. (2006). Human fronto–mesolimbic networks guide decisions about charitable donation. *Proceedings of the National Academy of Sciences, 103*(42), 15623-15628; Tusche, A., Böckler, A., Kanske, P., Trautwein, F. M., & Singer, T. (2016). Decoding the charitable brain: empathy, perspective taking, and attention shifts differentially predict altruistic giving. *Journal of Neuroscience, 36*(17), 4719-4732.







depends on both perspective and empathy.[3] In other words, donors must *identify* (perspective + empathy) with the character. This changes *a* story into *the donor's* story.

Identifying with a character starts by visualizing the character. If we can't envision the character, we can't take the character's perspective. If we can't take the character's perspective, we won't have empathy.

A vague story doesn't create social emotion. Neither does a complicated or confusing one. These don't work because they don't trigger visualization. To *feel* something, we must first *see* something. But what we see must also make us feel. A character must be clear, but it must also be empathetic.

The goal

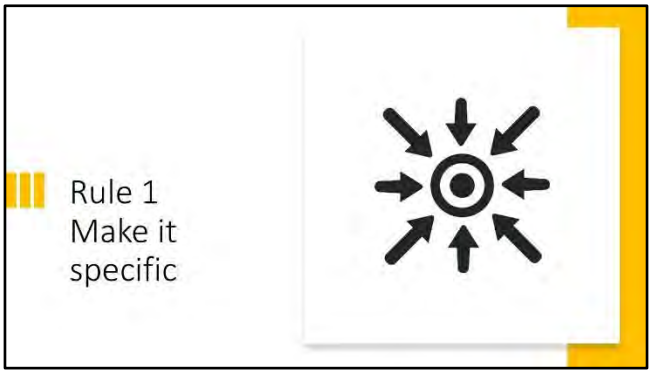
The external goal of fundraising story is a gift. But the internal goal is this:

Evoke a clear image that generates social emotion.

This internal experience leads to the external gift. How do we make this happen? It starts with a compelling character. This means

1. Make it specific.
2. Make it simple.
3. Make it empathetic.

Let's look at each character element in depth.



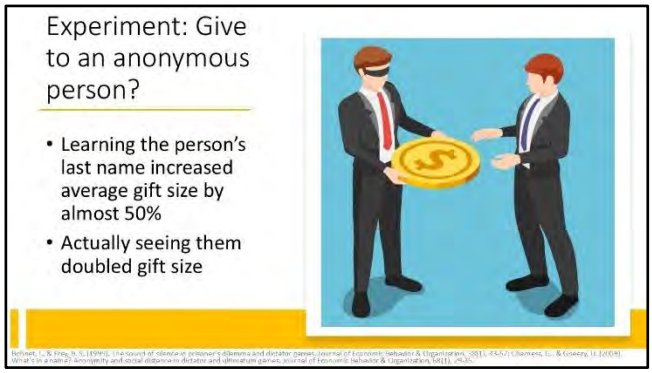
[3] Hare, et al. (2010); Tusche, et al. (2016).

1. Make it specific

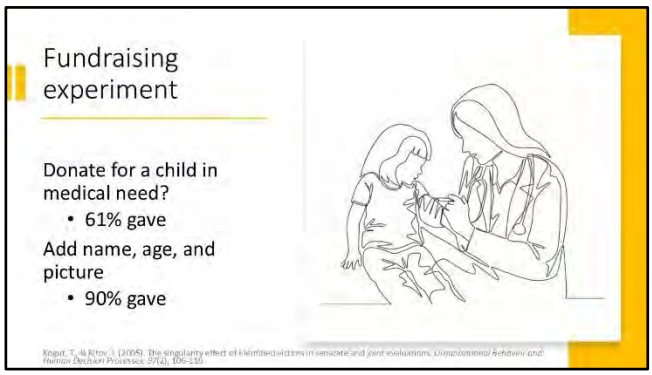


Character details in fundraising

Revealing specific details about a character can help. It can make mental images easier to form. This is powerful for fundraising. Experimental results show this.



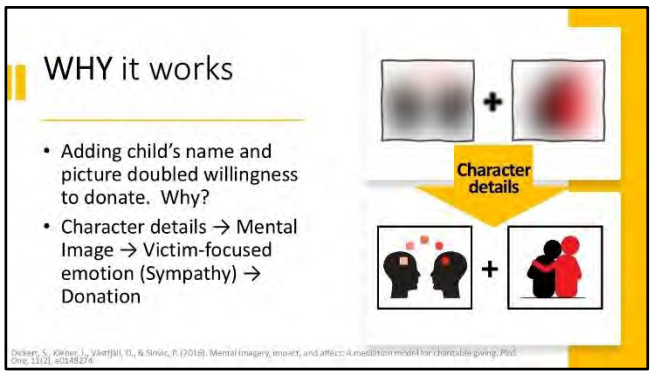
In one experiment, people could give money to another unknown person. Some were also told the recipient's last name. This added detail increased average gift size by almost half.[4] In another experiment, some people could also see the recipient. This roughly doubled average gift size.[5]



The same idea also works in fundraising experiments. In one, people were asked to donate for a child in medical need. Some people also received the child's name, age, and picture. These details increased the likelihood of donating from 61% to 90%.[6]

Why character details work

In fundraising story, adding character details can make a big impact. How does this work? Researchers mapped out the steps.[7]



They began with a simple experiment. People were asked to donate for a child in Africa who was in danger of starvation. Some were also given the child's name and picture. This addition doubled willingness to donate. No surprise there.

But this experiment dug deeper. It asked detailed questions. It used statistical path analysis. This revealed the underlying steps.

These were

1. Adding character details increased the clarity of the mental image.
2. This enhanced image increased sympathy.

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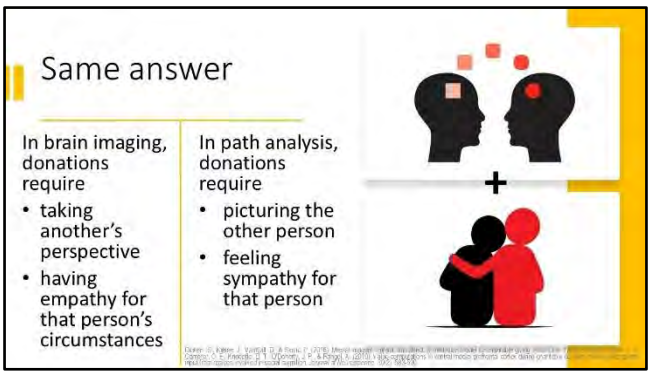
[4] Charness, G., & Gneezy, U. (2008). What's in a name? Anonymity and social distance in dictator and ultimatum games. *Journal of Economic Behavior & Organization, 68*(1), 29-35.
[5] Bohnet, I., & Frey, B. S. (1999). The sound of silence in prisoner's dilemma and dictator games. *Journal of Economic Behavior & Organization, 38*(1), 43-57.
[6] Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes, 97*(2), 106-116.
[7] Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS One, 11*(2), e0148274.

3. This increased sympathy drove greater donations.

The underlying mental pathway was this:

Character details[8] → *Mental Image* → *Victim-focused emotion (Sympathy)* → *Donation*

These research methods were quite different from brain imaging. But the answers were almost identical.



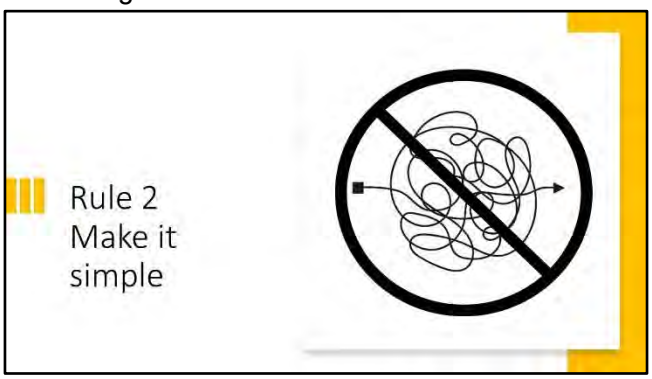
In brain imaging, donations require

- Taking another's perspective *and*
- Having empathy for that person's circumstances.[9]

In this path-analysis research, donations require

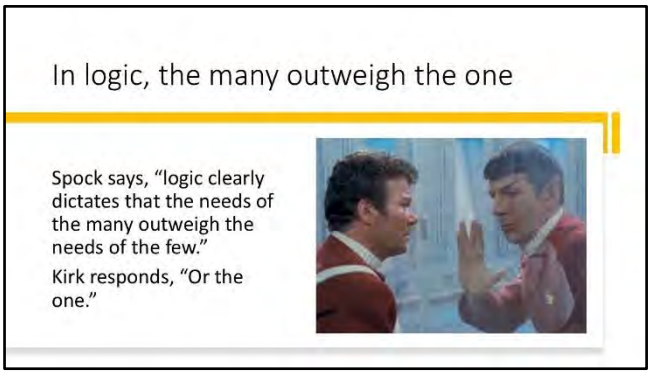
- Picturing the other person *and*
- Feeling sympathy for that person.

Again, different methods give similar answers.



2. Make it simple

The one outweighs the many



In *Star Trek II*, Dr. Spock sacrifices his life in the climax scene. In his parting words, Spock says,

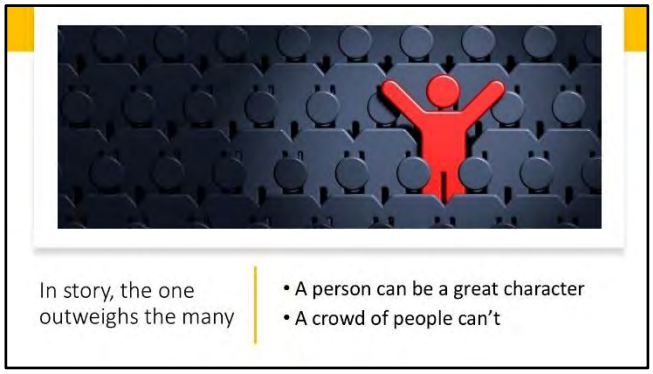
"Logic clearly dictates that the needs of the many outweigh the needs of the few."[10]

Kirk responds, "Or the one."

[8] The researchers used the word "identifiability." This referenced when participants received identifying character details, i.e., the child's name and picture. I omit this phrasing to avoid confusion with the concepts of identifying, identification, and identity used in a different application (i.e., connection with the self) in this book series.

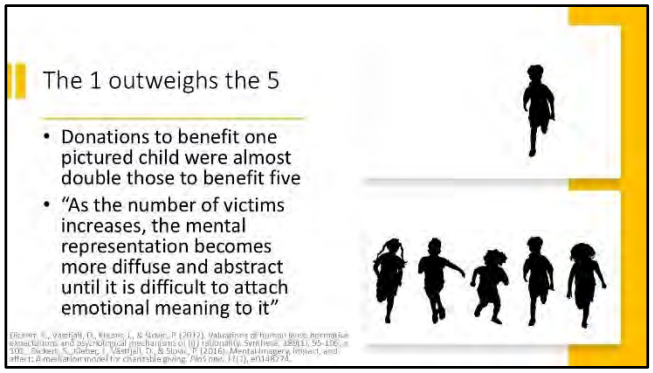
[9] Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience, 30*(2), 583-590.

[10] Bennett, H. (1982). *Star Trek II: The Wrath of Khan* [movie script]. http://www.dailyscript.com/scripts/startrek02.html



As a matter of logic, this is true. It's better to help many people instead of just one. But as a matter of fundraising story, this isn't true. Why? Because an individual can be a great character. A random crowd can't. Experimental research confirms this.

The one outweighs the five

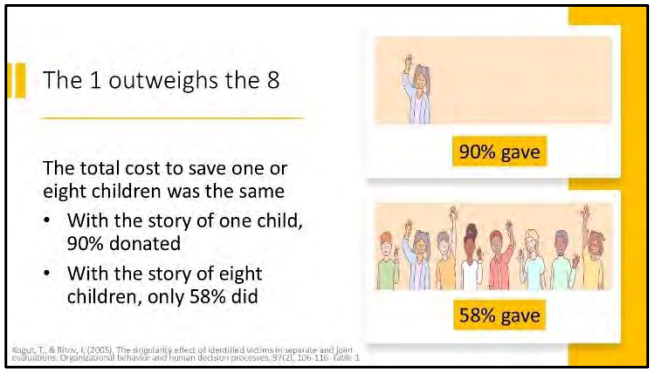


In one experiment, people could donate to help children in a famine. For some people, donations helped five pictured children. For other people, donations helped only one of the five children. Asking for gifts for just one child worked dramatically better. Donations to help one pictured child were almost double those to help five.[11]

Why did this happen? It's complicated. No, the *answer* isn't complicated. The answer *is,* "It's complicated." The researchers explained,

> "As the number of victims increases, the mental representation becomes more diffuse and abstract until it is difficult to attach emotional meaning to it."[12]

When the character changed from one child to five, the mental image became complicated. The emotion disappeared. The donations fell.



The one outweighs the eight

In another experiment, people could donate to buy life-saving cancer drugs. For some people, the drugs would save eight children. For other people, they would save only one. The total cost was the same in both cases. The requests included the children's names, ages, and pictures.

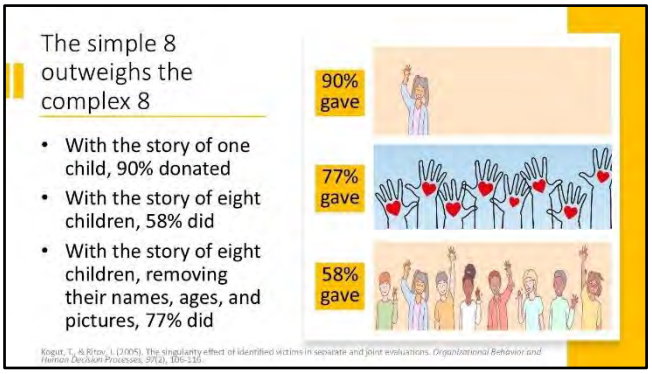
What happened? With the story saving one child, 90% donated. With the story saving eight children, only 58% did.[13]

The simple eight outweighs the complex eight

And then things got even weirder. Another group also got the request for eight children. But this time, their names, ages, and pictures were removed. The result? The likelihood of donating *increased* from 58% to 77%!

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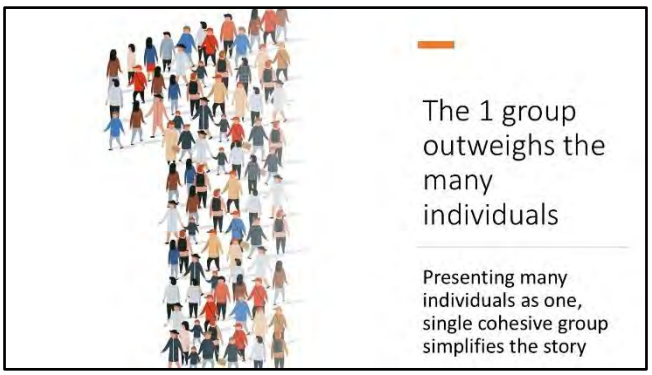
[11] Study 1 in Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS One, 11*(2), e0148274.
[12] Dickert, S., Västfjäll, D., Kleber, J., & Slovic, P. (2012). Valuations of human lives: normative expectations and psychological mechanisms of (ir)rationality. *Synthese, 189*(1), 95-105. p. 101.
[13] Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes, 97*(2), 106-116. Table 1.

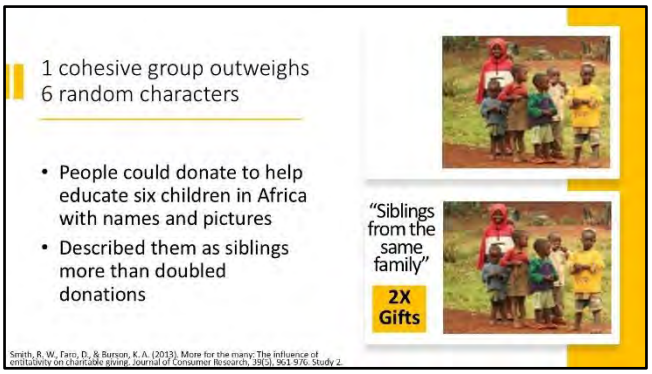


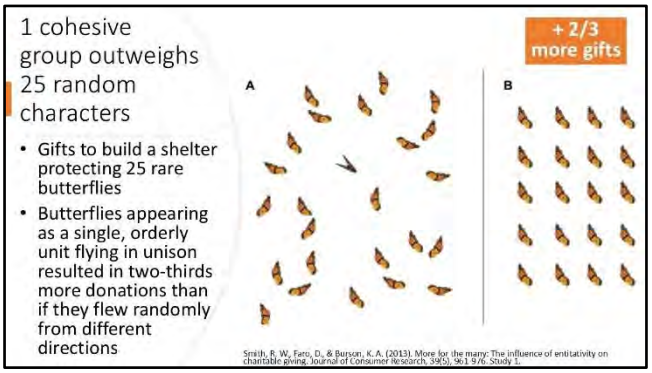
Taken together this means

- 90% donated to a story of one child with name, age, and picture.
- 77% donated to a story of eight children without names, ages, or pictures.
- 58% donated to a story of eight children with eight names, ages, and pictures.

Why did this happen? Again, the answer is, "It's complicated." As the story grew more complex, donations fell. A story with eight main characters is complicated. Adding even more details – eight names, ages, and pictures – didn't help. It made a complicated story even more complex. Donations fell even more.







The one cohesive group outweighs the many individuals

Having six or eight different main characters is too much for a story. It's too complicated. But there is a solution. Presenting many individuals as one, single cohesive group simplifies the story.

In one experiment, people could donate to help educate six children in Africa.[14] The children's names and pictures were included. But for some people, the children were described as siblings from the same family. This addition more than doubled donations. Instead of six random characters, the story had a single, cohesive unit.

Another experiment asked for donations for butterflies.[15] The gift would help buy a shelter to protect 25 rare butterflies. For some people, the butterflies appeared on screen as a single, orderly unit. They flew in unison. For other people, they flew randomly from different locations at different speeds. Donations with the unified group butterfly video were two-thirds larger.

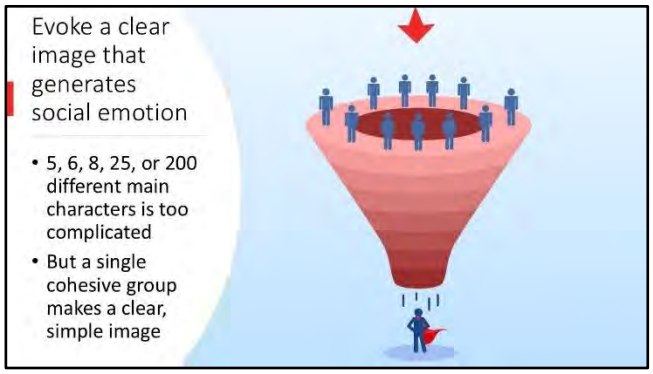
Another experiment asked for donations for gazelles.[16] The gift would help buy a fence to protect 200 gazelles. People were asked,

[14] Smith, R. W., Faro, D., & Burson, K. A. (2013). More for the many: The influence of entitativity on charitable giving. *Journal of Consumer Research, 39*(5), 961-976. Study 2.
[15] Id. Study 1.
[16] Id. Study 3.



"How much the gazelles typified what it means to be a tight group."[17]

The answer to this question predicted donations. Viewing the gazelles as a more unified group boosted emotional concern. This increased the gift.



The underlying goal is to

1. Evoke a clear image
2. That generates social emotion.

Having 5, 6, 8, 25, or 200 different main characters is too complicated. The image isn't clear. But a single cohesive group creates a single character. This makes a clear, simple image.

This works. *If.* It works if the image generates social emotion. It works if the image is empathetic.



3. Make it empathetic



Only the empathetic one outweighs the many

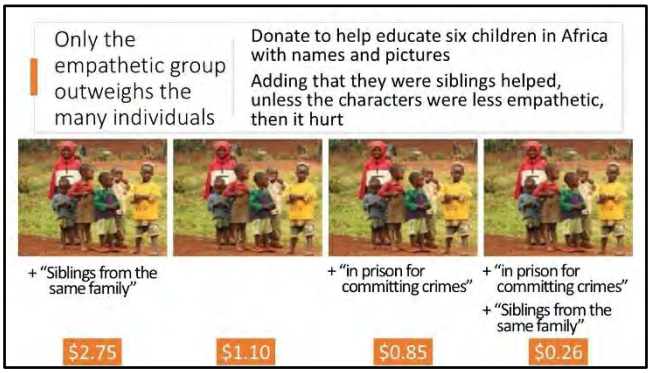
One experiment asked about donating for an environmental problem. For one group the problem was described as,

"fertility loss due to pollution threatens reptiles on the Mexican coast".[18]

In this group, 24% of people were willing to donate. For other people, the word "reptiles" was replaced with one specific reptile. If "reptiles" was replaced with "turtles," 34% were willing to donate. If "reptiles" was replaced with "lizards," only 17% were willing to donate.

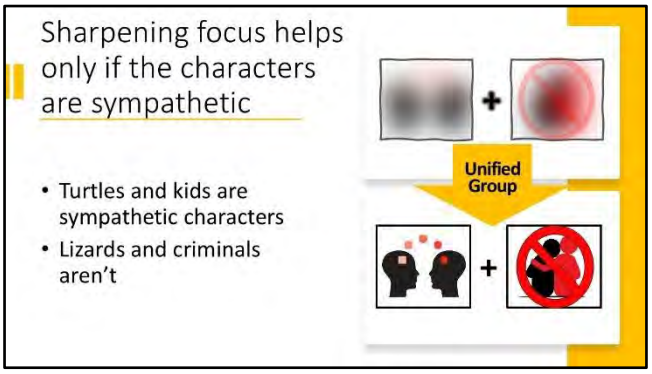
[17] Id at 967.
[18] Kahneman, D., & Ritov, I. (1994). Determinants of stated willingness to pay for public goods: A study in the headline method. *Journal of Risk and Uncertainty, 9*, 5-38.

Picturing "turtles" is easier than picturing "reptiles." And the image evokes empathy. This works. Picturing lizards is also easier. But the image doesn't evoke much empathy. This doesn't work. It sharpens the focus of the image. But it sharpens the focus on an *unsympathetic* image.

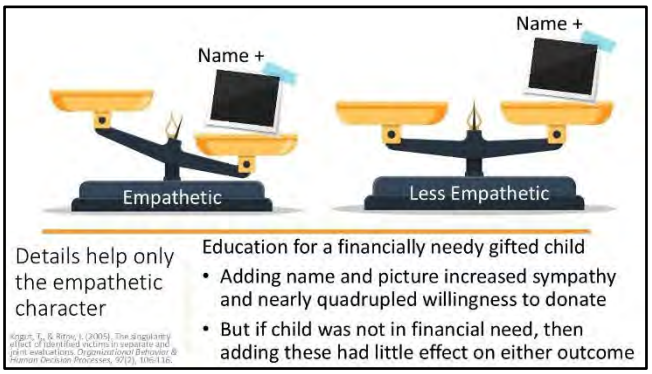


Another experiment showed this with children.[19] It copied the previous experiment helping six children in Africa. As before, some people were told that the children were siblings. As before, this more than doubled donations.

But others were also told that the children were in prison for committing crimes. Donations fell. More importantly, this changed the effect of presenting the children as siblings. Doing this now *cut* donations by more than two-thirds.



Why? Picturing a family is easier than picturing six individual characters. It sharpens the focus. If the characters are sympathetic, this helps. If they are unsympathetic, this hurts. Turtles and kids are sympathetic characters. Lizards and criminals aren't.



Details help only the empathetic character

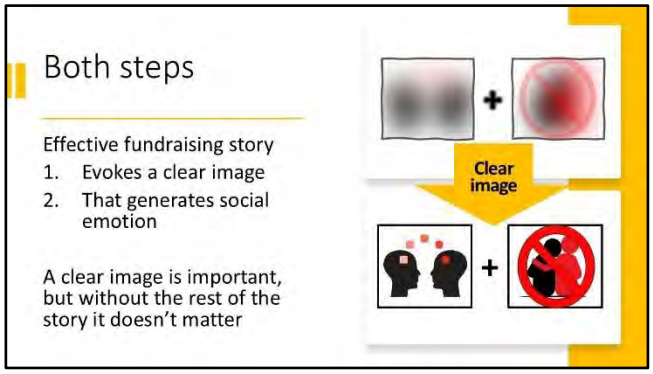
One experiment asked people to donate for a learning experience. It benefited a financially needy, gifted child.[20] Half of the people were also given the name and picture of the child. Adding this nearly quadrupled willingness to donate.

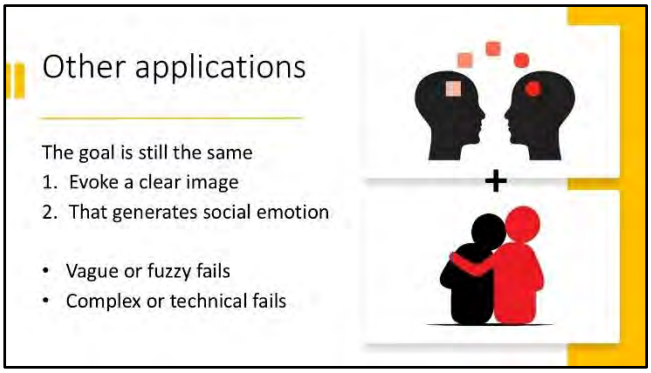
Why? The character details increased sympathy for the child. This sympathy increased willingness to donate.

But details don't help if the character doesn't evoke empathy. Another version of the experiment changed one thing. The child was *not* in financial need. In this version, adding the name and picture of the child didn't help. Why? Because it had little effect on sympathy.

Visualizing the child became easier, but the character faced no challenge. There was no reason for social emotion. So, more details didn't trigger more giving.

[19] Smith, R. W., Faro, D., & Burson, K. A. (2013). More for the many: The influence of entitativity on charitable giving. *Journal of Consumer Research, 39*(5), 961-976. Study 4.
[20] Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes, 97*(2), 106-116.





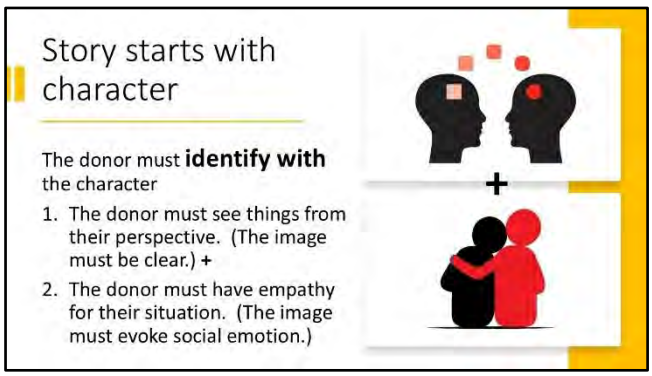
Both steps

Effective fundraising story

1. Evokes a clear image
2. That generates social emotion.

Visualizing a story's character is the first step. A simple and specific image works the best. But if the image doesn't generate social emotion, it won't lead to a gift. A clear image is important. Using visual media can sometimes help.[21] But without the rest of the story, it doesn't matter.

Other applications



The rules still apply

These examples are great if you can tell sympathetic stories about specific beneficiaries. But what if you can't? What if your cause isn't puppies, turtles, or kids? What if your characters are employees, donors, or concepts? Even then, the same rules still apply. The goal is still the same:

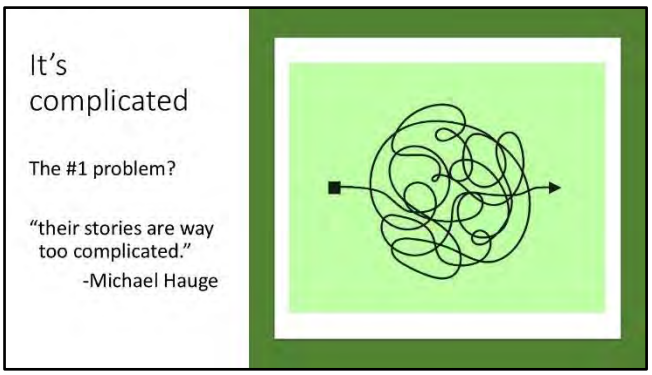
1. Evoke a clear image
2. That generates social emotion.

If your story's character or outcome is vague or fuzzy, it won't evoke a clear image. If it is complex and technical, it won't evoke a clear image. In either case, your story won't motivate donors. It can't. It doesn't even get to the first step.

It's complicated

The goal is to evoke a clear image that generates social emotion. But clarity isn't easy. Simplicity isn't simple.

[21] One experiment showed that identical text led to more donations if it was placed in stick figure thought bubbles in a comic form. [Xiao, Z., Ho, P. S., Wang, X., Karahalios, K., & Sundaram, H. (2019). Should we use an abstract comic form to persuade? Experiments with online charitable donation. *Proceedings of the ACM on Human-Computer Interaction,* 3(CSCW), 1-28.]
In another example, one study showed that "content viewed on a Virtual Reality platform, when compared against a traditional two-dimensional video media platform, increases empathy, increases responsibility, and instigates higher intention to donate money and volunteer time towards a social cause." Kandaurova, M., & Lee, S. H. M. (2019). The effects of Virtual Reality (VR) on charitable giving: The role of empathy, guilt, responsibility, and social exclusion. *Journal of Business Research, 100*, 571-580. p. 571.



Michael Hauge is a well-known script advisor. He's spent over 35 years consulting with professional storytellers and business leaders. What's the number one problem he encounters? He explains,

"Their stories are way too complicated."[22]

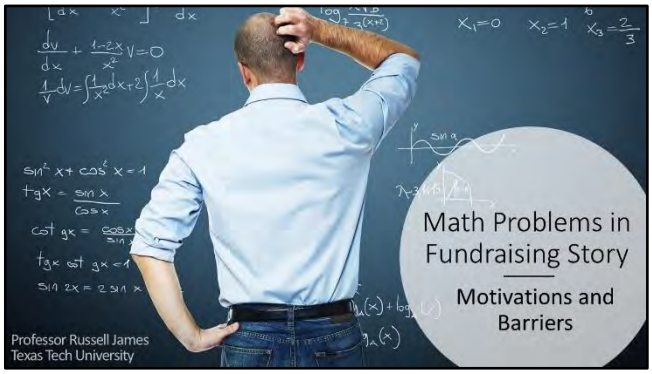
What about your story? Does it create a clear, simple, visual image? Is that image emotionally compelling for donors? If not, you might still enjoy telling it. But it won't do much for fundraising.

Conclusion

At the heart of philanthropy is story. Story starts with character. Without a relatable character, the fundraising story is dead. To be relatable, the donor must *identify with* the character. The donor must see things from the character's perspective. (The image must be clear.) The donor must have empathy for the character's situation. (The image must evoke social emotion.)

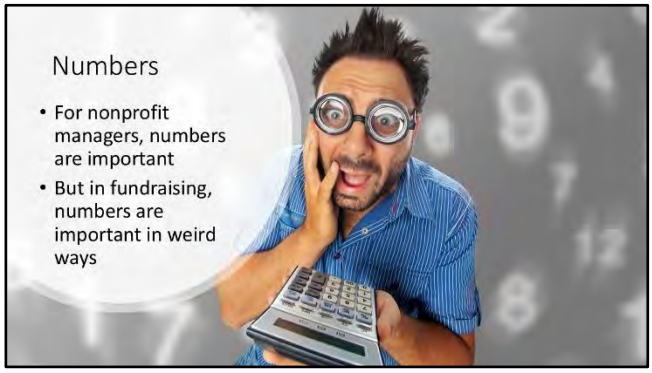
Story is hard, but it can be powerful. Story can work in fundraising. When does it work? It works when it evokes a clear image that generates social emotion.

[22] Hauge, M. (2018). *What does your hero want?* [Website]. Retrieved from https://www.storymastery.com/character-development/what-does-your-hero-want-outer-motivation/



4

MATH PROBLEMS IN FUNDRAISING STORY: MOTIVATIONS AND BARRIERS



Numbers

For nonprofit managers, numbers are important. Numbers define success or failure. Numbers keep the lights on or off. Numbers can show impact.

But numbers, in fundraising, are different. In fundraising, we enter an alternate universe where numbers don't work the same way. In fundraising world, numbers are still important. But they're important in weird ways.



Welcome to our weird world

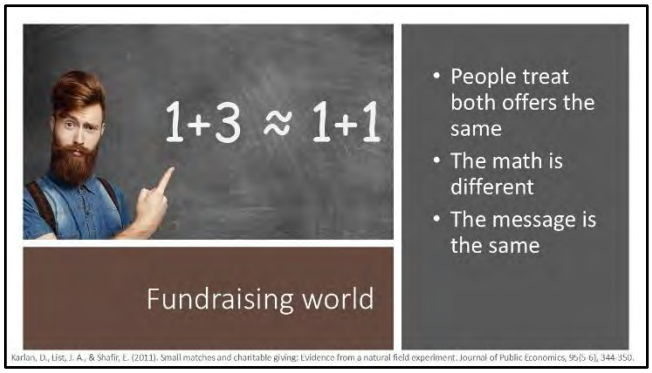
First consider the real world. Suppose one store sells a can of Coke for $1, but with "buy one get one free." The result: Two cans cost $1. The next store offers a 50% refund when you buy two cans of Coke for $1 each. The result: Two cans cost $1. Do people care which store they buy from? No. Either way, two cans cost $1. Math is math.



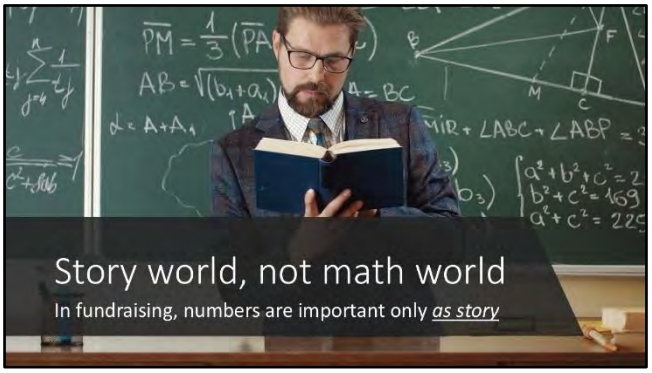
But fundraising world is weird. If you buy one and one gets added for free, that's called a match. This works dramatically better than an identical refund. This is true in both lab experiments[1] and actual fundraising.[2] The math is the same. But the message is different.

Now suppose one store offers "buy one get one free." The next store offers "buy one get *three* free." What do people do? They stock up at the second store.





But fundraising world is weird. In fundraising world, people treat both offers *the same*. Offering a one-to-three match instead of a one-to-one match makes no difference.[3] The math is different. But the message is the same.



Story world, not math world

It's not that numbers aren't important in fundraising. They are. But giving *motivation* is about story. Numbers are important in giving motivation only *as story*. Let's translate the math into story.

Math: I donated $100. An outside corporation matched this with their own gift of $100.

Story: I'm philanthropic. And my $100 made an extra impact. That's a cool story.

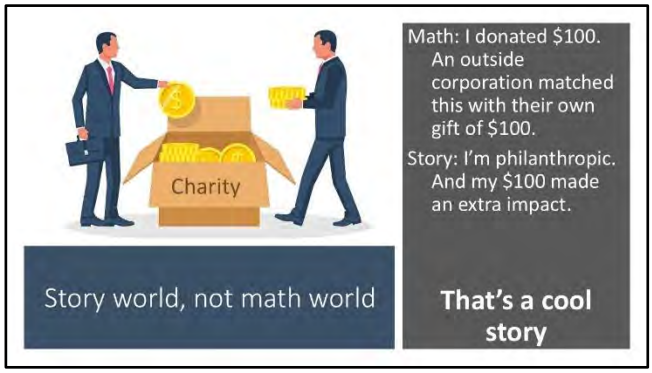
Math: I donated $100. An outside corporation matched this with their own gift of $150.

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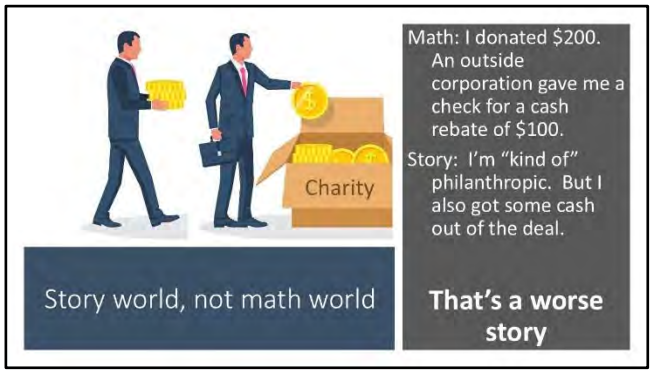
[1] Eckel, C. C., & Grossman, P. J. (2003). Rebate versus matching: does how we subsidize charitable contributions matter? *Journal of Public Economics, 87*(3-4), 681-701; Eckel, C. C., & Grossman, P. J. (2006). Subsidizing charitable giving with rebates or matching: Further laboratory evidence. *Southern Economic Journal, 72*(4), 794-807; Gandullia, L. (2019). The price elasticity of warm-glow giving. *Economics Letters, 182*, 30-32; Gandullia, L., & Lezzi, E. (2018). The price elasticity of charitable giving: New experimental evidence. *Economics Letters, 173*, 88-91; Peng, H. C. (2020). Effect of cognitive ability on matching and rebate subsidies. *Research in Economics, 74*(1), 19-25.

[2] Eckel, C. C., & Grossman, P. J. (2008). Subsidizing charitable contributions: a natural field experiment comparing matching and rebate subsidies. *Experimental Economics, 11*(3), 234-252.

[3] Karlan, D., List, J. A., & Shafir, E. (2011). Small matches and charitable giving: Evidence from a natural field experiment. *Journal of Public Economics, 95*(5-6), 344-350.



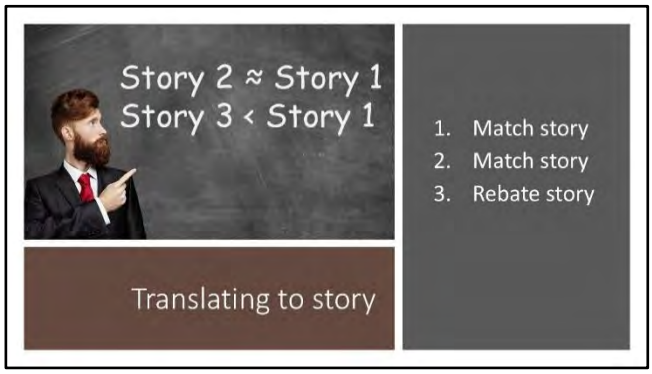




Story: I'm philanthropic. And my $100 made an extra impact. That's a cool story. But it's *the same* story. The plot is the same. The social-emotional content is the same. The attraction of the story is the same. Thus, the motivation to give is the same.

Math: I donated $200. An outside corporation gave me a check for a cash rebate of $100.

Story: This story is different. I'm "kind of" philanthropic. But I also got some cash out of the deal. So, I benefited too. But there was some cost to me. It's kind of a mixed bag. That's a confusing story.



When we translate the numbers into story, the weirdness makes sense. The first story and the second story are the same story. The third story is a worse story. Experimental results match this. People donate the same for the first or second story. But they donate less for the third story.

Story characters and math

In the real world, suppose one store gives you a Coke for $1. Another gives you a Coke, and a Pepsi, and a Sprite, all for $1. What happens? People buy from the second store.

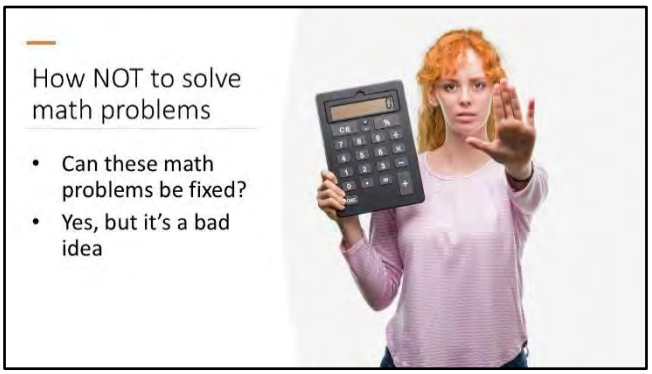




But fundraising world is weird. In one experiment, one group could donate to save one child. Another group could donate to save eight children. The cost to save one child was the

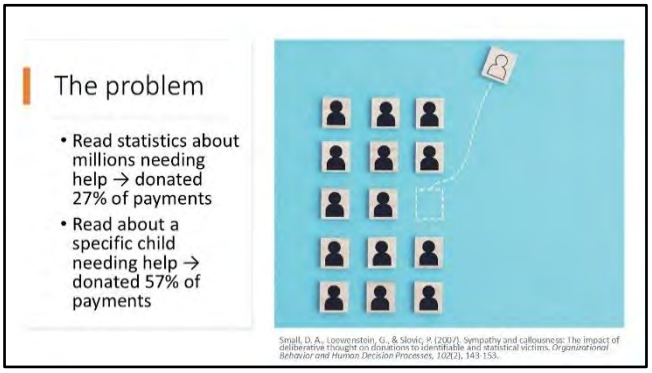
same as the cost to save eight children. But people gave more when the request was for only one child.[4]

The math doesn't make sense. But the story does. The story of one empathetic character is compelling. The story of a mixed group of different people is complicated.



How NOT to solve math problems

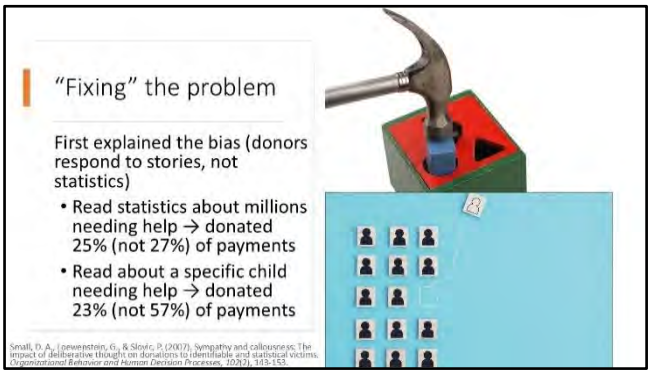
For "numbers people," this weird behavior is a serious problem. Mathematically, the right answer is obvious. Acting otherwise is inefficient. But people don't choose the "right" answer. Can these math problems be fixed? The answer is surprising. The answer is, "Yes, but it's a bad idea."



Researchers ran experiments to fix these fundraising math problems.[5] People were paid for another task. They were then asked to donate part of their payment. This would help famine relief in Africa.

Some people read statistics about the millions needing help. They donated 27% of their payments. Other people read about a specific child needing help. They donated 57% of their payments. This result is no surprise. Stories beat statistics. The story of one child is more compelling than statistics about millions.

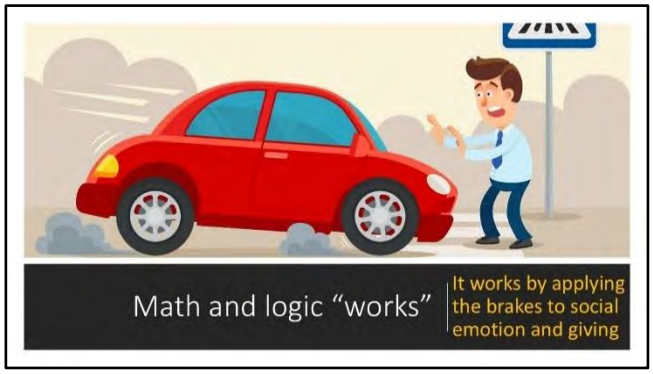
For two other groups, the researchers tried to fix this problem. Before asking for a gift, they first explained the bias. They described how donors respond strongly to individual stories, but not to statistics. What happened?



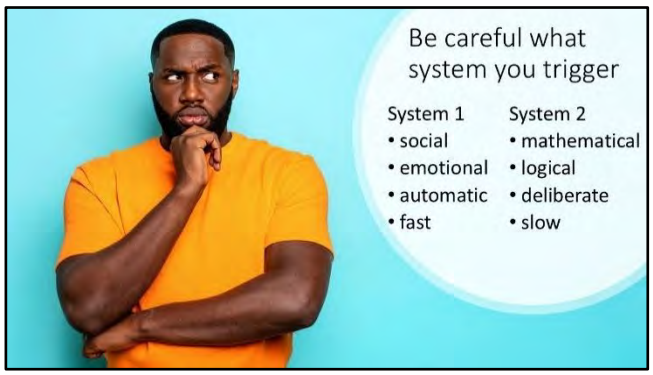
As before, some people then read statistics about the millions needing help. They donated 25% of their payments. No big difference from the previous result. As before, other people read about a specific child needing help. They donated only 23% of their payments. This was less than half that from the previous experiment.

The logical message erased the bias in favor of the single victim story. It worked! But it worked by applying the brakes to giving. Further analysis showed why. Starting with the statistical explanation reduced the social emotion.[6] This reduced the giving.

[4] Kogut, T., & Ritov, I. (2005). The singularity effect of identified victims in separate and joint evaluations. *Organizational Behavior and Human Decision Processes, 97*(2), 106-116. Table 1.
[5] Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes, 102*(2), 143-153.
[6] In a more technical analysis, the donations for the high giving group (using a specific child + no statistics nor statistical de-biasing intervention) were driven largely by social emotions such as sympathy, but this connection was broken for the three low giving groups (using a statistics and/or statistical de-biasing intervention).



Was it just a poorly worded explanation? No. In other experiments, the researchers tried other descriptions. They explained the statistics vs. story bias in other ways. These explanations also "worked." People no longer gave more to the individual story. But neither did they give more in response to statistics.



Be careful what system you trigger

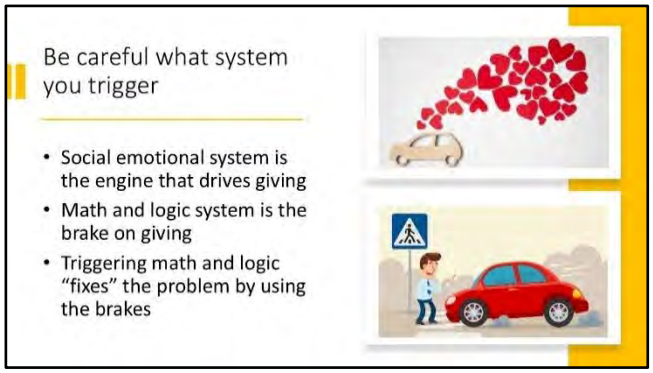
Why did this happen? To answer this, it helps to know how people think about money. People can do weird things with money. In fact, I teach a graduate course on this. It's not actually called, "Why people do weird things with money." It's called behavioral finance.

There's a lot of research on this topic. But one fundamental concept appears repeatedly. (Different researchers use different labels, but the basic explanation is always the same.) Choices result from the interaction of *two* systems.[7] One system is

- Social
- Emotional
- Automatic, and
- Fast.

The other is

- Mathematical
- Logical
- Deliberate, and
- Slow.



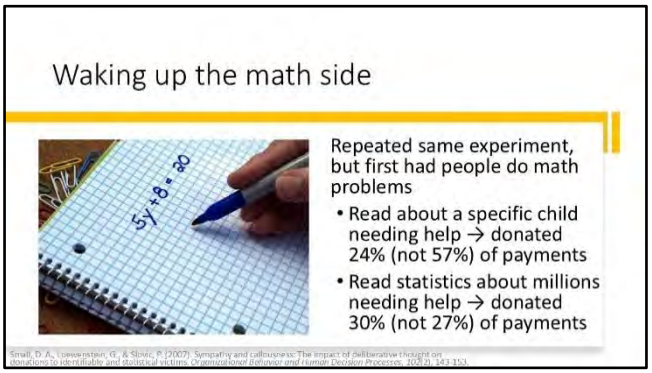
The social-emotion system motivates charitable giving.[8] Social-emotional story is the *engine* that drives giving. The math and logic system takes part too. But it contributes only as a *brake* on giving.

In experiments, pointing out math and logic errors "works." The story vs. statistics bias

[7] Ashraf, N., Camerer, C. F., & Loewenstein, G. (2005). Adam Smith, behavioral economist. *Journal of Economic Perspectives, 19*(3), 131-145; James, R. N., III. (2011). Applying neuroscience to financial planning practice: a framework and review. *Journal of Personal Finance, 10*(2), 10-65; Kahneman, D. (2011). *Thinking, fast and slow.* Macmillan.

[8] See Chapter 2: *Understanding fundraising story with a brain scanner*.

disappears. But this works only by applying the brakes to giving. People act more logically, but they give less. In fundraising, that's not a great result.



Waking up the math side

Another version of the previous experiment used this two-system idea.[9] Before the donation request, some people first did math problems. Why? Because this "wakes up" the math-logic system.

Again, this "worked." It blocked the social emotion from individual story. After doing math, those reading about one child gave only 24% of their payments. Without math, people reading about one child had donated 57%.

But math didn't help the power of numbers. After doing math, those reading the statistics donated just over 30%. This wasn't significantly different than those who had *not* done math first.



"Waking up" the numbers system killed the social emotion of the individual story. But it didn't help the statistics argument. In charitable giving, the math system works only as a brake, not as an engine.

Others have found the same thing. Waking up the math or finance side blocks the social emotion side. In experiments, reminding people about money or finances reduces

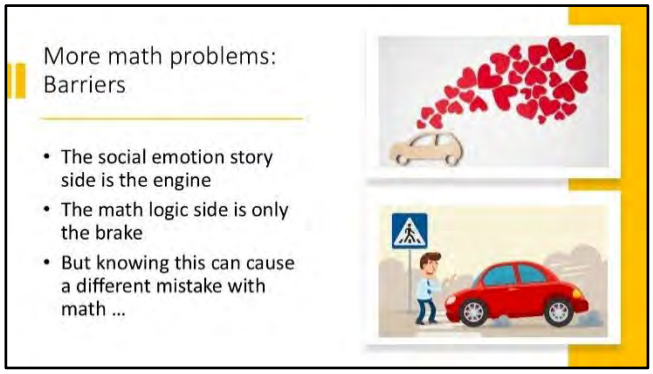
- Charitable giving [10]
- Willingness to help, and [11]
- Compassionate responses.[12]

[9] Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes, 102*(2), 143-153.

[10] Roberts, J. A., & Roberts, C. R. (2012). Money matters: Does the symbolic presence of money affect charitable giving and attitudes among adolescents? *Young Consumers, 13*(4), 329-336; Vohs, K. D., Mead, N. L., & Goode, M. R. (2008). Merely activating the concept of money changes personal and interpersonal behavior. *Current Directions in Psychological Science, 17*(3), 208-212.
One unusual experiment found this effect was particularly high for men with high testosterone levels. Dinsmore, J. B., Stenstrom, E. P., & Kunstman, J. W. (2021). Baseline testosterone moderates the effect of money exposure on charitable giving intent. *Psychology & Marketing, 38*(2), 328-337.

[11] Vohs, K. D., Mead, N. L., & Goode, M. R. (2006). The psychological consequences of money. *Science, 314*(5802), 1154-1156; Wang, L., Zhong, C. B., & Murnighan, J. K. (2014). The social and ethical consequences of a calculative mindset. *Organizational Behavior and Human Decision Processes, 125*(1), 39-49.

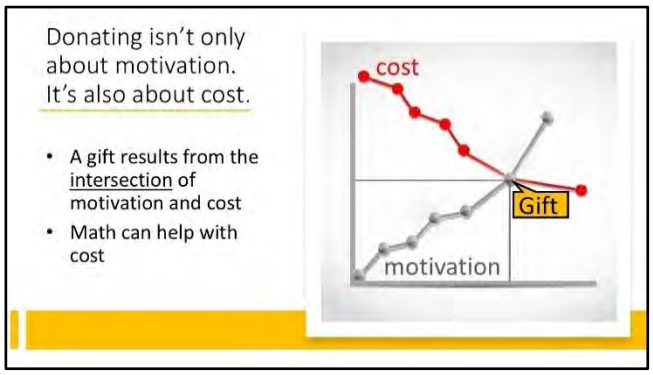
[12] Molinsky, A. L., Grant, A. M., & Margolis, J. D. (2012). The bedside manner of homo economicus: How and why priming an economic schema reduces compassion. *Organizational Behavior and Human Decision Processes, 119*, 27-37.



More math problems: Barriers

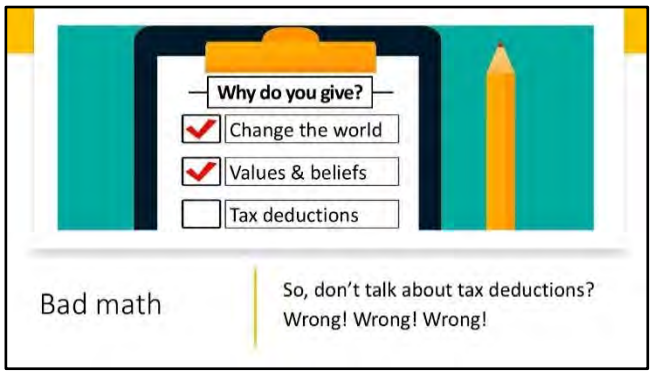
The social-emotion-story side is the engine that drives giving. The math-logic side is only the brake.[13]

Many fundraisers understand this intuitively. But this understanding can cause a *different* mistake with math. Math isn't the motivator. That's true. But math can be critical to making a gift happen.



How is this possible? If math isn't the motivation, how can math be good for fundraising? Math can be good because donating is not *only* about motivation. Donating is *also* about cost.

An alumnus might be 100% motivated to give $10 million for a new library. But if he doesn't have $10 million, that gift won't happen. A gift results not just from motivation. It results from the *intersection* of motivation *and* cost.



Bad math

Confusing motivation and cost leads to bad advice for fundraisers. This comes up most frequently in advice about tax benefits.

The misleading and oft-repeated scenario usually goes like this. A consulting group wants to learn about giving motivations. So, they ask some donors why they give. Almost nobody says that they give because of tax benefits. The group then tells fundraisers not to talk about tax benefits. This advice is readily accepted. Fundraisers are happy to avoid the hard work of understanding tax benefits.



This advice is common. And it's wrong.

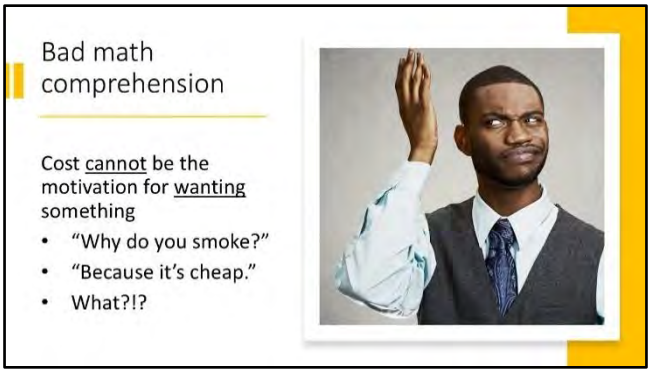
Bad math reporting

Even if tax benefits were a motivation, it couldn't be discovered this way. People report more socially acceptable motivations.[14] Donating to change the world is admirable.

[13] In neuroscience, this "braking" function is called error detection. Effective fundraising story needs both parts: It must produce social emotion, but it must also avoid logical error detection that will otherwise counteract the social emotion.

[14] Nederhof, A. (1985). Methods of coping with social desirability bias: A review. *European Journal of Social Psychology, 153*, 263-280; Jidin, R., & Monroe, G. S. (2017). Social desirability in behavioural accounting research. In T. Libby & L. Thorne (Eds.), *The Routledge Companion to Behavioural Accounting Research* (pp. 132-145). Routledge.

Donating to get tax benefits is not. No surprise, people don't tell the tax benefit story about themselves.



Bad math comprehension

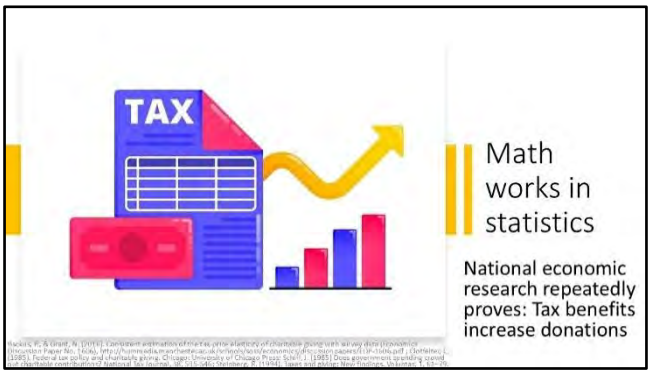
But there's another problem. Cost *cannot* be the motivation for *wanting* something. Suppose you asked a friend, "Why do you smoke?" He answers, "Because it's cheap."

Does this make sense? No. Regardless of how cheap cigarettes are, it's cheaper *not* to smoke. In the same way, regardless of tax benefits, it's cheaper *not* to donate.[15]



Does this mean cost isn't important? No. If cigarettes go on sale, smokers will buy more. If tax deductions increase, donors will give more. But the cost of cigarettes has nothing to do with *why* a person *wants to* smoke. The cost of donations has nothing to do with *why* a person *wants to* donate.

Cost can influence if, when, and how much a person *will* donate (or smoke). But cost is not about motivations. Cost is about the *barrier* to *acting* on those motivations.



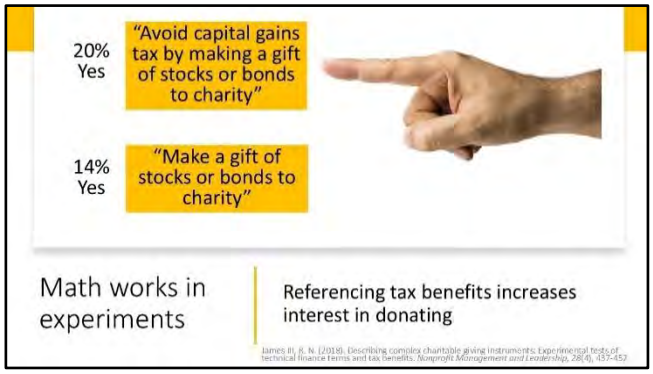
Math works in statistics

Tax benefits lower the real cost of donations. This increases giving. National economic research repeatedly proves this. More tax benefits mean more giving.[16] Even getting tax benefits a little sooner means more giving.[17] If we know anything from objective statistics on charitable giving, it is this: tax benefits matter.

[15] Although true in 99.9% of cases, there are a few circumstances where this general rule doesn't apply. The following academic journal article demonstrates that it is better to donate appreciated assets to fund a Charitable Remainder Trust for retirement planning than to simply sell them. Yeoman, J. C. (2014). The economics of using a charitable remainder trust to fund a retirement portfolio. *The Journal of Wealth Management, 17*(1), 40-50.

[16] One reason we can tell this is because tax benefits for donating change abruptly at each tax bracket. The value of a deduction is the the amount of the deduction multiplied by the marginal tax rate. These abrupt changes allow a separation of the effects of greater income from the effects of greater tax benefits. See e.g., Backus, P., & Grant, N. (2016). *Consistent estimation of the tax-price elasticity of charitable giving with survey data* (Economics Discussion Paper No. 1606). http://hummedia.manchester.ac.uk/schools/soss/economics/discussionpapers/EDP-1606.pdf ; Clotfelter, C. (1985). *Federal tax policy and charitable giving.* University of Chicago Press; Schiff, J. (1985) Does government spending crowd out charitable contributions? *National Tax Journal, 38*, 535-546; Steinberg, R. (1994). Taxes and giving: New findings. *Voluntas, 1*, 61-79.

[17] Hickey, R. D., Minaker, B. & Payne, A. A. (2019, January 31). The sensitivity of charitable giving to the timing and salience of tax credits. *Melbourne Institute Working Paper No. 02/19*. https://ssrn.com/abstract=3333600 or http://dx.doi.org/10.2139/ssrn.3333600



Math works in experiments

Experiments show the same result. Referencing tax benefits makes people more willing to donate.[18] For example, people are more willing to

"Avoid capital gains tax by making a gift of stocks or bonds to charity"

than simply,

"Make a gift of stocks or bonds to charity."[19]



Adding tax benefit references increases willingness to make all sorts of donations. This includes

- Donor advised funds
- Charitable gift annuities
- Retained life estates, and
- Charitable remainder trusts.[20]

Both experiments and national data agree. Tax benefits matter. Cost matters.

Conclusion

We're left with a dilemma. Numbers, math, and finance can be a problem. They can interfere with the social emotion that motivates giving. But they can also be a solution. They can lower the cost barrier for making the gift.



We've got a problem: a math problem. So, what's the answer? Fortunately, the next chapter begins everyone's favorite part of a math book. The answer key!

[18] James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452.
[19] Id at 447.
[20] Id.



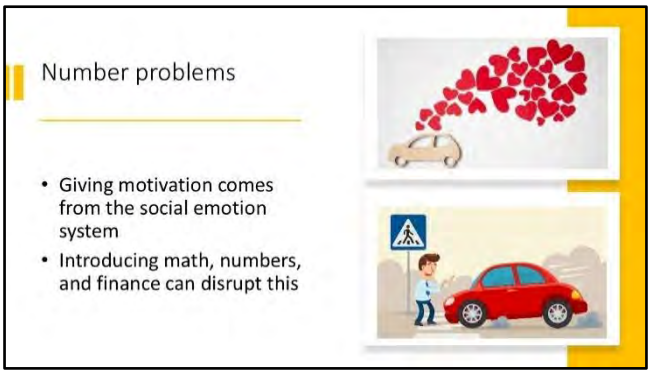
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SOLUTIONS IN FUNDRAISING MATH: STORY FIRST, MATH SECOND



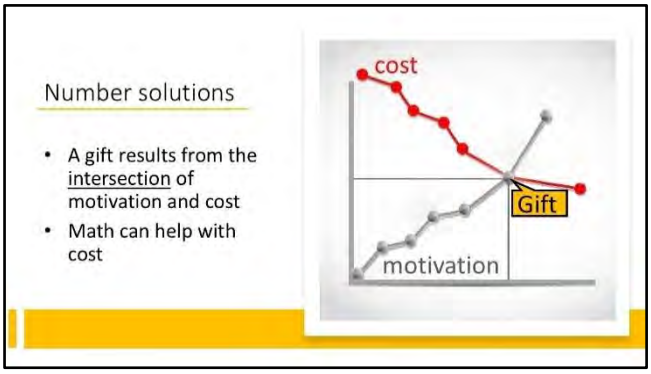
The "one big thing" in fundraising is to advance the donor's hero story. This story requires a donor. It requires a gift. A gift results when motivation overcomes cost. Increasing motivation helps. So does lowering cost. These make the gift easier. But sometimes, these two processes conflict.

Number problems

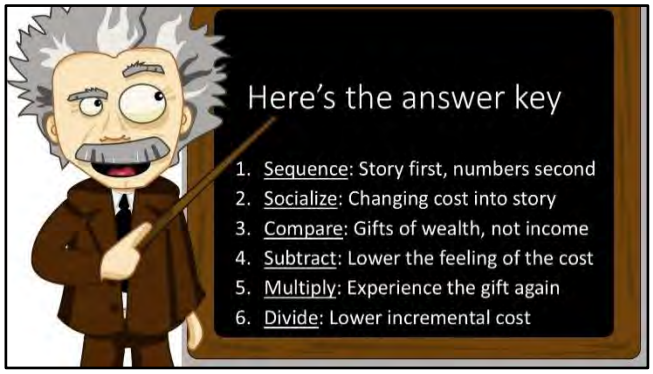


In fundraising, numbers can be a problem. The problem is this. Giving motivation comes from the social emotion system. It comes from story. Introducing math, numbers, and finance can disrupt this process. It can trigger the deliberative, error-detecting, logic system. This system can block giving motivation. It can interfere with the social-emotion story processes that drive motivation.

Number solutions



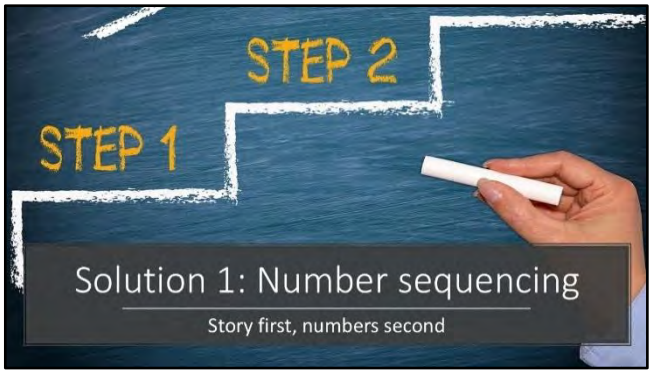
But numbers can also be a solution. A donation is not just about motivation. It comes from the intersection of motivation and cost. Cost is critical for effective fundraising. Math can help with cost.



So, what are the solutions to this math and story problem? Here are some options.

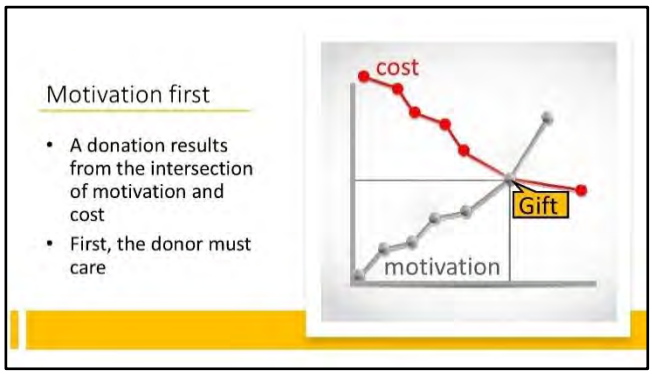
1. Number sequencing: Story first, numbers second. *(See below.)*
2. Number socializing: Change cost into story. *(See below.)*
3. Number comparing: Gifts of wealth, not income. *(See Chapter 6.)*
4. Number subtracting: Lower the feeling of cost. *(See Chapter 7.)*
5. Number multiplying: Experience the gift again. *(See Chapters 8 & 9.)*
6. Number dividing: Break cost into smaller pieces. *(See Chapters 8 & 9.)*

Those are the concepts. Let's look at some examples. But these are "math" solutions. So, let me put it a different way. Let's work some practice problems!



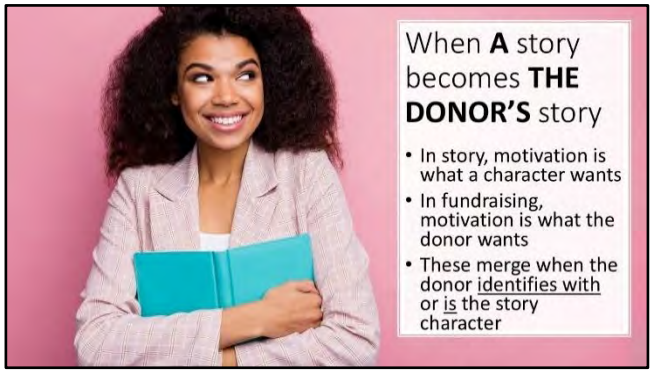
Solution 1: Number sequencing

Story first, numbers second



Motivation first

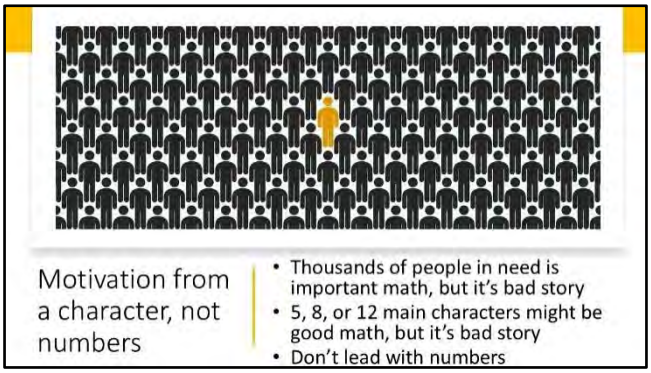
A donation results from the intersection of motivation and cost. But the first step must be motivation. First, the donor must care. The donor must want some philanthropic victory. Only then does cost become important. (The cost of something doesn't matter if we don't want it in the first place.)



In a story, motivation is what a character wants. In fundraising, motivation is what the donor wants. When these two merge, *a* story becomes *the donor's* story. This makes for a compelling fundraising story. This happens when

- The donor *identifies* with the story character, or

- The donor *is* the story character.



Motivation from a character, not a number

Numbers make a weak story character. Thousands of people in need is important math. But it's bad story. A donor can't identify with this character. The solution? Don't start with numbers.

Telling the story of one empathetic character is compelling. Trying to add in five, eight, or twelve main characters might be good math. But it's bad story. The solution? Don't start with numbers.



Motivation from a plot, not a number

An effective story needs a relatable character. But it also needs a motivational goal. It needs to promise a compelling victory. Fundraising story should answer

- What does the donor want?
- What does a meaningful "victory" look like for the donor?
- What impact is most compelling for the donor?



Talking finances too early restricts the story. It makes the donor careful, not imaginative. This limits the goal before the story even starts. The story stays small. It never becomes compelling. It never becomes epic.

How do we prevent this? The answer is the same. Don't start with numbers.



Sequence matters

First, we must trigger motivation from the social-emotion "engine." Without getting this *first*, nothing else matters. Only after we have this do we then need to worry about numbers. Only then does the "brake" from the math-

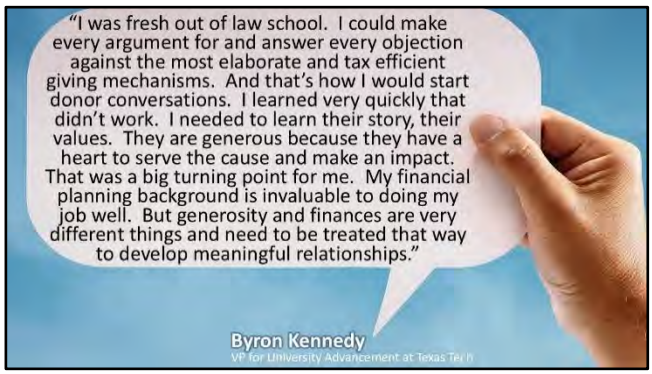
logic system matter. Only then does overcoming the cost barrier become relevant.



The voice of experience

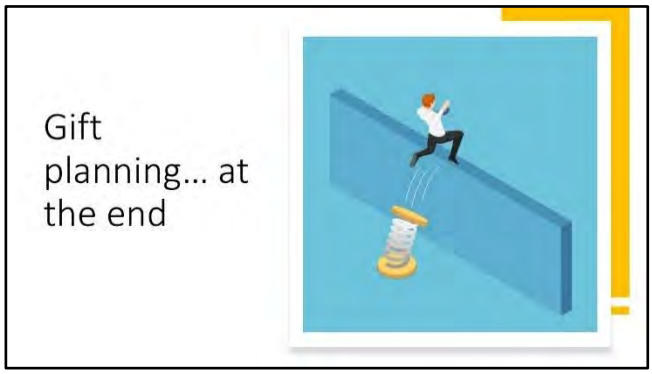
Laura Hansen Dean shares this advice. She calls it a "lesson learned." She explains that early in her career,

"It was pretty standard to talk first about likely estate tax consequences and how that tax could be reduced by charitable giving. In the years since then, I find that asking first about the impact the donor wants to have during lifetime and/or after death, regardless of tax consequences, focuses the conversation on the good the donor wants to do with their assets ... Then following up with gift options is more appropriate." [1]

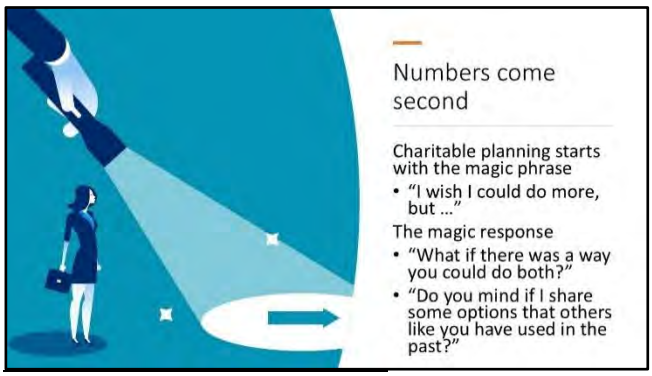


Byron Kennedy shares this story.[2]

"I was fresh out of law school. I could make every argument for and answer every objection against the most elaborate and tax efficient giving mechanisms. And that's how I would start donor conversations. I learned very quickly that didn't work. I needed to learn their story, their values. They are generous because they have a heart to serve the cause and make an impact. That was a big turning point for me. My financial planning background is invaluable to doing my job well. But generosity and finances are very different things and need to be treated that way to develop meaningful relationships."



Gift planning can be useful. But it's most effective when pushed to the end. A donor wants to make an impact. But the cost seems too high. That's when financial options can help.



Numbers come second

In the book *Visual Planned Giving*, I explained it this way. Charitable planning starts with the magic phrase. The magic phrase is when a donor says,

"I wish I could do more, but ..."[3]

[1] Dean, L. H. (2019). Laura Hansen Dean in E. Thompson, J. Hays, & C. Slamar (Eds.), *Message from the masters: Our best donor stories that made a difference* (pp. 65-74). Createspace Independent Publishing. p. 71-72. Laura Hansen Dean is Senior Director – Gift Design and Documentation at the University of Texas at Austin.
[2] Adapted from conversations with Byron Kennedy, Vice President for University Advancement at Texas Tech University.
[3] James, R. N., III. (2018). *Visual planned giving in color: An introduction to the law & taxation of charitable gift planning.* Version 5.1. Createspace Independent Publishing. p. 9.

The donor is motivated. But cost is a barrier. The magic response is,

"What if there was a way you could do both?

If there was a way to make a gift and address this financial issue, would you like to hear more? Can I share what others like you have done in the past?"

With permission, the fundraiser can then share solutions. Ideally, this happens at a second meeting. This gives time to carefully build options.



These charitable options can overcome the cost barrier. They might provide income or tax benefits. The gift might change to an

- Asset gift
- Estate gift
- Multi-year pledge, or
- "Virtual" endowment.[4]

The calculations can get complex. But this math discussion happens only after establishing motivation. The story works better because we don't start with numbers.



Numbers as story confirmation

If we begin with math and finance, the social-emotion engine won't start. If the engine doesn't start, the brake doesn't matter. Numbers do matter. But they matter only as *the second* step.

Numbers in the second step are important. They can help to lower the cost barrier. They can also *confirm* a great story. Confirming a story is important. It keeps the donor's foot off the brake.

Fundraising starts with social emotion and story. But if the later confirmation fails, the story can fail. For example,

- If the finances don't make sense, confirmation fails. The gift won't happen.



- If a proposal has errors or lacks credibility, confirmation fails. The gift won't happen.
- If there's no impact report, confirmation fails. The *next* gift won't happen.

Confirming a story is important. Numbers can help. But their impact is

[4] See, e.g., https://www.supportuw.org/gift-planning/virtual-endowment/

limited. Adding another zero to an annual report is great. It makes the numbers ten times better. But it doesn't make the story ten times better. It doesn't change the story at all.

Numbers can help. They can *confirm* a compelling story. But they can't *create* one. That's why, once again, the answer is the same: Don't start with numbers.



Solution 2: Number socializing

Change cost into story



Making math social

A donation results from the intersection of motivation and cost. It starts with social emotion. This drives gift motivation. Cost is also important. But cost creates math and finance reminders. These "wake up" the logical error-detection system. This can stop a donation.

But can we change this second result? Is it possible for cost to become social? Can we "storify" it? Can cost become a type of character? In both experiments and the real world, the answer, is "yes."

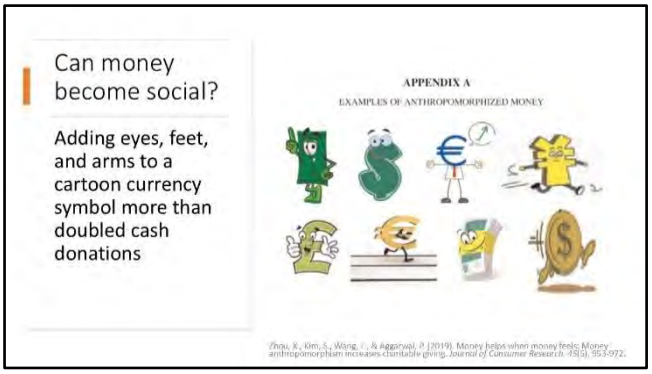


Social experiments

Money is anti-social. Reminding people of money makes them more independent and competitive.[5] It makes them less helpful.[6] It makes them less compassionate.[7] It reduces donations.[8]

Can this be changed? Can money become social? Researchers have tested this in some

[5] Roberts, J. A., & Roberts, C. R. (2012). Money matters: Does the symbolic presence of money affect charitable giving and attitudes among adolescents? *Young Consumers, 13*(4), 329-336; Vohs, K. D., Mead, N. L., & Goode, M. R. (2008). Merely activating the concept of money changes personal and interpersonal behavior. *Current Directions in Psychological Science, 17*(3), 208-212.
[6] Vohs, K. D., Mead, N. L., & Goode, M. R. (2006). The psychological consequences of money. *Science, 314*(5802), 1154-1156.
[7] Molinsky, A. L., Grant, A. M., & Margolis, J. D. (2012). The bedside manner of homo economicus: How and why priming an economic schema reduces compassion. *Organizational Behavior and Human Decision Processes, 119*, 27-37.
[8] Roberts, J. A., & Roberts, C. R. (2012). Money matters: Does the symbolic presence of money affect charitable giving and attitudes among adolescents? *Young Consumers, 13*(4), 329-336; Vohs, K. D., Mead, N. L., & Goode, M. R. (2008). Merely activating the concept of money changes personal and interpersonal behavior. *Current Directions in Psychological Science, 17*(3), 208–212.





weird ways. One experiment used a donation appeal with a cartoon currency symbol.[9] One version added eyes, feet, and arms to the symbol. Adding these human-like features more than doubled donations.[10]

Another experiment tested this a different way.[11] Some people were asked to describe the physical characteristics of money. Other people were instead asked to describe the personality traits of money. (They described money as if it were a person who had come to life.) Next, everyone was asked for a donation. Those asked to describe money in social terms donated more than twice as much.

Beyond this, the donations from those in this second group depended on their descriptions. The more they used social-emotion terms to describe money's personality, the more they gave. Those who described money as "friendly, kind, and sociable," gave the most.

OK. So, that's cute. And it's a little weird. But how does that relate to actual fundraising. How can the cost of a donation become "friendly, kind, and sociable?"



Giving objects

Suppose you arrive at a friend's house for a group dinner. Which of these two feels like a better greeting?

"Thank you so much for inviting me. It's so nice of you to put this together! I brought a bottle of wine for you. I hope you like it."

or

"Thank you so much for inviting me. It's so nice of you to put this together! Here's $50."

The answer is obvious. You might very well bring a gift of an object for the host. But you would never bring a gift of cash.[12]

[9] Zhou, X., Kim, S., Wang, L., & Aggarwal, P. (2019). Money helps when money feels: Money anthropomorphism increases charitable giving. *Journal of Consumer Research.* 45(5), 953-972.
[10] Another study found that replacing standard charts (not related to money) with anthropomorphized data graphics had no impact on empathy or donation intentions. *See,* Boy, J., Pandey, A. V., Emerson, J., Satterthwaite, M., Nov, O., & Bertini, E. (2017, May). Showing people behind data: Does anthropomorphizing visualizations elicit more empathy for human rights data? In *Proceedings of the 2017 CHI Conference on Human Factors in Computing Systems* (pp. 5462-5474). Thus, the results of the Zhou, et al. (2019) experiment may relate specifically to humanizing money and money-reminders, rather than to humanizing numbers in general.
[11] Zhou, X., Kim, S., Wang, L., & Aggarwal, P. (2019). Money helps when money feels: Money anthropomorphism increases charitable giving. *Journal of Consumer Research*, 45(5), 953-972. Study 2.
[12] Webley, P., & Wilson, R. (1989). Social relationships and the unacceptability of money as a gift. *The Journal of Social Psychology, 129*(1), 85-91.



Money is anti-social. But gifts of objects are pro-social.[13] They are common in social relations. They emphasize community norms. This distinction arises in anthropology and sociology theories.[14] It also shows up in experiments.

Giving objects in experiments

Gifts of objects fit with the social-emotion system. They support social-emotional responses. Gifts of cash don't.

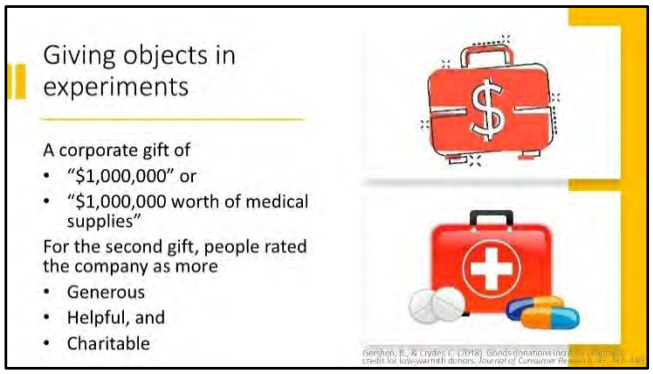


In one experiment, people learned about a donation made by a hardware store.[15] The donation was either

- "$2,000 to a food bank" or
- "Boxes of canned food to a food bank. (The donation cost the company $2,000 and it would have cost the food bank the same amount to obtain those goods.)"

For the second gift, people rated the company as more

- Generous
- Helpful, and
- Charitable.



In another experiment, a large corporation gave to humanitarian aid efforts.[16] They gave either

- "$1,000,000" or
- "$1,000,000 worth of medical supplies."

[13] Cheal, D. (1987). Showing them you love them: Gift giving and the dialectic of intimacy. *The Sociological Review, 35*(1), 150–169.
[14] In anthropology and sociology this distinction originates in the work of Mauss (1923). Mauss differentiated gift-giving indigenous societies from market-based Western societies. This contrasts with Malinowski's (1923) unitary view that both types of exchange are the same. Later researchers following Mauss applied the two types of transfers as co-existing within the same societies, rather than as exclusive alternatives. Carrier (1991) explains the difference between the two types of transactions this way: "In gift transactions, objects are inalienably associated with the giver, the recipient, and the relationship that defines and binds them." In monetary or commodity exchanges, "transactors are self-interested, independent individuals who exchange with people with whom they have no enduring links or obligations. In [these] transactions, objects are alienable private property defined primarily in terms of use value and exchange value rather than the identity of the transactors." Fundraising success is easier with the communal norms of gift exchange based in the donor's identity. Matching themes of social language, social framing, and identity-based fundraising are repeated throughout this series.
Carrier, J. (1991). Gifts, commodities, and social relations: A Maussian view of exchange. *Sociological Forum, 6*(1), 119-136. p. 121.
Malinowski, B. (1922). *Argonauts of the Western Pacific*. Routledge & Kegan Paul.
Mauss, M. (1923). Essai sur le don forme et raison de l'échange dans les sociétés archaïques. *L'Année Sociologique*, 30-186. [A recent English translation is Mauss, M. (2002). *The fift: The form and reason for exchange in archaic societies.* Routledge.]
[15] Gershon, R., & Cryder, C. (2018). Goods donations increase charitable credit for low-warmth donors. *Journal of Consumer Research, 45*, 451-469.
[16] *Id.*

With the second gift, people rated the company as more

- Generous
- Helpful, and
- Charitable.

Other experiments find similar results. Object gifts reflect kindness more than cash gifts do.[17] Gifts of objects fit the social-emotion system. This system drives generosity.[18]





Real world

Gifts of objects are social. They reinforce norms of sharing. What does this have to do with real-world fundraising? Major gifts are often gifts of things. This can include

- Houses
- Land
- Artwork
- Businesses, and
- Shares or parts of these things.

These gifts might be direct – transferring the asset to a charity. They might be indirect – committing a share of sale proceeds to a charity. Such gifts can be powerful. This is true not just because of tax benefits. These gifts can change a donor's mindset.

Real wealth is held in non-cash assets. Giving these *things* instead of *cash* changes the donor's reference point. It moves the donor from gifts of disposable income to gifts of assets. It moves the donor to gifts of wealth. This is transformational. The next chapter looks at the power of these major gifts *of assets*.

[17] Kube, S., Maréchal, M. A., & Puppe, C. (2012). The currency of reciprocity: Gift exchange in the workplace. *American Economic Review, 102*(4), 1644-62; *See also*, Kube, S., Maréchal, M.A., Puppe, C., 2010. *The currency of reciprocity – Gift exchange in the workplace.* IEW Working paper 377. University of Zurich. http://conference.iza.org/conference_files/BLE2008/4534.pdf

[18] This is illustrated in a type of giving that charities actually receive too much of: Holiday gifting of toys to children's hospitals. One ethnography study reports, "large pediatric hospitals across America are buried under an avalanche of toys each year." (p. 608). The researcher explains her personal struggle with this practice, "On many levels – socially, economically, medically, environmentally – holiday gifting practices appear wasteful, hyperconsumptive, hedonistic, unnecessary, inefficient, and damaging. I struggled to make sense of the practice until I reframed holiday gifting as a sacred ritual. Sacred rituals do not subscribe to the rules of logic, efficiency, rationality, and pragmatism, but are characterized by traditionalism, symbolism, performance, devotion, and commitment to shared moral beliefs (Bell 2009). Importantly, sacred rituals have redemptive potential and value." (p. 609). This description parallels the two system approach of "story world" and "math world" described here. Barnes, L. (2019). Holiday gifting at a children's hospital: Sacred ritual, sacred space. *Journal of Contemporary Ethnography, 48*(5), 591-618, 609.



6

THE SECRET TO FUNDRAISING MATH:
GIFTS OF WEALTH NOT DISPOSABLE INCOME

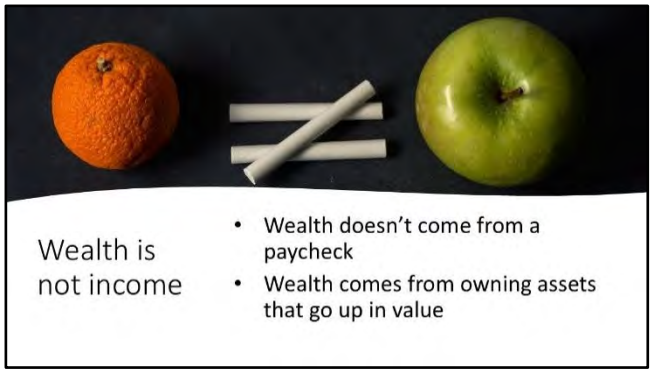


Gifts of wealth

A donation comes from the intersection of motivation and cost. Most of this series focuses on the motivation side. But often the secret to unlocking major gifts is on the cost side. That secret is this:

Major gifts are gifts of wealth, not disposable income.

It's a simple distinction. But it's powerful. Wealth is different. It's not just a different amount. It's a different category. It has a different origin. It triggers a different mindset.

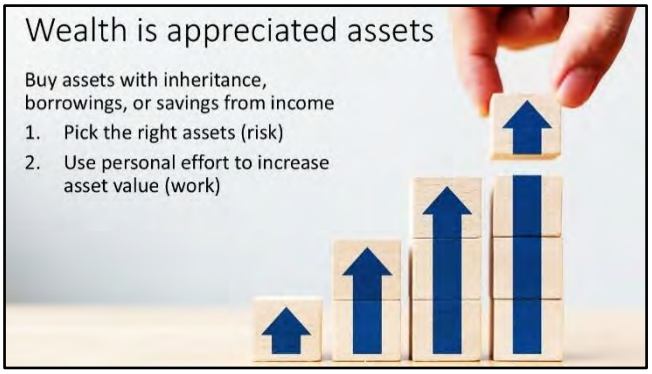


Wealth is not income

Understanding gifts of wealth starts by understanding wealth. Wealth doesn't come from a paycheck. Wealth comes from owning assets that go up in value.

Of course, the media is fascinated by people with large paychecks. Athletes and celebrities make great story characters. But they rarely build wealth. In fact, they commonly go bankrupt.[1]

[1] Carlson, K., Kim, J., Lusardi, A., & Camerer, C. F. (2015). Bankruptcy rates among NFL players with short-lived income spikes. *American Economic Review, 105*(5), 381-84; *See also,* Campbell, J. C. (2005). Who owns Kim Basinger: The right of publicity's place in the bankruptcy system. *Journal of Intellectual Property Law, 13*, 179-204. p. 185. ("The list of celebrities who have filed bankruptcy is not only long, but also surprising given the commercial success of those celebrities.")

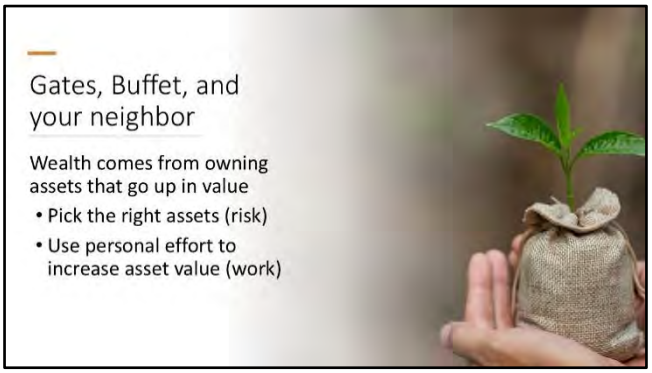


Wealth is appreciated assets

Wealth comes from owning assets that go up in value. People buy assets with inheritance,[2] borrowings, or savings from income. People buy assets that go up in value by,

1. Picking the right assets. This usually means accepting investment risk.[3]

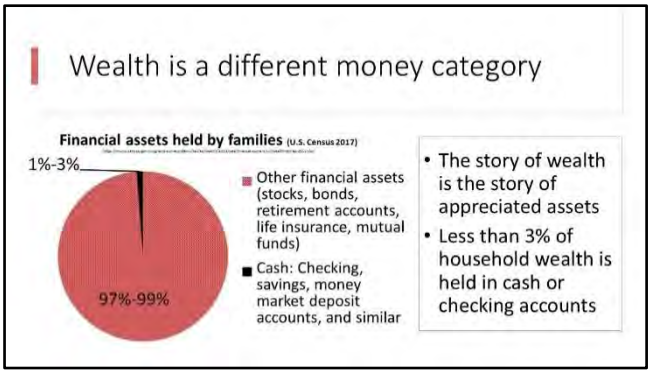
2. Using personal effort to increase asset value. This is what successful business owners do.



This is how wealth is built. Bill Gates started a company and grew it by personal effort.[4] Warren Buffet created a new way to borrow money to buy stocks.[5] And he picked the right stocks.

The concept is the same for regular people. People borrow money from others. It's called a mortgage. They use it to buy an appreciating asset. It's called a house. Most middle-class wealth comes this way.[6]

Whether middle-class or ultra-high net worth, the answer is the same: Wealth comes from owning assets that go up in value.



Wealth is a different money category

In math, a dollar is a dollar. But in story, dollars are different. The story of wealth is the story of appreciated assets. Wealth is not cash. Less than 3% of household financial wealth is held in cash or checking accounts.[7]

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[2] Harbury, C., & Hitchins, D. (2012). *Inheritance and wealth inequality in Britain*. Routledge; Wolff, E. N., & Gittleman, M. (2014). Inheritances and the distribution of wealth or whatever happened to the great inheritance boom? *The Journal of Economic Inequality, 12*(4), 439-468.

[3] Finke, M. S., & Huston, S. J. (2003). The brighter side of financial risk: Financial risk tolerance and wealth. *Journal of Family and Economic Issues, 24*(3), 233-256. *See also*, Aka, P. C., & Oku, C. (2016). Black retirement security in the era of defined contribution plans: Why African Americans need to invest more in stocks to generate the savings they need for a comfortable retirement. *Rutgers Journal of Law & Public Policy*, 14, 169-195.

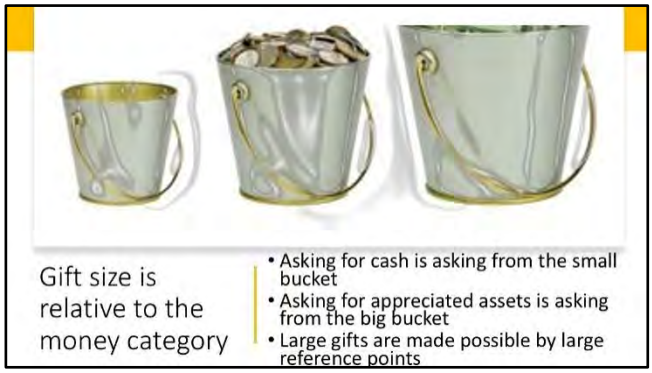
[4] Wallace, J., & Erickson, J. (1992). *Hard drive: Bill Gates and the making of the Microsoft empire*. Wiley.

[5] This was done by acquiring ownership in a retail stamps company, Blue Chip Stamps, and using the float to purchase shares of other companies. *See,* The Science of Hitting. (2017, July 17). *Berkshire and Blue Chip stamps*, https://www.gurufocus.com/news/543005/berkshire-and-blue-chip-stamps

[6] "home equity remained the primary source of wealth for most households, especially for lower income homeowners, with home equity comprising 42% of the total household net wealth of all homeowners and 77% of the total net wealth of lower income homeowners"
Turner, T. M., & Luea, H. (2009). Homeownership, wealth accumulation and income status. *Journal of Housing Economics, 18*(2), 104-114. p. 105. Citing to Di, Zhu Xiao, 2003. *Housing wealth and household net wealth in the United States*. Working Paper 03-8. Joint Center for Housing Studies.

[7] Board of Governors of the Federal Reserve System. (2019, June 6). *Financial Accounts of the United States - Z.1*, https://www.federalreserve.gov/releases/z1/20190606/html/b101h.htm
In 2018, $113,094.2 billion in total financial assets were held by households and $1,375.9 billion were held in checkable deposits and currency held by households. Thus 1.2% of total financial wealth is held in "cash" by that definition. Adding money market fund shares

Wealth is still money. But it's money from a different category. It's money with a different reference point. This affects fundraising.

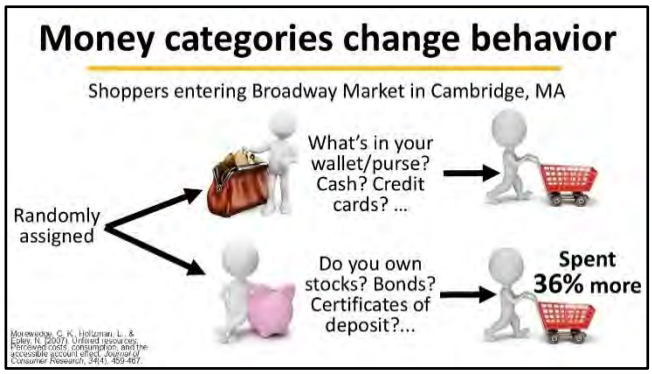


Gift size is relative to the money category

Asking for gifts of cash is asking from the small bucket. Asking for gifts from appreciated assets is asking from the big bucket. This difference affects the donor's mindset.

Compared to other cash purchases, a $100,000 gift is absurdly large. The cash gift compares with coffee at Starbucks. It compares with spending from the disposable income category.

Compared to wealth holdings, a $100,000 gift may be tiny. The asset gift compares with a different category. A stock gift compares with stock holdings. A real estate gift compares with real estate holdings. Large gifts are made possible by large reference points.

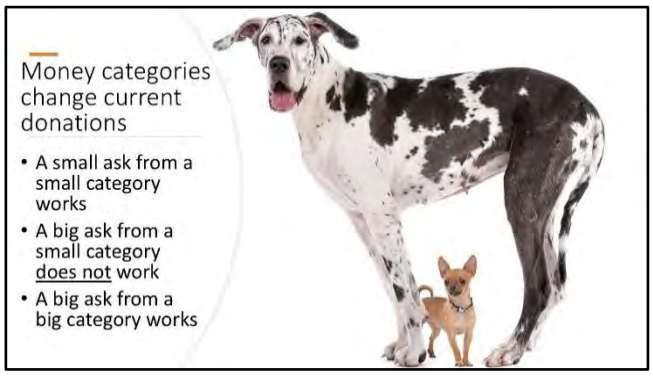


Experiments: Money categories change behavior

Reminding people of their wealth changes their behavior. One experiment asked different questions from people entering a store.[8]

- Some were asked about their wealth: Did they own stocks, bonds, certificates of deposit, etc.?
- Others were asked what was in their wallet or purse: Did they have cash, credit cards, photos, etc.?

What happened? People first asked about their wealth spent over 36% more at the store. They were reminded of a different money category. That reminder changed their behavior.



Experiments: Money categories change current donations

This is an area where small gifts and large gifts work differently. For example,

adds another $1,701.4 billion. Combined, this adds to 2.7% of household financial wealth. This excludes wealth from real estate. Thus, the share of total wealth held in these categories is actually much smaller.

[8] Morewedge, C. K., Holtzman, L., & Epley, N. (2007). Unfixed resources: Perceived costs, consumption, and the accessible account effect. *Journal of Consumer Research, 34*(4), 459-467.

- A small ask from a small category works. It makes the whole thing seem painless. It's a trivial ask from a trivial category. Saying "yes" is no big deal.
- A big ask from a small category does not work. It makes the ask seem unreasonably large. The request is too big relative to the category.
- A big ask from a big category does work. The ask is big. But it's reasonable relative to the category.

One experiment illustrates this.[9] People were asked about a donation pledge. It would be deducted from their monthly paychecks. But the amounts were described either as $1/$4/$7 a day or as $350/$1,400/$2,500 a year. Changing the description format changed the comparisons. For example,



- When asked with the daily amount, people compared the gift with "routinely encountered, petty-cash types of expenditures."[10] The money category was trivial.
- When asked with the annual amount, people compared the gift with "infrequently encountered, major expenditures." The money category was large.



For the smallest ask, the daily amount worked better. It was a trivial ask from a trivial category. It's just "pennies a day."

But for anything over $1,000, the result reversed. Gifting doubled when using the annual, rather than the daily, amount. The "pennies-a-day" story worked, but only for pennies. Big gifts needed big reference points.

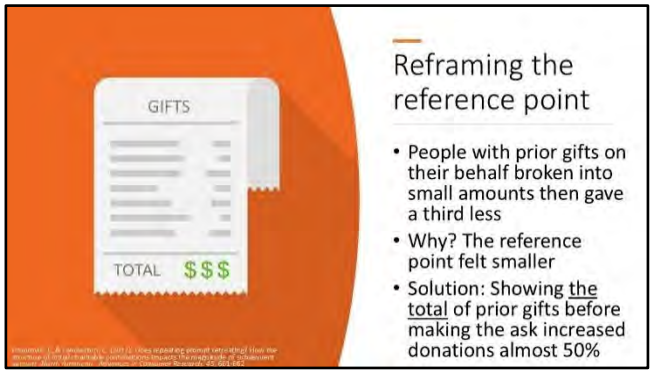


Experiments: Money categories change future donations

The "pennies-a-day" story creates another problem. A small reference point makes *future* giving small.

In one experiment, workers had a gift made on their behalf.[11] For some it was donated in small daily segments. For others, it was given in one lump sum. After this, everyone had the chance to make their own gift. People whose

[9] Gourville, J. T. (1998). Pennies-a-day: The effect of temporal reframing on transaction evaluation. *Journal of Consumer Research, 24*(4), 395-408.
[10] *Id* at p. 400.
[11] Hmurovic, J., & Lamberton, C. (2017). Does repeating prompt retreating? How the structure of initial charitable contributions impacts the magnitude of subsequent support. *North American - Advances in Consumer Research, 45*, 661-662, http://www.acrwebsite.org/volumes/1023996/volumes/v45/NA-45



previous gifts had been broken into small amounts acted differently. They gave about a third less.

Why did this happen? Further questions showed the answer. People used previous giving as the reference point for their donation. When previous giving had been made in small segments, it felt smaller. This smaller reference point led to smaller donations.

But there was a solution. Showing *the total* of prior gifts before making the ask worked. It made the small segment gifts feel larger. This larger reference point increased donations almost 50%.[12] For bigger gifts, we need bigger reference points.



Another experiment found a similar result.[13] When prior gifts were described in total terms, people gave more. If they were described in monthly terms, people gave less.



Describing past giving as several small gifts is a small-reference-point story. Describing it as a single large total is a large-reference-point story. Choosing a larger reference point changes the giving behavior.



Another experiment showed this in a different way.[14] It tested six mailings to over 50,000 people. The top-performing headline was,

"CAMPAIGN DONOR FOR ____ YEARS
Your most generous gift was $___. Thank you."

This sets a reference point of the donor's largest gift. It also emphasizes the length of the relationship. It reminds the donor that they're the kind of person who makes these gifts – especially large ones.

Real world: A money category question

Which gift is more valuable:

[12] *Id*. Experiment 3
[13] *Id*. Experiment 1
[14] Khan, H. & Hardy, E. (2019). *Using behavioural insights to encourage charitable donations among repeat donors*. Privy Council Office: Impact Canada. https://www.canada.ca/content/dam/ih-ci/documents/pdfs/HS-eng.pdf

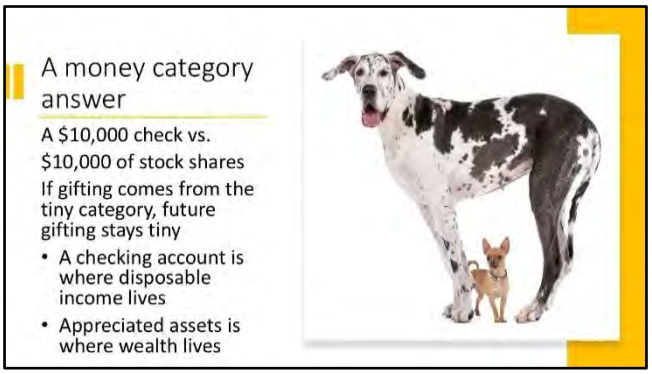


- A $10,000 check, or
- $10,000 of stock shares?

The charity CFO will prefer the check. It's easier. Gifts of assets are a hassle. The charity has to retitle them. The charity has to sell them.

The donor's financial advisor will prefer the stock. Giving stock avoids capital gains taxes. It's cheaper for the donor.

Which gift should the fundraiser prefer? The gift of stock. If the fundraiser cares about the donor, the answer is already obvious. One gift costs the donor less. That's the gift the donor should make.



But there's another reason: categories matter. If gifting comes from a tiny category, future gifting stays tiny. If the same gift comes from a big category, future gifting can become big.

A checking account is where disposable income lives. Disposable-income gifts come from the small category. This keeps future gifts small.

Appreciated assets is where wealth lives. Asset gifts come from the big category. Asset gifts can lead to transformational donations.





*Real world: Money categories and **"mental accounting"***

In math, a dollar is a dollar. In story, people put labels on money. They then treat the dollars differently based on those labels.[15] In experiments, when a new category of money becomes donation relevant, giving increases.[16]

Suppose a person gives furniture or clothes to a charity shop for the first time. From that point forward, the category becomes donation relevant. Whenever redecorating happens, charity comes to mind.

Suppose a person gives shares of stock for the first time. They learn that capital gains taxes are avoidable. From that point forward,

[15] Thaler, R. (1985). Mental accounting and consumer choice. *Marketing Science, 4*(3), 199-214.
[16] LaBarge, M. C., & Stinson, J. L. (2014). The role of mental budgeting in philanthropic decision-making. *Nonprofit and Voluntary Sector Quarterly, 43*(6), 993-1013.

the category becomes donation relevant. Whenever a sale is contemplated, charity comes to mind.



Real world: Money categories and fundraising success

Experiments and theory are fine. But how powerful is this in the real world? An analysis of over a million nonprofit tax returns showed the answer.[17]

Raising money from noncash assets predicts current and future fundraising success. This was true for every charitable cause. It was true for every charity size. And the difference was massive.



Consider this comparison. Suppose there were two otherwise identical charities. Both raised the same amount of contributions in year one. But there was a difference. One had raised these gifts only from cash. The other had raised gifts from both cash and stocks.

Fast-forward five years. What was different about the cash-and-stocks charity? It's total contributions, on average, grew twice as fast. One little fact doubled fundraising growth. *Doubled*!

This is a big deal. This isn't just academic theory. This isn't just a little experiment. This is years of data from most American nonprofits. This is as "real world" as it gets. And the difference is massive.



Real world: How to start

Fundraisers can start by sharing stories. These can be stories of others like the donor who have made gifts of assets. Donor stories can include stocks, bonds, real estate, or businesses.[18]

In conversation, this might begin with saying, "I help our donors give smarter." When asked for an explanation, the fundraiser can share a story that teaches.

[17] James, R. N., III. (2018). Cash is not king for fundraising: Gifts of noncash assets predict current and future contributions growth. *Nonprofit Management & Leadership. 29*(2), 159-179.
[18] James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance, 18*(1), 65-73.

Marketing materials can regularly teach the benefits of such gifts. (Of course, fundraisers should also educate themselves.)[19]

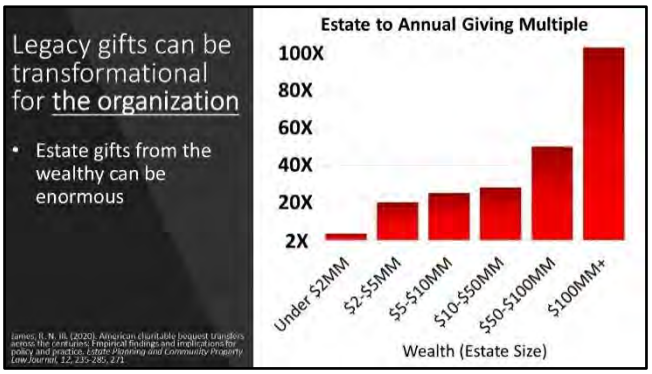
Fundraisers can also listen. They can listen for upcoming financial events. A sale, a retirement, an inheritance can all be times when charitable planning works well. By learning, listening, and sharing, fundraisers can become a valuable advisor for donors. They can also change the donor's mindset.



Mindset matters

Most donors think of donations as something that comes from regular disposable income. Gifts come from "pocket change." These donors will give small. They will give small today. They will give small tomorrow.

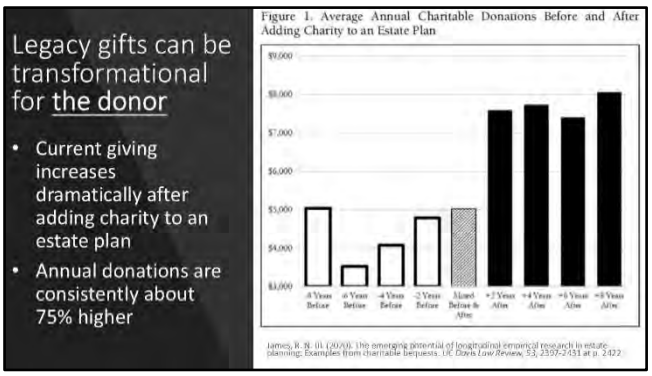
But if a donor begins to think of donations as something that comes from wealth, things change. These donors will give big. They will give big today. They will give even bigger tomorrow.



The transformational estate gift

Legacy gifts are transformational. They can be transformational for the charity because of their size. For people worth over $2 million, estate giving averages 20, 50, or 100 years of their annual giving.[20] This multiple increases with increasing wealth. Legacy gifts from the wealthy can be enormous.

But legacy gifts are also transformational for the donor. Current giving increases dramatically after adding charity to an estate plan. Annual donations jump over 75%.[21] These are the same donors before and after. They just behave differently after changing their estate plans. Even eight years later, this higher level of giving persists.



Why does this happen? An estate gift is a gift from wealth, not disposable income. For many, putting charity in their will is their first commitment to donate *from their wealth*, rather than from their disposable income. This first gift from wealth can be transformational for the donor. It mentally reclassifies their wealth as donation relevant.

[19] For details, see James, R. N., III. (2018). *Visual planned giving in color: An introduction to the law & taxation of charitable gift planning.* Version 5.1. Createspace Independent Publishing. www.encouragegenerosity.com/VPG.pdf

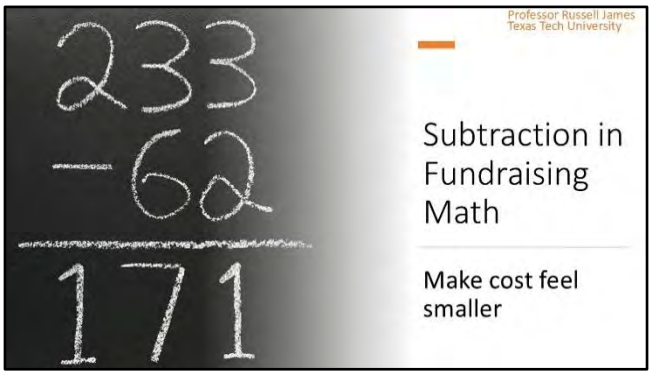
[20] James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning and Community Property Law Journal, 12*, 235-285. p. 271.

[21] "Thus, using these 8,891 "before and after" observations from 1993-2016, inflation-adjusted giving was, on average, about 77% greater after the charitable estate planning component was added than it was before ($7,699 versus $4,355)." James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431. p. 2422.

This changes the reference point for donations. It opens the way for larger donations in the future.

Conclusion

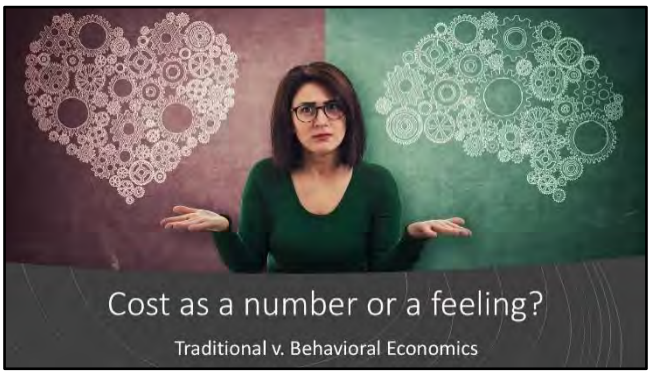
The key to fundraising growth is changing the donor's mindset. That starts by understanding the secret: Major gifts are gifts of wealth, not disposable income.

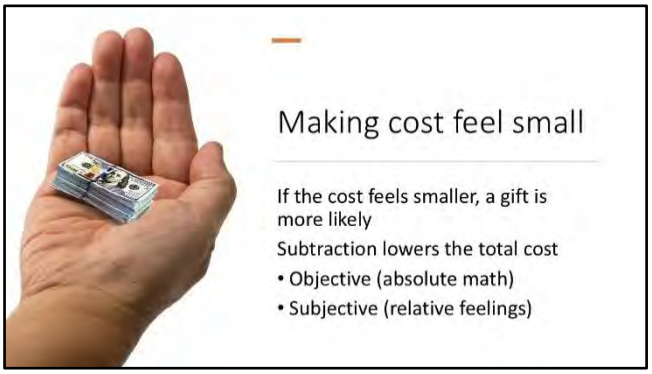


7

SUBTRACTION IN FUNDRAISING MATH: MAKE COST FEEL SMALLER







Teen Talk Barbie famously stated, "Math is hard."[1] This may be particularly true in fundraising. Giving is motivated by social emotion. Triggering math, logic, error-detection thoughts can hurt. It can block social emotion.

But we can't simply ignore math. Why not? Because giving doesn't come just from motivation. It comes from the intersection of motivation and cost. Motivation must overcome the cost barrier. So, we can't ignore cost. And cost is a number.

Or is it? In traditional economics, cost *was* just a number. It was part of a rational math equation. But then behavioral economics added experiments. It found that cost was *not* just a number. Cost was also a feeling. The same number could feel larger or smaller, depending on circumstances.

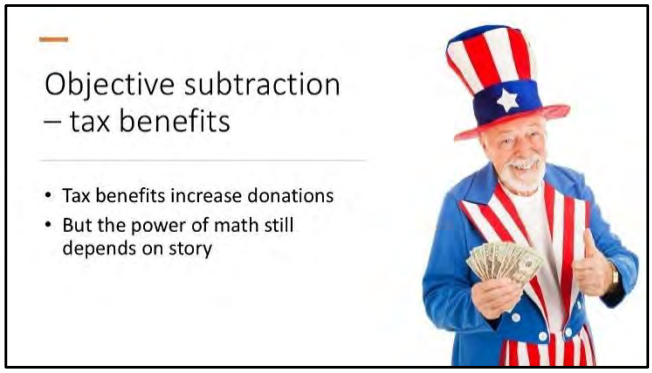
Making cost feel small

Giving results from the intersection of motivation and cost. If the cost feels smaller,

[1] See, e.g., Brodeur, N. (2018, July 13). Why computer-engineer Barbie matters: A quest to fight stereotypes for girls, *Seattle Times,* https://www.seattletimes.com/life/lifestyle/why-computer-engineer-barbie-matters-a-quest-to-fight-stereotypes-for-girls/

a gift is more likely. How can we make cost feel small? One way is by subtraction.

Subtraction lowers the total cost. This can be objective. For example, tax benefits can do this. But it can also be subjective. Even with the same number, the *feeling* of cost can become lower. This can happen when the cost is compared with different reference points. It can happen when the cost comes from different sources.



Objective subtraction: Tax benefits

Lowering the real cost of a gift can help. Objective discounts like tax benefits make bigger gifts possible. They increase donations.

Even so, the power of math still depends on the story. In math, a rebate and a match are identical.

Match: The donor gives $1. It's matched with $1.

Result: The gift makes a $2 impact but costs the donor only $1.

Rebate: The donor gives $2. The donor is paid $1 for making the gift.

Result: The gift makes a $2 impact but costs the donor only $1.

The math result is the same. But the feeling is different. The feeling is different because the story is different.[2]



- A match is a story of greater impact (donor heroism). The donor uses a special tool to win a greater victory for the story characters. This improves the donor's story.[3]
- A rebate is a story of greater personal benefit (donor selfishness). The donor makes a gift. Plus, he gets some personal financial benefit. This weakens the donor's story.

In fundraising experiments, a match works better than an identical rebate.[4] And we see this in fundraising practice. Everyone offers matches. No one offers rebates. Problem solved, right? Not exactly.

[2] More formally, a match is associated with a "cooperation" frame, which makes donors feel more generous, while a rebate is associated with a "reward" frame, which does not. *See,* Bénabou, R., & Tirole, J. (2006). Incentives and prosocial behavior. *American Economic Review, 96*(5), 1652-1678.

[3] In fact, one experiment showed that a special kind of match can be even more effective. In this experiment the match went not to the project the donor was giving to, but to a different project. For example, a gift to provide water to one Tanzanian village was matched by a gift to provide schools to the village. This complementary match told a better story and it worked better than the standard match. What did not work as well was a different match that told essentially the same story. For example, a gift to provide water to one Tanzanian village was matched by a gift to provide water to a different Tanzanian village. That wasn't a different story, and the impact of this type of match wasn't as great. *See* Adena, M., & Huck, S. (2017). Matching donations without crowding out? Some theoretical considerations, a field, and a lab experiment. *Journal of Public Economics, 148*, 32-42.

[4] Epperson, R., & Reif, C. (2019). Matching subsidies and voluntary contributions: A review. *Journal of Economic Surveys, 33*(5), 1578-1601.

Unfortunately, the biggest money benefit that a donor gets is a rebate. A tax deduction is a rebate. The donor makes a gift and then gets a tax benefit.

We can't change this. But rebates don't work as well in a story. So, it makes sense to change the words we use to describe tax benefits. We want to use words that frame the tax benefit *as if* it were a match.



- Match language – Yes

"You give and the government matches your gift with a tax benefit. Your dollars become more powerful because the government pays for part of the cost of the gift."

- Rebate language – No

"You give and you get a tax benefit back in return. Giving this way means that the charity benefits and so do you."

The math is the same. But the language changes the story.



Objective subtraction: Charity benefits

In math, a charity could lower cost by giving something back. In story, this is tricky. Getting back cash from a charity can ruin the story. In experiments, cash payments can *reduce* helping or volunteering.[5]

It's not that a charity can't benefit a donor. It's that the donor's benefit must create little or no *extra* cost for the charity. The best story is a gift that helps the charity 100%. If the donor's benefit doesn't cost the charity anything *extra*, that story stays intact.



Charitable auctions are common. The bidder gets a benefit, the item. But the items are always donated to the charity. The benefit didn't cost the charity anything. The story stays intact.

Charitable lotteries (raffles) are also common. A person buys a ticket for a chance to win a prize. The ticket can benefit the purchaser. But the *extra* ticket costs the charity nothing.

[5] For an example where cash payments reduce charitable behavior, *see* Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review, 99*(1), 544-55. For an example where the promise of cash payments reduce guilt and increase satisfaction for those who *don't* support the charity *see* Giebelhausen, M., Chun, H. H., Cronin Jr, J. J., & Hult, G. T. M. (2016). Adjusting the warm-glow thermostat: How incentivizing participation in voluntary green programs moderates their impact on service satisfaction. *Journal of Marketing, 80*(4), 56-71.

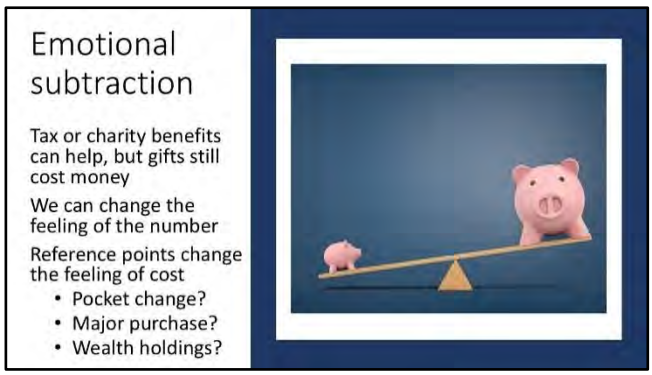


One experiment changed a raffle from a fixed to a variable cash prize. The prize grew by 50% of each extra ticket sale. What happened? Funding dropped by more than half.[6] The prize wasn't smaller. But the charitable story was damaged.

A donor's benefit may be valuable. But it should add little extra cost for the charity. Thus, charities often provide,

- Use of facilities
- Admission to events, or
- Invitations to social gatherings.

These work because the extra cost for one more person is minimal. The donor's story stays intact.



Emotional subtraction

Tax or charity benefits can help, but gifts still cost money. Often, we can't change this number. But we can change the feeling from the number. In math, a number is a number. But in emotion, a number depends on the story of the number.

Reference points matter. Compared with routine disposable income purchases, a $1,000 gift can feel enormous. Compared with infrequent major purchases, it can feel reasonable. Compared with wealth, it can feel tiny. In all three cases, the cost is the same. But the feeling of the cost can change dramatically.



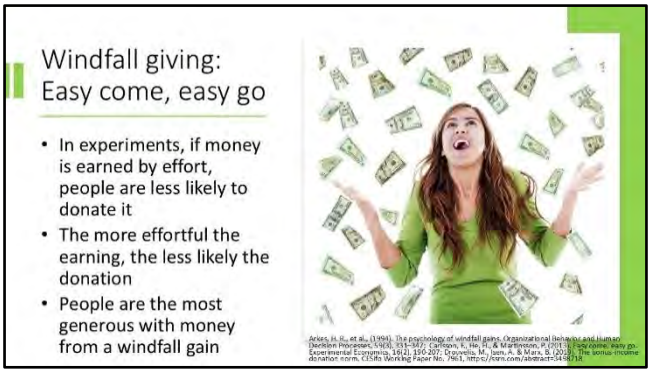
Losses hurt

In experiments, people spend differently using different payment types. Paying with currency creates a visceral loss experience. The person physically loses something valuable. People spend little with cash.[7]

Paying with a check is also a loss. But giving up a single check hurts less than giving up a stack of cash. People spend more with checks.

[6] Dale, D. J. (2004). Charitable lottery structure and fund raising: Theory and evidence. *Experimental Economics, 7*(3), 217-234.
[7] Soman, D. (2003). The effect of payment transparency on consumption: Quasi-experiments from the field. *Marketing Letters, 14*(3), 173-183.

Paying with a credit card doesn't feel like a loss. A person takes out a card but puts it right back. People spend a lot more with cards.[8] The more painful the cost feels, the less people want to spend the money. This is also true in giving.



Windfall giving: Easy come, easy go

In experiments, if money is earned by effort, people are less likely to donate it.[9] The more effortful the earning, the less likely the donation.[10] People are most generous with money from a windfall gain.[11]



In western culture, tithing originated in windfall gains. In Archaic and Classical Greek, tithing refers to offering one-tenth of the spoils of battle to the gods.[12] The first appearance of tithing in the Bible is similar. Abraham gives a tenth part to the priest Melchizedek following a victory in battle.[13]



In real life, windfall gains can come at different times. It might be a bonus at work, a stimulus check, or a tax refund. But for major gifts, this typically comes from the sale of an appreciated asset. This might be the sale of real estate, shares, or a business.

Thus, gifts of appreciated assets are powerful both objectively and emotionally. Such gifts are cheaper. Donating before the sale avoids capital gains tax. But this math advantage may be even more powerful as pretext. It triggers giving contemplation on the eve of a large windfall.

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[8] Soman, D. (2001). Effects of payment mechanism on spending behavior: The role of rehearsal and immediacy of payments. *Journal of Consumer Research, 27*(4), 460-474; See this effect in study 1 of Chatterjee, P., Rose, R. L., & Sinha, J. (2013). Why money meanings matter in decisions to donate time and money. *Marketing Letters, 24*(2), 109-118, retracted due to errors in study 3, but see the argument for study 1 data in Rose, R. L. (2016). Cautious thoughts on "a social priming data set with troubling oddities". *Basic and Applied Social Psychology, 38*(1), 30-32.

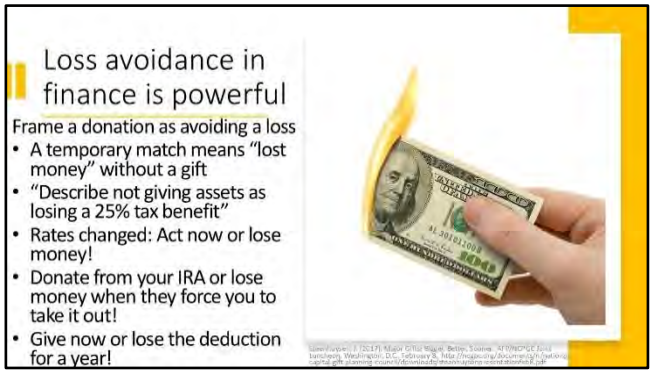
[9] Carlsson, F., He, H., & Martinsson, P. (2013). Easy come, easy go. *Experimental Economics, 16*(2), 190-207.

[10] Muehlbacher, S., & Kirchler, E. (2009). Origin of endowments in public good games: The impact of effort on contributions. *Journal of Neuroscience, Psychology, and Economics, 2*(1), 59.

[11] Arkes, H. R., Joyner, C. A., Pezzo, M. V., Nash, J. G., Siegel-Jacobs, K., & Stone, E. (1994). The psychology of windfall gains. *Organizational Behavior and Human Decision Processes, 59*(3), 331-347; Konow, J. (2010). Mixed feelings: Theories of and evidence on giving. *Journal of Public Economics, 94*(3-4), 279-297; Li, H., Liang, J., Xu, H., & Liu, Y. (2019). Does windfall money encourage charitable giving? An experimental study. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 841-848; Reinstein, D., & Riener, G. (2012). Decomposing desert and tangibility effects in a charitable giving experiment. *Experimental Economics, 15*(1), 229-240.
This behavioral difference can be explained by social norms. In experiments, "Perceptions of what most people would consider a morally appropriate donation depend on the amount of income and whether it is a windfall." Drouvelis, M., Isen, A. & Marx, B. (2019). *The bonus-income donation norm*. CESifo Working Paper No. 7961, https://ssrn.com/abstract=3498718

[12] Keesling, C. M. (2003). *The votive statues of the Athenian Acropolis*, Cambridge University Press.

[13] Genesis 14:17-20



Avoiding money losses

Avoiding the feeling of loss is powerful in financial decisions. A long history of research shows this.[14] That's why donating from a windfall gain feels easier. The cost doesn't change, but it doesn't feel like a loss. It feels like a slightly smaller gain.

Instead of being a loss, a donation can also be described as *avoiding* a loss. A temporary financial match can mean "lost money" if no gift is made. Jay Steenhuysen promotes asset gifts this way:

> "Describe not giving assets as *losing* a 25% tax benefit."[15]

The interest rate for complex gift deductions changes monthly.[16] This can mean *losing* valuable deductions if the deadline is missed. Or gift annuity rates may be about to drop. Either way, the message is

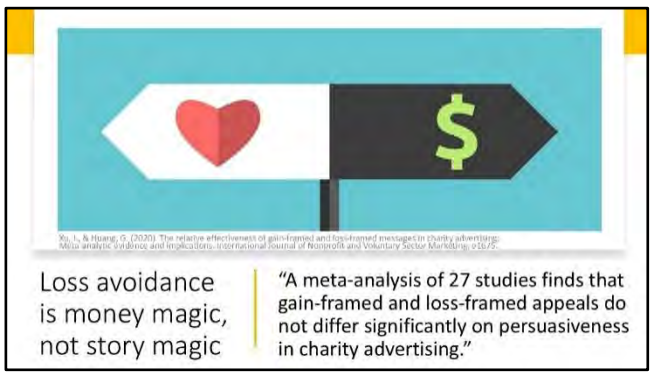
> "Act now or lose money!"

Or maybe the donor is age 73 or older. Then this message can be

> "Donate from your IRA or lose money when they force you to take it out!"

End-of-year tax deadlines can also help. This message can be

> "Give now or lose the deduction for a year!"



Avoiding loss is money magic, not story magic

Loss avoidance is powerful in money decisions. So, does this mean fundraising *story* should be all about avoiding loss? Actually, no.

Many experiments have compared gain and loss framing in fundraising story. Taking them all together, the answer is, "meh."[17] This being academia, the conclusion is a bit more formal. Researchers describe it this way:

> "A meta-analysis of 27 studies finds that gain-framed and loss-framed appeals do not differ significantly on persuasiveness in charity advertising."

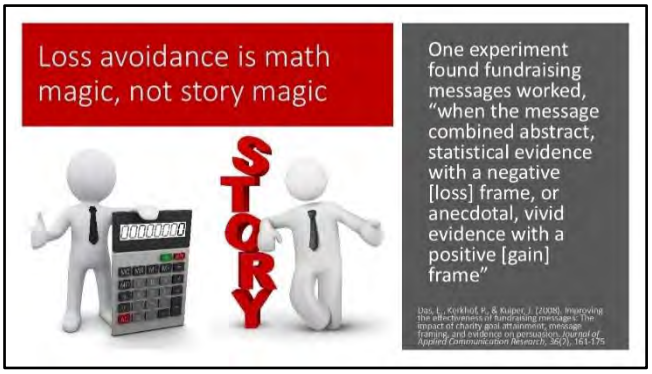
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[14] Abdellaoui, M., Bleichrodt, H., & Paraschiv, C. (2007). Loss aversion under Prospect Theory: A parameter-free measurement. *Management Science, 53*, 1659-1674; Tversky, A., & Kahneman, D. (1991). Loss aversion in riskless choice: A reference-dependent model. *The Quarterly Journal of Economics, 106*(4), 1039-1061.

[15] Steenhuysen, J. (2017, February 8). *Major gifts: Bigger, better, sooner*. AFP/NCPGC Joint Luncheon, Washington, D.C. http://ncgpc.org/documents/n/national-capital-gift-planning-council/downloads/steenhuysenpresentationfeb8.pdf

[16] The section 7520 rate is used to calculate charitable deductions for complex gifts such as charitable remainder trusts, charitable lead trusts, charitable gift annuities, and retained life estates in homes and farmland. Donors can use the current month's rate or either of the previous two month's rates. Thus, it is actually the interest rate from the month before last that expires each month. However, if this offers a more favorable tax result, then failing to act by the deadline can be described as creating a loss.

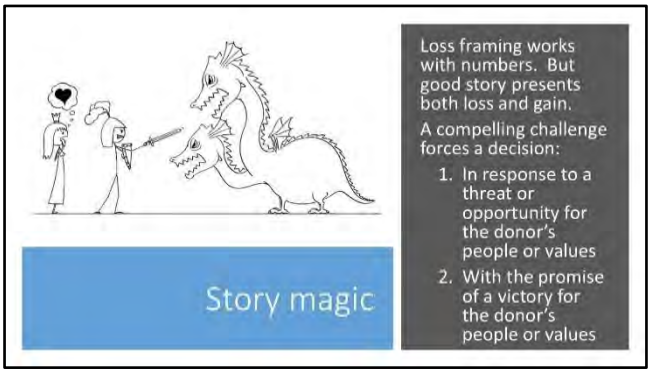
[17] Xu, J., & Huang, G. (2020). The relative effectiveness of gain-framed and loss-framed messages in charity advertising: Meta-analytic evidence and implications. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1675.



One approach did no better than the other. So, what's going on? Loss framing does work. It works with *finances*.[18] It works with numbers. The math, logic, numbers system in the brain focuses on error detection. It focuses on avoiding mistakes and losses.

One experiment tested gain and loss framing for different fundraising messages.[19] What worked was

"when the message combined abstract, statistical evidence with a negative [loss] frame, or anecdotal, vivid evidence with a positive [gain] frame."



Story magic

Loss framing works with numbers. But good story presents *both* loss and gain. A compelling challenge forces a decision,

1. In response to a threat or opportunity for the donor's people or values, and
2. With the promise of a victory for the donor's people or values.

A good challenge presents a risk of serious loss (or at least a lost opportunity). But it also offers the hope of a gain. It promises a victory. A good story doesn't end with, "Nothing changed." That's not a meaningful victory. That's not a compelling story.



Wealth is a number and a feeling

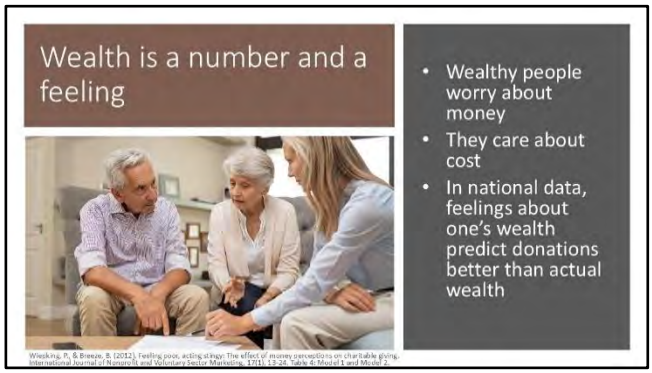
Major gifts come from people who can make them. They come from people with wealth. Wealth is a number, but it's also a feeling.

It's important not to confuse your feelings about a number with a donor's feelings. Consider this. If you had $50 million, would you feel "extremely financially secure?"

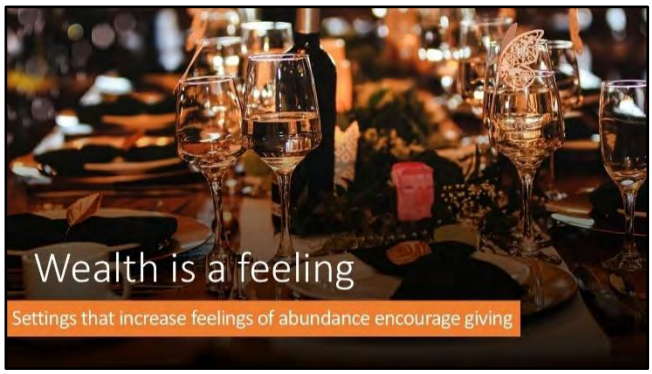
[18] Loss aversion also works with death. *See* the classic study in Tversky, A., & Kahneman, D. (1981). The framing of decisions and the psychology of choice. *Science, 211*(4481), 453-458. But that isn't just a result of loss framing, per se. That's also a result of death avoidance. Death avoidance is a deeply rooted psychological construct of its own. Among other things, it is a foundation for an entire field of psychology known as Terror Management Theory.

[19] "Importantly, our findings showed that, compared with the work of other charities, the relevance of the present charity was perceived to be higher when the message combined abstract, statistical evidence with a negative frame, or anecdotal, vivid evidence with a positive frame." Das, E., Kerkhof, P., & Kuiper, J. (2008). Improving the effectiveness of fundraising messages: The impact of charity goal attainment, message framing, and evidence on persuasion. *Journal of Applied Communication Research, 36*(2), 161-175. p. 170.
Note also that a meta-analysis of such experiments finds that "Gain- and loss-framed appeals do not significantly differ in persuasiveness concerning charity advertising." Xu, J., & Huang, G. (2020). The relative effectiveness of gain-framed and loss-framed messages in charity advertising: Meta-analytic evidence and implications. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1675.

Probably so. But only one in five households with an actual net worth over $50 million reported feeling "extremely financially secure."[20] One in ten felt "somewhat insecure."



Substituting your feelings about a number for a donor's feelings is a mistake. It leads to misunderstandings. It's easy to think that wealthy people don't worry about money. Or that they don't care about cost. Neither is true.[21] These feelings are important. They impact giving.



In national data, *feelings* about one's wealth predict donations better than *actual* wealth.[22] Regardless of actual wealth, if people

- Feel their friends are better off than them, or
- Worry about needing cash,

donations fall.

Wealth is a feeling. Settings that increase the feeling of abundance encourage giving. It's no accident that fundraising events are held in more opulent surroundings. They have abundant food and drink. These environments create the right feeling.



Cost is important for wealthy people

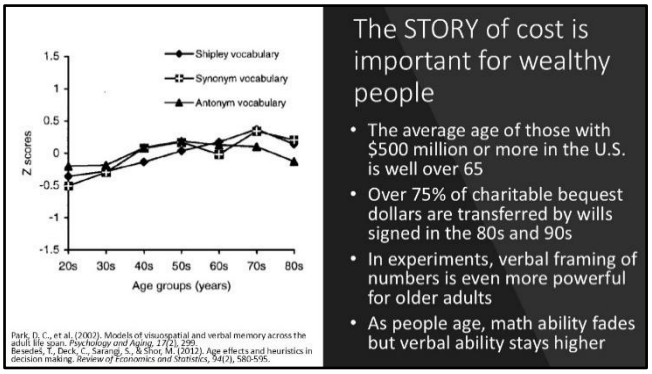
Wealthy people have more money. But there is a reason for this. Wealthy people like to hold wealth, rather than spend it. Otherwise, they wouldn't become, or stay, wealthy.

This simple reality is important. It provides insight into the wealthy donor's mindset. The importance of cost doesn't disappear for the wealthy. If anything, it's stronger.

[20] Rooney, P. M. & Frederick, H. K. (2007). *Portraits of donors: Bank of America study of high net-worth philanthropy.* The Center on Philanthropy at Indiana University. p. 11.

[21] This error starts with a skewed definition. Rich people are *other* people who have a lot more money <u>than we do</u>. They aren't like us. If we were that rich, we wouldn't care about cost; so, why should they? But consider this. How does your household income compare with the global median of $10,000? How does it compare with the five poorest countries' median of less than $1,000? From a global perspective, you are *those other people* who have a lot more money. Do you worry about money? Is giving easy for you? Do you still care about cost? Considering this perspective may help show why these issues continue to be important even at various order-of-magnitude differences in income or wealth.

[22] Wiepking, P., & Breeze, B. (2012). Feeling poor, acting stingy: The effect of money perceptions on charitable giving. *International Journal of Nonprofit and Voluntary Sector Marketing, 17*(1), 13-24. Table 4: Model 1 and Model 2.



The framing of cost is important for older wealthy people

The very wealthy tend to be older. The average age of those with $500 million or more in the U.S. is well over 65.[23] Most charitable bequest dollars come from wills signed in the 80s and 90s.[24]

In experiments, verbal framing of financial numbers is powerful. But it's even more powerful among older adults.[25] Verbal framing is also more powerful among those with lower cognitive scores.[26] As people age, cognitive scores tend to decline.[27] Verbal ability actually stays higher in older age, whereas math does not.[28] Math fades, but story remains.



Conclusion

Cost is a number. So is wealth. And numbers are important. But for fundraising, the feeling about these numbers can be just as important. When cost feels less painful, giving increases. When resources feel more abundant, giving increases. Changing the story of money can change fundraising results.

[23] Forbes. (2011). *Driving global wealth: Mapping ultra high net worth individuals around the globe*. Societe Generale Private Banking, https://i.forbesimg.com/forbesinsights/StudyPDFs/Driving_Global_Wealth_May2011.pdf
[24] James, R. N., III., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing, 20*(3), 277-283.
[25] Besedeš, T., Deck, C., Sarangi, S., & Shor, M. (2012). Age effects and heuristics in decision making. *Review of Economics and Statistics, 94*(2), 580-595.
[26] Abeler, J., & Marklein, F. (2017). Fungibility, labels, and consumption. *Journal of the European Economic Association, 15*(1), 99-127; Hackinger, J. (2016). *Not all income is the same to everyone: Cognitive ability and the house money effect in public goods games*. https://ssrn.com/abstract=2786603
[27] Murman, D. L. (2015). The impact of age on cognition. *Seminars in Hearing, 36*(3), 111-121.
[28] Park, D. C., Lautenschlager, G., Hedden, T., Davidson, N. S., Smith, A. D., & Smith, P. K. (2002). Models of visuospatial and verbal memory across the adult life span. *Psychology and Aging, 17*(2), 299-320.



8

ADVANCED FUNDRAISING MATH:
MULTIPLY THE EXPERIENCE, DIVIDE THE COST



Charity managers' perspective

How should a gift be structured? For charity managers, the answer is easy. The donor should just write a check. Write it immediately. Write it for as much as possible. And then go away. Let the managers get on with the job.

Yet, that isn't how large gifts work. Large gifts come with instructions. They can be complicated. For charity managers, this can be frustrating. They may think,

> "Why do donors need to be so complicated! Why do we need gift agreements, restrictions, campaigns, pledges, trusts, or donor advised funds? Oh, and it gets worse! These days one set of headaches isn't enough. Now we need 'blended gifts' that stack these complications together. Why can't they just give us the money?"



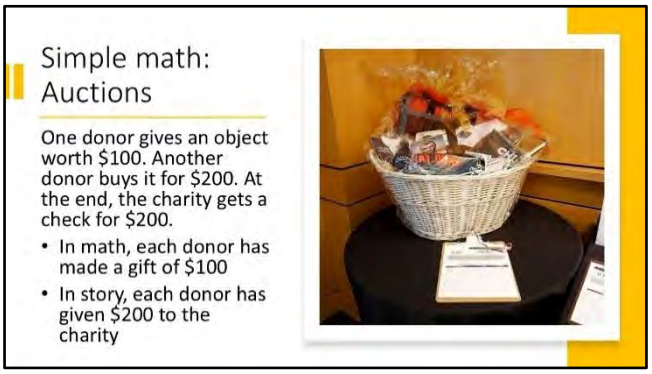
Perspective shift: Delivering value

It's a good question. Why can't they just give us the money? Why are large gifts so complicated? Understanding this starts with a simple reality. It's a reality that charity managers often miss. It's this:

- Donations don't come because the charity "deserves it."
- Donations come because the donor's experience is worth the gift.

Getting big gifts means delivering big value to the donor. It means delivering a compelling donor experience.[1] Many small nonprofit managers dream of the million-dollar donation. Few dream about delivering a donor experience *worth* a million dollars.

Moving beyond simple checkbook gifts can work. It works by *delivering more value* to donors. It does this through the power of math. Not just the math of accounting, but the math of story.



Simple math: Auctions

Let's start small. Charity auctions are everywhere. A charity auction is a fragmented gift. One donor gives an object worth $100. Another donor buys it for $200. At the end, the charity gets a check for $200.

Why go through all this? Couldn't each donor just write a check for $100? Yes, they could. But they won't. Writing a check doesn't deliver the same donor experience. It doesn't deliver the same value.

Consider the story. In math, each donor has made a gift of $100. But not in story. In story, each donor has benefited the charity by $200.

Story of Donor 1:

"I donated this object. As a result, the charity got a check for $200. Because of me, the charity now has $200."

Story of Donor 2:

"I gave a check to the charity. It was for $200. They gave me an object that cost them nothing. Because of me, the charity now has $200."

Each is a story of a $200 gift. And each makes sense. The gift experience has been multiplied.



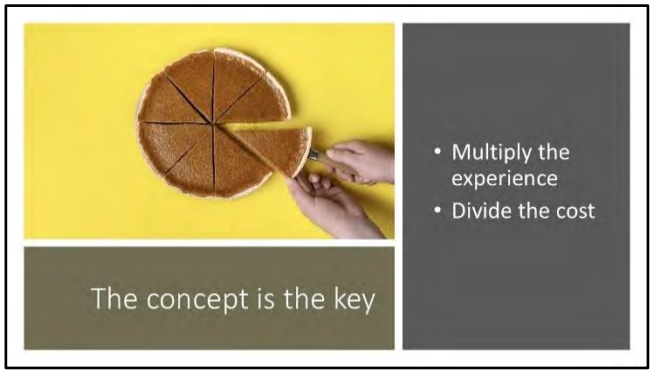
Multiply the feeling of being generous: Auctions

Consider the value delivered to the first donor. The auction is public. The donor of every object is known. Gifts of objects are communal.[2] They provide greater enhancement to the donor's reputation.[3]

[1] A formal economic model incorporates this idea, with the explanation, "A charitable contribution is a social interaction not a market exchange. Stated differently, giving is an experience rather than a consumption item." Andreoni, J. & Serra-Garcia, M. (2019, December). *Time-inconsistent charitable giving*. NBER Working Paper No. 22824, https://www.nber.org/papers/w22824

[2] Cheal, D. (1987). Showing them you love them: Gift giving and the dialectic of intimacy. *The Sociological Review, 35*(1), 150-169.

[3] Gershon, R., & Cryder, C. (2018). Goods donations increase charitable credit for low-warmth donors. *Journal of Consumer Research, 45*, 451-469.

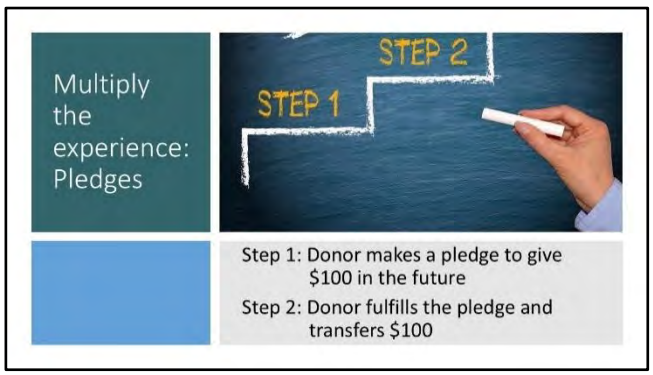


Often, the object reflects the donor's identity, either as a person or a business. Their generosity, and their identity, is on display. It's on display in an approved, communal, shared process.

The second donor also receives high value. The bidding is also public.[4] Bidders can display wealth, generosity, and commitment to a shared cause. Although bidding does involve cash, it's more fun than finance. It uses objects as the medium for transfer. The object benefiting the donor costs the charity nothing. It doesn't reduce the impact of the donor's cash gift. A good-natured bidding war is common. Often this is for an item tied to the identity of its donor. Ms. Mary Lou's pie makes the cash bid *very* social.[5]

So, is a pie auction the road to major gifts success? No. But the concepts are useful. In a charity auction, two donors can claim the same gift. This multiplies the gift experience. But each donor's net cost of giving is less than the total amount. This divides the gift cost.

These concepts are powerful. They can also apply to modern gift structures. These don't require two donors. Instead, they apply to one donor at different times. The simplest example is the charitable pledge.



Multiply the feeling of being generous: Pledges

Even more common than the charity auction is the charity pledge. This breaks the gift into two steps:

Step 1: Donor makes a pledge to give $100 in the future.

Step 2: Donor fulfills the pledge and transfers $100.

Why would this raise more money? It works by multiplying and dividing. First, it multiplies the gift experience. The donor gets to feel like a hero twice.



In step 1, the donor gets to be charitable. The donor is charitable by committing to a pledge. In step 2, the donor gets to be charitable *again*. This time the donor actually writes a check. The steps multiply the charitable experience.

Researchers explain it this way:

[4] Even in a silent auction, the bids may be written publicly or the winners may be announced publicly.
[5] The "pie supper" charity auction was popular in 19th and early 20th century Ozark Mountain culture. See Gilmore, R. K. (1990). Box and pie suppers. In *Ozark baptizings, hangings, and other diversions: Theatrical folkways of rural Missouri, 1885-1910*. University of Oklahoma Press.

"The pleasures experienced at the time of the giving decision may be re-experienced later when focus is brought to the giving decision, such as when the gift is transacted. Hence, spreading a single giving decision into two distinct social interactions is like giving a person a larger audience, even if the audience is the same people, and even if the audience is simply themselves (as with self-signaling)."[6]



Divide the feeling of cost: Pledges

Pledges also divide the gift cost. In the first step, the cost of being charitable is a pledge. A pledge for future money feels less painful than paying now. The cost feels smaller. This changes the decision. It's no longer a choice of

"Give *now* or don't give."

Instead, it's a choice of

"Give *later* or don't give."

This makes giving easier.

In the second step, the donor writes a check. But the decision is easier. Now, it's just paying the bills. The decision is not a choice of

"Give now or *don't give*."

Instead, it's a choice of

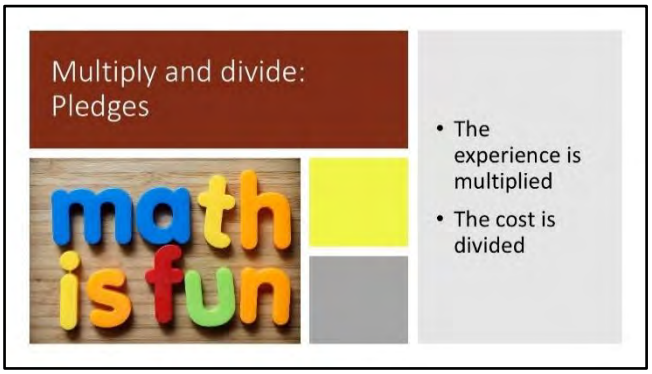
"Give now or *break my pledge*."



This makes giving easier.

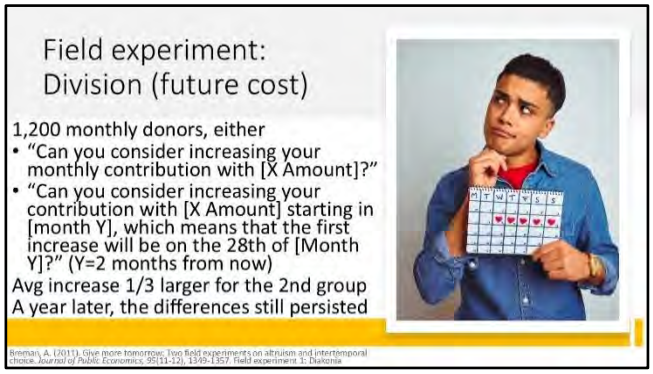
In one experiment, researchers found a way to increase pledge fulfillment. Saying "thank you" after the pledge worked.[7] It worked because it increased the pain of breaking the pledge. It made the second decision easier.

A pledge splits the gift into two steps. The donor gets to feel charitable twice. This multiplies the gift experience. But the cost at each step feels less painful. This divides the gift cost.



[6] Andreoni, J. & Serra-Garcia, M. (December, 2019). Time-inconsistent charitable giving. NBER Working Paper No. 22824, https://www.nber.org/papers/w22824

[7] Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science.* Advance online publication.



Divide the feeling of cost: Experiments

Giving later makes the decision easier. This doesn't work only in theory. It also works in experiments.

One tested 1200 donors to an international relief charity.[8] All were giving monthly by automatic bank withdrawals. Fundraisers called and thanked the donors for giving. They gave examples of projects made possible by the gifts. They asked donors to increase their monthly donation by a set amount. The only difference was this: Some were asked,

> "Can you consider increasing your monthly contribution with [X Amount]?"

and others were asked,

> "Can you consider increasing your contribution with [X Amount] starting in [month Y], which means that the first increase will be on the 28th of [Month Y]?" Month Y was two months later than the current month.

What happened? The average increase in giving was 1/3 larger for the second group. Large increases (more than double the median) occurred 80% more often in the second group.

This increase in giving was long lasting. A year later, the differences still persisted. The donors could have reduced their giving at any point. But they didn't.

Pledges also work in the lab.[9] Partly, this comes by reducing the feeling of cost. Paying with future money feels less painful than paying now. In fundraising, giving later feels less painful than giving now.



Divide the feeling of cost: Sharing gains

This feeling of cost can be lowered even more. Even easier than paying with future money is paying with future *gains*. Losses are painful. But giving from a gain doesn't feel like a loss. It just feels like a smaller gain.

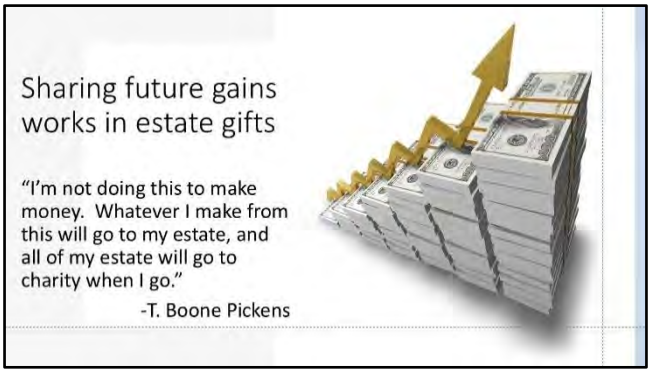
[8] Breman, A. (2011). Give more tomorrow: Two field experiments on altruism and intertemporal choice. *Journal of Public Economics, 95*(11-12), 1349-1357. Field experiment 1: Diakonia.

[9] "In generalized dictator games, subjects behave more altruistically towards others when deciding in advance rather than in the present" Kölle, F., & Wenner, L. (2018). Present-biased generosity: Time inconsistency across individual and social contexts (No. 2018-02). CeDEx Discussion Paper Series. https://www.econstor.eu/bitstream/10419/200421/1/1019128569.pdf
See also, Powell, E., Jung, M., Vosgerau, J., & Pe'er, E. (2018). Donate today or give tomorrow? Adding a time delay increases donation amount but not willingness to donate. *ACR North American Advances*. https://www.acrwebsite.org/volumes/v46/acr_vol46_2411255.pdf

This is powerful in retirement savings. One plan allowed people to commit part of their future *raises* to retirement. Allowing this more than quadrupled savings.[10]

An experiment with donations found similar results. People were entered into a lottery. Each person was asked to commit part of their winnings to charity. Some were asked before they won. Others were asked after. Those asked before they won were 23% more likely to give. And when they gave, they gave 25% larger amounts.[11]

Cost can be a barrier to donating. But the less painful the cost feels, the easier the donation becomes. Changing the timing of the cost from now to later lowers the pain. Changing the cost from "taking a loss" to "taking a smaller gain" does the same. Doing both at the same time is doubly attractive.[12]



The attraction of sharing future gains matches the rise of new corporate structures. These combine profit and charitable goals.[13] It can also match donors' stories about their legacy giving. Billionaire T. Boone Pickens commented,

"I'm not doing this to make money. Whatever I make from this will go to my estate, and all of my estate will go to charity when I go."[14]



Multiply the feeling of being generous: Experiments

In one experiment, some people were asked to donate from payments being made today. Others were asked to donate from payments being made in a week. Giving was 50% higher for this second group.[15] No surprise. Giving tomorrow feels easier than giving today.

But the researchers found something else. There was more to the story than just cost. Those who gave from later payments experienced being charitable *twice*. They were charitable once when they pledged to give. They were charitable again when they made the gift.

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[10] Thaler, R. H., & Benartzi, S. (2004). Save more tomorrow™: Using behavioral economics to increase employee saving. *Journal of Political Economy, 112*(S1), S164-S187.

[11] "participants are 23% more likely to commit to donate from the winning income and commit 25% more when asked before the lottery's outcome is determined—relative to those asked to donate after they learn they have won" Kellner, C., Reinstein, D., & Riener, G. (2019). Ex-ante commitments to "give if you win" exceed donations after a win. *Journal of Public Economics, 169*, 109-127. p. 127.

[12] A religious charity might use this framing to encourage entrepreneur supporters to "take the Melchizedek challenge" by committing, in advance, to donate a portion of their future winnings from a new business venture to the charity. In Genesis 14:17-20, Abraham gave a tenth part of the spoils of victory to the priest Melchizedek.

[13] Kurland, N. B. (2017). Accountability and the public benefit corporation. *Business Horizons, 60*(4), 519-528.

[14] Faerstein, I. (2008, August). Pickens on decline in price of oil: 'It'll go up again.' *The Hotline: National Journal's Daily Briefing on Politics*, cited in James, R. N., III. (2010). Charitable estate planning and subsequent wealth accumulation: Why percentage gifts may be worth more than we thought. *International Journal of Educational Advancement, 10*(1), 24-32.

[15] Andreoni, J. & Serra-Garcia, M. (2019, December). *Time-inconsistent charitable giving.* NBER Working Paper No. 22824, https://www.nber.org/papers/w22824

The researchers then copied the experiment, but with one change. They added an audience. This increased attraction to the future gift more than the immediate gift.[16]

Why? Because now the future gift *was seen* twice. It was seen once when the pledge was made. It was seen *again* when the gift was made. But the immediate gift was seen only once. It was seen only when it was made. The future gift multiplied the audience. The donor got to be a hero twice.

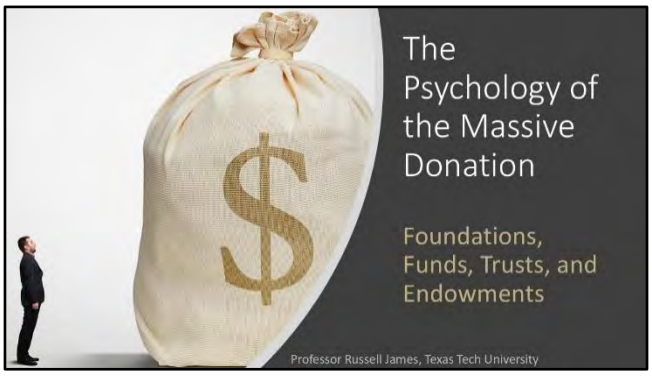


Conclusion

Auctions are useful. Pledges are even more so. But more important is understanding the concepts that make them useful. Multiplying the donor's giving experience works. Dividing the giving cost does, too.

The real power of these concepts, in the real world, shows up where the real money is. It's not in auctions. It's not even in pledges. It's in the world of massive donations. It's in foundations, funds, trusts, and endowments.

[16] "Exogenously varying the information about intertemporal giving decisions known to others strengthens the time-inconsistent charitable giving puzzle, and these audience effects are broadly consistent with the dynamic model of image concerns." Andreoni, J. & Serra-Garcia, M. (2019, December). *Time-inconsistent charitable giving.* NBER Working Paper No. 22824, https://www.nber.org/papers/w22824
Even outside of the charitable context, the desire to use a commitment device, such as one that creates a financial penalty if one doesn't follow through on a commitment, is higher when the use of the device is visible to others. In other words, the public commitment to future action is an additional means of signaling to others beyond simply the action itself. Exley, C. L., & Naecker, J. K. (2017). Observability increases the demand for commitment devices. *Management Science, 63*(10), 3262-3267.



9

THE PSYCHOLOGY OF THE MASSIVE DONATION:

FOUNDATIONS, FUNDS, TRUSTS, AND ENDOWMENTS

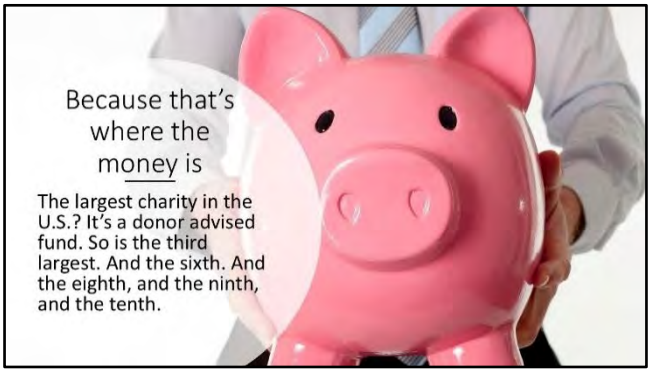


Many fundraisers don't understand the real world of philanthropy. They don't understand wealth. They don't understand charitable instruments. So, let's start with some basics.

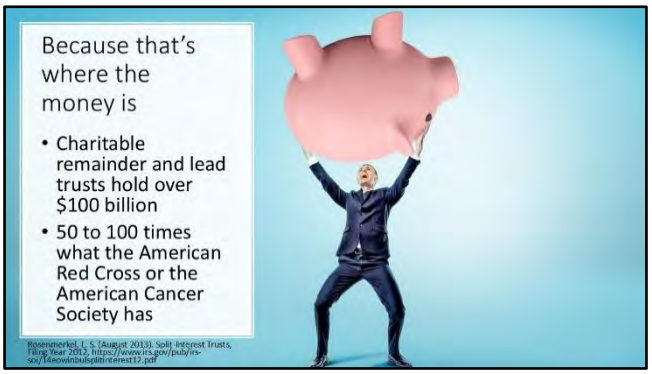
Because that's where the money is

In the U.S., the most important charitable instruments include,

- Charitable remainder and lead trusts
- Donor advised funds, and
- Private family foundations.



These are "kind of a big deal." What is the largest charity in the U.S.? It's a donor advised fund.[1] So is the third largest. And the sixth. And the eighth, and the ninth, and the tenth.



What about charitable remainder and lead trusts? They hold over $100 billion.[2] That's about 50 to 100 times what the American Red Cross or the American Cancer Society has.

[1] Philanthropy New Digest. (2017, November 2). *Fidelity Charitable tops list of largest charities in 2016*. https://philanthropynewsdigest.org/news/fidelity-charitable-tops-list-of-largest-charities-in-2016

[2] Unfortunately, the data for these instruments is nearly a decade behind. Rosenmerkel, L. S. (2013, August). *Split-interest trusts, filing year 2012*. https://www.irs.gov/pub/irs-soi/14eowinbulsplitinterest12.pdf



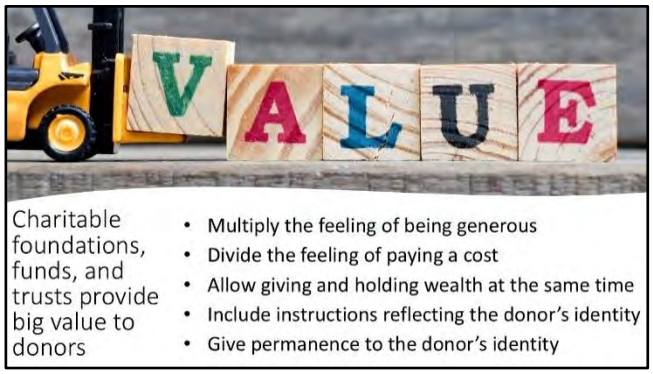
What about private foundations? They hold about a trillion dollars.[3]

So what?

These foundations, funds, and trusts are kind of a big deal. But how does that help us raise more money?



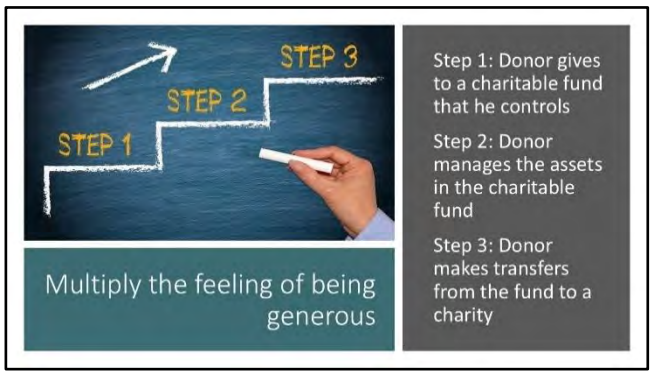
Over the long term, raising more money means one thing: Delivering more value to donors. Understanding the attraction of these instruments can help. It reveals the psychology of giving and wealth. It also shows your charity's real competition.



Charitable foundations, funds, and trusts attract huge donations. They provide real value to donors. They can

- Multiply the feeling of being generous
- Divide the feeling of paying a cost
- Allow giving and holding wealth at the same time
- Include instructions reflecting the donor's identity, and
- Give permanence to the donor's identity.

Let's explore each of these ideas.



Multiply the feeling of being generous

A donor makes a gift to a charity. That's one step. Simple enough. But with foundations, funds, and trusts, things aren't so simple. That one step becomes three.

- Step 1: Donor gives to a charitable fund that he controls.
- Step 2: Donor manages the assets in the charitable fund.
- Step 3: Donor makes transfers from the fund to a charity.

[3] $889,375,778,000 in 2016, so potentially more than a trillion at present. Internal Revenue Service. (2019, November). *Domestic private foundations study.* Table 3. Domestic private foundations: income statements and balance sheets, by size of fair market value of total assets, tax year 2016. Statistics of Income Division. https://www.irs.gov/pub/irs-soi/16pf03ta.xls

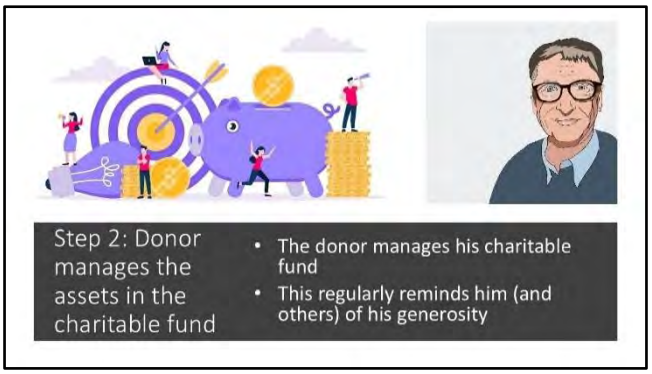




These steps multiply the experience of generosity. The donor is generous when he gives to the fund. The government recognizes this. It awards him a deduction.

Later, the donor sends money out of the fund. The donor is generous again.[4] A charity recognizes this. It gets the money and makes an impact.

In between these two steps, the donor manages his charitable fund. This regularly reminds him (and others) of his generosity.







Suppose Bill Gates hadn't created a private foundation decades ago. Suppose he had just written a check to charity. Would we have been consistently reminded of his philanthropy for all these years? No. Would he have been? No.

Breaking apart these steps is powerful. The one-time experience of being charitable can become a lifetime experience.

Divide the feeling of cost

At the first step, the donor gives to his charitable fund. But this cost isn't as painful as a normal gift. The donor isn't giving up as much. He still controls the investments. In some cases, he can even benefit from them.[5] He still controls which charities get the funds and when.

At the third step, the donor transfers from the fund to a charity. But this cost isn't as painful as a normal gift. The donor isn't giving up as much. The gift has already been committed to go to charity at *some* point. The decision affects only the timing. This transfer to

[4] For laboratory experiments showing this effect *see*, Andreoni, J. & Serra-Garcia, M. (2019, December). *Time-inconsistent charitable giving*. NBER Working Paper No. 22824, https://www.nber.org/papers/w22824

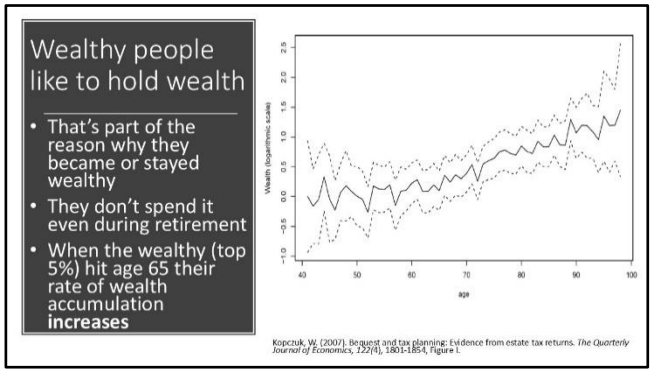
[5] With a charitable remainder trust the donor gets a share back as annual payments. With a unitrust version as investments increase, the donor's payments do too. A private foundation can use funds to hire insiders including family members to perform reasonable and necessary professional services.



charity doesn't affect the donor's personal finances. The donor doesn't have to worry about being able to afford it.

Allow giving AND holding wealth

At the second step, the donor has already given. He has already received a tax deduction for it. He has been charitable. And yet, he still holds the wealth. The donor gives the wealth *and* holds the wealth at the same time.



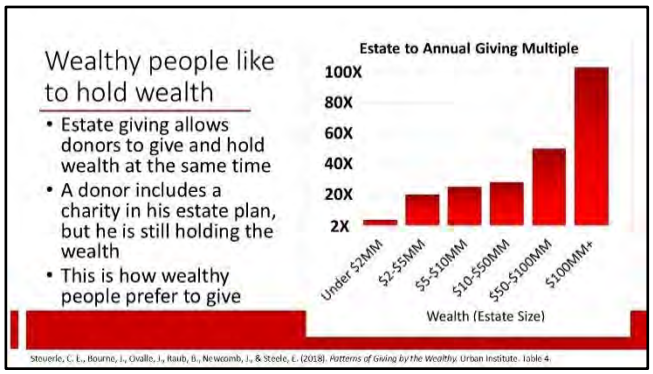
Why is this such a big deal? Because wealthy people like to hold wealth. That's part of the reason why they became or stayed wealthy.

Wealthy people like to hold wealth. That means they don't spend it even during retirement. What happens among the wealthy (top 5%) after age 65? Their rate of wealth accumulation actually *increases*.[6] At every older age, they just keep accumulating more. This is true even up to 100 years of age.



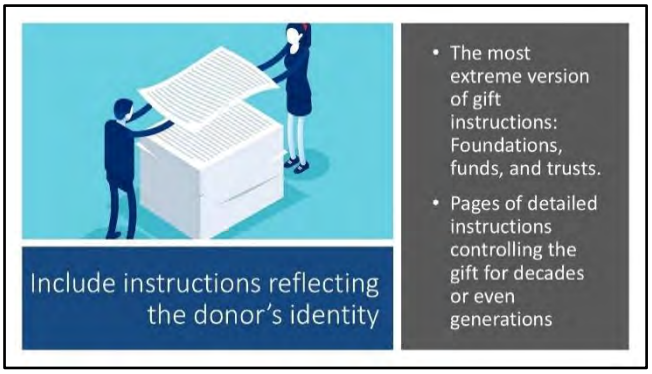
Wealthy people like to hold wealth. That means they don't give it away to family members during their life. They don't do so even though it would save enormously on estate taxes.[7] Of course, if they did that, they wouldn't be holding the wealth anymore.[8]

Estate giving allows donors to give and hold wealth at the same time. A donor includes a charity in his estate plan. He is charitable. But he is still holding the wealth. Do wealthy donors prefer to give this way? Yes.

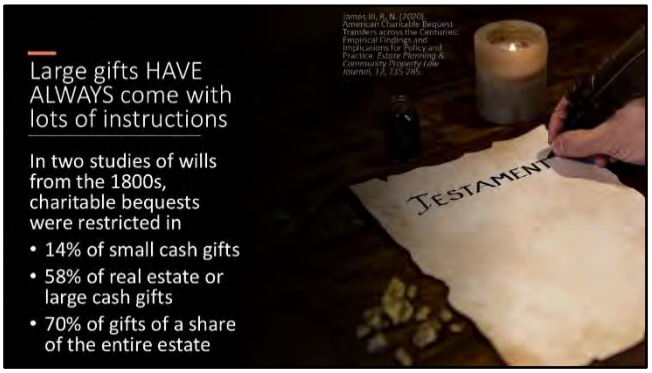


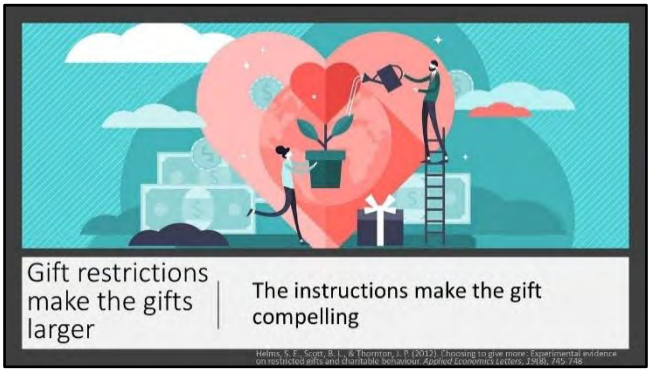
Those with estates under $2 million generate estate donations worth 3.5 times their annual giving. For those with estates of $2–$5 million, it's 20 times. For those with $5–$10 million, it's 25 times. For those with $10–$50 million, it's 28 times. For those with $50–$100 million, it's 50 times. For those

[6] Kopczuk, W. (2007). Bequest and tax planning: Evidence from estate tax returns. *The Quarterly Journal of Economics, 122*(4), 1801-1854. Figure I.
[7] Kopczuk, W., & Slemrod, J. (2003): Tax consequences on wealth accumulation and transfers of the rich. In A.H. Munnell & A. Sundén (Eds.), *Death and dollars: The role of gifts and bequests in America* (pp. 213-249). Brookings Institution Press
[8] In actual practice when wealthy people do give substantial wealth to family members during life, they tend to give it in a way that does not relinquish control. For example, they may gift limited partnership interests that transfer ownership, but retain the general partnership interests that actually control the entity's operations. They give the wealth, but they don't give up control of the wealth.









with $100 million or more, it's 103 times annual giving.[9] Wealthy people prefer giving that allows them to continue holding wealth.

*Include instructions reflecting the **donor's identity***

Gift instructions can be simple. Giving to a specific cause is an instruction. So is giving to a special project. What's the most extreme version of gift instructions? Foundations, funds, and trusts. These can involve pages of detailed instructions. The instructions control the gift for decades or even generations.

These large gifts come with lots of instructions. This is no accident. Large gifts from life savings require compelling motivation. Instructions reflect the donor's values, life story, and identity. They make the gift compelling.

This reality is not new.[10] In two studies of wills from the late 1800s,[11] charitable bequests were restricted in

- 14% of small cash gifts
- 58% of real estate or large cash gifts, and
- 70% of gifts of a share of the entire estate.

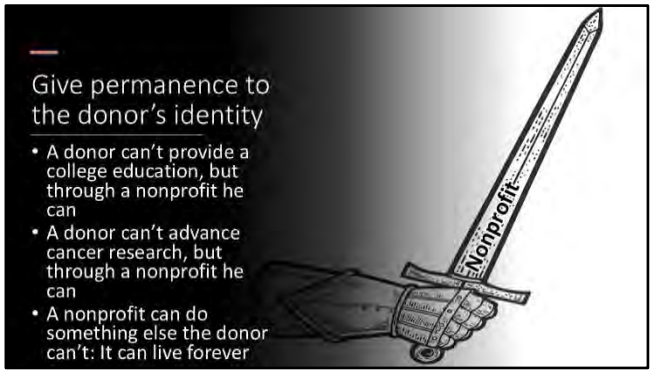
It's not just that large gifts tend to be restricted. In experiments, allowing restrictions makes donations larger.[12] The instructions make the gift compelling.

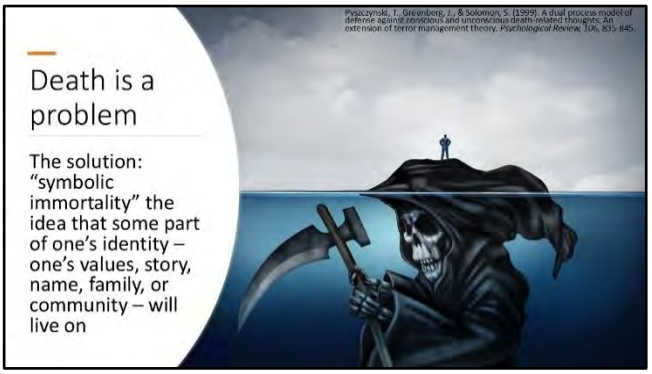
[9] Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy.* Urban Institute. Table 4. https://www.urban.org/sites/default/files/publication/99018/patterns_of_giving_by_the_wealthy_2.pdf

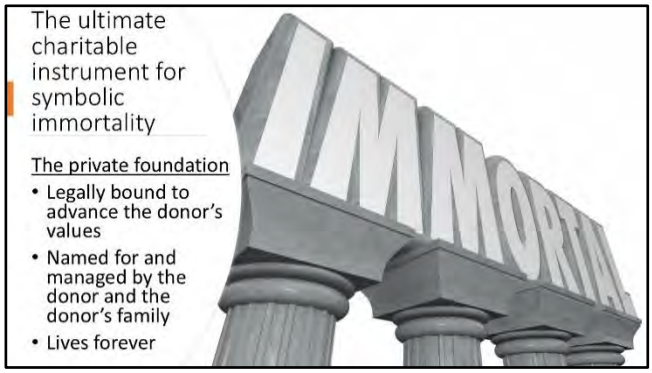
[10] James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law Journal, 12*, 235-285.

[11] *See* James, R. N., III. (2020) analysis of data from Britt, S. H. (1937). The significance of the last will and testament. *The Journal of Social Psychology*, 8(3), 347-353 and Knaplund, K. S. (2015). Becoming charitable: Predicting and encouraging charitable bequests in wills. *University of Pittsburgh Law Review*, 77, 1-50.

[12] Helms, S. E., Scott, B. L., & Thornton, J. P. (2012). Choosing to give more: Experimental evidence on restricted gifts and charitable behaviour. *Applied Economics Letters, 19*(8), 745-748; Helms, S., Scott, B., & Thornton, J. (2013). New experimental evidence on charitable gift restrictions and donor behaviour. *Applied Economics Letters, 20*(17), 1521-1526; Li, S. X., Eckel, C. C., Grossman, P. J., & Larson, T. (2013). *Who's in charge? Donor targeting enhances voluntary giving to government.* Available at SSRN: https://ssrn.com/abstract=2293407









Give permanence to the donor's identity

Philanthropy provides value to donors. It allows donors to accomplish things they couldn't do alone. A donor can't provide a college education. But through a nonprofit he can. A donor can't advance cancer research. But through a nonprofit he can. The charity is the donor's powerful instrument.

A charity can do something else that the donor can't. It can live forever.

One of the central psychological challenges for humans is personal mortality. This life is temporary. We're going to disappear. Facing this reality can be challenging.

In experiments, people respond to death reminders by pursuing "symbolic immortality."[13] This is the idea that some part of one's identity – one's values, story, name, family, or community – will live on.

The ultimate charitable instrument for symbolic immortality is the private foundation. It's often named for and managed by the donor and the donor's family. It's legally bound to advance the donor's values. And it lives forever. The donor's name lives on. The donor's values live on. The donor's story lives on.

Research on charitable permanence

When mortality is relevant, permanence becomes powerful. For estates over $5 million, 78% of charitable bequest dollars go to private family foundations.[14] Just 35 of the wealthiest and oldest schools get over a quarter of all estate gifts to education.[15] Permanence is powerful in estate giving.

In one experiment, mortality reminders increased current donations.[16] But this worked only when the charity was described as

[13] Pyszczynski, T., Greenberg, J., & Solomon, S. (1999). A dual process model of defense against conscious and unconscious death-related thoughts: An extension of terror management theory. *Psychological Review, 106*, 835-845.
[14] Raub, B. G. & Newcomb, J. (2011, Summer). Federal estate tax returns filed for 2007 decedents. *Statistics of Income Bulletin, 31*, 182-213. p. 191. https://www.irs.gov/pub/irs-soi/11essumbulestatereturns.pdf [perma.cc/2FJZ-LV46].
[15] Fleischer, M. P. (2007). Charitable contributions in an ideal estate tax. *Tax Law Review, 60*, 263-321. p. 303.
[16] Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It's only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science, 23*(7), 704-709.



"Creating *lasting* improvements that would benefit people in the future."

If instead, the charity was described as

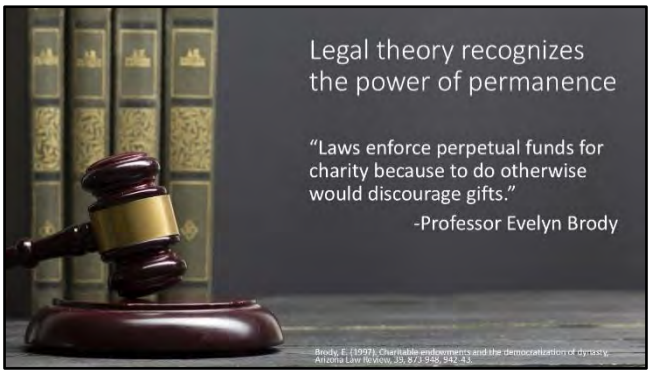
"Meeting the *immediate* needs of people,"

the results reversed. Now, mortality reminders caused donations to fall.

In another experiment, permanence worked for memorial gifts. Adding a goal of making a scholarship fund permanent worked. It dramatically increased the likelihood for additional gifts in memory of a loved one.[17]

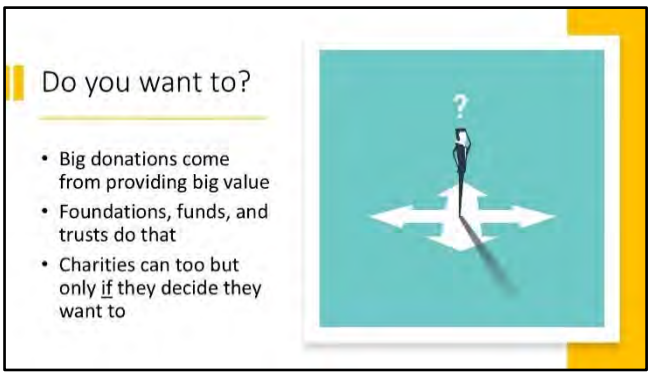


As people age, mortality becomes more present. So too does the desire for lasting impact.[18] Major gifts often occur at older ages. They often come from life savings. Permanence is important for these gifts. Large gifts tend to go to large charities that hold large endowments.[19] These charities offer more permanence.



Legal theory recognizes this power of permanence. One law professor writes,

"Laws enforce perpetual funds for charity because to do otherwise would discourage gifts." [20]



The law doesn't allow perpetual funds because they're the best use of charitable dollars. It allows them because permanence attracts the donations in the first place.

Do you want to?

Big donations come from providing donors with big value. Foundations, funds,

[17] James, R. N., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy & Education, 2*(2), 1-28.

[18] In particular, as adults age, they are more likely to respond to mortality salience with an increased interest in generativity (emphasizing one's lasting impact) (Maxfield, et al., 2014), and it becomes increasingly important that the ending phase of one's life story "ties together the beginning and middle to affirm unity, purpose and direction in life over time" (McAdams, 1996, p. 309). Maxfield, M., Greenberg, J., Pyszczynski, T., Weise, D. R., Kosloff, S., Soenke, M., Abeyta, A. A., Blatter, J. (2014). Increases in generative concern among older adults following reminders of mortality. *International Journal of Aging and Human Development, 79(*1), 1-21. McAdams, D. P. (1996). Personality, modernity, and the storied self: A contemporary framework for studying persons. *Psychological Inquiry, 7*, 295-321.

[19] Over two-thirds of all donations over $1 million go to universities that hold large endowments or foundations that are large endowments. See, e.g., Coutts and Co. (2015). *Coutts million pound donors report*, http://philanthropy.coutts.com/en/reports/2015/united-states/findings.html and http://philanthropy.coutts.com/en/reports/2015/united-kingdom/findings.html
In 2019, nine of the ten largest charitable gifts went to such groups. Yakowicz, W. (2019, December 29). The biggest philanthropic gifts of 2019. *Forbes.* https://www.forbes.com/sites/willyakowicz/2020/12/29/the-top-10-philanthropic-gifts-of-2019

[20] Brody, E. (1997). Charitable endowments and the democratization of dynasty. *Arizona Law Review, 39*, 873-948. p. 942-43.



and trusts do that. But so can charities. Charities can *if* they decide they want to. This isn't a trivial decision. In fact, it's rare.

In the view of many charity managers, delivering value to donors is crazy talk. They may think,

"That's not how it's supposed to work. The donor's job is to deliver value *to the charity*. The charity's job is just to be its wonderful self. If the charity keeps doing its work, the donors are supposed to keep giving. This other stuff just makes it harder to use the donor's cash."



This view is common. But it doesn't work for fundraising. It doesn't work because philanthropy is not fixed. Delivering value to the donor *creates* philanthropy.

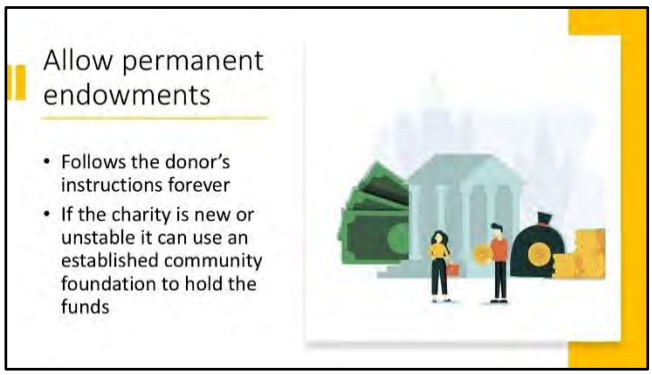
It also doesn't work because donors are free to choose. If we don't beat the competition, we won't get the money. For massive donations, the competition isn't the charity across town. It's foundations, funds, and trusts.

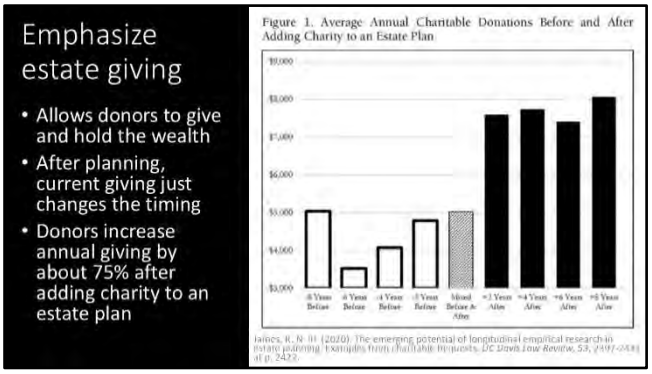


Yes, we can!

Charities can provide value to donors. They can compete with foundations, funds, and trusts. How? Let's look at some examples:

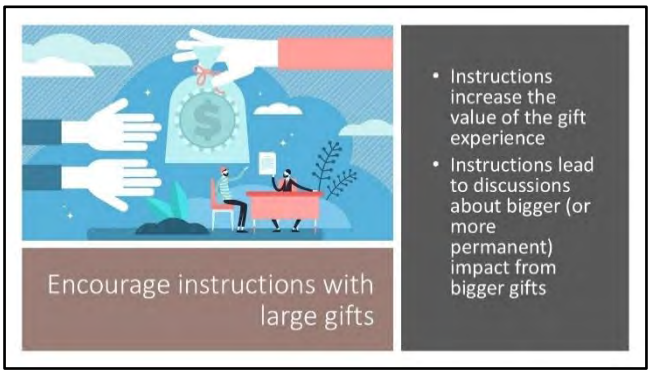
- Charities can allow permanent endowments that follow the donor's instructions forever.
  - If the charity is new or unstable it can borrow permanence. It can have an established community foundation hold the funds.
- Charities can emphasize estate giving.
  - This allows donors to give *and* hold wealth at the same time.











o Once the final destination of the funds is set, current giving changes only the timing. No surprise then that donors increase annual giving by over 75% after adding charity to an estate plan.[21]

- Charities can give more influence over endowments during life.

o One community foundation allowed scholarship donors to serve on the committee that selects recipients.[22] The result? It's now the state's largest scholarship program.[23]

- Charities can promote instruments that combine gifts to the charity[24] with continued control of the wealth. This includes,

o Charitable remainder trusts

o Charitable lead trusts, and

o Retained life estates.

- Charities can encourage instructions with large gifts.

o Instructions increase the value of the gift experience. They also lead to discussions about bigger (or more permanent) impact from bigger gifts.

o Want to increase a planned estate gift (or learn of its size)? Ask, "Have you ever thought about how you would like your gift to be used?" Give examples of gift amounts and their impact.

- Charities can get creative with blended gifts.

o If the donor doesn't have the cash for a permanent endowment, offer a virtual endowment. The donor gifts annually for the payout plus some principal. An estate gift guarantees any remaining principal.

[21] "Thus, using these 8,891 "before and after" observations from 1993-2016, inflation-adjusted giving was, on average, about 77% greater after the charitable estate planning component was added than it was before ($7,699 versus $4,355)." James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431. p. 2422.

[22] Oklahoma City Community Foundation. (2007, April 6). *Oklahoma City Community Foundation scholarship fund policy*. https://www.occf.org/documents/ScholarshipPolicy.pdf

[23] https://www.occf.org/fundoptions/

[24] Making the instrument restricted to the specific charity is the key goal here. Donor recognition, benefit, control, and value should be triggered when the instrument irrevocably names the charity. Otherwise, this would be treated like any other revocable estate gift.







o Discount any "unsold" naming opportunities by counting multi-year pledges, estate gifts, or irrevocable trusts.[25]

Conclusion

These are just a few examples of how charities can provide value to donors. The best solution for each charity or donor will vary. But the key is understanding one idea. Big gifts come from delivering big value to donors.

Many charities never get big gifts because they aren't trying. They aren't trying to deliver big value to donors.

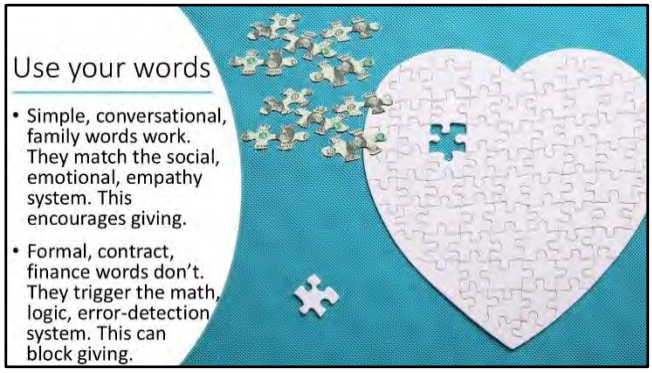
Charities can compete with foundations, funds, and trusts. They can deliver big value to donors. They can transform the donor's experience. And that will transform the charity's fundraising.

[25] Such as charitable remainder trusts, charitable lead trusts, or retained life estate deeds. This "discounting" idea comes from Lani Starkey at Fifty Rock Consulting. Starkey, L. (2020, March 12). The five types of blended gifts: The what, when, and why of closing blended gifts [presentation]. *Hawaii Gift Planning Council Annual Conference on Gift Planning*, Honolulu, HI.



10

USING FAMILY WORDS NOT FORMAL WORDS IN FUNDRAISING STORY

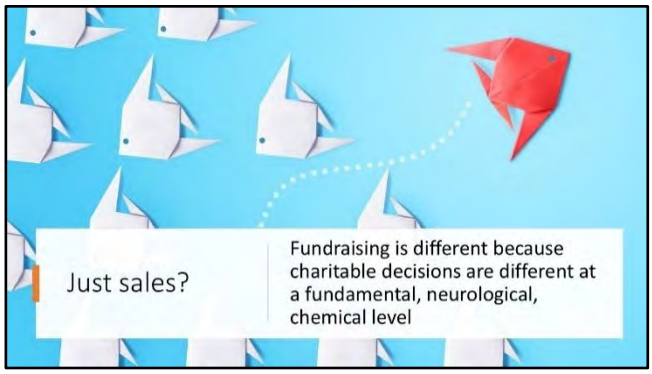


Use your words

Story starts with words. Word choice matters. It matters for fundraising story. For example,

- Simple, conversational, family words work. They match the social, emotional, empathy system. This encourages giving.
- Formal, contract, finance words don't. They trigger the math, logic, error-detection system. This can block giving.

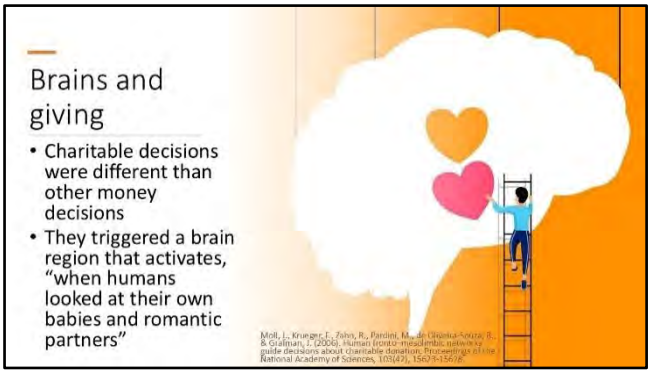
A powerful fundraising story starts with the right words.



Just sales, right?

Isn't fundraising just sales? Whether it's a used car or insurance or scholarships, sales is sales, right? Not exactly.

Fundraising is different. Fundraising is different because charitable decisions are different. They're different at a fundamental, neurological, chemical level.



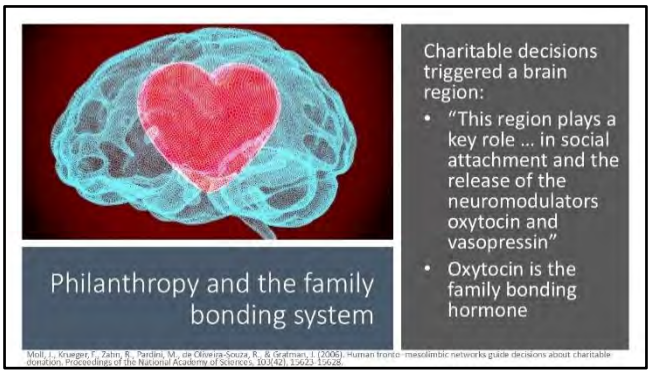
Brains and giving

The first brain imaging study of charitable giving revealed some important facts.[1] Giving shares *some* neural processes with other financial decisions. But charitable decisions are different. They trigger a different brain region. It's a region that activates,

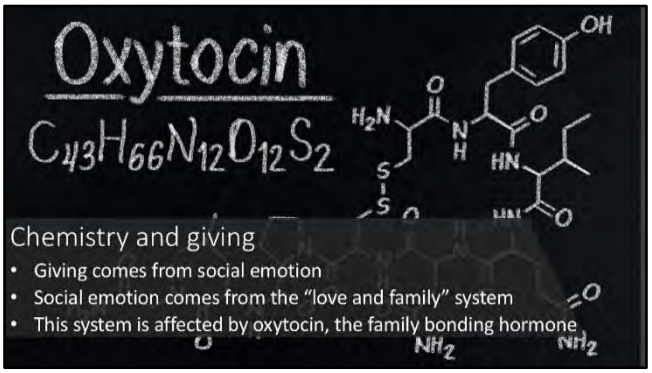
"when humans looked at their own babies and romantic partners." [2]

Further,

"This region plays a key role ... in social attachment and the release of the neuromodulators oxytocin and vasopressin." [3]



Oxytocin is part of the family-bonding system. (It's the family-bonding hormone.) Philanthropy engages this family-bonding system.



Chemistry and giving

Giving comes from social emotion. Social emotion comes from the "love and family" system. The family-bonding hormone oxytocin affects this system.



Brain imaging was the first piece of evidence to show these connections. Later experiments got more direct. In one, people received a nasal spray. Some got oxytocin. Others got a placebo. Everyone then had a chance to give money. The result?

"Oxytocin raised generosity in the [game] by 80% over placebo."[4]

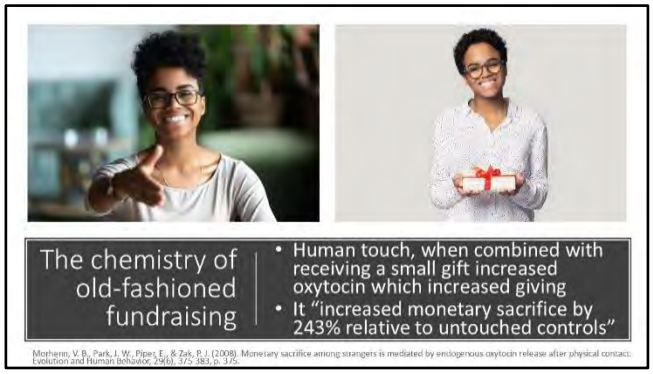
No, this does not mean,

"I've found my fundraising answer! Just carry this nasal spray. Now, what excuse can I use to squirt it up the donor's nose?"

The point is scientific. Giving links directly with the family-bonding hormone.

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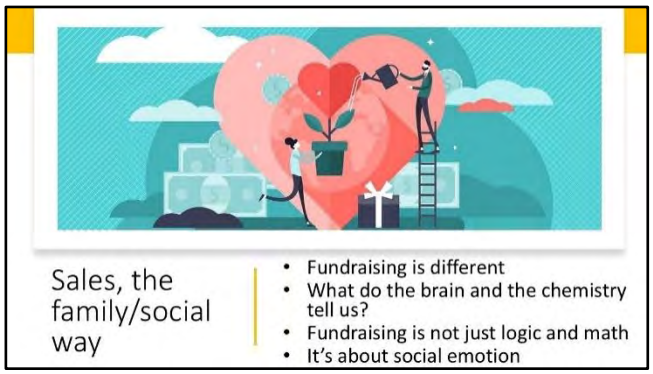
[1] Moll, J., Krueger, F., Zahn, R., Pardini, M., de Oliveira-Souza, R., & Grafman, J. (2006). Human fronto–mesolimbic networks guide decisions about charitable donation. *Proceedings of the National Academy of Sciences, 103*(42), 15623-15628.
[2] *Id* at p. 15625.
[3] *Id.*
[4] Zak, P. J., Stanton, A. A., & Ahmadi, S. (2007). Oxytocin increases generosity in humans. *PloS one, 2*(11), e1128, p. 3.



The chemistry of old-fashioned fundraising

There is another solution. We don't have to squirt something up the donor's nose to increase oxytocin. A later study found another way. Human touch, when combined with receiving a small gift, increased oxytocin. This surge in oxytocin also increased giving. It "increased monetary sacrifice by 243% relative to untouched controls."[5]

In fundraising, it's a good idea to shake the donor's hand. Bringing a small gift for a donor can also help. These age-old practices work. What's new is learning *why* they work. They work *through* the family-bonding hormone.



Sales, the family/social way

Sales is *not* a dirty word. Effective fundraising uses many of the same tools. But fundraising is different. It's different in the brain. It's different in body chemistry.

What do the brain and the chemistry tell us? Fundraising is not just logic and math. It's not just a market/contract transaction. It's about social emotion. Understanding this can change our words.



Jeff Brooks explains,

"Fundraising doesn't live in the cubicles and carpeted offices of the business world. Fundraising belongs to a messier, more passionate world that includes love letters, ransom notes, pleas for mercy, and outbreaks of religious fervor. The standards of business communication are just roadblocks in that world. If you drag your fundraising into the world of professional communications, you'll leave donors cold and untouched."[6]



Fundraising is about social emotion. It's about building family/social relationships. How do we do this? We already know how. Think about it. How do we build a stronger relationship with a relative? We call. We write. We visit. How do we build stronger donor relationships? Same answer. We call. We write. We visit.

[5] Morhenn, V. B., Park, J. W., Piper, E., & Zak, P. J. (2008). Monetary sacrifice among strangers is mediated by endogenous oxytocin release after physical contact. *Evolution and Human Behavior, 29*(6), 375-383. p. 375.
[6] Brooks, J. (2012). *The fundraiser's guide to irresistible communications.* Emerson & Church Publishers. p. 116.



Words matter

And when we call, or write, or visit a family member, what words do we use? Do we use formal, technical, contract words? No. Instead, we use social, conversational, family words. We use simple words and stories.

Generosity and sharing come from the social-emotion system. Family/social language triggers the right frame of mind. It works. What is family/social language? Ask this simple question:

"Would you have used this phrase in a normal conversation with your grandmother?"

No? Be careful. You might be slipping into technical, formal, or contract language. This language can shift the listener's frame of mind. It can shift to a detached, defensive, market-exchange perspective. This inhibits sharing. In fundraising experiments, these word choices can make a big difference.



Formal words fail

Complex charitable planning can offer enormous benefits. Effective fundraisers understand these options. They understand how to help their donors. But there's a danger. It's easy to slip into technical or contract terms. Does it matter? One experiment tested this.[7]

People read identical descriptions of a charitable remainder trust. The only difference was this. One began with the phrase,

"Make a transfer of assets ...."

The other began with,

"Make a gift ...."

The share of people "definitely interested now" in donating this way also differed. It more than *tripled* for the second description.



Even more formal words fail even more

Another experiment tested even more formal language. One description of a gift annuity began with,

[7] James, R. N., III (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management & Leadership. 28*(4), 437-452.

"Enter into a contract with a charity where you transfer your cash or property …."

The other began with,

"Make a gift …."

The share "definitely interested now" in the gift annuity also differed. It more than *quadrupled* when switching to the simple language.

This isn't just a theoretical issue. That last formal phrasing wasn't a lab creation. It was taken from a popular fundraising brochure. It had already been used by hundreds of charities.

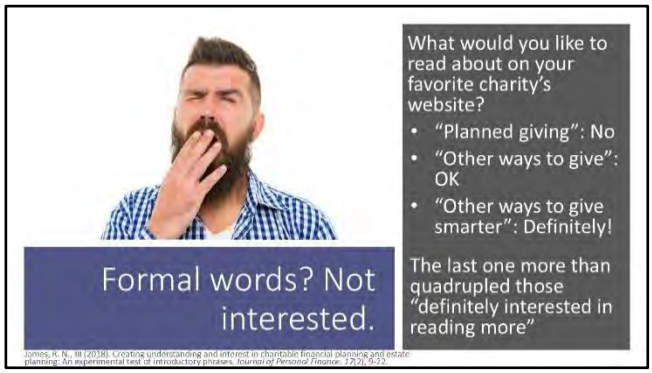


Adding and removing formal words

Another set of experiments showed the same result in a different way.[8] Some people read about a complex charitable gift *including* its formal name. Others read the same description, but without the formal name. In every case, removing the technical, formal name increased interest.

One test simply removed the name "charitable remainder trust." Otherwise, the gift description stayed the same. This simple act more than doubled those "definitely interested now" in the gift. Removing the name "charitable gift annuity" also dramatically increased interest. Removing "remainder interest deed" did the same.

The results were all consistent. Removing formal, financial, contract terms increased interest in the gift.



Formal words? Not interested.

Another set of experiments asked a different question. What would you like to read about on your favorite charity's website?[9] Formal, insider terms did not fare well.

For example, people did not want to read about "Planned giving." But they *did* want to read about "Other ways to give." Even more, they wanted to read about "Other ways to give smarter." Changing to this phrasing quadrupled those, "definitely interested in reading more."[10]

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[8] *Id.*

[9] The actual question was:
Suppose you are viewing the website of a charity representing a cause that is important in your life. In addition to a "Donate Now" button, the following buttons appear on the website. Please rate your level of interest in clicking on the button to read the corresponding information. (Note: after answering this set of questions, you will be asked to read information about one of these topics. Please rate the ones you are actually interested in more highly than those you are less interested in.)
James, R. N., III (2018). Creating understanding and interest in charitable financial planning and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance. 17*(2), 9-22.

[10] James, R. N., III (2018). Creating understanding and interest in charitable financial planning and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance. 17*(2), 9-22.



But it means the same thing!

People didn't want to read about "Planned giving." (Only 4.5% were "definitely interested in reading more.") They didn't want to read about "Gift planning." (Only 3.4% were "definitely interested in reading more.")

They wanted to read about "Other ways to give." (15.6% were "definitely interested in reading more.") Even more, they wanted to read about "Other ways to give smarter." (19.5% were "definitely interested in reading more.")

People were then asked what they expected to see. Did they expect to read about

- Gifts in wills
- Living trusts
- Gifts from IRAs
- Gift annuities
- Bank account transfer-on-death titles
- Gifts of stocks, bonds, and real estate
- Capital gain, income, and estate taxes?

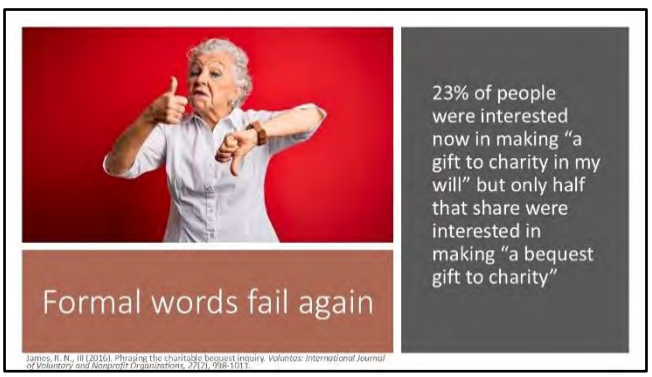
The result was a shock. When people clicked on

- "Other ways to give" or
- "Other ways to give smarter"

they were just as likely to expect this full list of topics as when they clicked on

- "Planned giving" or
- "Gift planning"

People expected the same information. But conversational descriptions worked. Standard, industry "insider" terms didn't.



Formal words fail again

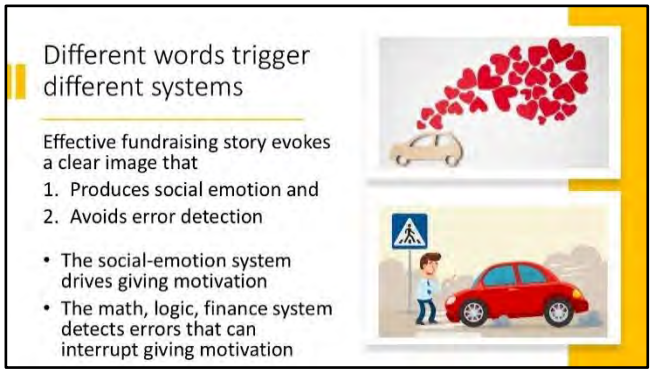
In yet other study, 23% of people were interested now in making

"a gift to charity in my will."

Only half that percentage were interested now in making

"a bequest gift to charity"[11]

In different studies with different tests, the answer is always the same. Introducing giving with formal, technical, contract terms fails. Simple words work.



Avoiding "technical" difficulties

Effective fundraising story evokes a clear image that

1. Produces social emotion, and
2. Avoids error detection.

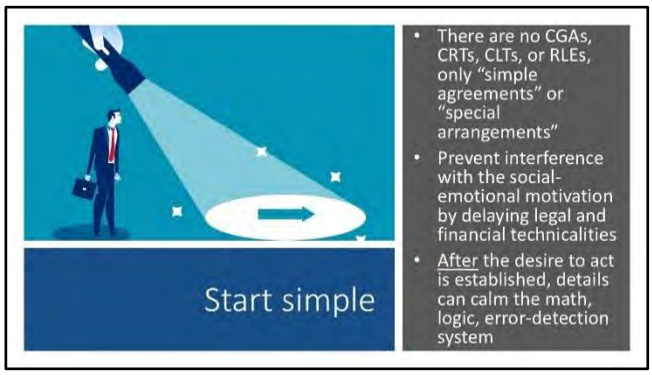
This two-part goal reflects the two brain systems.

1. The social-emotion system is the engine. It drives giving motivation.
2. The math, logic, finance system is the brake. It detects errors that can interrupt giving motivation.

Different words trigger different systems. They can alter the donor's frame of mind.

Formal or contract words trigger a market-exchange frame of mind. This world is logical, mathematical, and detached. It is a world of defensive, protective, or aggressive competition.

Social and family settings use simple, conversational words. This is the world of social emotion and social bonding. This is the cooperative world of *sharing*.



Start simple

Even if things may eventually get complex, we don't want to start there. We want to start simple.

Fundraiser David Hall shares this advice.[12] He asks for complex charitable gifts, but he starts simple. In his conversations, there are no CGAs, CRTs, CLTs, or RLEs. There are only "simple agreements" or "special arrangements." The formal terms disappear.

Eventually, technical terms may be necessary. But we don't want to start there. We want to start simple instead. Delaying the technical terms helps. It prevents interference with the social-emotional motivation to give.

Ultimately, these gifts may involve legal and financial technicalities. But these should come later. They come *after* establishing the intention to give. They come after the social-

[11] James, R. N., III (2016). Phrasing the charitable bequest inquiry. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011.

[12] Many thanks go to David C. Hall, CFRE, a planned giving fundraiser with many years of experience working at The Salvation Army, The American Humane Association, and the University of Arkansas, for sharing these experiences.

emotion "engine" is running. At that point, these details can even help. They can help calm the math, logic, error-detection system. They can keep the donor's foot off the brake.



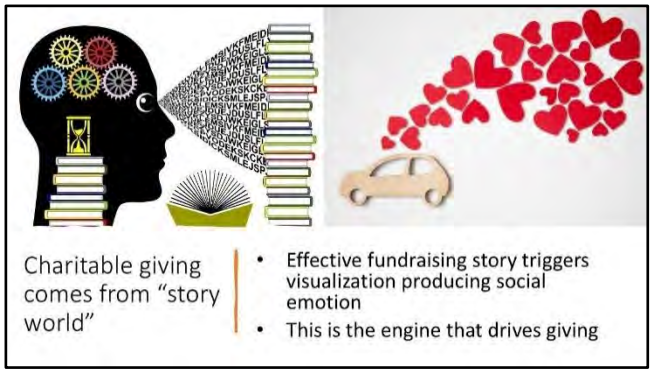
Conclusion

Sales strategies can be useful in fundraising. But fundraising is not just sales. It's different. It's different at a fundamental, neurological, chemical level. Family/social relationships encourage philanthropy. Market/exchange relationships don't. Use words that trigger the right mindset. Use words that fit the right world.



11

CHARITY EFFICIENCY, OVERHEAD, AND FUNDRAISING STORY: A TALE OF TWO WORLDS



Charitable giving comes from "story world." Effective fundraising story triggers visualization producing social emotion. This is the *engine* that drives giving.



But story world isn't the only world. There's also "commerce world." Commerce world is all about accounting, contracts, and complexity. These can also be part of a giving decision. But they're not the engine. These act only as a *brake* on giving.



Story world and commerce world are different. The rules in one world don't apply to the other. Giving comes from story world. Thus, giving decisions often won't match the rules of commerce world.

Investments in commerce world

Consider this business proposal: A new partnership will build a $100 million apartment complex. You're thinking about buying 1% ownership for $1 million.

Would you care what *part* of the construction your $1 million would purchase? Would you demand, "I want my money to be spent on plumbing, but not on architecture









fees!" No. Would such a demand even make sense? Also no. Asking which part *your* money would be used for is silly. It's silly because money is fungible. Your dollar is the same as any other.

You *would* care about the project's *total* cost. Unneeded cost would make your investment less profitabl. But you wouldn't care about assigning your dollars to any particular expense.

This makes sense. It makes sense in *commerce* world. But it's not how fundraising works.

Investments in story world

In fundraising, people behave differently. Fundraising doesn't live in *commerce* world. It lives in *story* world.

In story world, dollars are magical. They are characters in a fantasy drama. Some dollars are assigned to compelling roles. (Maybe your dollars buy the apartment's fire alarm. They play the role that saves sleeping babies!) Others are not. (Maybe your dollars only pay for debt charges.) In story world, the project's total cost isn't all that relevant. What matters is that *your* dollars play a compelling role.

Fundraising is not commerce world: Experiments

Donors should "invest" their charitable gifts wisely. They should care about efficiency. Experiments show they often don't.

In a lab experiment, some donors received positive financial reports about a charity. These proved the charity's efficiency. The result? These

"did not translate into increased actual giving."[1]

In another experiment, donors could give to charities. However, the charities were unknown to them. But donors could access the charities' financial efficiency details. What happened?

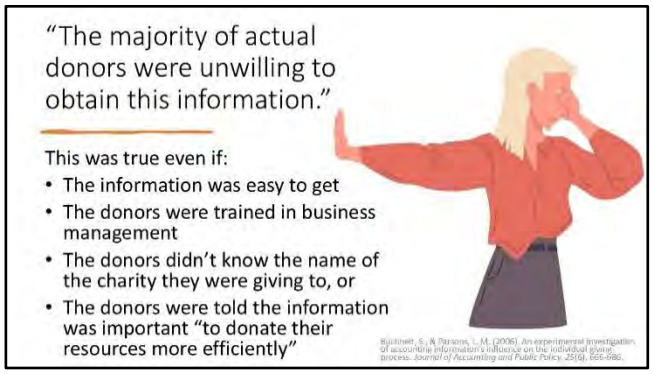
[1] Buchheit, S., & Parsons, L. M. (2006). An experimental investigation of accounting information's influence on the individual giving process. *Journal of Accounting and Public Policy, 25*(6), 666-686.



"[T]he majority of actual donors were unwilling to obtain this information."[2]

This was true even if

- The information was easy to get
- The donors were trained in business management
- The donors didn't know the name of the charity they were giving to, or
- The donors were told the information was important "to donate their resources more efficiently."



This lack of interest matches the lack of positive impact of such information. A meta-analysis, combining results from many studies, found

"no positive effects at all for providing people with information about charity efficiency or effectiveness."[3]



In one experiment, some donors learned that their selected charity's overhead ratios were better than they expected.[4] The result? A third of these donors actually *reduced* their giving. Donors argued that they, "Give less but give smart." (They got the same charitable impact with fewer dollars.)

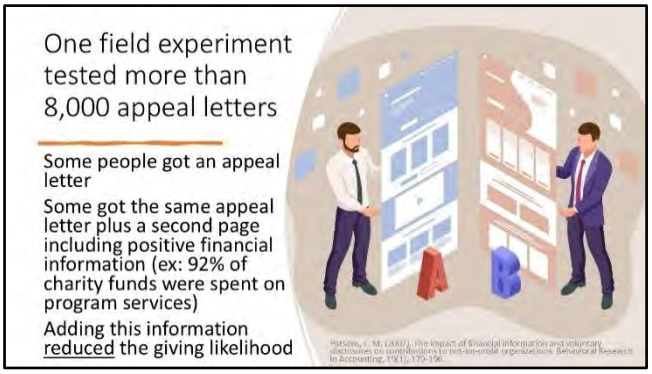


That's what happens in lab experiments. What happens in the real world? One field experiment tested more than 8,000 appeal letters. Some people got an appeal letter. Some got the same appeal letter plus a second

[2] *Id.*

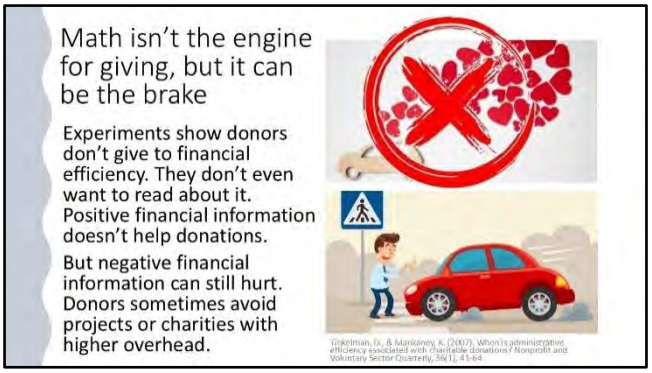
[3] Bergh, R., & Reinstein, D. (2021). Empathic and numerate giving: The joint effects of victim images and charity evaluations. *Social Psychological and Personality Science*, 12(3), 407-416. ("However, we found no positive effects at all for providing people with information about charity efficiency or effectiveness, with reasonably tight confidence intervals on this null effect in our meta-analyses (similar results were also obtained with other analytic strategies, see Supplementary Materials).") *See also*, Becker, A. (2018). An experimental study of voluntary nonprofit accountability and effects on public trust, reputation, perceived quality, and donation behavior. *Nonprofit and Voluntary Sector Quarterly, 47*(3), 562-582. ("… externally certified voluntary accountability demonstrates higher reputation and perceived quality among nonprofit organizations, but not relating to donation behavior"); Berman, J. Z., Barasch, A., Levine, E. E., & Small, D. A. (2018). Impediments to effective altruism: The role of subjective preferences in charitable giving. *Psychological Science, 29*(5), 834-844. p. 834 ("We found that even when effectiveness information is made easily comparable across options, it has a limited impact on choice.").

[4] Butera, L., & Horn, J. (2020). "Give less but give smart": Experimental evidence on the effects of public information about quality on giving. *Journal of Economic Behavior & Organization, 171*, 59-76. (Note that in this experiment donors were to tell others about their gift and their charity's overhead ratios, making both public.)



page including positive financial information. (For example, 92% of charity funds were spent on program services.) The result? Adding this information reduced the likelihood of giving.[5]

Apparently, donors don't give to financial efficiency. They don't even want to read about it. Positive financial information doesn't help.



However, negative financial information can still hurt. Some experiments show that donors will avoid projects or charities with higher overhead.[6] Math isn't the engine for giving, but it can be the brake. This is true. Unless. Unless we change the story.



Fundraising is story world: Experiments

Avoiding high overhead projects or charities matches commerce world. Wise donors should select efficient charitable investments. High administrative costs might reflect lower efficiency.

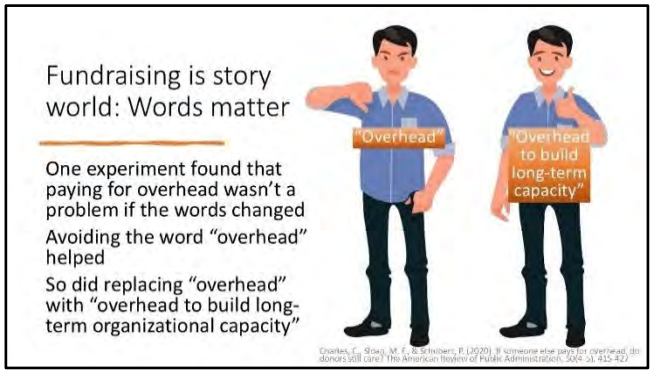
But experiments show something different. Donors are not always averse to high-overhead projects or charities. They just don't want *their* dollars to be spent on overhead.[7] If *their* dollars are spent on overhead, then overhead is a problem. If *other* donor's dollars pay for it, then overhead isn't a problem.

What matters is not the project's efficiency. What matters is their donation story. Of course, assigning *their* dollars to the more exciting parts doesn't change the project's efficiency. But it does make their donation story better.

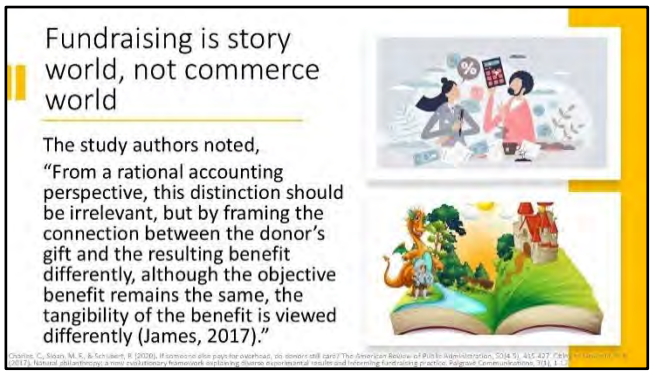
[5] The appeal letter recipients were randomly assigned to receive 1) an appeal letter only, 2) the appeal letter with a second page showing positive financial/accounting information, e.g., 92% spent on program services, 3) the appeal letter with a second page showing positive program accomplishments, or 4) the appeal letter with both additional pages. Overall, the addition of the positive financial information (letters 2 and 4) resulted in a decreased share of recipients making a charitable gift, lowering the share of those donating from 1.27% to 1.04%, precisely opposite of the result we would expect if donors made such decisions based upon financial and accounting operational efficiency factors. Parsons, L. M. (2007). The impact of financial information and voluntary disclosures on contributions to not-for-profit organizations. *Behavioral Research in Accounting, 19*(1), 179-196.

[6] Tinkelman, D., & Mankaney, K. (2007). When is administrative efficiency associated with charitable donations? *Nonprofit and Voluntary Sector Quarterly, 36*(1), 41-64. This contradicts findings from, e.g., Steinberg, R. (1986). The revealed objective functions of nonprofit firms. *RAND Journal of Economics, 17*, 508-526; Frumkin, P., & Kim, M. T. (2001). Strategic positioning and the financing of nonprofit organizations: Is efficiency rewarded in the contributions marketplace? *Public Administration Review, 61*, 266-275.

[7] Gneezy, U., Keenan, E. A., & Gneezy, A. (2014). Avoiding overhead aversion in charity. *Science, 346*(6209), 632-635.



Other experiments found other story solutions.[8] One found that paying for overhead wasn't a problem if *the words* changed. Just avoiding the word "overhead" helped.[9] So did replacing "overhead" with "overhead to build long-term organizational capacity." It wasn't about the numbers. It was about the story.



Of course, this makes no sense in commerce world. The study authors noted,

"From a rational accounting perspective, this distinction should be irrelevant, but by framing the connection between the donor's gift and the resulting benefit differently, although the objective benefit remains the same, the tangibility of the benefit is viewed differently (James, 2017)."[10]



Another experiment looked at student giving to a campus synagogue.[11] The synagogue had expenses for

1) Prayer books and religious books

2) Electricity, cleaning, and food

Both types of expenses were necessary. But when gifts paid for the first type of expense rather than the second, donations were four times larger. Of course, donors didn't want a dark and dirty synagogue. They just wanted someone else's money to pay for that boring stuff.



In commerce world, a dollar is a dollar. But in story world, donors want *their* dollars attached to the interesting parts of the story. This is true not just for how its use is described. It's true for *when* the gift is made. Donors are more willing to give money that

[8] For example, one experiment found that high overhead wasn't a problem if it was accompanied by other positive accounting information. When high overhead was reported 46% donated. When no overhead information was reported 70% donated. But when high overhead was reported along with information emphasizing the organization's outstanding accounting transparency 77% donated. Accompanying high overhead information with other positive information about impact also helped, but not as much. In that case 63% donated. *See* Tian, Y., Hung, C., & Frumkin, P. (2020). Breaking the nonprofit starvation cycle? An experimental test. *Journal of Behavioral Public Administration, 3*(1), 1-19.

[9] Charles, C., Sloan, M. F., & Schubert, P. (2020). If someone else pays for overhead, do donors still care? The *American Review of Public Administration, 50*(4-5), 415-427.

[10] Charles, C., Sloan, M. F., & Schubert, P. (2020). If someone else pays for overhead, do donors still care? The *American Review of Public Administration, 50*(4-5), 415-427, 418. *Citing to* James, R. N., III. (2017). Natural philanthropy: a new evolutionary framework explaining diverse experimental results and informing fundraising practice. *Palgrave Communications, 3*(1), 1-12.

[11] Arbel, Y., Bar-El, R., Schwarz, M. E., & Tobol, Y. (2019). To what do people contribute? Ongoing operations vs. sustainable supplies. *Journal of Behavioral and Experimental Economics, 80*, 177-183.

helps start[12] or finish[13] a fundraising campaign. Starting gifts tell a "pioneer" or "leadership" story.[14] Ending gifts tell a "victory" or "finish line" story.[15]



In reality, money is fungible. A dollar is a dollar. A dollar given in the middle isn't any more or less efficient that one given earlier or later. A project costs what it costs. Efficiency doesn't change if some dollars are assigned to one part or another. It doesn't change if an expense is described with different synonyms. These are realities. But they're realities from commerce world, not from story world. Giving comes from story world.

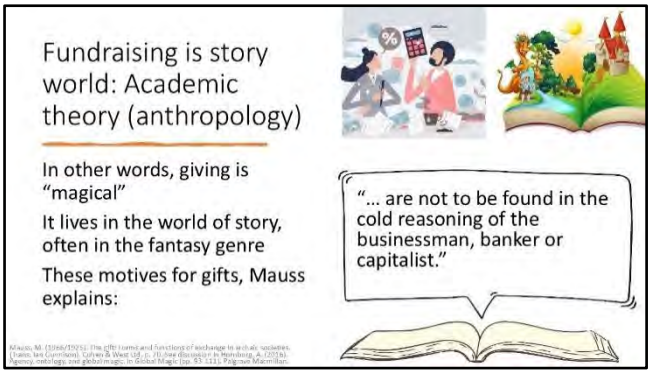


Fundraising is story world: Academic theory (anthropology)

Issues that make no sense in commerce world can be key in fundraising. This distinction between worlds is not superficial. Philanthropy operates in a separate world from commercial exchange. It always has. A century ago, anthropologist Marcel Mauss studied gifting in indigenous cultures. He explained,

> "We have repeatedly pointed out how this economy of gift exchange fails to conform to the principles of so-called natural economy or utilitarianism ... money still has its magical power and is linked to clan and individual."[16]

In other words, giving is "magical."[17] It lives in the world of story, often in the fantasy genre. These motives for gifts, Mauss explains,



"are not to be found in the cold reasoning of the business man, banker or capitalist."[18]

It's no surprise then that economic theory took some time to adapt to this reality.

[12] Reinstein, D., & Riener, G. (2012). Reputation and influence in charitable giving: An experiment. *Theory and Decision, 72*(2), 221-243.
[13] Cryder, C. E., Loewenstein, G., & Seltman, H. (2013). Goal gradient in helping behavior. *Journal of Experimental Social Psychology, 49*(6), 1078-1083; Kuppuswamy, V., & Bayus, B. L. (2017). Does my contribution to your crowdfunding project matter? *Journal of Business Venturing, 32*(1), 72-89.
[14] Called the "influencer" effect in Reinstein, D., & Riener, G. (2012). Reputation and influence in charitable giving: An experiment. *Theory and Decision, 72*(2), 221-243, 222.
[15] Called "goal gradient" motivation in Cryder, C. E., Loewenstein, G., & Seltman, H. (2013). Goal gradient in helping behavior. *Journal of Experimental Social Psychology, 49*(6), 1078-1083
[16] Mauss, M. (1966/1925). *The gift: Forms and functions of exchange in archaic societies.* (Trans: Ian Gunnison). Cohen & West Ltd. p. 70.
[17] *See* discussion in Hornborg, A. (2016). Agency, ontology, and global magic. In *Global Magic* (pp. 93-111). Palgrave Macmillan.
[18] Mauss, M. (1966/1925). *The gift: Forms and functions of exchange in archaic societies.* (Trans: Ian Gunnison). Cohen & West Ltd. p. 73.



Fundraising is story world: Academic theory (economics)

Economic theory in philanthropy started with a model from commerce. This was called the public goods model.[19]

In this approach, donors wanted only the charitable outcome. They wanted a new park or less homelessness. They didn't care if they personally caused the change or not. Ideally, someone else would give instead of them. That way they could enjoy the outcome without paying. Although attractive to economists,[20] this model had a problem. It often didn't match actual human behavior.



This led to the "warm glow" model of giving.[21] This model added the idea that donors *enjoy* the act of giving. This allowed for the opposite extreme. A donor could enjoy giving even if their gift didn't change anything.



More recently, a third model described "impact philanthropy."[22] In this approach, donors care about their "perceived impact." They want to personally make a difference. But the calculation of this impact is not objective.[23] It changes with various framings, descriptions, and temporary allocations. In other words, impact is based in story.

Thus, even economists have had to move beyond the cold reasoning of market-exchange models. Even they have had to adopt fuzzier concepts like "warm glow" and "perceived" impact.

Two worlds

Commerce world cares about accounting and efficiency. And rightfully so. But fundraising doesn't live in commerce world. Fundraising lives in story world. Accounting can

[19] This is often referred to as "pure altruism." However, the implications of the model result in behavior that is often the opposite of what a lay person would call altruistic, so I avoid using this term.
[20] This approach had wonderful theoretical advantages for mathematical model building. Donations could be treated like any other consumer purchase. Donors maximize their own benefit, i.e., their own consumption of the public good, while minimizing their personal costs. Thus, the models were mathematically tractable. (In other words, they could use calculus to identify a maximizing solution.)
[21] Andreoni, J. (1990). Impure altruism and donations to public goods: A theory of warm-glow giving. *The Economic Journal, 100*(401), 464-477.
[22] Duncan, B. (2004). A theory of impact philanthropy. *Journal of Public Economics, 88*(9-10), 2159-2180.
[23] More precisely, the mathematical model of impact philanthropy allows for multiple methods of estimating impact that specifically ignore various objectively true mathematical realities. After describing the power of gift targeting (i.e., gift restrictions) the author explains, "if a donor calculates impact by incorporating the changing gifts of others, then targeting a gift may not increase his or her utility." Elsewhere the author explains, "Fully incorporating the response of others when calculating a gift's impact suggests that a donor receives no pleasure from personally helping someone that would have been helped anyway." He finds such a suggestion implausible. Duncan, B. (2004). A theory of impact philanthropy. *Journal of Public Economics, 88*(9-10), 2159-2180.



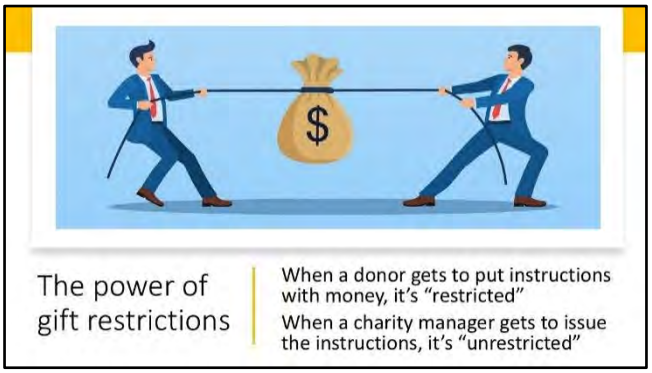
confirm or contradict a social-emotional story. But it can't create it. Effective fundraising doesn't start with accounting. It starts with story.

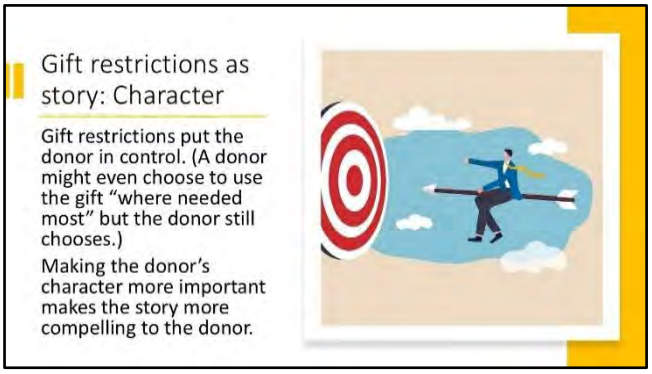


12

RESTRICTED GIFTS AND FUNDRAISING STORY: CONFLICT AND COMPROMISE BETWEEN TWO WORLDS







Fundraising is story world

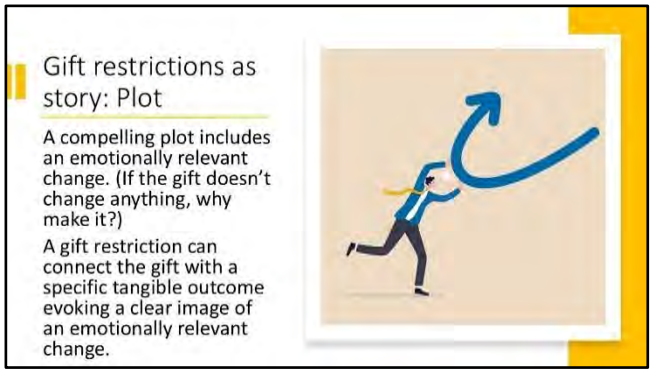
Lab experiments, field experiments, and academic theory agree. Fundraising lives in "story world," not "commerce world." Social-emotional story is the engine that drives giving. The technicalities, logic, and math of commerce world can't do this. Those issues are still relevant. They can confirm or reject the giving desire. But they won't motivate a gift. Motivation comes from story world, not commerce world.

This is key for understanding the power of gift restrictions. A restriction means the donor earmarks money for a particular use. Of course, "restriction" is a negative term. When a donor gets to put instructions with money, it's "restricted." When a charity manager gets to issue the instructions, it's "unrestricted." In both cases, money follows instructions. The only difference is whose instructions control the money.

Gift restrictions as story

Gift restrictions can be powerful for story. A story is about character and plot.

Gift restrictions can improve character. They make *the donor's* character more important. They put the donor in control. A donor might even choose to use the gift "where needed most." But the donor still chooses. Making the donor's character more important works. It makes the story more compelling to the donor.



Gift restrictions can also improve plot. Plot requires change. A compelling story promises an emotionally relevant change. A compelling donation request does the same. If the gift doesn't change anything, why make it? A gift restriction can help. It can connect the gift with a specific tangible outcome. It can evoke a clear image of an emotionally relevant change. It can turn a donation request into a donation story.







Fundraising is story world: The power of un-restrictions

Story world and commerce world are different. This can create some odd results. In a field experiment, one appeal letter had a restricted-gift option. Another version removed this option. The first version raised approximately $40,000 more.[1] No surprise. But here is where things got weird. About 98% of gifts for the first version were unrestricted. The restricted gift option increased giving. It did so even though donors didn't use it.

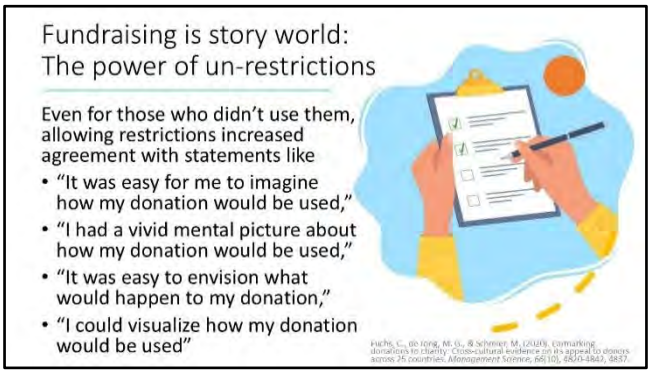
Another experiment found the same thing. The researchers explained,

"Allowing the option to restrict a charitable gift increases the average gift size, whether or not the donor chooses to exercise that option."[2]

A similar result came up in another study. Allowing restrictions increased donations. It did so even for donors directing their gift "where it is most needed."[3] Why did this work? Further questioning gave the answer.

[1] Eckel, C. C., Herberich, D. H., & Meer, J. (2017). A field experiment on directed giving at a public university. *Journal of Behavioral and Experimental Economics, 66*, 66-71.
[2] Helms, S., Scott, B., & Thornton, J. (2013). New experimental evidence on charitable gift restrictions and donor behaviour. *Applied Economics Letters, 20*(17), 1521-1526. p. 1521.
[3] Fuchs, C., de Jong, M. G., & Schreier, M. (2020). Earmarking donations to charity: Cross-cultural evidence on its appeal to donors across 25 countries. *Management Science, 66*(10), 4820-4842. p. 4838.

Allowing restrictions evoked a clear image. It increased "the vividness of the mental pictures of one's donation's usage."[4]

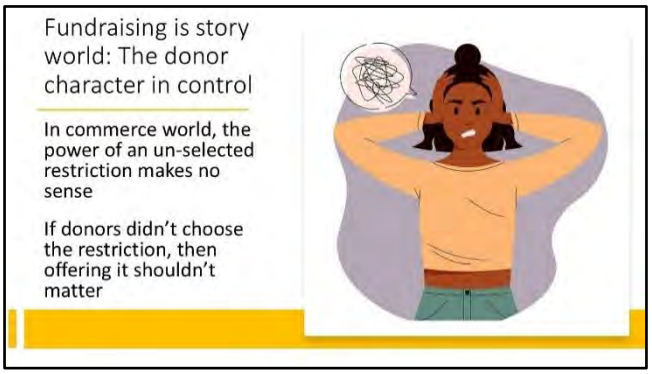


It increased agreement with statements like

- "It was easy for me to imagine how my donation would be used,"
- "I had a vivid mental picture about how my donation would be used,"
- "It was easy to envision what would happen to my donation," and
- "I could visualize how my donation would be used."[5]



Allowing restrictions did something else. It increased donors' sense of control over their gifts' impact.[6] This feeling of control increased giving. But the feeling of control was just as high whether or not they chose to restrict.[7] Their gift may have gone "where it was most needed." But it went there *because* they chose for it to do so. The gift was unrestricted. But only because the donor decided it should be.



Fundraising is story world: The donor character in control

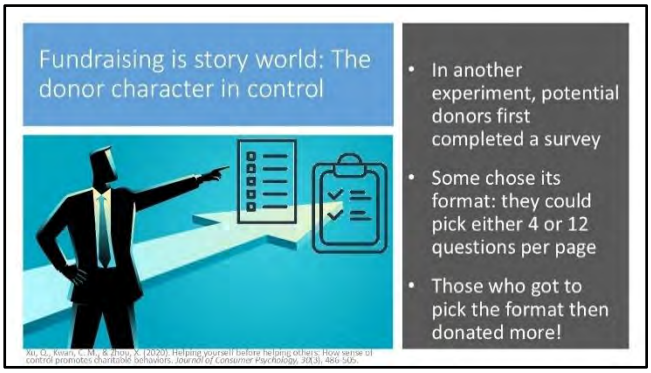
In commerce world, the power of an un-selected restriction makes no sense. Donors didn't choose the restriction. They didn't want it. So, logically, offering it shouldn't matter.



But in story world, it does make sense. A donor who gets to choose, plays a more important story role. The donor is in control. The donor makes it happen. This is true even when the donor chooses "where needed most." Allowing restrictions works because it increases the feeling of donor control. This feeling, in turn, increases donations.[8]

[4] *Id* at p. 4835.
[5] *Id* at p. 4837.
[6] Allowing gift restrictions increased agreement with the following statements: (1) "I was thinking that I could make a specific impact," (2) "I had the feeling to be free in determining where to help," (3) "I had the feeling I could influence where to make an impact," and (4) "I was thinking that I would have control over what happens with my donation". *Id* at p. 4837.
[7] *Id*.
[8] For another example, *see,* Heist, H. D., & Cnaan, R. A. (2018). Price and agency effects on charitable giving behavior. *Journal of Behavioral and Experimental Economics, 77*, 129-138.



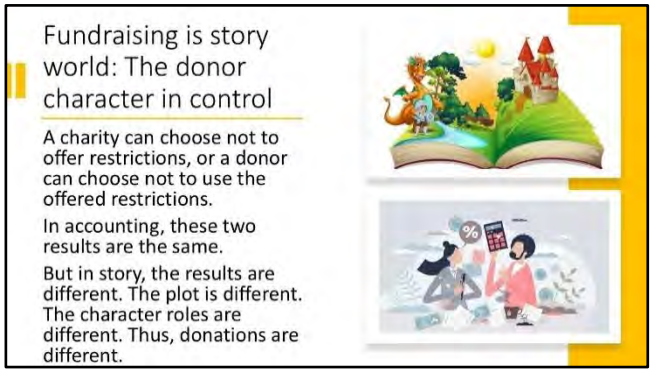


Increasing a donor's sense of control is powerful. This can show up in some strange ways. In one experiment, potential donors completed a form.[9] Some first *chose* between a blue or black pen. Others were just *given* a pen. Those who got to choose their pen donated more.



In another experiment, potential donors first completed a survey. Some chose its format.[10] They could pick either four or twelve questions per page. Those who got to pick the format then donated more.

Why did these small changes work? They gave potential donors a greater sense of control. This feeling of control, in turn, increased donations.[11] Giving donors control is powerful, even if it's just a feeling.



A charity can choose not to offer restrictions. Or a donor can choose not to use the offered restrictions. In accounting, these two results are the same. But in story, the results are different. The plot is different. The character roles are different. Thus, donations are different.



Commerce world: Restrictions hurt impact

Gift restrictions can be great for story world. But they can be a problem for commerce world. Charity managers don't like them. They use a negative word, "restrictions," instead of just "instructions." To them, such gifts are annoying. They can think,

"The novice-donor is trying to take control from the expert-manager. It's silly. It's counterproductive. It's wrong."

[9] Xu, Q., Kwan, C. M., & Zhou, X. (2020). Helping yourself before helping others: How sense of control promotes charitable behaviors. *Journal of Consumer Psychology, 30*(3), 486-505.
[10] *Id.*
[11] This effect was strongest when the donation appeal addressed a more negative, distressing, or threatening situation. *Id*.



This is a reasonable argument. But it doesn't work for fundraising. Consider this. What if a family member responded like a typical charity manager? It might sound like this:

"Thanks for the tuition gift, Grandma. But I would prefer to spend it 'where needed most.' I'm sure your goal is my happiness. And, let's face it, I know a lot more than you do about that. You should really leave it to the expert. Just give me the cash."

That talk probably wouldn't end well. According to economic theory, the grandchild's argument is correct. So is the charity manager's argument. The arguments might be true. But they still don't work.



Story world: Restrictions help impact

For a donor, putting instructions with a gift is not negative. It's intended to increase the gift's impact. Experimental research supports this. Restrictions are most attractive to donors focused on their gift's impact.[12]



Restrictions are even more important if recipients are seen as less responsible. In experiments, this is true for gifts to other people[13] or charities.[14] Consider an irresponsible family member. You wouldn't want to just give them free cash. They might use it foolishly. Instead, you want to pay for something specific. The same idea applies to charities.

In one experiment, donors could give to a charity.[15] For some, the charity spent 15% on overhead.[16] It had a four-star Charity Navigator rating. For others, the charity spent 75% on overhead with a one-star rating.[17] Offering gift restrictions increased giving more for the

[12] Gangadharan, L., Grossman, P. J., Jones, K., & Leister, C. M. (2018). Paternalistic giving: Restricting recipient choice. *Journal of Economic Behavior & Organization, 151*, 143-170. (Gift restrictions were more attractive to donor's focused on the impact of their gift on recipients.)

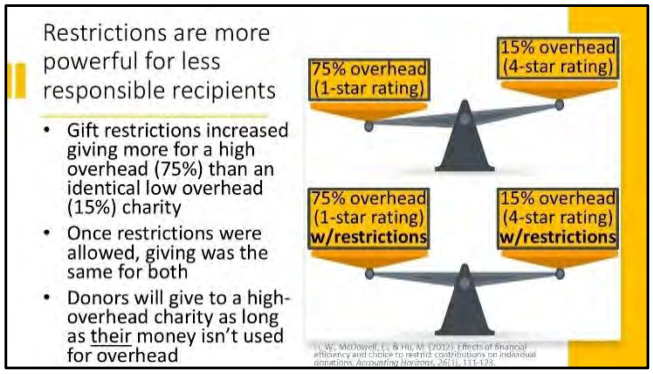
[13] Jacobsson, F., Johannesson, M., & Borgquist, L. (2007). Is altruism paternalistic? *The Economic Journal, 117*(520), 761-781. (An experiment allowing giving to "a smoking diabetes patient whose willingness to pay for nicotine patches is positive but below the market price" found that "When subjects can donate both nicotine patches and money more than 90% of the donations are given in kind rather than cash."); Jones, K. (2017). Paternalism and ethnicity in giving. *Economic Record, 93*(302), 420-433. ("I find a higher proportion of donors choose to donate to a commonly negatively stereotyped recipient (Indigenous Australians) when they are able to [restrict their donations]")

[14] Li, W., McDowell, E., & Hu, M. (2012). Effects of financial efficiency and choice to restrict contributions on individual donations. *Accounting Horizons, 26*(1), 111-123.

[15] *Id.*

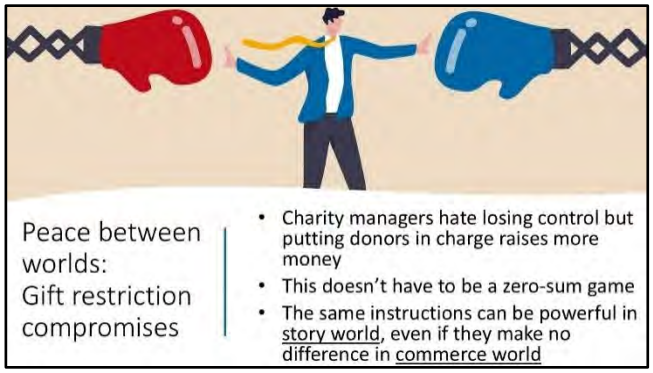
[16] i.e., 85% to program services

[17] i.e., 25% to program services



second charity than the first.[18] In fact, once restrictions were allowed, giving was the same for both charities.

Donors didn't mind giving to a high-overhead charity. They just didn't want *their money* used for overhead. People don't mind giving to an irresponsible family member. They just don't want *their money* used for something foolish. In both cases, gift restrictions "fix" the problem. They fix the problem by telling a better story.



Peace between worlds: Gift restriction compromises

It's true. Gift restrictions can be a source of conflict. Charity managers hate losing control. But putting donors in charge raises more money. Yet, this doesn't have to be a zero-sum game. Often, both sides can be happy.

Donor instructions can be powerful. But they're powerful *as story.* The world of story is not the same as the world of commerce. The same instructions can be powerful in story world, even if they make no difference in commerce world. This creates opportunities for effective compromise.



*Two-**world compromise: "Funged"** restrictions*

A gift restricted to an already-budgeted item acts like unrestricted money. Professor Wes Lindhall explains,

"Some restricted gifts can be "funged" or transferred to other areas by budgeting differently."[19]



Restricted gifts tend to pay for interesting things. They don't usually pay for administrative expenses. But does this actually make a difference overall? A 2021 study of 7,031 charities found that,

"Restricted revenues, however, do not curb nonprofits' administrative expenses ..."[20]

[18] Li, W., McDowell, E., & Hu, M. (2012). Effects of financial efficiency and choice to restrict contributions on individual donations. *Accounting Horizons, 26*(1), 111-123.
[19] Lindahl, W. E. (1994). Multiyear evaluation of fundraising performance. *New Directions for Philanthropic Fundraising, 1994*(3), 77-93.
[20] Hung, C. (2021). Restricted revenues and nonprofit service delivery: The roles of financial discretion. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 32*(1), 136-150.



Restricted gifts don't necessarily change anything. Other money can be moved to other expenses. Restrictions can end up being a meaningless accounting exercise. In commerce world, money is fungible.

But in story world, money is not fungible. *My* money is special. Restrictions can tell a better story about my money. My money makes a visualizable change. It wins a victory. Thus, my character becomes a more important part of the story.

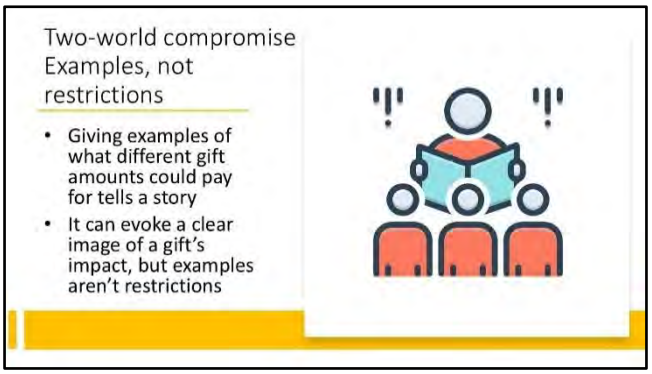


Two-world compromise: Revenue restrictions

A similar result happens with a gift restricted to a revenue category. A scholarship gift to a university pays for tuition. But tuition is general revenue. Once paid, the tuition gift becomes unrestricted money. But because it was attached to a student, it's now a story.



Or a donor might pay for others' tickets to a charity's cultural performance. This makes a great story. The recipients couldn't have attended otherwise. But it's also extra revenue for the charity. Once paid, the ticket gift becomes unrestricted money.



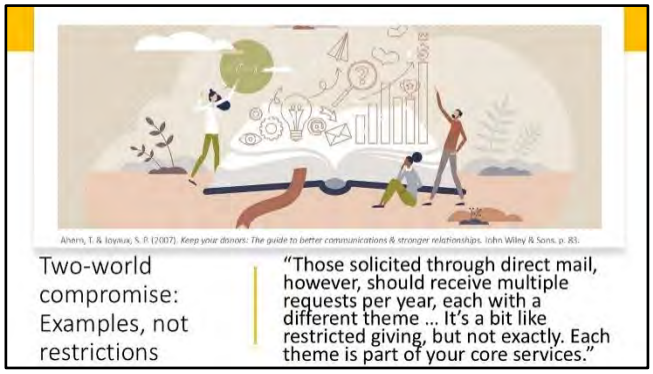
In both cases, the money started as a restricted gift. It ended as unrestricted revenue. The commerce world result is unrestricted money.[21] But the story world narrative is better.

Two-world compromise: Examples, not restrictions

Another compromise is to share examples of gift usage. Giving examples of what different gift amounts could pay for tells a story. It can evoke a clear image of a gift's impact.

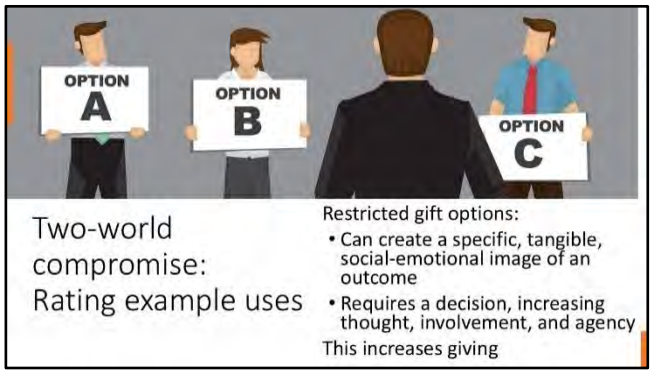
But examples aren't restrictions. Examples don't change commerce world. But they can make a difference in story world. For example, experienced fundraisers suggest,

[21] This assumes the scholarship is necessary for the student to attend, either because of financial need or competitive offers. Thus, when a donation pays for what would have otherwise been an unfunded scholarship it has the same net effect as an unrestricted gift. Similarly, paying for tickets to a charity's performance for those who otherwise wouldn't have been able to afford to attend (or otherwise wouldn't have chosen to pay for a ticket) when the performance is not sold out has the same net effect as an unrestricted gift to the charity.



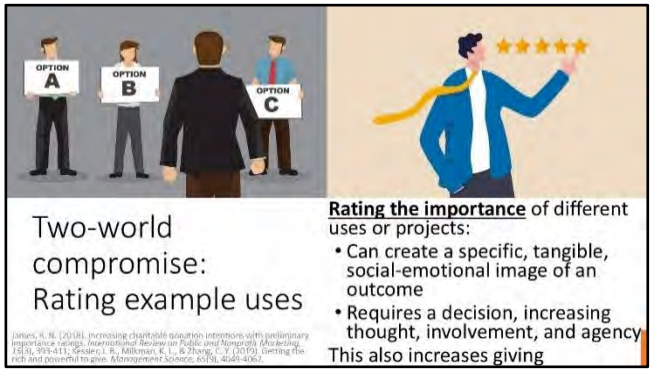
"Those solicited through direct mail, however, should receive multiple requests per year, each with a different theme ... It's a bit like restricted giving, but not exactly. Each theme is part of your core services."[22]

Two-world compromise: Rating example uses



Providing restricted gift options can help in two ways.[23] First, they can create a social-emotional image. They can refer to specific outcomes. This makes the result more tangible. It makes the story more compelling.

Second, options require a decision. This makes the donor think. It requires thinking about and envisioning various outcomes. It increases the donor's feeling of involvement and agency.



However, these feelings can be triggered without a gift restriction. A donor can be asked to rate the importance of different uses or projects. In experiments, doing this increases giving.[24] It works even when the gifts themselves are not restricted.

Sharing examples of gift usage is not a restriction. Asking for donor opinions on gift usage is not a restriction. Yet, these are powerful. They can capture the *story* elements that make restricted gifts attractive.



Two-world compromise: Combination restrictions

Donor restrictions can create a problem. Donors like to fund the attractive parts of an operation. But charities still need money for the other parts.

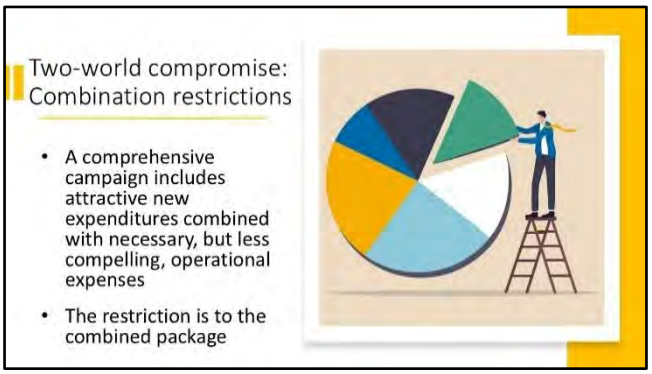
One compromise restricts only a share of the gift. For example, 2/3 goes to the selected project and 1/3 goes "where needed most." Academic theory[25] and experimental

[22] Ahern, T. & Joyaux, S. P. (2007). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 83.
[23] Fuchs, C., de Jong, M. G., & Schreier, M. (2020). Earmarking donations to charity: Cross-cultural evidence on its appeal to donors across 25 countries. *Management Science, 66*(10), 4820-4842.
[24] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411; Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2019). Getting the rich and powerful to give. *Management Science, 65*(9), 4049-4062.
[25] The theoretical model is presented first in Aflaki, A., & Pedraza-Martinez, A. J. (2016). Humanitarian funding in a multi-donor market with donation uncertainty. *Production and Operations Management, 25*(7), 1274-1291.

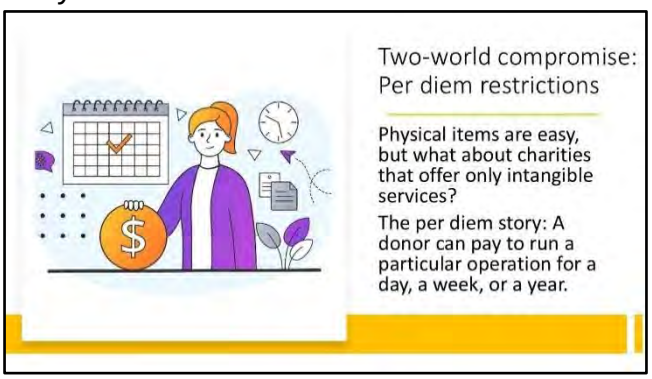
research[26] support this approach. In one experiment, donors could restrict 2/3 of their gift to specific projects.[27] The rest went to projects of the charity's choosing. This partial restriction worked just as well as a full restriction. The numbers changed, but the story remained.



Another version offers a combined project. For example, a new building is an attractive project. Maintenance, utilities, and insurance are not. A package can combine these together. The project might be a $30 million "permanent" building. Construction is $10 million. A $20 million endowment pays for $1 million annual maintenance, insurance, and utilities. This reframes the overhead costs. Now, they're part of the new building project. They make the new building permanent.



This is similar to comprehensive campaigns. The campaign includes attractive new expenditures. These are combined with necessary, but less compelling, operational expenses. The gift is restricted. But it's restricted to the combined campaign. This changes the dollars but keeps the attractive story.



Two-world compromise: Per diem restrictions

For some charities, compelling gift restrictions are obvious. A charity might build buildings, dig wells, or deliver physical items. But what about charities that offer only intangible services? What items could a donor buy for addiction recovery or crisis counseling?

One approach is the per diem story. A donor can pay to run a particular operation for a day, a week, or a year. Suppose a donor is interested in crisis counseling for battered women.



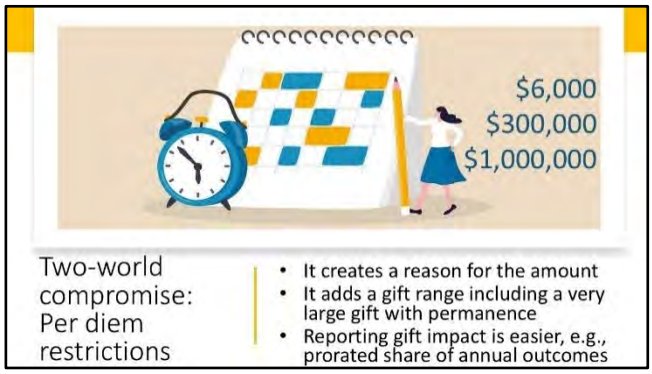
The fundraiser could just pick an amount, such as

"Would you consider a gift of $6,000 to help this program?"

But the per diem request can be more powerful. For example,

[26] Study 2 in Fuchs, C., de Jong, M. G., & Schreier, M. (2020). Earmarking donations to charity: Cross-cultural evidence on its appeal to donors across 25 countries. *Management Science, 66*(10), 4820-4842.
[27] *Id.*

"The counseling operation costs $1,200 per day or $6,000 for a week. A gift sponsoring a week covers all of these costs. We recognize these donors at the entrance here. This helps remind our counselors and clients that others care about their success.[28] Sponsors receive a full report on all activities that take place during their week. For larger gifts, a full year is $300,000. A permanent named endowment for the entire program would be $6 million. You've mentioned how much this program means to you. You understand the impact it has in the community. Would you consider a gift of $6,000 to run this program for a week?"



This request is more powerful in several ways. First, it creates *a reason* for the amount requested. It also presents a range of amounts. (This can help if the request was too high or too low.) It introduces the concept of very large gifts. It creates a reason for large gifts. Each gift pays for a specific amount of work.[29] The largest gift adds the power of permanence. This is especially important for attracting large estate gifts.

A per diem request also does something else. It makes it easier to report the gift's impact. Most charities already track operational activities. Often this is for an annual report. A gift's impact report simply shows these for the sponsored time. Or, at least, it reports a prorated share of annual activities.



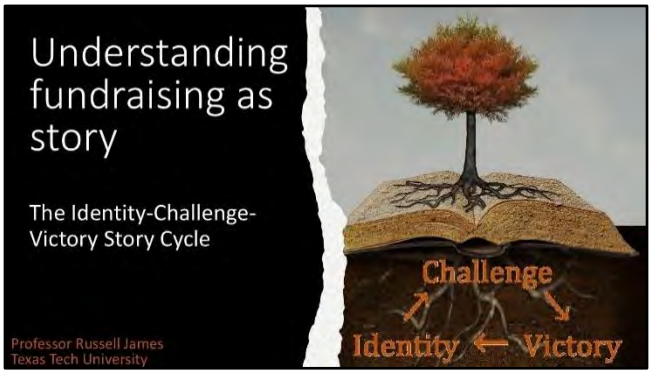
Bridging the two worlds

Fundraising lives in story world. In this world, gift restrictions are powerful. But they're powerful *as story*. Effective fundraising story evokes a clear image that produces social emotion. When gift restrictions do this, they help. They help even if they don't make a difference in commerce world.

Story world messages often don't make sense in commerce world. Commerce world messages often fail in story world. Bridging both worlds is difficult, but it's not impossible. It requires a translator. It requires a diplomat. In other words, it requires an effective fundraiser!

[28] Such reminders can have real effects on charity staff. One experimental study reported, "The findings demonstrate that recipients of donations from named individuals (vs. recipients of anonymous donations) tend to regulate their behaviors to be more in line with the general goal of the donation." Chen, Y., & Gao, L. (2021). The identified donor effect: Disclosure of the donor's name shapes the recipient's behavior. *Journal of Consumer Psychology*. p. 1.

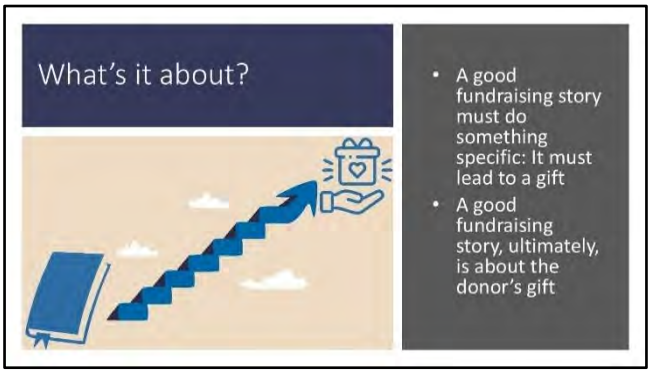
[29] Mejia, J., Urrea, G., & Pedraza-Martinez, A. J. (2019). Operational transparency on crowdfunding platforms: Effect on donations for emergency response. *Production and Operations Management, 28*(7), 1773-1791. ("Each additional work-related word in an update (operational transparency) increases donations on average by $65 per month, while certification (conventional transparency) raises funds on average by $22 per month.")



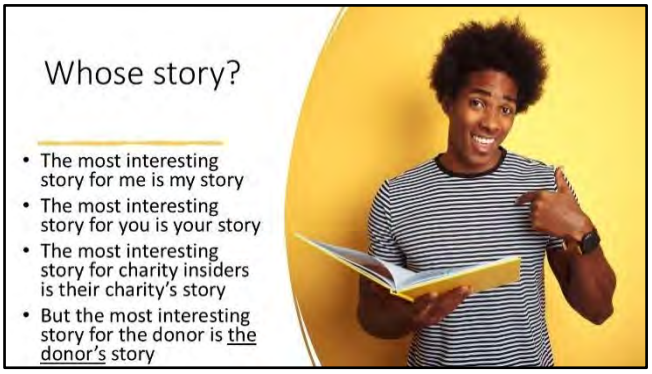
13

UNDERSTANDING FUNDRAISING AS STORY:

THE IDENTITY-CHALLENGE-VICTORY STORY CYCLE







What's it about?

Many stories can be good stories. But a good fundraising story must do something specific. It must lead to a gift. This simple fact reveals something important. A good fundraising story, ultimately, is about the donor's gift.

Story means character and plot. In a story about the donor's gift, who is the key character? That's obvious. It's the donor. What is a key action in the plot? That's also obvious. It's the donor's action of making the gift.

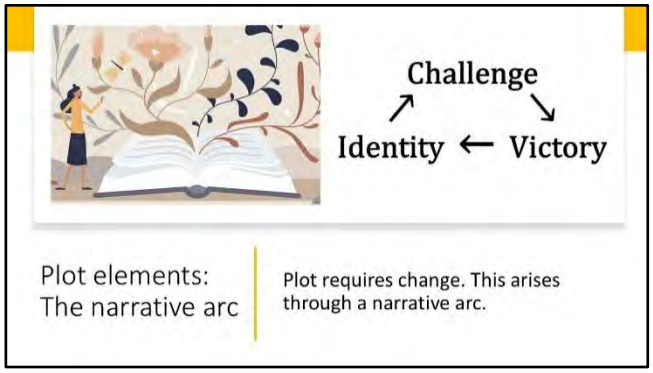
Whose story?

This might seem obvious, but it's rare. Charities love to tell stories. Mostly they love to tell stories about themselves. This is natural. The most interesting story for me is my story. The most interesting story for you is your story. The most interesting story for charity insiders is their charity's story. But the most interesting story for the donor is the donor's story.



When is a story the donor's story? When the donor either *is* or *identifies with* the main character. Either way, the story is – to some degree – about the donor.

But this isn't enough. To be the donor's story, the *donor's action* must be key to the plot. The plot must hinge on the donor's gift. Plot requires change. If the gift doesn't change anything, it's not part of the plot.

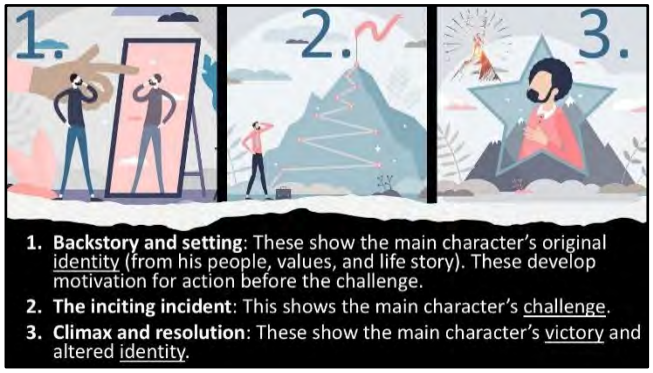


Plot elements: The narrative arc

A story needs character and plot. Plot requires change. This change arises through a narrative arc. This includes

1. Backstory and setting

Backstory shows the main character's original identity. This comes from his people, values, and life story. Setting shows the environmental norms in the story's world. These develop motivation for action before the challenge.



2. The inciting incident

This shows the main character's challenge.

3. Climax and resolution

These show the main character's victory and altered identity.



Plot elements: The narrative arc in fundraising

Fundraising story can follow this narrative arc.

1. Backstory and setting

These develop motivation for the gift before the ask. Backstory connects the gift request (challenge) to the donor's identity (life story, people, and values). Setting creates an environment in which sharing is a social norm.



2. Inciting incident

This is the challenge. It's the ask. It is

- A crisis (threat or opportunity) for the donor's people or values
- Promising the hope of a victory



- That forces a response.

3. Climax and resolution

At the story climax, the gift achieves a victory. The resolution confirms the donor's resulting heroism or other positive identity traits. These come from impact reporting, gratitude, and publicity.



The fundraising story cycle

Applying this narrative arc to fundraising story creates a cycle.

Challenge
↗ ↘
Identity ← Victory

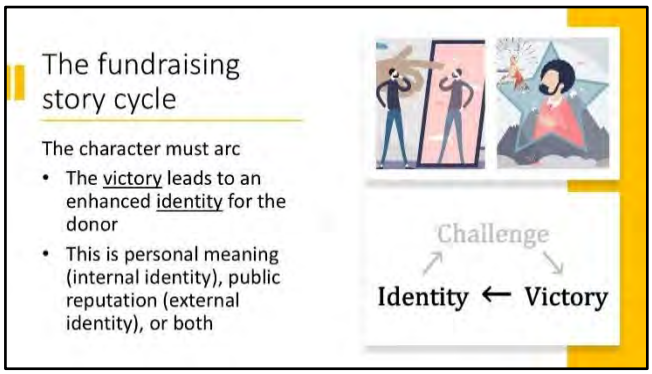
The *challenge* is the fundraising ask. It's the inciting incident in the donor's story. But the story doesn't start at the ask.



The story starts with backstory and setting. These connect the donor's original *identity* with the *challenge*. They develop giving motivation from life story, values, and social norms before the ask.

Also, the story doesn't end at the ask. The donor's gift must do something. Accepting the *challenge* should lead to a meaningful *victory*. This happens at the climax.





A good story alters the main character's *identity*. The character must arc. This change is confirmed at the resolution. In fundraising, the *victory* leads to an enhanced *identity* for the donor. It might enhance personal meaning (internal identity). It might enhance public reputation (external identity). It might do both. Impact reporting, gratitude, and publicity can confirm this enhanced identity.



Bad fundraising is bad story

Understanding fundraising as a narrative arc is powerful. It makes fundraising intuitive. Consider these comparisons:

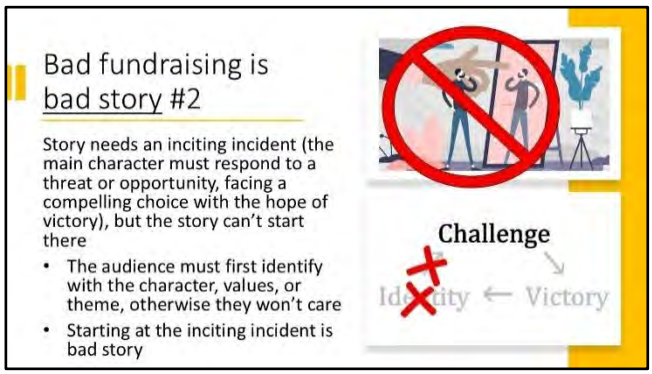
Story

What if a story had great backstory and setting, but never went further? That story can't succeed. It never progresses to an inciting incident. It's bad story.



Fundraising

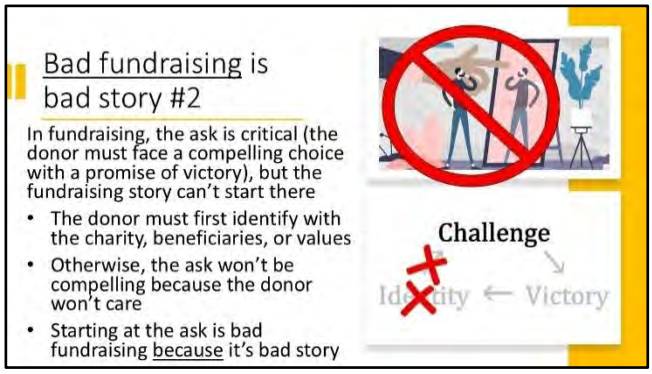
What if a charity had great social events and "friend-raising," but never went further? It never led to a compelling ask. That story can't succeed either. It never progresses to an inciting incident. It's bad fundraising because it's bad story.



Story

Story needs an inciting incident. The main character must respond to a crisis (threat or opportunity). He must face a compelling choice with the hope of victory.

But the story can't *start* there. The audience must first identify with the character, values, or theme. Without a relatable backstory, the inciting incident won't be compelling. The audience won't care. Starting at the inciting incident is bad story.



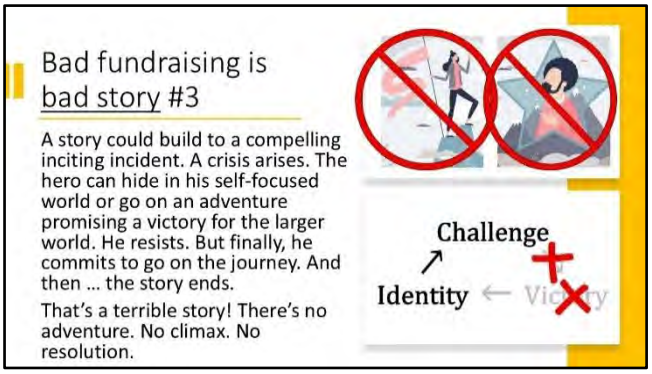
Fundraising

In fundraising, the ask is critical. The donor must face a compelling choice with a promise of victory.

But the fundraising story can't start there. The donor must first identify with the charity, the beneficiaries, or the values. Otherwise, the ask won't be compelling. The donor won't care. Starting at the ask is bad fundraising. It's bad fundraising because it's bad story.

Story

A story could build to a compelling inciting incident. A crisis arises. The hero faces a choice. He can hide in his self-focused world. Or he can go on an adventure promising



a victory for the larger world. He resists. But finally, things change. He commits to go on the journey. And then … the book ends. Or the credits roll.

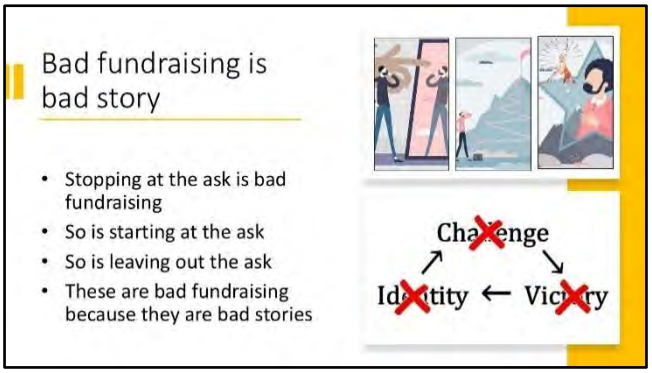
That's a terrible story! There's no adventure. No climax. No resolution. You would never tell a story like that. And you wouldn't return to an author or director who did so.



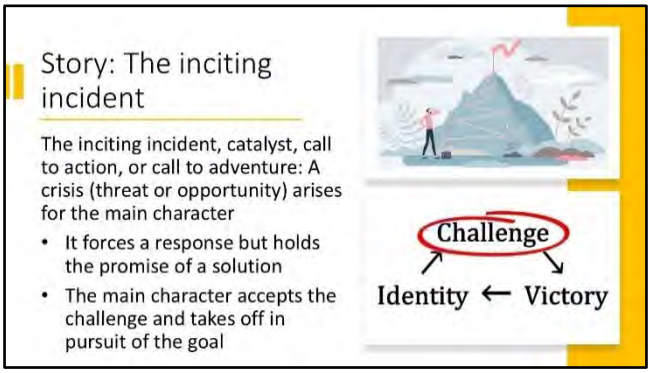
Fundraising

A story shouldn't end at the inciting incident. And fundraising shouldn't end at the ask. Yet this often happens. The donor says, "Yes." But then, nothing. There's no reporting of the impact of the gift. There's no recognition, no gratitude, no publicity.

This is bad fundraising. It's bad fundraising because it's a bad story. There's no adventure. No climax. No resolution. Why would a donor repeat an experience like that?



Stopping at the ask is bad fundraising. So is starting at the ask. So is leaving out the ask. These are bad fundraising because they are bad stories.

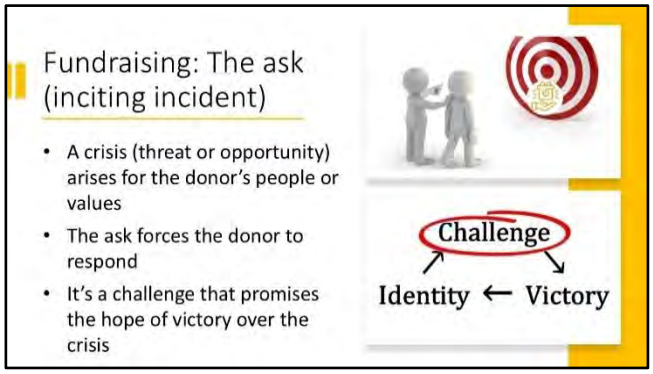


Story: The inciting incident

In a story, the main character must face a challenge. This comes at the inciting incident.[1]

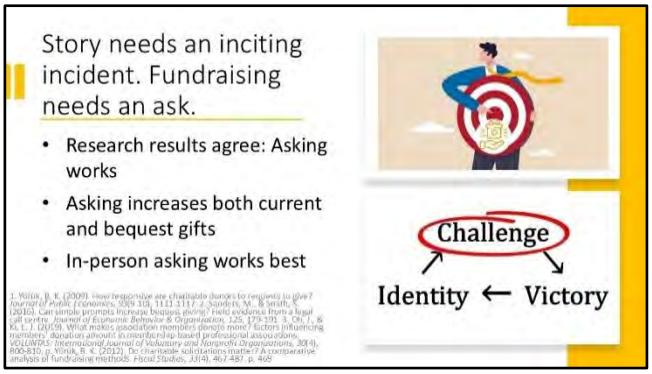
Different story experts call this step by different names. Robert McKee coined the term "inciting incident." Blake Snyder called

[1] In describing a scale "for measuring the degree of good storytelling," Woodside notes, "The story has an inciting event (a crisis or turning point) involving the protagonist, along with a beginning and a resolution;" Woodside, A. G. (2010). Storytelling theory and research. In *Case study research: Theory, methods, practice* (pp. 41-83). Emerald Group Publishing Limited.
See also, "A good story displays tension that includes one or more inciting incidents preceded by conditions or settings that initiate the unconscious/conscious identification of one or more goals, with actions by a protagonist and possibly additional actors resulting in an outcome;" Woodside, A. G., Sood, S., & Miller, K. E. (2008). When consumers and brands talk: Storytelling theory and research in psychology and marketing. *Psychology & Marketing, 25*(2), 97-145. p. 101.



it the "catalyst."[2] Others name it the "call to action."[3] In the universal hero story, Joseph Campbell dubs it the "call to adventure."[4]

Regardless of the name, the elements are similar. A crisis (threat or opportunity) arises for the main character. He can't just ignore it. It forces him to respond. But the crisis is not hopeless. It holds the promise of a solution. The main character accepts the challenge. He takes off in pursuit of the goal. And so, the action begins!



Fundraising: The ask

In fundraising story, the inciting incident is the ask.[5] A crisis (threat or opportunity) arises for the donor's people or values. The ask forces the donor to respond. It's a challenge. But it's a challenge that promises a solution. It promises the hope of victory over the crisis.

Story needs an inciting incident. Fundraising needs an ask. Research results agree: Asking works. Asking increases both current[6] and bequest[7] gifts. In-person asking works best.[8]

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[2] Snyder, B. (2005). *Save the cat! The last book on screenwriting you'll ever need.* Michael Wiese Productions. [At the time of this writing, this book was listed at the best seller in the screenwriting category in Amazon.com.]
Tim Stout describes the Catalyst as "The moment where life as it is changes. It is the telegram, the act of catching your loved-one cheating, allowing a monster onboard the ship, meeting the true love of your life, etc. The "before" world is no more, change is underway." https://timstout.wordpress.com/story-structure/blake-snyders-beat-sheet/]

[3] Sublett, S. W. (2014). *Screenwriting for neurotics: A beginner's guide to writing a feature-length screenplay from start to finish*. University of Iowa Press. p. 72.

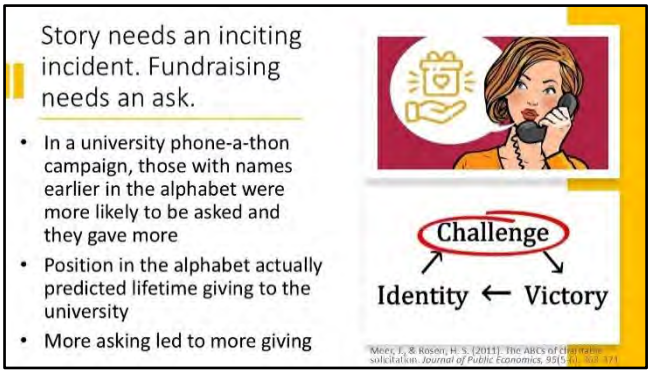
[4] Campbell, J. (2004/1949). *The Hero with a Thousand Faces* (commemorative ed.). Princeton University Press. p. 45

[5] *See,* Merchant, A., Ford, J. B., & Sargeant, A. (2010). Charitable organizations' storytelling influence on donors' emotions and intentions. *Journal of Business Research, 63*(7), 754-762.

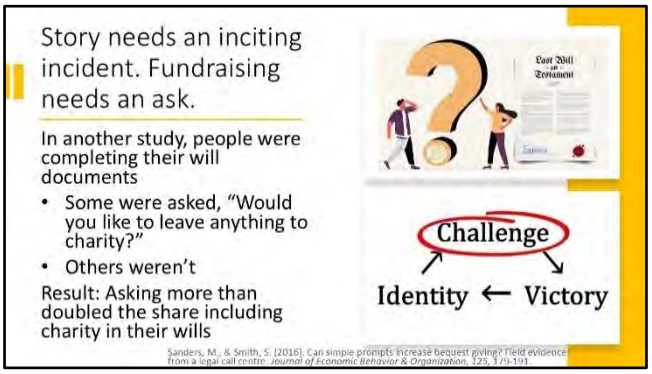
[6] Herzog, P. S., & Yang, S. (2018). Social networks and charitable giving: Trusting, doing, asking, and alter primacy. *Nonprofit and Voluntary Sector Quarterly, 47*(2), 376-394; Meer, J., & Rosen, H. S. (2011). The ABCs of charitable solicitation. *Journal of Public Economics, 95*(5-6), 363-371; Neumayr, M., & Handy, F. (2019). Charitable giving: What influences donors' choice among different causes? *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 783-799; Yörük, B. K. (2009). How responsive are charitable donors to requests to give? *Journal of Public Economics, 93*(9-10), 1111-1117.

[7] Sanders, M., & Smith, S. (2016). Can simple prompts increase bequest giving? Field evidence from a legal call centre. *Journal of Economic Behavior & Organization, 125*, 179-191.

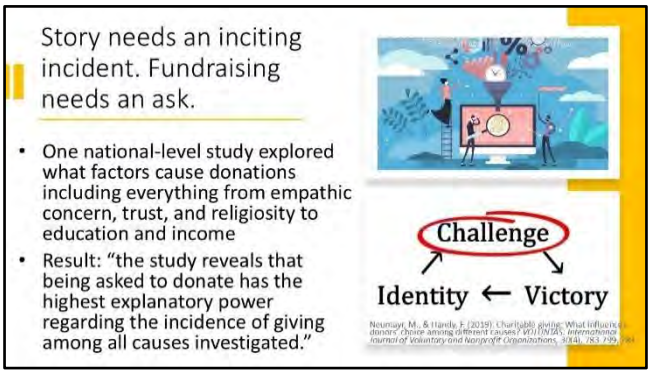
[8] Oh, J., & Ki, E. J. (2019). What makes association members donate more? factors influencing members' donation amount in membership-based professional associations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 800-810. p. 805 ("The results of the full model show that the mere act of face-to-face solicitation significantly increases the amount of donation among respondents ($\beta = .065$, $p < .001$)."); Yörük, B. K. (2012). Do charitable solicitations matter? A comparative analysis of fundraising methods. *Fiscal Studies, 33*(4), 467-487. p. 469. ("The results show that the amount of money donated to charity differs considerably in response to alternative fundraising methods. In particular, compared with impersonal fundraising techniques such as direct-mail or telephone solicitations and media ads, charitable donors are not only more likely to donate but also donate more on average as a response to personal requests.") *See also,* Alston, M., Eckel, C., Meer, J., & Zhan, W. (2018). *High-capacity donors' preferences for charitable giving* (No. w25290). National Bureau of Economic Research. ("We found that high-income donors are not responsive to letters or e-mails… Our results suggest that motivating high-income donors requires more personal communication.")



One study examined a university phone-a-thon campaign. The campaign made it part way through an alphabetical alumni list. Those with names earlier in the alphabet were more likely to be asked. The result? They gave more.[9] This didn't just happen once. Position in the alphabet actually predicted *lifetime* giving to the university.[10] More asking led to more giving.

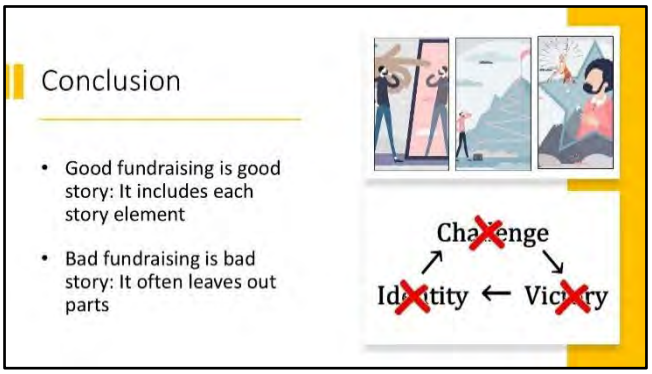


In another study, people were completing their will documents. Some were asked, "Would you like to leave anything to charity?" Others weren't. The result? Asking more than doubled the share including charity in their wills.[11]



One national-level study explored what factors cause donations. It looked at everything from empathic concern, trust, and religiosity to education and income. The result? The most important factor wasn't any of these. Instead, the researchers explained,

"the study reveals that being asked to donate has the highest explanatory power regarding the incidence of giving among all causes investigated."[12]



Conclusion

Good fundraising is good story. It includes each story element. Bad fundraising is bad story. It often leaves out parts.

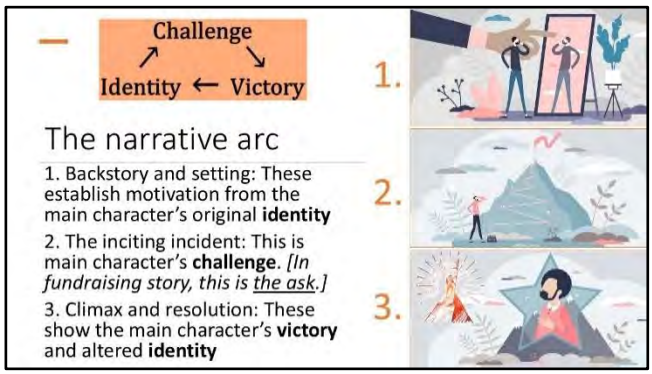
Fundraising tends to focus on the ask. That's fine. A good story needs an inciting incident. But what makes a fundraising ask a good one? What makes it compelling? The next chapter explores this question. The answer, once again, is found in story.

[9] Meer, J., & Rosen, H. S. (2011). The ABCs of charitable solicitation. *Journal of Public Economics, 95*(5-6), 363-371.
[10] *Id* at p. 366 fn 13. ("We examined the effect of alphabet position on lifetime giving (defined as the log of the sum of an alumnus's giving in each year since graduation) and found that those in A to F give, on average, 5.7% more than those in S to Z (s.e.= 2.6%), while those in G to L give 2.2% (s.e.= 2.7%) more, and those in M to R give 0.95% (s.e.= 2.8%) more.")
[11] Sanders, M., & Smith, S. (2016). Can simple prompts increase bequest giving? Field evidence from a legal call centre. *Journal of Economic Behavior & Organization, 125*, 179-191.
[12] Neumayr, M., & Handy, F. (2019). Charitable giving: What influences donors' choice among different causes? *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 783-799. p. 783.



14

UNDERSTANDING THE ASK AS STORY:
THE "INCITING INCIDENT" IN FUNDRAISING STORY



The narrative arc

Story moves through a narrative arc. This includes

1. *Backstory and setting*

These establish motivation from the main character's original identity.

2. *The inciting incident*

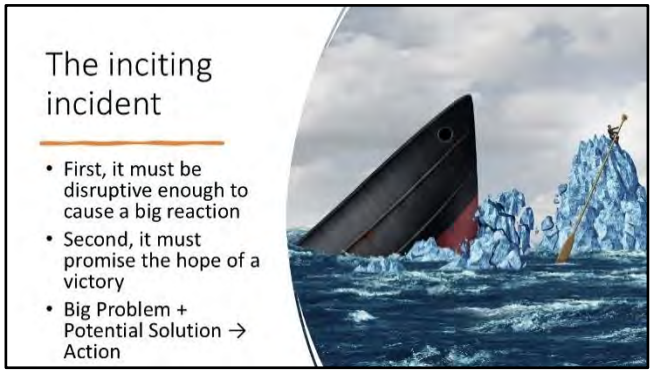
This is main character's challenge.

3. *Climax and resolution.*

These show the main character's victory and altered identity.

A key part of a story is the inciting incident. (The main character faces a challenge.) A key part of a fundraising story is the ask. (The donor faces a challenge.)

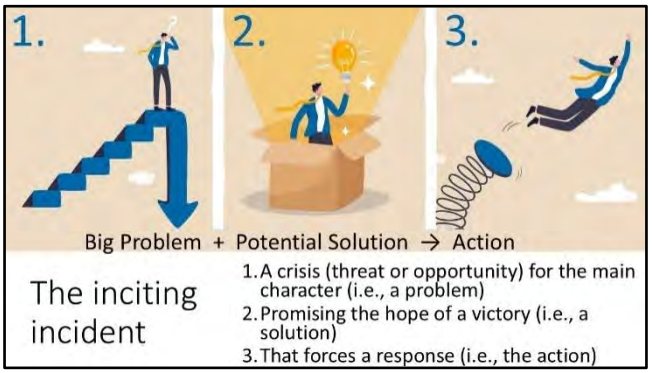
A good story needs a compelling inciting incident. A good fundraising story needs a compelling ask. Understanding one gives insight to the other.



The inciting incident

The inciting incident kicks off a story's action. It justifies starting the adventure. It has two parts. First, it must be disruptive enough to cause a big reaction. A minor

inconvenience won't work. Second, it must promise the hope of a victory. Without this, even a catastrophic threat won't motivate action. Action makes sense only if it can change things.



In simple terms,

Big Problem + Potential Solution → Action

The inciting incident needs both problem (negative) and solution (positive). It's a challenge, but it's a challenge that promises the hope of victory.

The inciting incident presents

1. A crisis (threat or opportunity) for the main character *(i.e., a problem)*
2. Promising the hope of a victory *(i.e., a solution)*
3. That forces a response[1] *(i.e., the action).*



Inciting incident descriptions

It starts with a crisis (threat or opportunity). Researchers explain,

"But then an event – screenwriters call this event the 'inciting incident' – throws life out of balance in the shape of a new opportunity or threat."[2]

Another researcher likens it to an alarm clock, explaining,

"the Inciting Incident is a jolt to the system."[3]

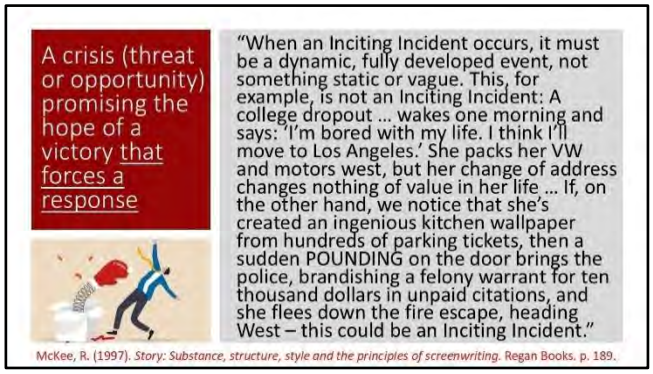
Another says it "disrupts the homeostasis."[4] Another calls it simply "trouble."[5] Robert McKee explains,

> "the inciting incident is the first major event of the telling of the story that radically upsets the balance of forces in the protagonist's life."

This crisis must be urgent and compelling. It can't be vague or trivial. Otherwise, it won't force a response. McKee illustrates this point. He writes,

> "When an Inciting Incident occurs, it must be a dynamic, fully developed event, not something static or vague. This, for example, is not an Inciting Incident: A college dropout ... wakes one morning and says: 'I'm bored with my life. I think I'll move to Los Angeles.' She packs her VW and motors west, but her change of address changes

[1] Robert McKee defines the inciting incident with a section labeled, "The protagonist must react to the Inciting Incident." McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting*. Regan Books. p. 191.
[2] Woodside, A. G., & Megehee, C. M. (2010). Advancing consumer behaviour theory in tourism via visual narrative art. *International Journal of Tourism Research, 12*(5), 418-431. p. 421.
[3] Bonnington Jr., R. G. (2014). *Pale statue* [Master's thesis]. University of Tennessee at Chattanooga.
[4] "The second part of the story takes off when something new happens. An event disrupts the homeostasis. Some literary theorists refer to this event as the "inciting incident" (McKee, 1997)." Goldin, D. (2008). Tone as a measure of the relationship in psychotherapy and other co-narrative experiences. *International Journal of Psychoanalytic Self Psychology, 3*(1), 65-83. p. 67.
[5] "Some literary theorists refer to this event as the "inciting incident" (McKee, 1997). Daniel Stern (2004), in his analysis of micro-incidents in psychotherapy, calls it simply "trouble." *Id.*



nothing of value in her life ... If, on the other hand, we notice that she's created an ingenious kitchen wallpaper from hundreds of parking tickets, then a sudden POUNDING on the door brings the police, brandishing a felony warrant for ten thousand dollars in unpaid citations, and she flees down the fire escape, heading West – this could be an Inciting Incident."

To motivate dramatic action, the problem must be disruptive. Without a sufficiently disruptive problem, there's no reason to act.

It's a crisis (threat or opportunity). But it's a crisis that promises the hope of a solution. It's a challenge. But it's a challenge that promises the hope of a victory. Putting both parts together forces the character to respond.[6]



McKee explains,

"Therefore, the Inciting Incident first throws the protagonist's life out of balance, then arouses in him the desire to restore that balance ... the Inciting Incident propels the protagonist into an active pursuit of this object or goal."[7]



The fundraising ask matches the inciting incident

In fundraising story, the ask is an inciting incident. It's a challenge to the donor. The effective challenge can start negatively. If nothing happens, a threat may become real. An opportunity may disappear. It's disruptive enough to force a response.

But it can end positively. The challenge promises the hope of victory over the crisis. The threat can be averted. The opportunity can be realized. Making a gift promises a solution.

It's negative. Then, it's positive. It's problem. Then, it's solution. Both are needed for the inciting incident. Both are needed for the effective ask.[8]

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[6] In defining the inciting incident, Robert McKee notes, "A refusal to act, however, cannot last for very long, even in the most passive protagonists of minimalist Nonplots." McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting.* Regan Books. p. 192.

[7] McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting.* Regan Books. p. 192.

[8] "the inciting incident/problem situation of the person in need, in the story appeal for charity, is likely to evoke negative emotions… We propose that the consumer would be encouraged to take actions to overcome these negative emotions, in anticipation of experiencing positive emotions. The consumer would be receptive to opportunities to donate, as these would nurture positive anticipated emotions." Merchant, A., Ford, J. B., & Sargeant, A. (2010). Charitable organizations' storytelling influence on donors' emotions and intentions. *Journal of Business Research, 63*(7), 754-762. p. 757.

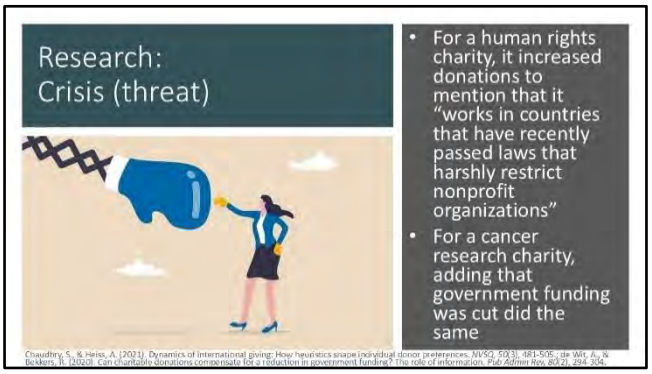


The effective ask presents

1. A crisis (threat or opportunity) for the donor's people or values
2. Promising the hope of victory
3. That forces a response.

Let's look at experimental research findings for each part.

1. The ask presents a crisis (threat or opportunity)





Crisis (threat)

In experiments, adding a threat can increase giving. For a human rights charity, it increased donations to mention that it

"works in countries that have recently passed laws that harshly restrict nonprofit organizations."[9]

For a cancer research charity, adding that government funding was cut did the same.[10] The threat can come from many places. It might be opposing political groups,[11] natural disasters,[12] or even terrorist attacks.[13] In each case, adding a threat increases donations.

But this threat can disappear. If the crisis fades, so does the inciting incident. Thus, the fundraiser may also face a deadline. This can happen with natural disasters or social and political events.[14] Giving willingness is high when the threat is present, but then it fades.

This can also happen at a personal level. One study looked at 18,000 donation requests from a hospital.[15] These were to former patients. The study found that

[9] Chaudhry, S., & Heiss, A. (2020). Dynamics of international giving: how heuristics shape individual donor preferences. *Nonprofit and Voluntary Sector Quarterly,* 0899764020971045.
[10] de Wit, A., & Bekkers, R. (2020). Can charitable donations compensate for a reduction in government funding? The role of information. *Public Administration Review, 80*(2), 294-304.
[11] Miller, J. M., & Krosnick, J. A. (2004). Threat as a motivator of political activism: A field experiment. *Political Psychology, 25*(4), 507-523; Miller, J.M, Krosnick J.A., Holbrook A.L., Tahk A., Dionne A. (2016) The impact of policy change threat on financial contributions to interest groups. In J.A. Krosnic, I.C. Chiang, & T. Stark (Eds.), *Explorations in political psychology*. Psychology Press; Schwam-Baird, M. (2016). *Essays on the motivations and behavior of individual political donors* [Doctoral dissertation]. Columbia University.
[12] Brown, P. H., & Minty, J. H. (2008). Media coverage and charitable giving after the 2004 tsunami. *Southern Economic Journal, 75*(1), 9-25.
[13] Berrebi, C., & Yonah, H. (2016). Terrorism and philanthropy: the effect of terror attacks on the scope of giving by individuals and households. *Public Choice, 169*(3-4), 171-194; Katz, R. A. (2003). A pig in a python: How the charitable response to September 11 overwhelmed the law of disaster relief. *Indiana Law Review, 36*, 251-334. p. 252, fn. 2.
[14] Smith, S., Ottoni-Wilhelm, M. & Scharf, K. A. (2018). The donation response to natural disasters. In K. Scharf & M. (Eds.), *The economics of philanthropy: Donations and fundraising* (pp. 239-261). MIT Press.
[15] Chuan, A., Kessler, J. B., & Milkman, K. L. (2018). Field study of charitable giving reveals that reciprocity decays over time. *Proceedings of the National Academy of Sciences, 115*(8), 1766-1771.



"an extra 30-day delay between the provision of medical care and a donation solicitation decreases the likelihood of a donation by 30%."

There is a window to engage "grateful patients." But with time, the threat fades and the window can close.



Crisis (opportunity)

It's easiest to think about the inciting incident as a threat. However, an opportunity can also be disruptive. It can also serve as an inciting incident. So, which works best in fundraising? A review of 27 studies found that either can work equally well.[16] But different messages may appeal to different audiences.



One study asked for donations to support an art exhibit.[17] One request mentioned a threat that the exhibit might be discontinued. This increased giving by 40%. Threat worked. Another mentioned an opportunity to create a similar exhibit elsewhere. This increased giving by 73%. Opportunity worked too.

But different groups responded differently. The threat message worked better for frequent attendees. They had more "ownership" in the museum than the casual visitor. The threat of loss meant more for this group.[18]



Main character's crisis

In the inciting incident, the action is prompted by a crisis (threat or opportunity). But this must be a crisis *for the main character*. Otherwise, it won't motivate action.

[16] Xu, J., & Huang, G. (2020). The relative effectiveness of gain-framed and loss-framed messages in charity advertising: Meta-analytic evidence and implications. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1675. ("A meta-analysis of 27 studies finds that gain-framed and loss-framed appeals do not differ significantly on persuasiveness in charity advertising.")

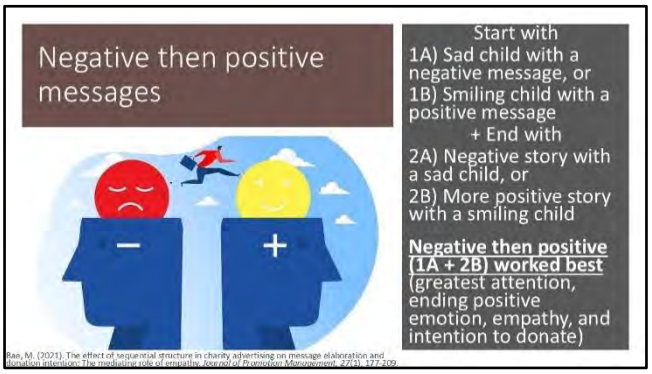
[17] Lee, B., Fraser, I., & Fillis, I. (2017). Nudging art lovers to donate. *Nonprofit and Voluntary Sector Quarterly, 46*(4), 837-858. (The text read, "This exhibition is the only exhibition showcasing the artworks of Scotland's emerging talent. Supposing that the gallery…" This was followed by,
[Control] "was raising funds for the exhibition, how much would you be willing to donate?" or
[Opportunity] "is raising funds to provide another platform similar to the exhibition for emerging artists within Scotland, how much would you be willing to donate?" or
[Threat] "was in a position where it had to discontinue the exhibition because of financial constraints, how much would you be willing to donate in order for the gallery to be able to continue with the exhibition?")

[18] In behavioral economics this relates to the "endowment effect." Even though owning an item doesn't change its objective value, people tend to behave as if it does. The greater the feeling of ownership is, the greater the feeling of loss will be when losing it, and the more people will give up to avoid that loss.

The fundraising ask is similar. The donor's action is prompted by a crisis (threat or opportunity). But this must be a crisis *for the donor's people or values*.

Suppose the people or values involved don't matter to the donor. That means the crisis doesn't matter either. If the donor doesn't identify with these people or values, the crisis won't motivate a gift.





2. The ask promises the hope of a victory

Negative then positive messages

A good inciting incident has two parts. The crisis (threat or opportunity) disrupts the character's world. But the response promises a positive result. The challenge promises the hope of a victory. It's problem *then* it's solution. It's negative *then* it's positive.

The negative-positive sequence can be powerful in fundraising. One eye-tracking study showed this. It tested four online advertisements for a children's charity.[19] The top half used either

1A) A sad child with a negative message,[20] or

1B) A smiling child with a positive message[21]

The bottom half combined each with either

2A) A negative story with a sad child, [22] or

2B) A more positive story with a smiling child[23]

Of the four combinations, the most effective (1A+2B) started negative but ended positive.[24] This captured the greatest attention, as measured by eye-tracking software. It also created the highest positive emotion at the end. This, in turn, increased both empathy and intention to donate.

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[19] Bae, M. (2021). The effect of sequential structure in charity advertising on message elaboration and donation intention: The mediating role of empathy. *Journal of Promotion Management, 27*(1), 177-209.

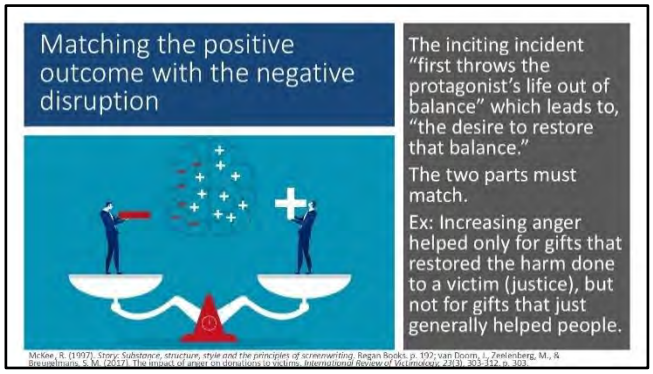
[20] "Save our hungry kids. No one should starve. They need your help. Donate today, before it's too late (cry emoji)."

[21] "Dreams can come true. With your help, we can change the world. Feed the hungry and put a (smile emoji) on a child's face."

[22] "Amanda is eight years old and wants to be a doctor when he/she is older. Unfortunately, however, she has a serious illness due to chronic hunger. Her immune system is weak due to a lack of vital nutrients. She is often too weak to walk to school. Her situation is desperate. If Amanda can't learn because she hasn't eaten, we are hurting the next generation's future." A separate call out was "Please donate before it's too late."

[23] The positive version replaced "If Amanda can't learn because she hasn't eaten, we are hurting the next generation's future" with ", but there is hope. If Amanda can receive the nourishment she needs to learn, she can have a greater future." The call out was changed to "Please donate and give her a future."

[24] It is important to distinguish a negative then positive *sequence* from a conflicting message. A conflicting message doesn't sequence the two. It uses them simultaneously. Experimental research finds that this does not work in charitable giving. A positively framed message (e.g., an opportunity) works with a positive image (e.g., happy). A negatively framed message (e.g., a threat) works with a negative image (e.g., sad). What does not work is to combine a positively framed message with a negative image or vice-versa. *See* Genevsky, A., Knutson, B., & Yoon, C. (2018). *Request framing moderates the influence of affective images on charitable giving*. https://psyarxiv.com/s458p



Matching the positive outcome with the negative disruption

The inciting incident is a disruption. It "first throws the protagonist's life out of balance."[25] This leads to, "the desire to restore that balance."[26] This combination motivates action.

But the two parts must match. The solution must match the problem. The positive must address the negative. This is also true on an emotional level.

One experiment tried ramping up a negative emotion. Some people first described a situation in which they felt angry. This increased later donations, but only for certain gifts.

Increasing anger worked if the gift promised justice. It worked if the gift restored the harm done to a victim.[27] The victory satisfied the emotional imbalance.

But increasing anger didn't work if the gift just generally helped people. That victory did not address the emotional imbalance. The two parts didn't match, so they didn't motivate action.



Finish the story

Another study again showed the power of the negative-positive sequence. It started by describing a person in need.[28] This created negative emotions. Following this with an option to donate changed things. It created "*anticipated* positive emotions." It created hope. Next, making the gift then created even more positive emotions. The emotional journey was negative, then positive.

But the story wasn't finished. With no feedback on the gift's usage, the donors' emotions again turned negative. Giving detailed feedback had the opposite effect. It improved emotions and future donation intentions.

The donor experience wasn't just about the ask. It was also about the rest of the story. If the charity didn't finish the story, the experience turned negative again.

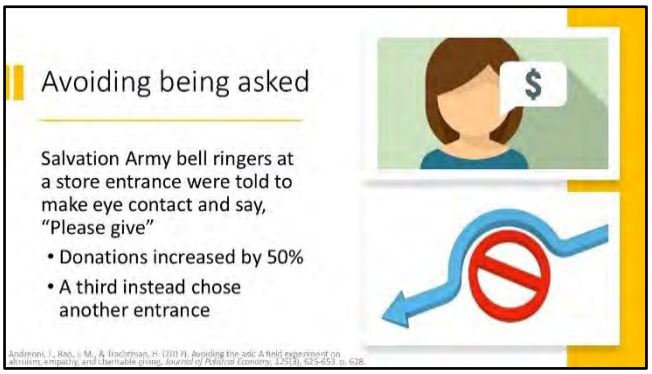
Giving can be an emotionally rewarding experience. But it's risky. The ask starts negatively. But a good ask promises the hope of a victory. If the charity delivers on that

[25] McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting.* Regan Books. p. 192.
[26] *Id.*
[27] van Doorn, J., Zeelenberg, M., & Breugelmans, S. M. (2017). The impact of anger on donations to victims. *International Review of Victimology, 23*(3), 303-312. p. 303. ("anger leads to higher charitable donations, under the condition that people can restore equity with that donation (i.e., restore the harm done to the victim).")
[28] Merchant, A., Ford, J. B., & Sargeant, A. (2010). Charitable organizations' storytelling influence on donors' emotions and intentions. *Journal of Business Research, 63*(7), 754-762.

promise, the story ends positively. If the charity fails, the story starts *and ends* negatively. This risk matches some people's ambivalence about being asked.







3. The ask forces a response

Negative feelings

A story needs an inciting incident. Fundraising needs an ask. Forcing a response works. Asking works. Lab and field experiments both confirm this.[29] So does practical experience.

But that doesn't mean asking is always easy. It doesn't mean being asked is always appealing. The ask can start negatively. Even with the hope of victory, it puts the donor at risk. The charity might not finish the story. There may be no happy ending. As a result, some will prefer to avoid being asked.

Avoiding the ask

One experiment used Salvation Army bell ringers at a store entrance. They were told to make eye contact and say, "Please give." This worked. Donations increased by 50%.[30] But many people avoided it. One third of those who would have used that entrance, instead chose another door.[31]

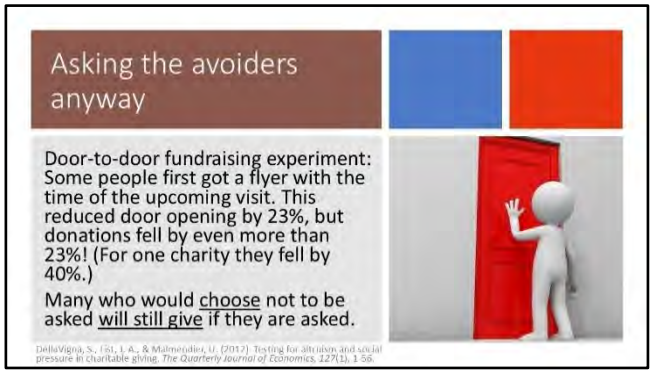
Given the chance, many will choose to avoid the ask. But that doesn't mean they shouldn't be asked. One experiment tested this. It conducted door-to-door fundraising. But it gave some people a warning. They first received a flyer. It had an opt-out box and the time of the upcoming visit. What happened? This flyer reduced door opening by 23%.[32]

[29] Herzog, P. S., & Yang, S. (2018). Social networks and charitable giving: Trusting, doing, asking, and alter primacy. *Nonprofit and Voluntary Sector Quarterly, 47*(2), 376-394; Meer, J., & Rosen, H. S. (2011). The ABCs of charitable solicitation. *Journal of Public Economics, 95*(5-6), 363-371; Neumayr, M., & Handy, F. (2019). Charitable giving: What influences donors' choice among different causes? *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 783-799; Oh, J., & Ki, E. J. (2019). What makes association members donate more? factors influencing members' donation amount in membership-based professional associations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 800-810; Sanders, M., & Smith, S. (2016). Can simple prompts increase bequest giving? Field evidence from a legal call centre. *Journal of Economic Behavior & Organization, 125*, 179-191; Yörük, B. K. (2009). How responsive are charitable donors to requests to give? *Journal of Public Economics, 93*(9-10), 1111-1117.

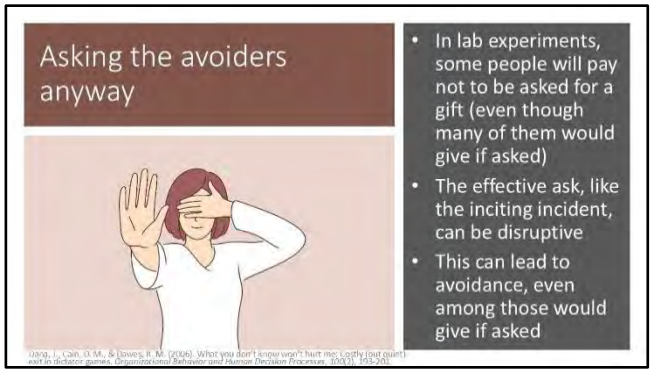
[30] Andreoni, J., Rao, J. M., & Trachtman, H. (2017). Avoiding the ask: A field experiment on altruism, empathy, and charitable giving. *Journal of Political Economy, 125*(3), 625-653. p. 628.

[31] Another experiment also found this door avoidance, but noted that it disappeared when the weather turned cold. In other words, when the cost of avoidance increased, people stopped avoiding the ask. *See* Trachtman, H., Steinkruger, A., Wood, M., Wooster, A., Andreoni, J., Murphy, J. J., & Rao, J. M. (2015). Fair weather avoidance: unpacking the costs and benefits of "avoiding the ask". *Journal of the Economic Science Association, 1*(1), 8-14.

[32] DellaVigna, S., List, J. A., & Malmendier, U. (2012). Testing for altruism and social pressure in charitable giving. *The Quarterly Journal of Economics, 127*(1), 1-56.



This seems efficient. It eliminates those who didn't want to be asked. But it was bad for fundraising. Donations fell. Here is the surprising part: They fell by even more than 23%. For one charity in the experiment, donations fell by 40%.[33] Thus, many who would choose not to be asked will still give if they are asked.



In lab experiments, some people will actually pay not to be asked for a gift.[34] This is true even though many of them would give if asked. Even if donors ultimately end up feeling good, the journey can still start negatively. The effective ask, like the inciting incident, can be disruptive. This can lead to avoidance, even among those would give if asked.[35]



Asking too often?

Another study tested the effects of asking too often.[36] It sent up to five extra appeal letters to donors from several charities. It sent them *in the same week*. Survey results showed this caused some annoyance. No surprise. And the result? The researchers explained,

"We find no indications that irritation reduces donations."



The inciting incident starts negatively. It can be disruptive. Some might prefer to avoid it. But asking still works. Even excessive asking, although irritating, doesn't hurt giving.

Immediacy and deadlines

A good inciting incident is immediate, urgent, and specific. This triggers action. It's not passive or vague. That doesn't trigger action.

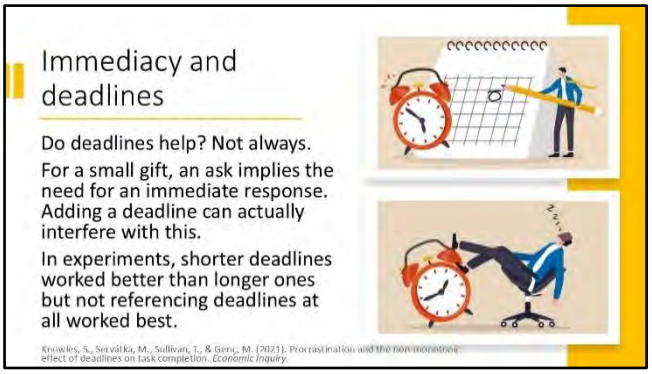
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[33] Giving fell 28% for the local charity and 40% for the out-of-state charity. *Id* at p. 3.

[34] Dana, J., Cain, D. M., & Dawes, R. M. (2006). What you don't know won't hurt me: Costly (but quiet) exit in dictator games. *Organizational Behavior and Human Decision Processes, 100*(2), 193-201.

[35] Another study reported, "In addition to our main results, we find that a loss & identified victim framing has a significant negative effect on the number of seconds that participants remain on the web page displaying the donation calls (Table 3), although it has a positive effect on donation levels ... The loss & identified victim framing may increase peoples' willingness to donate more, but may also make them uncomfortable. This, in turn, may result in avoidance behavior becoming manifest in clicking to the next page faster." Metzger, L., & Günther, I. (2019). Is it what you say or how you say it? The impact of aid effectiveness information and its framing on donation behavior. *Journal of Behavioral and Experimental Economics, 83*, 101461.

[36] Van Diepen, M., Donkers, B., & Franses, P. H. (2009). Does irritation induced by charitable direct mailings reduce donations? *International Journal of Research in Marketing, 26*(3), 180-188.



In fundraising, the inciting incident is the ask. A good ask is immediate, urgent, and specific. A weak one is passive or vague.

Does this mean that deadlines help? Not always. For a small gift, an ask implies the need for an immediate response. Adding a deadline can interfere with this. It can reduce the expectation for an immediate response. This encourages delay. The delay can then lead to no response at all.

In experiments with small gifts, shorter deadlines worked better than longer ones. But what worked best was not referencing deadlines at all.[37] The researchers explained,

> "Our results point out that a short deadline, and not specifying a deadline, signals urgency. By contrast, providing a longer (one month) deadline gives people permission to procrastinate, with people ultimately forgetting."

Does this mean that a quick response is always better? Not necessarily. For a small gift, this is fine. But a large gift requires time and thought. However, it's still important not to leave the decision open-ended.



For the large gift, the goal is still to force a response. The goal is still to get a "yes." But initially this can be a "yes" to the next meeting. This gives some time for thought. But at some point, the next meeting must force a gift decision. This prevents avoidance or unlimited procrastination. Ultimately, the inciting incident – and the ask – must force a response.



Conclusion

A story needs an inciting incident. A story without an inciting incident is probably a bad story. Fundraising needs an ask. A fundraising story without an ask is probably a bad fundraising story.

The inciting incident is essential. It can be disruptive. Some people might prefer to avoid it. But ultimately, it promises the hope of a victory.

Make a challenge. Promise a victory. It seems straightforward. But it can be harder than it looks. Many barriers can stand in the way of making it happen. The next chapter looks at some of those barriers and a few strategies to overcome them.

[37] Knowles, S., Servátka, M., Sullivan, T., & Genç, M. (2017). *Deadlines, procrastination, and forgetting in charitable tasks: A field experiment*. Available at SSRN. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2576625



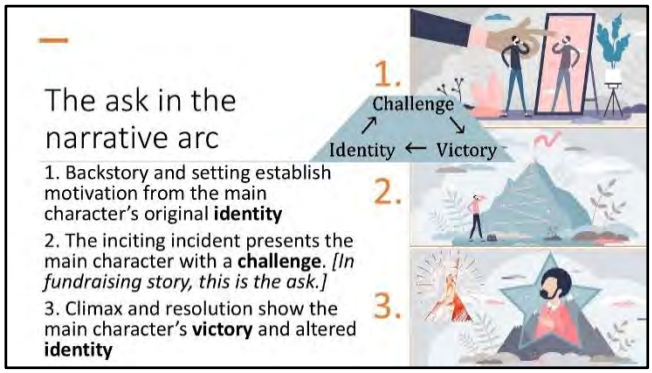
15

PUTTING A VICTORY IN THE FUNDRAISING ASK: WHAT CHANGES IF I GIVE?



What's it about?

An effective fundraising story isn't just a good story. It must *do* something. It must lead to a gift. This means the story must be, to some extent, a story *about* the gift. It must be, in some way, a story *about* the donor and the donor's action.



The ask in the narrative arc

A typical narrative arc progresses through

1. *Backstory and setting*

These establish motivation from the main character's original identity.

2. *The inciting incident*

This presents the main character with a challenge.



3. *Climax and resolution*

These show the main character's victory and altered identity.

In story, the inciting incident must force a response. Otherwise, it fails. In fundraising, an ask must force a response. Otherwise, it fails. But in fundraising it's not

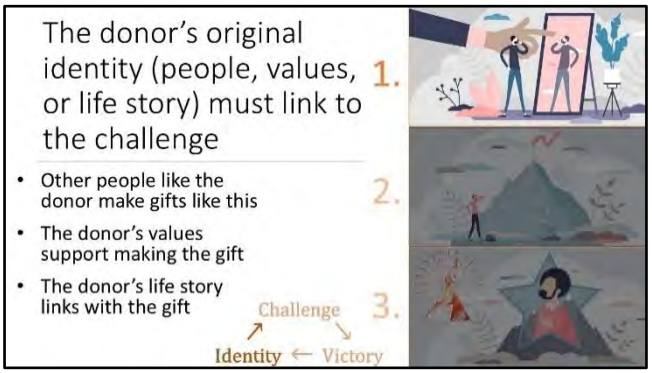
enough to get just any response. We want a specific response. We want a gift. We want a "yes."



Getting to "yes" with fundraising story

So, how do we get there? The ask presents a challenge to the donor. In story, this challenge happens at the inciting incident. It forces a choice in response to a crisis (threat or opportunity). The effective challenge does not stand alone. It's part of the full story cycle. The challenge must link to each element in the story cycle.

Challenge
↗ ↘
Identity ← Victory



The donor's *original identity* (people, values, or life story) must link to the *challenge*. For example, the crisis prompting the challenge may be a threat or opportunity *for the donor's people or values*. It's a threat or opportunity *for the donor's sources of identity*.

Also, the donor may identify as the kind of person who accepts such challenges. He may be the type of person who says "yes" to the gift because

- Other *people like the donor* make gifts like this.
- The *donor's values* support making the gift.
- The *donor's life story* links with the gift.

In each case, a source of the donor's *original identity* (people, values, or life story) connects to the *challenge*.

The *challenge* for the donor comes at the fundraising ask. This must promise a personally meaningful *victory*. It promises a solution to the crisis.



The promised *victory* is meaningful if it will result in an *enhanced identity* for the donor. This can be internal (private meaning) or external (public reputation). It can also be both.



The challenge must promise a victory

In story, the challenge is the inciting incident. This starts with a disruption. The disruption can be negative. But it comes with a promise. The promise is the hope of a solution. It's the hope of restoring the balance.[1] It's the hope of a victory.

Challenge
↗ ↘
Identity ← Victory

In fundraising, the effective challenge may be disrupting, but it comes with a promise. That promise is the same. It's the hope of a victory. That promise answers the question, "What changes if I give?"

This may seem like a simple step. And it can be. But there are many ways to do it wrong.



Victory barriers: Fuzzy victory

Compelling story evokes a clear image. This requires a clear link from a clear challenge to a clear victory. If the goal isn't easy to visualize, it won't be motivating. A vague or uncertain victory won't work.

Challenge
↗ ↘
Identity ← Victory



There can also be a different problem. The charity's goal might be clear. The donation request might be specific. But the connection between the request and the goal can still be vague or uncertain.

Challenge
↗ ↘
Identity ← Victory

In either case, the problem is this. The "ask" fails to answer an important question. "What changes if I give?"

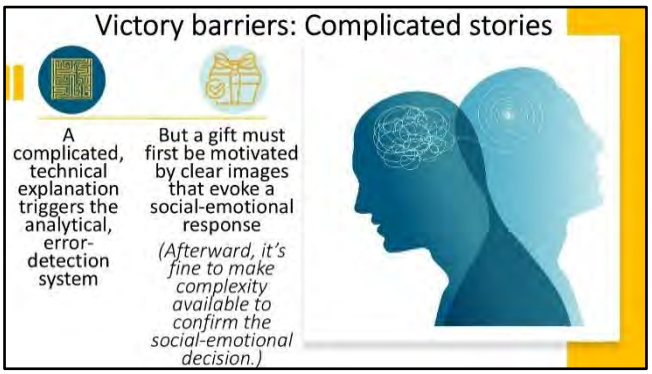
[1] "Therefore, the Inciting Incident first throws the protagonist's life out of balance, then arouses in him the desire to restore that balance." McKee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting.* Regan Books. p. 192.



Victory barriers: Complicated stories

"What changes if I give?" If the ask doesn't answer this question, it doesn't promise a victory. It's unlikely to be compelling. Sometimes another problem arises. The answer is just too complicated. The connection to a victory is too confusing.

Challenge
↗
Identity ← Victory



The problem is not that this complexity isn't real. The problem is that it doesn't work. A complicated, technical explanation is exhausting. It also triggers the wrong system in the brain. It triggers the analytical, error-detection system. This blocks a social-emotional response. So, it won't motivate a gift.

A gift must first be motivated by simple, social-emotional story. Afterward, it's fine to make complexity available. This can confirm the original social-emotional decision. It can show that there were no rational, logical errors. But the motivating story can't be complex. Compelling story is simple. It evokes a clear image.



Victory barriers research: Complexity kills giving

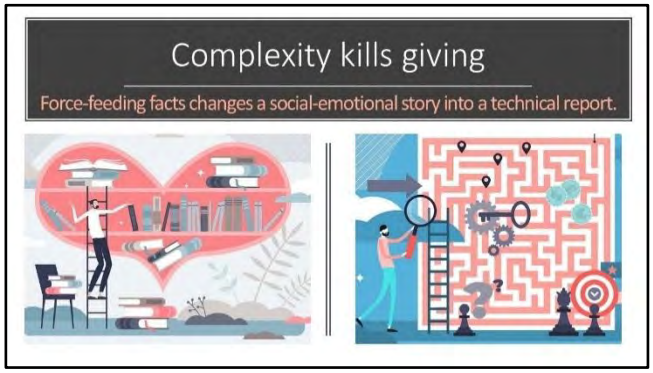
In fundraising, complexity is the enemy. More information is *not* better. One study tested fundraising appeals with different levels of information. The researchers found,

"While individuals increase their donations when they perceive an intervention to be more effective, increased knowledge about the project decreases donations."[2]

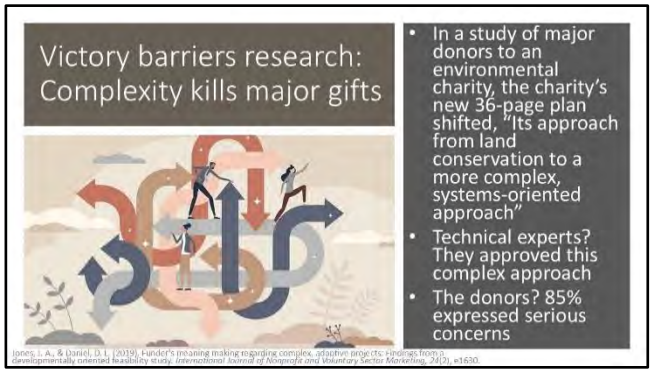
Why? The researchers explained,

> "Factual information about aid effectiveness that may be arduous to process, both with regard to content and length, might dampen the emotional reaction of donors."[3]

[2] Metzger, L., & Günther, I. (2019). Is it what you say or how you say it? The impact of aid effectiveness information and its framing on donation behavior. *Journal of Behavioral and Experimental Economics, 83*, 101461, p. 9.
[3] "Our findings indicate that donation decisions, at least of small donors, might be an emotional rather than a rational decision. As a result, factual information about aid effectiveness that may be arduous to process, both with regard to content and length, might dampen the emotional reaction of donors. This in turn may result in a lower willingness to help and, consequently, in similar or even smaller donations than donation calls that only state a development problem. In contrast, empathy with a recipient of charitable aid, triggered by an identified victim narrative, increases charitable contributions even when the donor knows little about the effectiveness of her donation" Metzger, L., & Günther, I. (2019). Is it what you say or how you say it? The impact of aid effectiveness information and its framing on donation behavior. *Journal of Behavioral and Experimental Economics, 83*, 101461, p. 10.



Force-feeding facts doesn't work. It changes a social or emotional story into a technical report. A social or emotional story triggers empathy and sharing. A technical report triggers analysis and error detection.



Another study focused on major donors. These were the largest and most active donors to an environmental charity. It shared the charity's new 36-page plan. The plan shifted,

"Its approach from land conservation to a more complex, systems-oriented approach."[4]

Technical experts approved this complexity. The donors? Not so much. 85% expressed serious concerns. The problem was this:



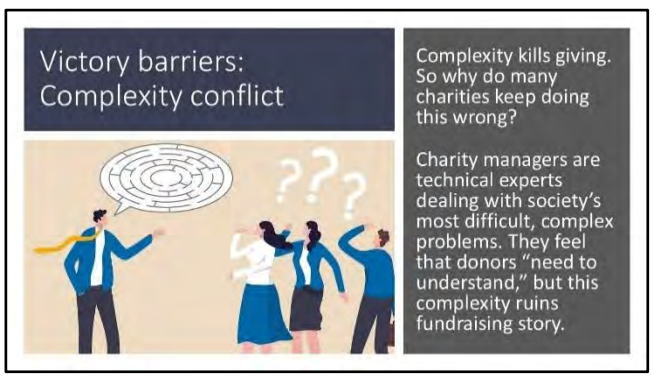
"When compared with the tangibility of prior gifts, these measures seemed too intangible to feel confident funding ... At its core, the grander vision was too broad for any one individual donor to feel like they personally can make the sort of impact that matters."[5]

In fundraising, impact is not an issue of complex technical reports. It's an issue of social-emotional story. Forcing complex facts or concepts makes the story too complicated. A complicated story won't evoke social emotion. Without social emotion, there is no gift.



Victory barriers research: Complexity conflict

Complexity kills giving. So why do many charities keep doing this wrong? It's not an accident. The problem comes from a specific source. Stories get complicated when charity managers get involved.



Charity managers deal with society's most difficult problems. They live in a world of complexity. They are technical experts. They have so much information. They naturally

[4] Jones, J. A., & Daniel, D. L. (2019). Funder's meaning making regarding complex, adaptive projects: Findings from a developmentally oriented feasibility study. *International Journal of Nonprofit and Voluntary Sector Marketing, 24*(2), e1630; See plan document at https://www.nature.org/media/aboutus/conservation-by-design-20th-anniversary-edition.pdf

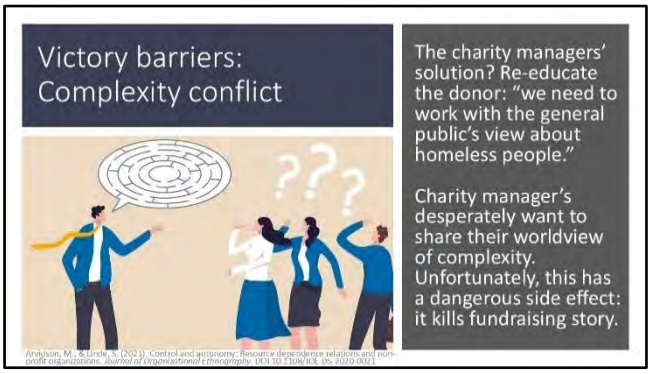
[5] Jones, J. A., & Daniel, D. L. (2019). Funder's meaning making regarding complex, adaptive projects: Findings from a developmentally oriented feasibility study. *International Journal of Nonprofit and Voluntary Sector Marketing, 24*(2), e1630.

want to share it. They feel that the donors "need to understand." But this complexity ruins fundraising story. The desire to push complexity leads to conflict with fundraising.



One study examined a homelessness charity. But it used a unique approach.[6] It explored the charity's internal culture using ethnography. What it found was conflict. The researcher explained,

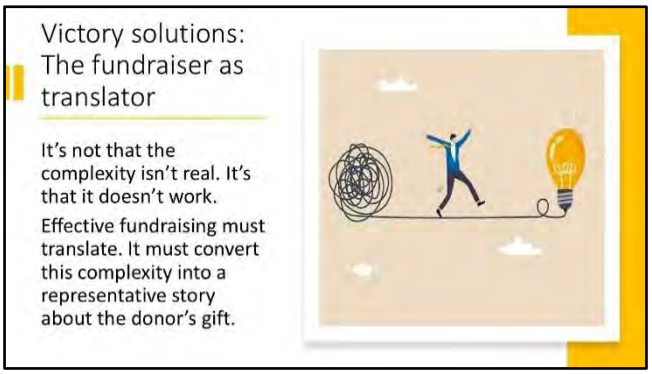
"Head of Fundraising shares this dilemma: "we simplify everything, that is, sort of the only way we can raise money quickly. We have to simplify!" Currently, fundraising is based on the slogan 'Give them a bed for the night!'. This, argues another senior manager, 'goes against all I have learnt about social work' as it refers to simple solutions at individual level although the issue ought to address profound structural and societal issues."



This is a conflict. What is the charity managers' proposed solution? Re-educate the donor. They believe,

"The accountability relationship should, in their view, involve educating the donor: 'we need to work with the general public's view about homeless people.'"

Charity manager's desperately want to share their worldview. It's a worldview of complexity. They want to force-feed this technical complexity to donors. Unfortunately, this has a dangerous side effect. It kills fundraising story.



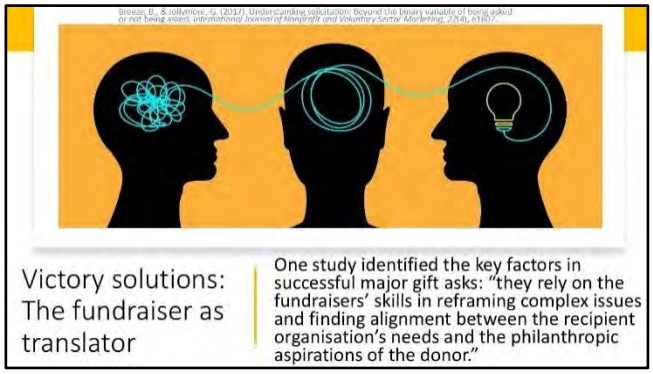
Victory solutions: The fundraiser as translator

Complexity kills giving. So, what's the solution? Translation. It's not that the complexity isn't real. It's that it doesn't work. Effective fundraising must translate. It must convert this complexity into a representative story. It must transform it into a simple story about the donor's gift.

One study identified the key factors in successful major gift asks.[7] The researchers explained,

[6] Arvidson, M., & Linde, S. (2021). Control and autonomy: Resource dependence relations and non-profit organizations. *Journal of Organizational Ethnography*. DOI 10.1108/JOE-05-2020-0021

[7] Breeze, B., & Jollymore, G. (2017). Understanding solicitation: Beyond the binary variable of being asked or not being asked. *International Journal of Nonprofit and Voluntary Sector Marketing, 22*(4), e1607.



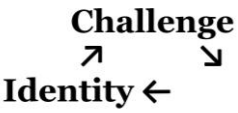
"they rely on the fundraisers' skills in reframing complex issues and finding alignment between the recipient organisation's needs and the philanthropic aspirations of the donor."[8]

The successful fundraiser excels at "reframing complex issues." She converts complexity into a simple story. It's a story about the "philanthropic aspirations of the donor." It's a story about the donor and the donor's gift.



Victory barriers: Missing victory

Sometimes the connection between a gift and a victory is fuzzy or complicated. Sometimes the victory itself is vague or uncertain. But it can get worse. Sometimes there isn't any victory at all.



The essence of this request is

"We do good work. We need money. Please give."

For the charity, this is a natural request. Why? Because it's a story about them. It's about their identity, their challenges, and their needs. It's also easy. It's a message that applies to every charity, everywhere, all the time.

It's a compelling story – for the charity insiders. The donor gives to honor their heroic work. The donor gives because they're so wonderful. This message may sound great to the charity insider. But it's not that compelling for the donor. In this story, the donor is just a bit player.

Moving beyond this message can be difficult for charity insiders. They have to set aside the story that they love. They have to put themselves in the donor's shoes.[9] This isn't easy.

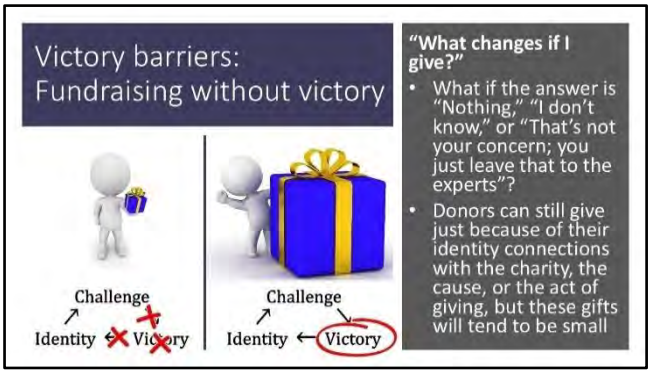
Victory barriers: Fundraising without victory

A compelling ask answers the question, "What changes if I give?" But what if there's no answer? What if the answer is

- "Nothing"

[8] *Id.*

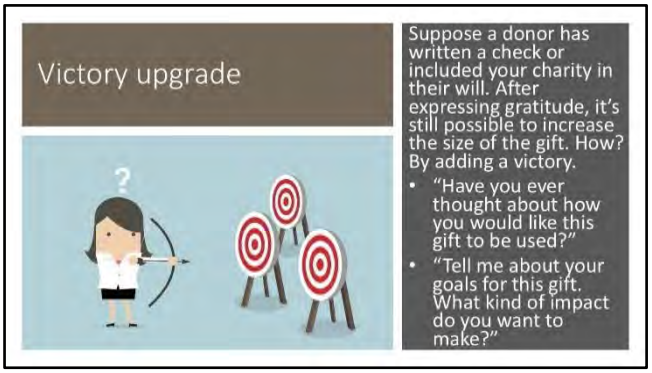
[9] "Having a theory of mind allows us to understand that others have unique beliefs and desires that are different from our own, enabling us to engage in daily social interaction as we interpret the mental states and infer the behaviors of those around us (Premack & Woodruff, 1978)." Ruhl, C. (2020, August 7). *Theory of mind.* Simply psychology [Website]. https://www.simplypsychology.org/theory-of-mind.html
Citing to Premack, D., & Woodruff, G. (1978). Does the chimpanzee have a theory of mind? *Behavioral and Brain Sciences, 1*(4), 515-526.











- "I don't know," or
- "That's not your concern. You just leave that to the experts."?

The donation story has no victory. Can a fundraising ask still raise money? Yes. Donors can still give just because of who they are, not what the gift does.

Donors can give just because of their identity connections. They might identify with the charity, the cause, or the act of giving. Giving can still happen. But these gifts will tend to be small.

Think of it this way. Suppose you give $100 just because you like the charity. Maybe it connects with your people, values, or life story. That's fine. But how likely is it that you will grow to like that charity *10 times more* than you already do? Pretty unlikely. So, how likely is it that you will give $1,000 or $10,000 instead of $100? The answer is the same. Pretty unlikely.

Without a victory, the only gift that makes sense is the small gift. This is the "pat on the head" gift. It's the social compliance gift. It's like trying to win the "participant" award. It can motivate action, but not much. It can motivate a gift, but not a large one.

To get the rest of the gift, we need the rest of the story. The 10x or 100x gift must *do* something different. It must do something specific, visualizable, and compelling. It must promise the hope of a victory. Increasing the size of a gift means offering a compelling victory. This can improve the fundraising ask. It can even happen *after* the donation.

Victory upgrades: Snatching victory from the jaws of the small gift

Suppose a donor has made a gift. Maybe they've written a check. Maybe they've included your charity in their will. Regardless, after expressing gratitude, it's still possible to increase the size of the gift. How?



It starts by adding a victory. It can even start by asking the donor to add a victory. For example,

- "Have you ever thought about how you would like this gift to be used?"
- "Tell me about your goals for this gift. What kind of impact do you want to make?"



These questions lead to conversations about outcomes. Outcomes have price tags. An outcome with a price tag leads to a challenge with a victory. It can turn the gift into the *initial* gift. It can lead to a more compelling ask. For example,

"The reason I ask is this. You remind me of another donor. She felt the same way you do. So, she decided to ...

- Establish a permanent scholarship fund.
- Sponsor this operation for a week.
- Fund a project that ... [*insert victory outcome*].

What are your thoughts about doing that?"



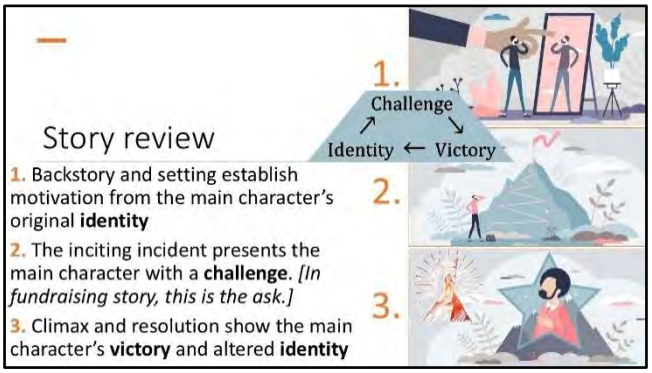
Conclusion

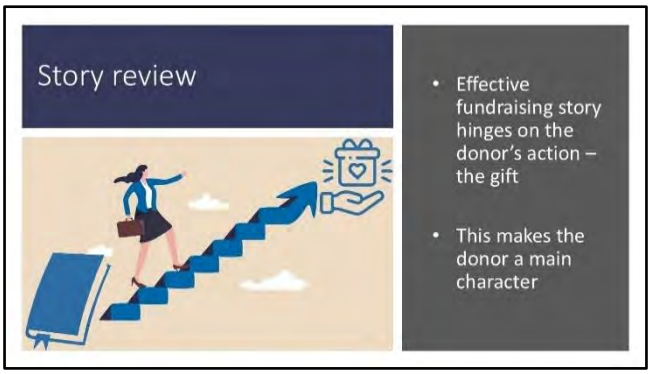
A story needs an inciting incident. Fundraising needs an ask. Both work better when they promise the hope of a victory. A challenge promising a victory makes a compelling ask. It makes the challenge part of a compelling fundraising story.



16

PUTTING A CHALLENGE IN THE FUNDRAISING ASK: YOU WANT ME TO DO WHAT?







Story review

A story progresses through

1. *Backstory and setting*

These establish motivation from the main character's original identity.

2. *The inciting incident*

This is the main character's challenge.

3. *Climax and resolution*

These show the main character's victory and altered identity.

Effective *fundraising* story hinges on the donor's action – the gift. Thus, the donor is a main character. The donor's story can progress through these same story steps.

Donor story: Inciting incident

The donor will face a challenge. This challenge is the donation request. In an effective fundraising story, the challenge must connect to a victory.

Challenge
↗ ↘
Identity ← Victory

A compelling ask promises the hope of a compelling victory. A compelling victory is specific and visualizable. This says something about the victory. But it also says something about the challenge. Connecting to a specific victory requires a specific challenge.



Vague or missing challenge

A vague or uncertain challenge is hard to connect to a specific victory. It's hard to connect to a clear-cut, compelling, visualizable outcome. The fundraising story cycle breaks down. The challenge becomes fuzzy.

Challenge
↗ ↘
Identity ← Victory



Or worse yet, the charity never actually makes the ask. It just does good work. It hopes that people will automatically donate. That story cycle has no challenge.

↗ ↘
Identity ← Victory

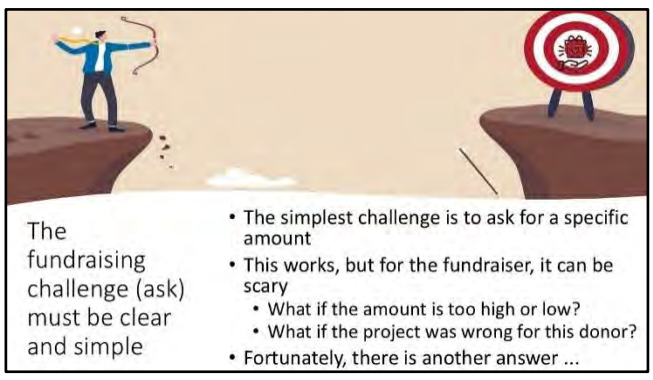


The inciting incident must be clear and simple

Story requires an inciting incident. The inciting incident presents a challenge. In good story, this challenge is clear and simple.

Consider the highest-grossing movie franchises. In *The Matrix*, the choice is simple. Take the red pill or the blue pill. In *The Hobbit*, it's also simple. Go on an adventure or stay in the shire. In the original *Star Wars*, the choice is similar. Stay on the farm or go to Alderaan to help the princess.

These challenges aren't vague. These aren't challenges to, "Please do whatever you can." They are simple and specific. They are either yes or no.



The fundraising challenge must be clear and simple

In fundraising story, the simplest challenge is to ask for a specific amount. This is a yes or no question. A specific amount can link to a specific victory. This makes the rest of the story clear and simple.

A specific ask for a specific amount works. But for the fundraiser, it can be scary. What if you guess wrong? What if the amount is too high – or worse, too low?[1] What if the project was the wrong project for this donor? Getting it right requires a lot of information. Sometimes, that just isn't feasible.

What then? Fortunately, there is another answer. You'll find it at any restaurant.



Menus can be clear and simple

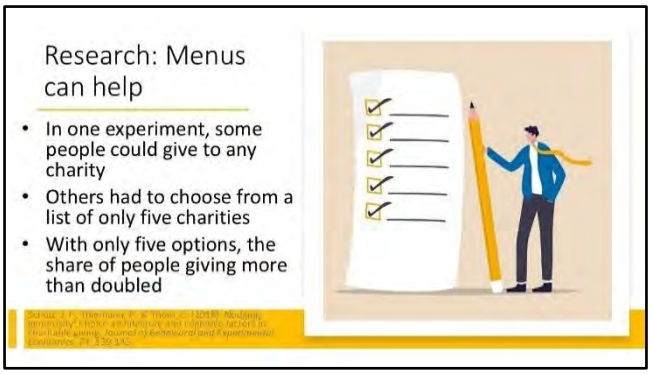
Suppose you visit a new restaurant. Instead of handing you a menu, the waiter says,

"We cook good food. So, just give us some money. Then we'll go figure out something to cook."

This would be strange. But it's a bit like some charities' approach to fundraising. Their message is,

> "We do good work. We need money. So, people should give us some. Then we'll do something good with it."

This doesn't work in restaurants. And it doesn't work in fundraising. It's a vague request with a vague result.





What can help is a menu. A menu provides simple and specific options. It gives simple and specific prices. This can make the decision easier.

Research: Menus of causes and projects

In research experiments, menus can sometimes help. In one, some people could give to any charity. Others had to choose from a list of only five charities.[2] With only five options, the share of people giving *more than doubled*.

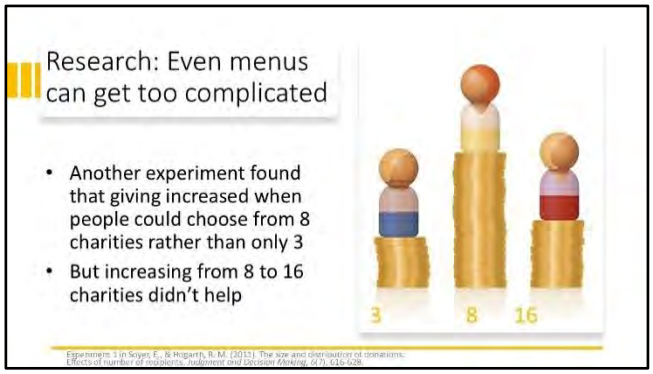
Menus simplify the choice. They avoid analysis paralysis.[3] But even menus can get too complicated.

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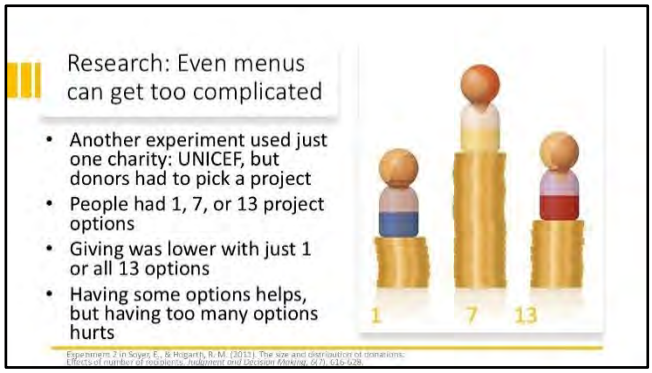
[1] Sometimes, this risk may be softened by a request with a floor. For example, a request could ask for "your best gift ever." This has a floor of the donor's previous largest gift. However, phrasing can be tricky here. Asking for a gift of "at least" a certain amount devalues the target amount. It suggests that the amount is a meager, marginally acceptable response. Giving that amount is tolerable but doesn't fully meet the challenge. This makes the specific request less attractive. Because it uses devaluing language, it can also cause offense to those who feel that their contributions are not being appreciated.

[2] Schulz, J. F., Thiemann, P., & Thöni, C. (2018). Nudging generosity: Choice architecture and cognitive factors in charitable giving. *Journal of Behavioral and Experimental Economics, 74*, 139-145.

[3] For the classic example of this effect in mutual fund selection, *see* figure 1 in Botti, S., & Iyengar, S. S. (2006). The dark side of choice: When choice impairs social welfare. *Journal of Public Policy & Marketing, 25*(1), 24-38.

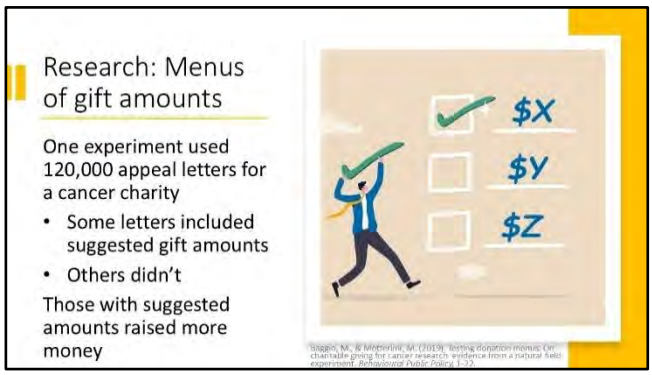


One experiment asked people to volunteer at a charity. Increasing the number of charity options from 10 to 30 actually *reduced* volunteering.[4] Another found that giving increased when people could choose from 8 charities rather than only 3. But increasing from 8 to 16 charities didn't help.[5]



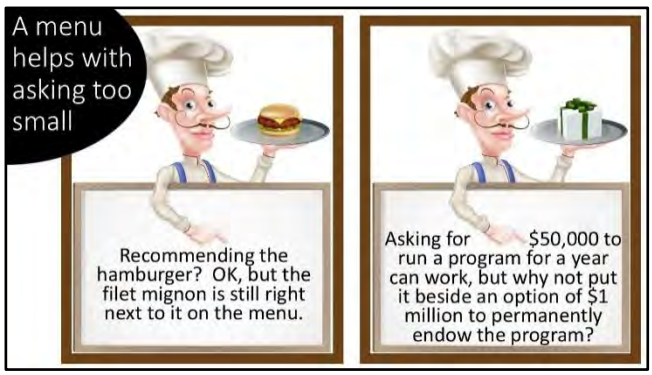
Another used just one charity: UNICEF. But donors had to pick a project. People had 1, 7, or 13 project options.[6] Giving was lower with just 1 or all 13 options.[7]

Having some options helps. Having too many options hurts.



Research: Menus of gift amounts

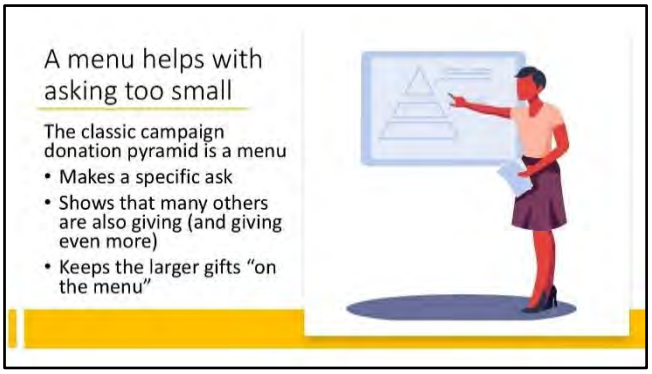
Menus can also help with suggesting a gift amount. One experiment used 120,000 appeal letters for a cancer charity.[8] Some letters included suggested gift amounts. Others didn't. Those with suggested amounts raised more money.



A menu can also help with another fundraising issue: asking too small. A menu helps by showing other levels. If we've guessed wrong on the amount, other options are nearby. Recommending the hamburger? Okay, but the filet mignon is still right next to it on the menu.

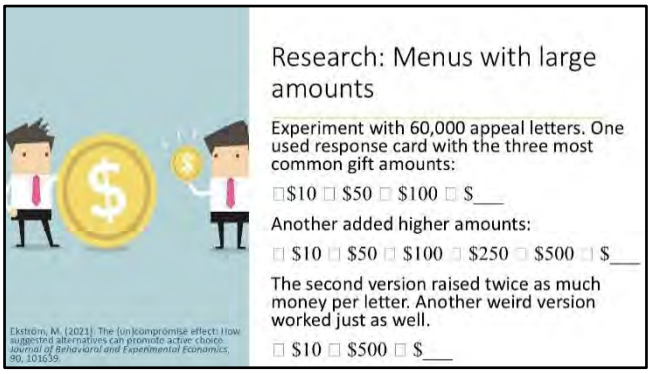
Asking for $50,000 to run a program for a year can work. But why not put it on a menu? It can go beside the option of $1 million to permanently endow the program.[9] Listing charitable gift annuity rates is fine. But showing options with lower rates creating bigger donations is smarter.

[4] Carroll, L. S., White, M. P., & Pahl, S. (2011). The impact of excess choice on deferment of decisions to volunteer. *Judgment and Decision Making, 6*(7), 629-637.
[5] Experiment 1 in Soyer, E., & Hogarth, R. M. (2011). The size and distribution of donations: Effects of number of recipients. *Judgment and Decision Making, 6*(7), 616-628.
[6] *Id* at Experiment 2.
[7] However, donations increased when donors could split gifts among multiple projects. In that case both total money and the propensity to donate increased when the number of project options increased from 7 to 13. In this case, donors no longer had to choose the single "best" option, but could choose to give something to all the projects they liked.
[8] Baggio, M., & Motterlini, M. (2019). Testing donation menus: On charitable giving for cancer research–evidence from a natural field experiment. *Behavioural Public Policy,* 1-22.
[9] If your organization is relatively new, consider establishing this fund through a local community foundation to enhance the feeling of permanence and stability.



Even the classic campaign donation pyramid is a menu. Requesting a gift from the pyramid

- Makes a specific ask
- Shows that many others are also giving (and giving even more), and
- Keeps the larger gifts "on the menu."



Research: Menus with large amounts

One experiment tested the effects of including a larger option.[10] The experiment used 60,000 fundraising appeal letters from a hospital. The standard letter followed the charity's normal practice. The response card used the three most common gift amounts:

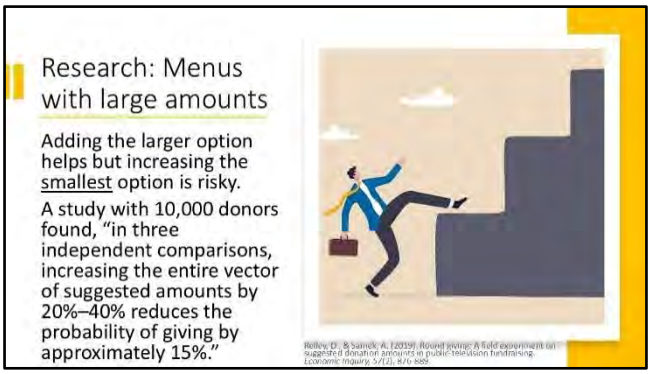
□ $10 □ $50 □ $100 □ $___

An alternative version added higher amounts:

□ $10 □ $50 □ $100 □ $250 □ $500 □ $___

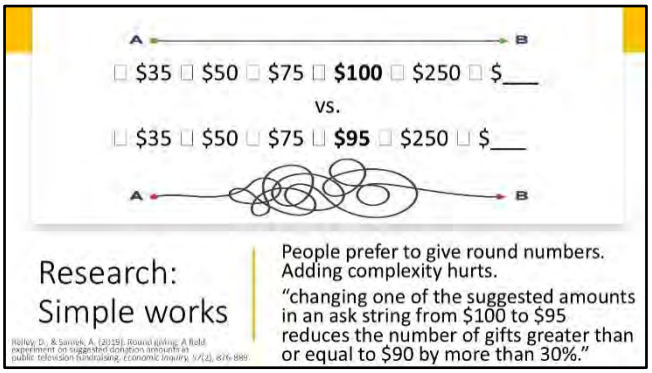
The second version raised twice as much money per letter. But another, relatively strange, version worked just as well. This had suggested amounts of only

□ $10 □ $500 □ $___



In both cases, including the higher amount worked better. But this is *not* the same as increasing all of the options. Increasing the smallest option has a downside. It makes a smaller gift seem unacceptable. This can reduce the share of people who give at all. Experimental results confirm this. One study with 10,000 public TV station members found,

"in three independent comparisons, increasing the entire vector of suggested amounts by 20%–40% reduces the probability of giving by approximately 15%."[11]



Research: Simple works

Menus provide simple options. This makes the decision easier.

[10] Ekström, M. (2021). The (un)compromise effect: How suggested alternatives can promote active choice. *Journal of Behavioral and Experimental Economics*, 90, 101639.
[11] Reiley, D., & Samek, A. (2019). Round giving: A field experiment on suggested donation amounts in public-television fundraising. *Economic Inquiry, 57*(2), 876-889.

One experiment found a way to interfere with this. People prefer to give round numbers. Removing this option frustrates simplicity. Replacing $100 with $95 causes people to avoid this option. A direct mail experiment changed the suggested amounts from,

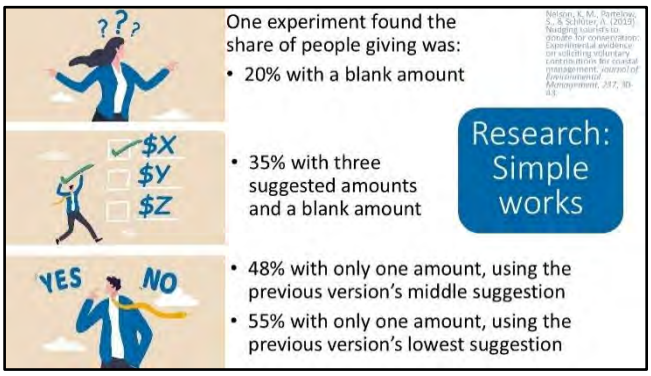
□ $35 □ $50 □ $75 □ $100 □ $250 □ $___

to

□ $35 □ $50 □ $75 □ $95 □ $250 □ $___

The result? People avoided the unusual option. The researchers explained,

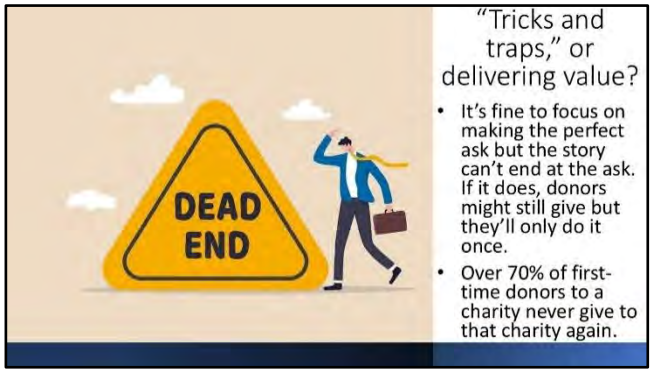
"changing one of the suggested amounts in an ask string from $100 to $95 reduces the number of gifts greater than or equal to $90 by more than 30%."[12]



Menus work because they make the response simple. Of course, requesting one amount is simpler still. One experiment asked for small gifts for nature conservation. This was at the end of a tourist experience.[13] The share of people agreeing to give was

- 20% with a blank amount
- 35% with three suggested amounts and a blank amount
- 48% with only one amount, using the previous version's middle suggestion, and
- 55% with only one amount, using the previous version's lowest suggestion.

The open-ended request was the worst. A menu worked better. A specific amount worked the best. But the specific amount had a trade-off. Asking for more increased the chance for a "no."



*"**Tricks** and traps," **or delivering** value?*

It's fun to learn the tricks that bump up giving responses. It's fine to focus on making the perfect ask. But the story can't end at the ask. If it does, donors might still give. But they'll only do it once.

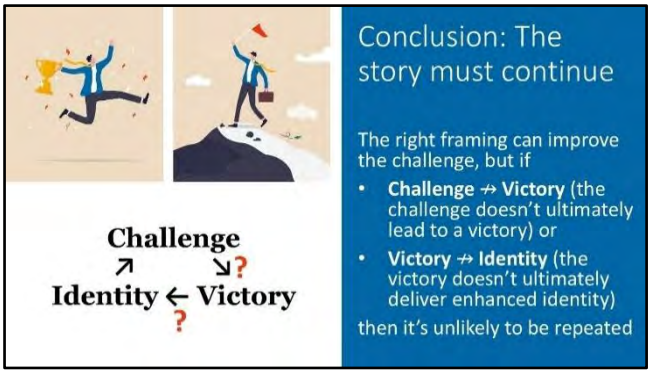
After all the tricks, the donor experience was either worth the gift or it wasn't. And if we look at how real donors behave in the real world, mostly it wasn't. Donors test many charities. Most fail the test. Over 70% of first-time donors to a charity never give to that charity again.[14]

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[12] *Id.*

[13] Nelson, K. M., Partelow, S., & Schlüter, A. (2019). Nudging tourists to donate for conservation: Experimental evidence on soliciting voluntary contributions for coastal management. *Journal of Environmental Management, 237*, 30-43.

[14] Levis, B., Miller, B., & Williams, C. (2019, March 5). *2019 fundraising effectiveness survey report*. (Reporting 20% retention of new donors in the first 12 months.)



Conclusion

The right environment or framing *can* help. It can improve the challenge. It can make it more compelling. But if

- *Challenge ↛ Victory*

The challenge doesn't ultimately lead to a victory, or

- *Victory ↛ Identity*

  The victory doesn't ultimately deliver enhanced identity,

then, it's unlikely to be repeated.

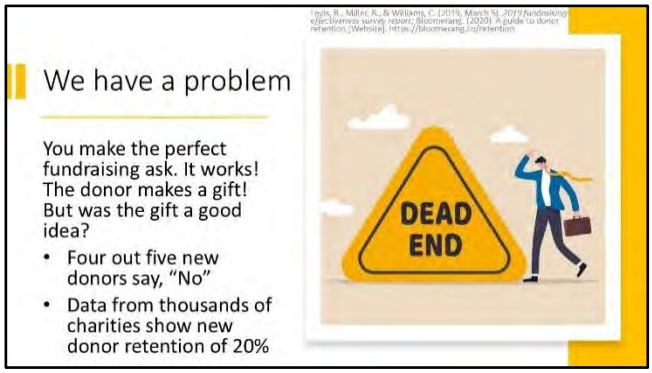
A charity can just take the money. It can deliver nothing to the donor in return. It can then hope the same tricks work the next time. But there is another option. After receiving a gift, a charity can finish the story. The next chapter looks at this.

See also, "'Over 70% of people that we recruit into organizations never come back and make another gift, so we're caught on this treadmill where we have to spend lots of money on acquisition which most nonprofits lose money on anyway, just to stand still.' Professor Adrian Sargeant" from https://bloomerang.co/retention



17

FINISH THE STORY OR LOSE THE DONOR: DELIVERING VICTORY WITH IMPACT REPORTING



We have a problem

You make the perfect fundraising ask. It works! The donor makes a gift to your charity. Congratulations!

But was the gift a good idea? Four out five new donors say, "No." Data from thousands of charities show new donor retention of 20%.[1] They make a gift. But they don't repeat their mistake. Even a year later, they haven't done it again. The story "worked" to get a gift. But something was missing. It didn't work again.

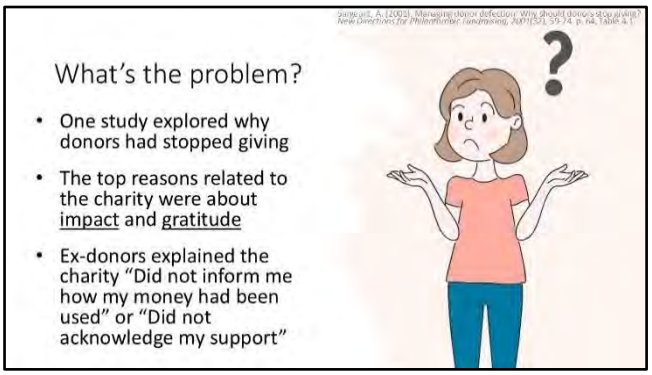
This causes money problems. A study of more than 10,000 charities found a seriously "leaky bucket."[2] Increased giving from active donors and new gifts from others created gains of $5 billion. Hooray! But wait. Other donors stopped or reduced their giving creating losses of more than $4.6 billion. The researchers explained,



"every $100 gained ... was offset by $93 in losses through gift attrition."[3]

Why is this happening? One study explored this question. It interviewed lapsed donors. Why had they stopped giving? The

[1] Bloomerang. (2020). A guide to donor retention [Website]. https://bloomerang.co/retention
[2] Levis, B., Miller, B., & Williams, C. (2019, March 5). *2019 fundraising effectiveness survey report*.
[3] *Id* at p. 1.



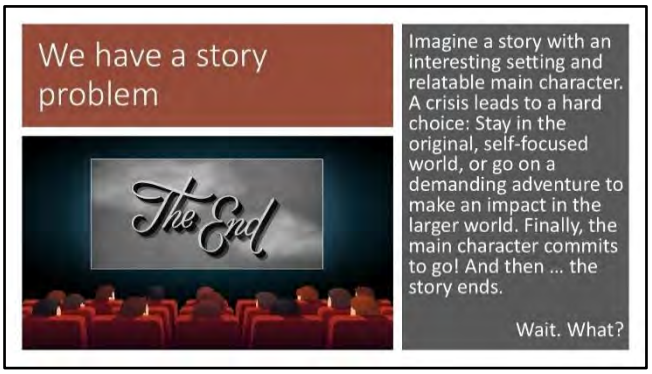
top reasons related to the charity were about impact and gratitude.[4]

It wasn't just that these were weak. It's that they often didn't exist at all. Ex-donors commonly explained, the charity,

"Did not inform me how my money had been used."

Many said the charity,

"Did not acknowledge my support."



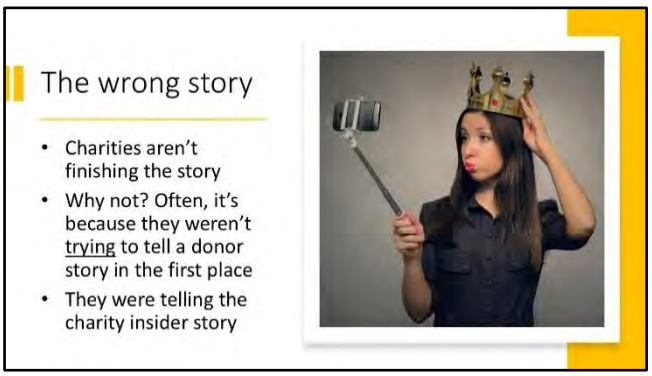
We have a story problem

Imagine a story in an interesting setting. The main character has a relatable backstory. A crisis or opportunity builds the tension. Finally, he faces a stark choice: Stay in his original, self-focused world, or go on a demanding adventure to make an impact in the larger world. After some delay, he finally commits. He looks, steely-eyed, at his wise guiding sage and says, "Let's do this!" And then … the credits roll. Or the novel ends.



Wait. What? No, no, no! That's not right. That story is awful! I mean, is it even a story? Where's the journey? Where's the climax and victory? Where's the resolution? That was terrible! Would you buy another book from that author? Would you watch another movie by that director? Probably not.

Of course, that's a terrible way to tell a story. Yet, this is often how *actual* fundraising is executed. The storytelling ends at the donation decision. There's no climax delivering the promised victory. There's no resolution confirming the donor's enhanced identity.



The wrong story

Charities aren't finishing the story. Why not? Often, it's because they weren't

[4] The top three reasons related to the charity were:
- "I feel that other causes are more deserving." [i.e., impact]
- The charity "did not acknowledge my support." [i.e., gratitude]
- The charity "did not inform me how my money had been used." [i.e., impact]

This omits non-charity causes such as donor finances, death, or relocation. One final reason, inability to remember making the initial gift, likely also relates to the charity's lack of impact reporting or gratitude expression. Sargeant, A. (2001). Managing donor defection: Why should donors stop giving? *New Directions for Philanthropic Fundraising, 2001*(32), 59-74. p. 64, Table 4.1.





trying to tell a donor story in the first place. Instead, they were telling the story that *they* wanted to hear. It's a story about them. It's *not* a donation story. It's *not* a donor story. It's a charity *insider* story.

In that story, the charity insiders are the main characters. They're the heroes. The donor is just a bit player. He makes a quick cameo appearance. He is there to honor the heroic administrators. He lays money at their feet (because they're so heroic). Then he disappears.

That story isn't about the donor. It's not about the donor's gift. It's not about the donor's impact. It's about the charity insiders. It's about the administrators. It's about their heroic journey.

This story easily ignores donor retention. Donors are supposed to come back automatically. In this story, donors are there to honor the charity insiders' heroism. So long as charity insiders keep being their heroic selves – and keep reminding donors of this – giving should continue.

Retention, this story suggests, should be easy. It should be automatic. Fundraisers should instead focus elsewhere. They should focus on spreading the charity insiders' fame. They should focus on telling the charity insiders' story to *new* people. They should focus on *new* donors.



The wrong story in metrics

This story bias affects real-world management. One study looked at fundraising accounting metrics. It reviewed their use at hundreds of charities.[5] Out of eleven metrics, which one was most frequently reported to top management? The number of *new* donors recruited.

Some charities tracked costs for both new-donor acquisition and current-donor retention. Even for these charities, internal reporting was different. New-donor acquisition cost was twice as likely to be reported to top management.[6]

[5] Bennett, R. (2007). The use of marketing metrics by British fundraising charities: A survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989.
[6] *Id* at Table 1.
89% used donor acquisition costs with 44% reporting it to top management (44%/89%=49.4%). 70% used donor retention costs with 19% reporting it to top management (19%/70%=27.1%).



What about improving donor commitment and satisfaction? Most fundraisers felt these weren't even "slightly important" to top management.[7]

In math, a dollar is a dollar, whether from new or old donors. But in story, things are different. Top management lives the charity insider hero story. But that story doesn't match with donor retention efforts. In that story, delivering a donor experience *worth* the gift doesn't even make sense. Donors exist to deliver value to the charity insiders, not the other way around.



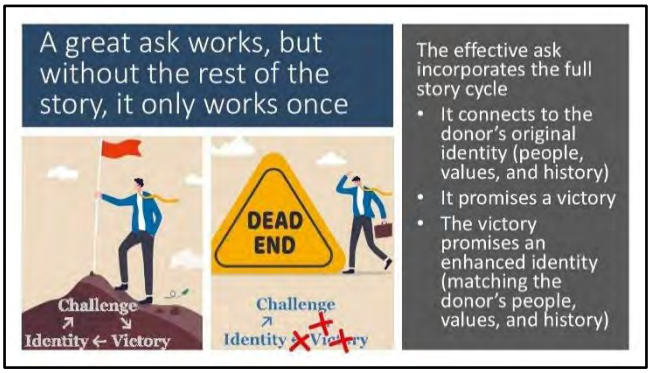
The right story

For sustainable fundraising, the right story is different. It's the donor's story. The donor's story progresses through

- Backstory and setting (*donor's original identity*)
- The inciting incident (*donor's challenge*)
- Climax and resolution (*donor's victory and enhanced identity*).

It connects the following:

Original Identity → Challenge → Victory → Enhanced Identity

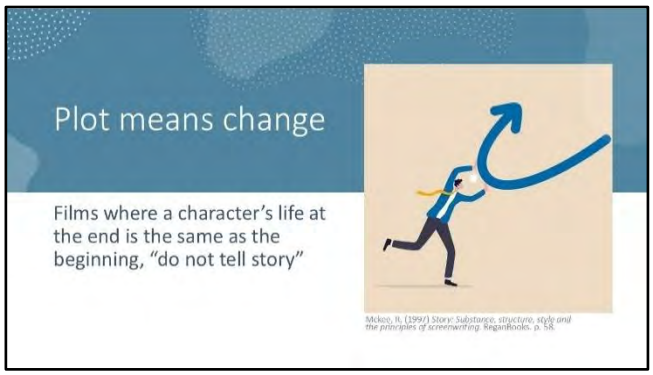


In the donor's story, the challenge step is the ask. But the effective ask incorporates the full story cycle.

- The ask connects to the donor's original identity (people, values, and history).
- The ask promises a victory.
- The victory promises an enhanced identity. It's personally meaningful. It matches the donor's people, values, and history.

This makes for a great ask. It works. The ask promises a victory. It promises an enhanced identity. But it doesn't deliver them. It doesn't finish the story. A great ask works. But without the rest of the story, it only works once.

[7] When choosing what would motivate top management to invest in fundraising with budget increases, the least popular option was, "Predicted improvements in donors' feelings of satisfaction with or commitment to the organization" with 52% of fundraising managers indicating this was "not important" and 32% indicating "slightly important." Bennett, R. (2007). The use of marketing metrics by British fundraising charities: a survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989. p. 966, Table 2.



Plot means change

A story with no plot fails. A popular guide to screenwriting explains it this way. Films where a character's life at the end is the same as the beginning, "do not tell story."[8]

Such films are called "non-plot." They're "non-plot" because they have no change. Instead, "story dissolves into portraiture."[9] There is no story because story requires change.



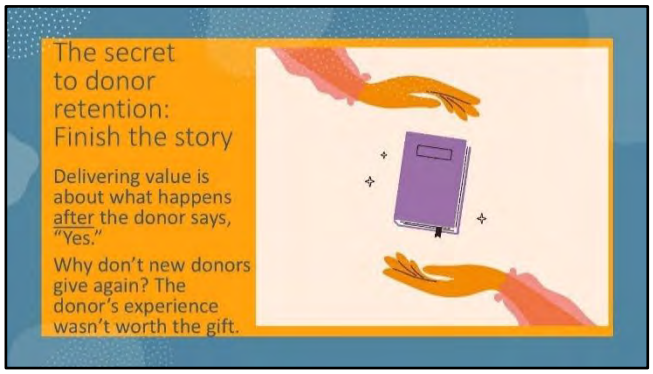
For a donor, the question is simple:

"I made a gift. What changed?"

In the donor's story, the victory is the donor's impact. It's the impact of the donor's gift.

Charity managers often misunderstand this. To them, a specific donor's impact is vague. It's uncertain. It's also beside the point. Donors are supposed to give because of the *charity's* impact.

But here's the problem. If nothing changed *because of* the donor's gift, there's no donation story. There's no donor story. There's no story reason to ever make another gift.



The secret to donor retention: Finish the story

Delivering a powerful ask is great. But it's not the same as delivering value to the donor. Delivering value is about what happens *after* the donor says, "Yes."

Why don't new donors give again? It's simple. The donor's experience wasn't worth the gift. It failed to deliver value.



The charity didn't finish the donor's story. The donor's story never had a climax. The donor never won a victory. The donor's story never had a resolution. No one ever confirmed the importance of the donor's victory. No one ever recognized the donor's enhanced identity. That's bad story. Few donors will want to repeat that story experience again.

[8] Mckee, R. (1997) *Story: Substance, structure, style and the principles of screenwriting*. ReganBooks. p. 58.
[9] *Id*.



Retention means getting *the next* gift. What's the best way to start that process? Deliver a compelling donor experience for *this* gift. That means finishing the story. It means delivering victory. It means showing the impact from the donor's gift.

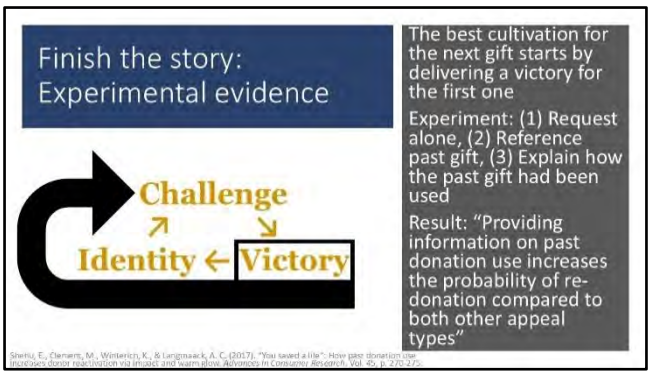


Penelope Burk defines the word "Oversolicitation" as

"v. (Verb) Being asked to give again before they knew their first gift had an impact."[10]

Tom Ahern and Simone Joyaux write,

"Donors have one overwhelming interest regarding the charities they support: What did you do with my money? Did I make the world a better place by giving you a gift?"[11]



Finish the story: Experimental evidence

The best cultivation for the next gift starts with this one. It starts by delivering a victory. One experiment decided to test this.[12] It tested three appeals to previous donors. One appeal just explained what the requested gift would be used for. A second one also mentioned their past donation. The third instead mentioned how the past donation had been used. The results? The researchers explained,

"Providing information on past donation use increases the probability of re-donation compared to both other appeal types."



Why? They explained,

"[Reporting] past donation use increases the perceived donation impact, then induces warm glow which translates into a higher intention to donate in future."

Reporting past gift usage works. It confirms the donor's victory. It shows a finished story. This induces a "warm glow." It delivers a good experience. Delivering a good experience leads to the next gift. Getting the next gift starts by finishing the last story.

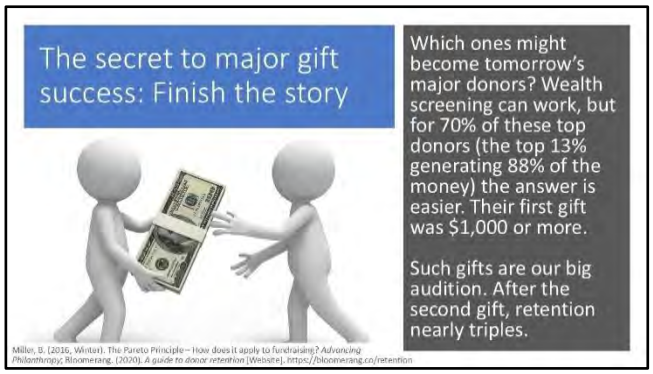
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[10] Burk, P. (2003). *Donor-centered fundraising: How to hold on to your donors and raise much more money*. Burk & Associates.
[11] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 385.
[12] Shehu, E., Clement, M., Winterich, K., & Langmaack, A. C. (2017). "You saved a life": How past donation use increases donor reactivation via impact and warm glow. *Advances in Consumer Research*, Vol. 45, (Eds. A. Gneezy, V. Griskevicius, & P. Williams). Duluth, MN: Association for Consumer Research. p. 270-275. https://www.acrwebsite.org/volumes/v45/acr_vol45_1024372.pdf

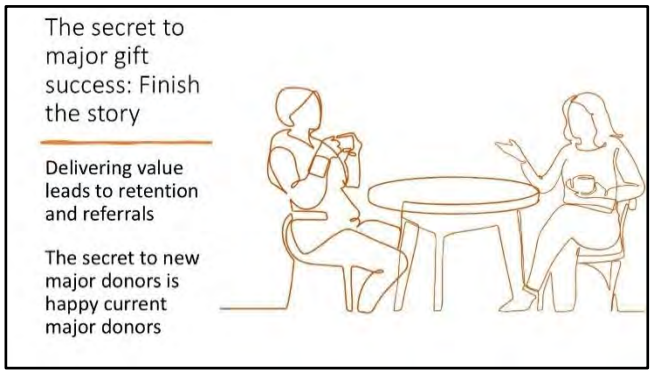


The secret to major gift success: Finish the story

Major donors are, of course, critical to fundraising success. Across all charities, the top 13% of donors generate 88% of the money.[13] So, where do we get those magical big donors? The easiest way is simple. Stop *losing* them.



On average, charities lose 4 out of 5 new donors.[14] Improving that only slightly could easily double retention. But how do we know which of these new donors to focus on? How can we tell which ones might be tomorrow's major donors? Sophisticated wealth screening can be great. But for 70% of these top donors (the top 13% generating 88% of the money), the answer is easier. Their *first* gift was $1,000 or more.[15]



Such gifts are our big audition. Can we deliver a donor experience *worth* that initial gift? This first gift is the critical one. After the second gift, retention nearly triples.[16] Passing this initial audition can massively increase our major donors.



It's not about cold calls or wealth lists. It's about delivering value. Delivering value leads to retention. But it does more. Retention leads to referrals. One secret to *new* major donors is happy *current* major donors.

Charity managers love to dream about the magical new big donor. They think, "One day we'll get that $X million gift." That's fun. But they rarely think, "One day, we'll deliver a donor experience worth that $X million gift." That's not as much fun. That's hard work.

[13] Miller, B. (2016, Winter). The Pareto Principle – How does it apply to fundraising? *Advancing Philanthropy*.
[14] Bloomerang. (2020). *A guide to donor retention* [Website]. https://bloomerang.co/retention
[15] Miller, B. (2016, Winter). The Pareto Principle – How does it apply to fundraising? *Advancing Philanthropy*.
[16] "However, if you can get a second donation (or golden donation), your retention rates increase dramatically because repeat donor retention is much higher. Nonprofits who focus on receiving that golden donation naturally increase their average donor retention rate (about threefold!) because of this higher repeat retention rate." (citing to 20.3% new donor retention and 61.3% repeat donor retention). Bloomerang. (2020). *A guide to donor retention* [Website]. https://bloomerang.co/retention



Conclusion

Without a change, there is no plot. Making a gift that doesn't change anything isn't rewarding. It's not an experience donors are likely to repeat. Of course, once we've got the donor's money, we don't have to finish their story. We don't have to deliver their victory. But then we shouldn't expect the donor to return. If we want to keep the donor, we've got to finish their story.

Next up,

The Fundraising Myth & Science Series Book II

THE EPIC FUNDRAISER:
MYTH, PSYCHOLOGY, AND THE UNIVERSAL HERO STORY IN FUNDRAISING

The Epic Fundraiser:
Myth, Psychology, and the Universal Hero Story in Fundraising

The Fundraising Myth & Science Series: Book II



INTRODUCTION: WHAT IS FUNDRAISING SELLING?

THE STORY THAT ENHANCES IDENTITY



Selling "nothing"?

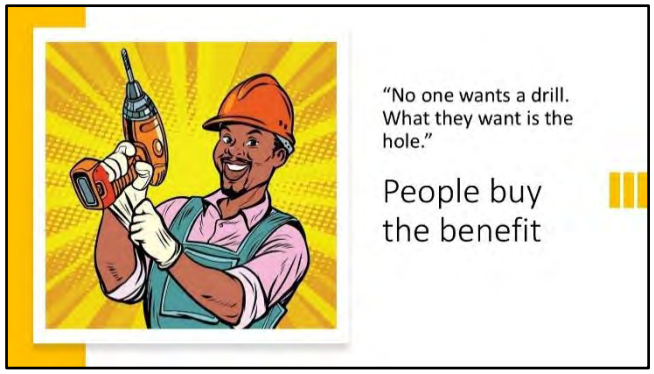
Fundraisers work in "sales." OK. But then what, exactly, do fundraisers sell? One shared this,

"My then-boyfriend, who worked in sales, told his colleagues (admiringly, I think) that 'Beth makes a living out of selling *nothing*!'"[1]

Although misguided, this comment points to an important question. What exactly *do* fundraisers sell?

This can be a tricky question even in simple product sales. Suppose we sell drills. People buy a drill because they want a drill, right? Not really. The saying goes, "No one wants a drill. What they want is the hole."[2]

The question goes further. People don't actually want holes.[3] Holes aren't the benefit. They want shelves hung in the garage. They want a deck on their house. Shelves and decks require holes. Making holes requires a drill.



What drives a sale is the *benefit*, not the product. Understanding what we're selling means understanding the *benefit*.

[1] Breeze, B. (2017). *The new fundraisers: Who organizes charitable giving in contemporary society?* Policy Press. p. xi
[2] Quote Investigator. (2019, March 23). No one wants a drill. What they want is the hole [Website]. https://quoteinvestigator.com/2019/03/23/drill/
[3] McKelvey, S. (2012, August 8). Why that whole "people don't want a drill, they want a hole" thing doesn't go far enough [Website]. https://www.websearchsocial.com/why-that-whole-people-dont-want-a-drill-they-want-a-hole-thing-doesnt-go-far-enough/

What about fundraising? What *benefit* do donors get?

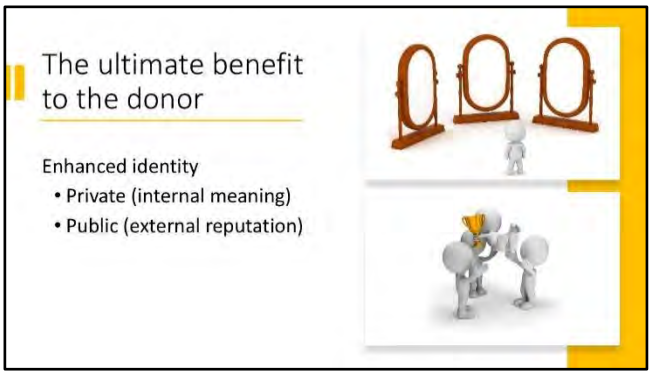


What do fundraisers sell?

If fundraisers are selling something, what is it? There are many popular answers:

- We sell the mission.
- We sell the organization.
- We sell the cause.
- We sell sponsorships.
- We sell impact.

Each of these can be important. Each can be part of the story. But unless they *benefit* the donor, they aren't what the fundraiser is selling.



What does the donor walk away with in the end? What is the ultimate benefit *to the donor* from the gift?[4] What *benefit* is the fundraiser selling?

It is one thing. It is an enhanced identity.[5]

- It can be private. This delivers internal meaning.
- It can be public. This delivers external reputation.



Identity enhancement in the monomyth

One sentence sums up the fundraising advice in this book:

Advance the donor's hero story.

Doing this delivers an enhanced identity. This works because the hero's journey *is* an identity enhancement process.[6]

The universal hero story is called the monomyth.[7] It includes specific steps. The hero

[4] In a general sales context, this key issue can be addressed by answering the central question, "How will this customer be different as a result of doing business with us?" McLeod, L. E. (2012). *Selling with noble purpose: How to drive revenue and do work that makes you proud.* John Wiley & Sons. p. 50.

[5] This discussion focuses on identity enhancement in its most basic form. This can be as simple as, e.g., "I feel better about myself after I give." However, this touches on the substantially more complex journey of individuation. Individuation "denotes the process by which a person becomes a psychological 'in-dividual,' that is, a separate, indivisible unity or 'whole.' Jung, C. G. (1990). The archetypes and the collective unconscious. In H. Read, M. Fordham & G. Adler (Eds.), R.F.C. Hull (Trans.). *The collected works of C. G. Jung.* Vol 9 (2nd ed.). Princeton University Press. p. 275.

[6] For elaborations of this concept, see *e.g.,* Elenbaas, J. D. (2016). *Excavating the mythic mind: Origins, collapse, and reconstruction of personal myth on the journey toward individuation.* [Ph.D. dissertation]. Pacifica Graduate Institute; Gerhold, C. (2011). *The hero's journey through adolescence: A Jungian archetypal analysis of "Harry Potter"*. [Ph.D. dissertation]. The Chicago School of Professional Psychology.

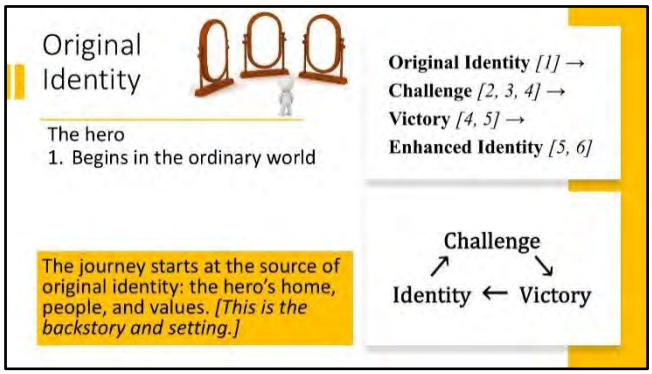
[7] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 1.



1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation, and
6. Returns to the place of beginning with a gift to improve that world.

Through these steps, the hero's story progresses through

Original Identity [1] → **Challenge** [2, 3, 4] → **Victory** [4, 5] → **Enhanced Identity** [5, 6]







Original identity

The journey starts at the source of original identity. This is the hero's home, people, and values. (In the narrative arc, this is *backstory and setting*.)

Challenge

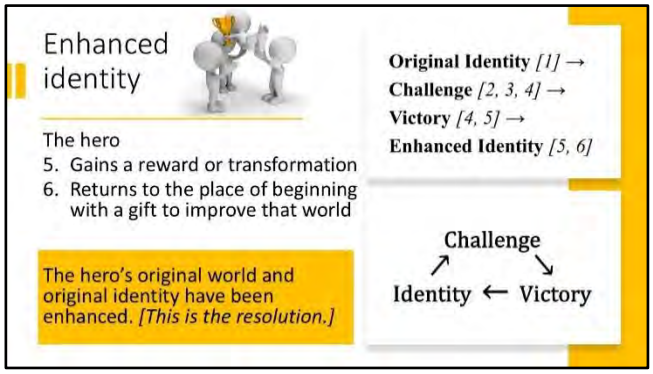
A challenge forces a decision in response to a threat or an opportunity. The threat or opportunity affects the hero's home, people, or values. The challenge motivates action with the hope of victory. It launches the hero's journey. (In the narrative arc, this is the *inciting incident*.)

Victory

After facing ordeals, the hero is victorious. The hero gains a reward or transformation. (In the narrative arc, this is the *climax*.)

Enhanced identity

The journey results in a new identity. The main character becomes a victorious hero. This identity can be internal (private) and/or external (public). The hero returns with a gift to benefit the original world. The journey ends where it started. But now the original world and the original identity have been improved. (In the narrative arc, this is the *resolution*.)



In three words, the monomyth cycle is[8]

Challenge
↗ ↘
Identity ← Victory

Identity enhancement in fundraising

These are not just steps in the hero's journey. These are elements for the ideal donor experience. A heroic donation matches the monomyth cycle. It is

A sacrificial gift that protects the donor's people and values in a crisis.

This links challenge, identity, and victory.



[a sacrificial gift] *[in a crisis]*
Challenge
↗ ↘
[the donor's people & values] **Identity ← Victory** *[that protects]*

Each step comes from the previous one. Each results in the next.



A challenge forces a decision in response to a crisis (threat or opportunity). In fundraising, the challenge is to make a sacrificial gift.[9]

This challenge must link back to the donor's identity. Identity comes from one's people, values, and life story. The challenge responds to a threat or opportunity. But it should be a

[8] Campbell uses a three-step circular illustration with this description:
"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."
Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

[9] Philip Zimbardo, Professor Emeritus at Stanford and Founder/President of the Heroic Imagination Project, explains that heroes can be ordinary people "who engage in extraordinary actions to help others in need or in defending a moral cause, doing so aware of personal risk and loss, and without expectation of material gain for their action." Zimbardo, P. (2017). Foreword. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership.* Routledge. p. xxi.
Similarly, Franco, Blau, & Zimbardo define heroism as, "Heroism is the willingness to sacrifice or take risks on behalf of others or in defense of a moral cause." Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology, 15*(2), 99-113. p. 113.

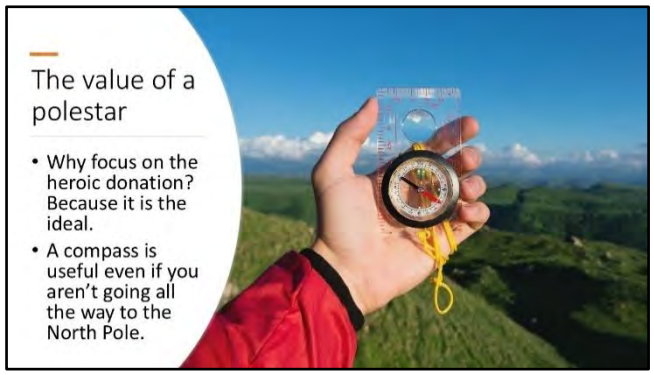












threat or opportunity *for the donor's people or values*. The challenge should *originate in* the donor's identity.

The challenge must also promise the hope of a victory. The promised victory *results in* protecting the donor's people or values. It enhances the donor's identity. The donor becomes a hero. The donor becomes a sacrificial protector of his people and values. This new status might be private, delivering personal meaning. It might be public, enhancing reputation. It might be both.

The effective challenge promises this full story cycle. It links to the donor's original identity, victory, and enhanced identity. The ideal donor experience completes this story cycle. It results in an enhanced identity for the donor.

This story requires connecting with the donor's identity. Does this mean the story's main character must be the donor? No, although that strategy works. It means the donor must *identify with* the story's characters or values. The story's characters must be, in some important way, *like* the donor. The story's values must be *like* the donor's values. This turns *a* story into *the donor's* story.

The value of a polestar

Isn't calling a donation *heroic* a bit much? Does writing a $20 check *have* to be an epic event? Of course not.

So why focus on the *heroic* donation? Because it is the ideal.[10] Understanding the

[10] The role of heroism is to establish an ideal. In the introduction to the largest collection of academic work on heroism, the editors begin by explaining, "Heroism represents the pinnacle of human behavior. The most noble act that a human being can perform is a heroic act, and the most distinguished life that a human being can lead is a heroic life." As a pinnacle, heroism is necessarily an extreme

ideal is important. It's like having a compass. A compass is useful even if we aren't going all the way to the North Pole.

Understanding the heroic donation is like knowing which way is north. As a giving opportunity moves closer to this heroic ideal, it becomes more compelling. No, the $20 donation request doesn't have to be epic. But the closer it moves to being heroic, the more compelling it is. The heroic donation gives "true north" for fundraising.



Heroism as a journey not a jump

Not all heroism occurs in a single instant. Heroism can include years of steady, quiet effort.[11] The accumulation of small acts can build a compelling hero story.[12]

Thus, neither heroism nor the donor's hero story is limited to the elite few.[13] The goal is to *advance* the donor's hero story. A gift may be just one small step in that journey. But if we know the destination, each step will lead in the right direction.



Experimental research in fundraising

Not every donation must rise to the heroic level. But the pattern still fits. A compelling ask may not be heroic. But it will be a step in that direction. It will fit the pattern. It will have the elements of

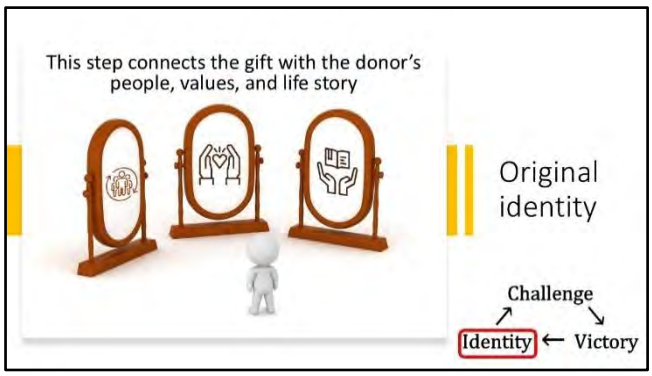
Challenge
↗ ↘
Identity ← Victory

example. In its extremity it serves as a polestar by which to measure our acts and our lives. But the attraction to heroism is not just for the few. Instead, it is "central to our humanity." Its pursuit opens the path to personal transformation and deep meaning.
Allison, S.T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 1

[11] "Social heroism is typically less dramatic, unfolds over a much longer time period, and is frequently undertaken in private rather than public settings." Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology, 15*(2), 99-113. p. 101.

[12] The idea of heroism as a range of behaviors is reflected in Franco, Blau and Zimbardo's description of heroic imagination: it "can be seen as mind-set, a collection of attitudes about helping others in need, beginning with caring for others in compassionate ways, but also moving toward a willingness to sacrifice or take risks on behalf of others or in defense of a moral cause". Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology, 15*(2), 99-113. p. 111.

[13] "Modern treatments of heroism emphasize that heroes serve fundamental human needs (Allison & Goethals, 2014; Kinsella, Ritchie, & Igou, 2015a), and that all of humanity—not just a select group of moral elite—is capable of heroism (Franco, Blau, & Zimbardo, 2011)." Allison, S.T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 3.
Citing to:
Allison, S. T., & Goethals, G. R. (2014). "Now he belongs to the ages": The heroic leadership dynamic and deep narratives of greatness. In G. R. Goethals et al. (Eds.), *Conceptions of leadership: Enduring ideas and emerging insights.* Palgrave Macmillan
Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology, 15*(2), 99-113.
Kinsella, E. L., Ritchie, T. D., & Igou, E. R. (2015). Lay perspectives on the social and psychological functions of heroes. *Frontiers in Psychology, 6*(130), 1-12. doi: 10.3389/fpsyg.2015.00130.

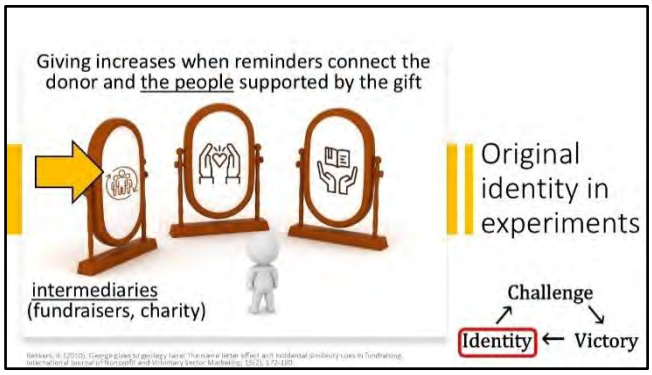


Original identity

This step connects the gift with the donor's people, values, and life story. These form the donor's "original world." They are the donor's sources of identity.

This isn't just a matter of literary speculation. It's what happens in experimental research. Giving increases when reminders highlight connections between

- The donor's life story and the gift [14]
- The donor and the values supported by the gift, or [15]
- The donor and the people supported by the gift including
  - The beneficiaries (those the charity helps)[16]
  - The intermediaries (the charity, its fundraisers, or administrators), or [17]
  - Other supporters (other donors or advocates).[18]



Challenge

A compelling challenge forces a decision in response to a threat or opportunity. The threat or opportunity affects the donor's people or values. (In other words, the *challenge* links back to *identity*.)

The challenge promises protection for those people or values. (In other words, the challenge links forward to a *victory* that links to *identity*.) These links appear in experimental results.

[14] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89.; James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011. James, R. N., III. (March 7, 2016). Using biasing questions in charitable bequest surveys. Available at SSRN: https://ssrn.com/abstract=2744006; James, R. N., III., & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373; Routley, C. J. (2011). Leaving a charitable legacy: Social influence, the self and symbolic immortality (Unpublished doctoral dissertation). University of the West of England, Bristol, UK, p. 220 ("Indeed, when discussing which charities they had chosen to remember, there was a clear link with the life narratives of many respondents.")

[15] Guéguen, N. & Lamy, L. (2011). The effect of the word "love" on compliance to a request for humanitarian aid: An evaluation in a field setting. *Social Influence, 6*(4), 249-258; James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411; Shariff, A. F. & Norenzayan, A. (2007). God is watching you: Priming god concepts increases prosocial behavior in an anonymous economic game. *Psychological Science, 18*(9), 803-809.

[16] Ben-Ner, A., McCall, B. P., Stephane, M., & Wang, H. (2009). Identity and in-group/out-group differentiation in work and giving behaviors: Experimental evidence. *Journal of Economic Behavior & Organization, 72*(1), 153-170. James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance. 18*(1), 65-74.

[17] Bekkers, R. (2010). George gives to Geology Jane: The name letter effect and incidental similarity cues in fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing, 15*(2), 172-180.

[18] Tian, Y., & Konrath, S. (2021). The effects of similarity on charitable giving in donor–donor dyads: A systematic literature review. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations,* 1-24, https://doi.org/10.1007/s11266-019-00165-w



A challenge forces a decision. In fundraising, the ask is the challenge. The ask forces a decision. In experiments, asking increases donations.[19] Asking works. In other words, giving increases when there is a challenge.

Giving also increases when the challenge addresses a threat or opportunity for the donor's people or values. This happens with

- An external threat attacking the donor's people or values, or [20]
- An internal threat of personally violating norms of the donor's people or values.[21]



Victory

Giving increases when the challenge promises a victory. This works when the gift

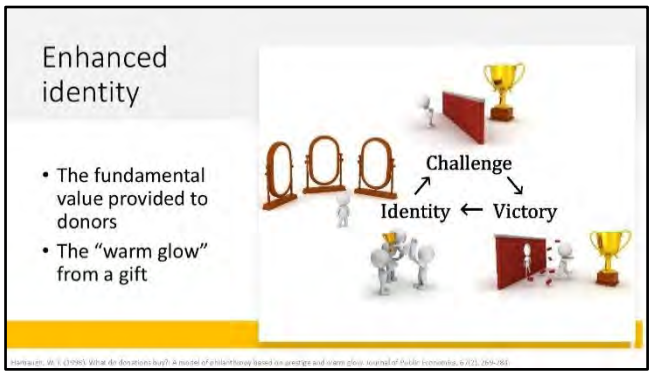
[19] Meer, J., & Rosen, H. S. (2011). The ABCs of charitable solicitation. *Journal of Public Economics, 95*(5-6), 363-371; Yörük, B. K. (2009). How responsive are charitable donors to requests to give? *Journal of Public Economics, 93*(9-10), 1111-1117; Sanders, M., & Smith, S. (2016). Can simple prompts increase bequest giving? Field evidence from a legal call centre. *Journal of Economic Behavior & Organization, 125*, 179-191. Castillo, M., Petrie, R., & Wardell, C. (2014). Fundraising through online social networks: A field experiment on peer-to-peer solicitation. *Journal of Public Economics, 114*, 29-35.

[20] Consider the following reactions to perceived threats:

- Online donations to the ACLU grew from the typical $5 million to more than $120 million in the year after President Trump took office.
  See Reints, R. (July 5, 2018) The ACLU's membership has surged and it's putting its new resources to use. *Fortune.* http://fortune.com/2018/07/05/aclu-membership-growth/
- In the first two months after 9/11, donors gave over $1.5 billion in related donations.
  See, Barstow, D. & Henriques, D. B. (2001, November 17). A nation challenged the charities: I.R.S. makes an exception on terror aid. *New York Times*. p. B1.; See also, U.S. General Accounting Office (2002, December). *September 11: More effective collaboration could enhance charitable organizations' contributions in disasters*. GAO-03-259 at 7-8, https://www.gao.gov/assets/240/236312.pdf (Reporting the September 11th Fund raised more than half a billion dollars with the American Red Cross Liberty Fund raising over $1 billion); Steinberg, K. S., & Rooney, P. M. (2005). America gives: A survey of Americans' generosity after September 11. *Nonprofit and Voluntary Sector Quarterly, 34*(1), 110-135.
- Dramatic increases in charitable donations also followed other terrorist attacks such as the Oklahoma City federal building bombing.
  See, Katz, R. A. (2003). A pig in a python: How the charitable response to September 11 overwhelmed the law of disaster relief. *Indiana Law Review, 36*, 251-333. p. 252. fn. 2.
- Similarly, Israelis living closer to terror attacks in Israel increased their charitable donations more than those living further away.
  See, Berrebi, C., & Yonah, H. (2016). Terrorism and philanthropy: the effect of terror attacks on the scope of giving by individuals and households. *Public Choice, 169*(3-4), 171-194.
- Emphasizing the threatened status of a species increases donations for related conservation projects.
  See, Curtin, P., & Papworth, S. (2018). Increased information and marketing to specific individuals could shift conservation support to less popular species. *Marine Policy, 88*, 101-107; Lundberg, P., Veríssimo, D., Vainio, A., & Arponen, A. (2020). Preferences for different flagship types in fundraising for nature conservation. *Biological Conservation, 250*, 108738. Veríssimo, D., Vaughan, G., Ridout, M., Waterman, C., MacMillan, D., & Smith, R. J. (2017). Increased conservation marketing effort has major fundraising benefits for even the least popular species. *Biological Conservation, 211*, 95-101.

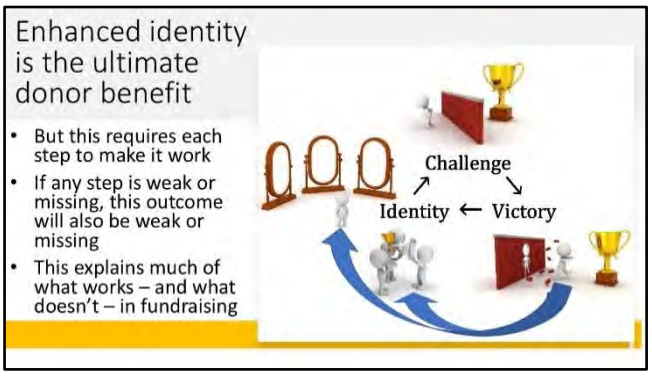
[21] Croson, R., Handy, F., & Shang, J. (2009). Keeping up with the Joneses: The relationship of perceived descriptive social norms, social information, and charitable giving. *Nonprofit Management and Leadership, 19*(4), 467-489. Darlington, R. B. & Macker, C. E. (1966). Displacement of guilt-produced altruistic behavior. *Journal of Personality and Social Psychology, 4*(4), 442-443; Ohtsubo, Y. & Watanabe, E. (2013). Unintentional unfair behavior promotes charitable donation. *Letters on Evolutionary Behavioral Science, 4*(1), 1-4; Sachdeva, S., Iliev, R. & Medin, D. L. (2009) Sinning saints and saintly sinners the paradox of moral self-regulation. *Psychological Science, 20*(4), 523-528.

promises a specific, visualizable result.[22] This fails when the impact is vague, or the problem is overwhelming.[23]



Enhanced identity

Identity enhancement is the ultimate goal. It's the fundamental value provided to donors. It's the "warm glow" from a gift.[24] It's the source of donor happiness.[25] In experiments, it increases donations. This works with external identity – delivering public reputation.[26] It also works with internal identity – delivering personal meaning.[27]



Conclusion

Clever fundraising tricks can work. But mostly they work once.[28] After all the tricks and traps, either the donor experience was worth the gift, or it wasn't. Sustained success requires delivering real value. Fundraisers can do this. They can deliver real value to the donor.

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[22] Dickert, S., Kleber, J., Västfjäll, D., & Slovic, P. (2016). Mental imagery, impact, and affect: A mediation model for charitable giving. *PloS One, 11*(2), e0148274; Eckel, C. C., Herberich, D. H., & Meer, J. (2017). A field experiment on directed giving at a public university. *Journal of Behavioral and Experimental Economics, 66*, 66-71.

[23] Erlandsson, A., Björklund, F., & Bäckström, M. (2014). Perceived utility (not sympathy) mediates the proportion dominance effect in helping decisions. *Journal of Behavioral Decision Making, 27*(1), 37-47; Small, D. A., Loewenstein, G., & Slovic, P. (2007). Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims. *Organizational Behavior and Human Decision Processes, 102*(2), 143-153.

[24] This matches the concept that economics literature identifies as "warm glow." Warm glow is not the result of the good social outcome; it is the result of the good social outcome *being caused by* the donor's actions. For example, warm glow is not the benefit I receive from some social problem being corrected, even though that does improve my world. Instead, it is the additional utility I get when *I am the one* who corrected that problem. This first benefit says nothing about my role or my identity other than that I am a consumer who benefits from some socially desirable outcome. The second instead shows that I am a *producer* of a socially desirable outcome. It is the utility from this role as a producer, not just a consumer, of social benefit that the "warm glow" idea captures. When this role as a producer of social benefit is observed by others, it can also generate donor benefits from prestige. The concept of "warm glow" was established in economic analysis by Andreoni, J. (1989). Giving with impure altruism: Applications to charity and Ricardian equivalence. *Journal of Political Economy*, 97(6), 1447-1458, and Andreoni, J. (1990). Impure altruism and donations to public goods: A theory of warm-glow giving. *The Economic Journal*, 100(401), 464-477.
An example of otherwise inexplicable behavior is when most experimental participants donate from their funds even when the overall total contribution to the charity is preset and donations are anonymous as shown in Crumpler, H., & Grossman, P. J. (2008). An experimental test of warm glow giving. *Journal of Public Economics*, 92(5-6), 1011-1021. Separately, evidence of a prestige effects is widespread, such as that shown in Harbaugh, W. T. (1998). The prestige motive for making charitable transfers. *The American Economic Review*, 88(2), 277-282.

[25] This may be particularly important for high-net-worth philanthropy. One qualitative study of giving by the very wealthy found, "happiness appears to be a more or less explicit driving force for rich people's philanthropy."
Sellen, C. (2019). Is philanthropy a way for the wealthy to convert wealth into happiness? Preliminary exploration in France. In Gaël Brulé & Christian Suter (Eds.), *Wealth and subjective well-being* (pp. 247-278). Springer. p. 247.

[26] Harbaugh, W. T. (1998). What do donations buy?: A model of philanthropy based on prestige and warm glow. *Journal of Public Economics, 67*(2), 269-284; Harbaugh, W. T. (1998). The prestige motive for making charitable transfers. *The American Economic Review, 88*(2), 277-282; Peasley, M. C., Coleman, J. T., & Royne, M. B. (2018). Charitable motivations: the role of prestige and identification. *The Service Industries Journal, 38*(5-6), 265-281.

[27] Shang, J., Reed, A., Sargeant, A., & Carpenter, K. (2020). Marketplace donations: The role of moral identity discrepancy and gender. *Journal of Marketing Research*, 57(2), 375-393.

[28] Bracht, J., & Feltovich, N. (2009). Whatever you say, your reputation precedes you: Observation and cheap talk in the trust game. *Journal of Public Economics, 93*(9-10), 1036-1044; Wilson, R. K., & Sell, J. (1997). "Liar, liar ..." Cheap talk and reputation in repeated public goods settings. *Journal of Conflict Resolution, 41*(5), 695-717.
In another example, setting a charitable pledge as a default significantly increased pledges. But it also significantly increased reneging on the pledge. Ultimately, giving was not significantly greater when the pledge was set as a default. In other words, the default "trick" worked, but not for long. Gaudeul, A., & Kaczmarek, M. C. (2020, in press). Going along with the default does not mean going on with it: attrition in a charitable giving experiment. *Behavioural Public Policy*, 1-32. DOI: https://doi.org/10.1017/bpp.2019.3

The ultimate value to the donor from fundraising is enhanced identity. But this benefit comes at the *end* of the journey. It requires each step to make it work. If any step is weak or missing, the outcome will also be weak or missing. Understanding this explains much of what works – and what doesn't – in fundraising.



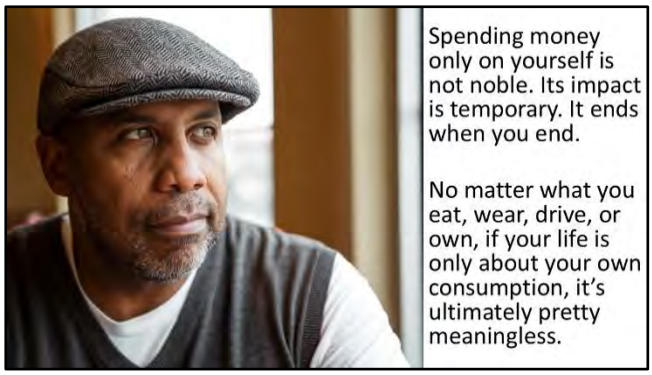
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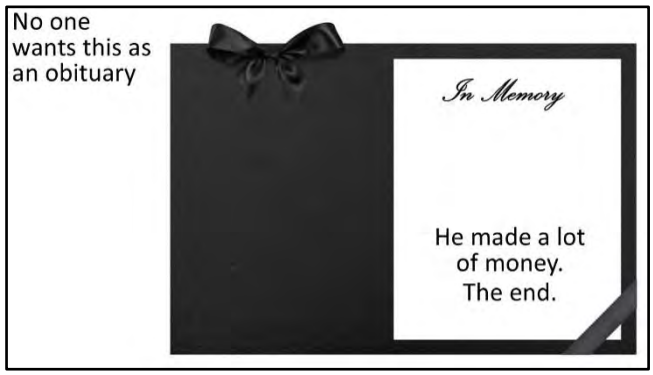
THE DONOR AND THE UNIVERSAL HERO STORY



As fundraisers, what exactly do we have to offer donors? Their gift goes away. Even if we call it an "investment," it doesn't give *them* any financial benefits. (Or at least none worth the cost of the gift.) What do we offer that can compete with a cruise, a luxury car, or a bigger house? We actually do have something. Something important.







The heroic donor

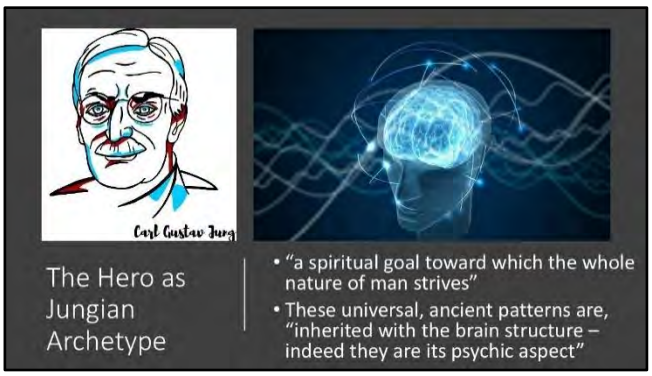
Consuming more stuff is fine. But it doesn't make an inspirational story. Piling up more things is nice. But it doesn't make a meaningful journey.

Spending money only on yourself is not noble. Its impact is temporary. It ends when you end. No matter what you eat, wear, drive, or own, if your life is only about your own



consumption, it's ultimately pretty meaningless. No one wants an obituary that reads simply, "He made a lot of money. The end."

That's where philanthropy comes in. Through philanthropy, donors can support meaningful values that transcend their own lives. They can impact others beyond themselves. They can leave a legacy that will last beyond their own lives. In short, philanthropy allows donors to be heroic.



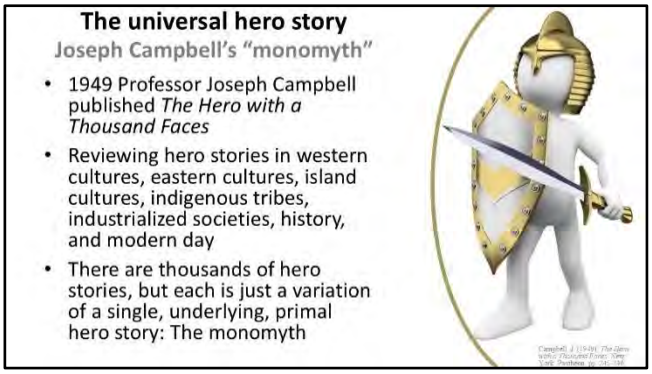
The universal hero story

The desire for heroism is universal. It expresses what psychologist Carl Jung called an *archetype*. This is,

"a spiritual goal toward which the whole nature of man strives."[1]

These universal, ancient patterns are, he explained,

"inherited with the brain structure – indeed they are its psychic aspect."[2]



But it's not just the desire for heroism that is universal. The hero story itself is universal. In 1949, Professor Joseph Campbell published his famous book, *The Hero with a Thousand Faces.* In it, he examined hero stories from across the globe. He looked at hero stories in western cultures, eastern cultures, and island cultures. He looked at hero stories from indigenous tribes and industrialized societies. He looked at hero stories from history and modern day.

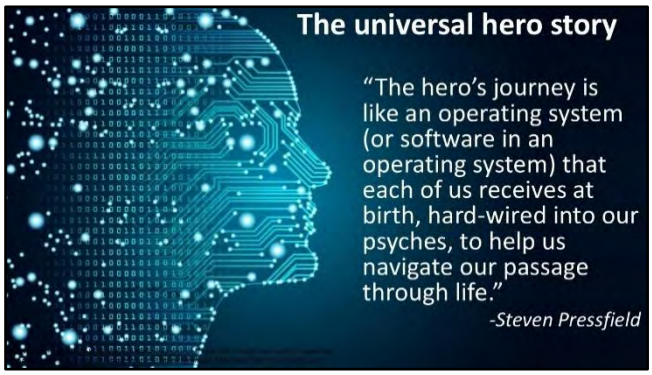


What he concluded was this: There may be a thousand different hero stories in a thousand different cultures. But each is just a variation of a single, underlying, primal hero story. He called this core human hero story the monomyth.

This universal monomyth contains specific story elements. The hero,

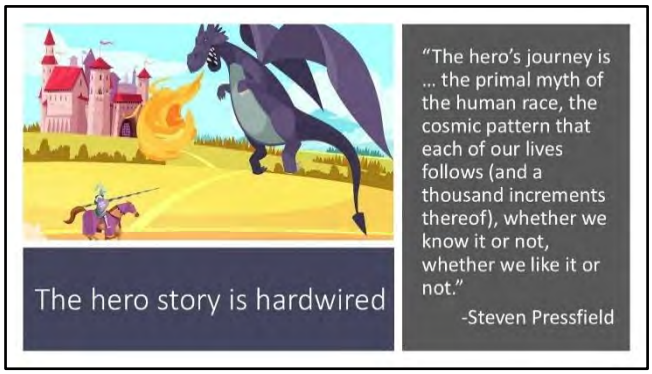
[1] Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume VIII, para. 414.
[2] Jung, C. (1953-1978). Mind and earth. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume X, para. 53.

1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation, and
6. Returns to the place of beginning with a gift to improve that world.[3]



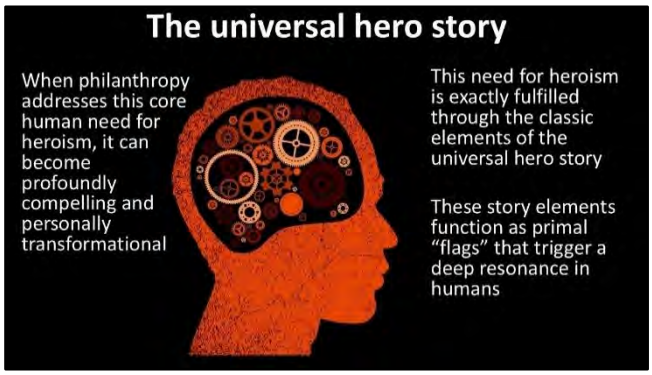
How important is this hero's journey? Bestselling author and screenwriter Steven Pressfield explains,

"The hero's journey arose, both [Jung & Campbell] speculated, from the accumulated experience of the human race over millions of years. The hero's journey is like an operating system (or software in an operating system) that each of us receives at birth, hard-wired into our psyches, to help us navigate our passage through life."[4]



Humans are hardwired to communicate by story. So, too, we are hardwired to think in terms of the hero story. Pressfield explains,

"The hero's journey is ... the primal myth of the human race, the cosmic pattern that each of our lives follows (and a thousand increments thereof), whether we know it or not, whether we like it or not."[5]



The donor's hero story

How does this connect to fundraising? Philanthropy can address the core human need for heroism. By doing so, it becomes profoundly compelling. It becomes personally transformational.

This need for heroism is exactly fulfilled through the classic elements of the universal hero story. These story elements function as primal "flags." They trigger a deep resonance in humans.[6]

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[3] This element can distinguish the hero's journey from the fairy tale. In a fairy tale, the protagonists may live happily ever after. But if the goal is not to return to a place of beginning to bring a benefit to that world, then the story isn't heroic. The victory in a fairy tale is, essentially, a personal or selfish one.

[4] Pressfield, S. (2016). *Nobody wants to read your sh*t and other tough-love truths to make you a better writer.* Black Irish Entertainment LLC. p. 68.

[5] Pressfield, S. (2016, Sept. 17). *The inciting incident and "the call".* [Website]. https://stevenpressfield.com/2016/09/the-inciting-incident-and-the-call/

[6] "Ethologists call these structures innate releasing mechanisms, or IRMs. Each IRM is primed to become active when an appropriate stimulus – called a sign stimulus – is encountered in the environment. When such a stimulus appears, the innate mechanism is released, and the animal responds with a characteristic pattern of behavior …" Stevents, A. (2001). *Jung: A very short introduction.* Oxford University Press. pp. 51-52.

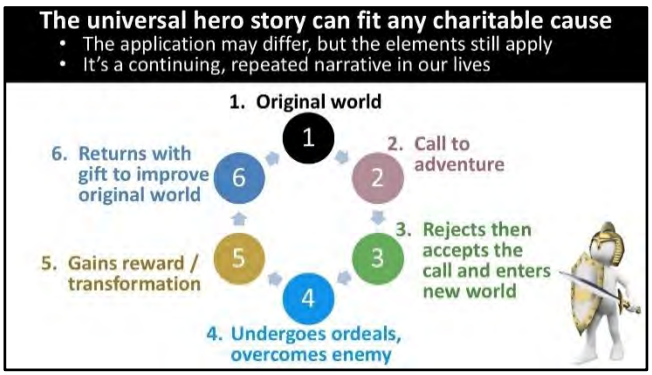


But let's get practical. How do these elements relate to the stories behind major donations? Consider the successful entrepreneur making a major gift to her alma mater:

- Does she go forth from the university (graduate) to enter a new world (the business world)? Yes.
- Does she undergo an ordeal and overcome enemies in that new world (building the business)? Yes.
- Does she gain a reward (wealth) and personal transformation? Yes.
- Does she return to her place of beginning (university) with a gift to improve that original world? Yes. (For example, establishing a scholarship for other women like her.)

Consider the cancer survivor giving back to support research and treatment:

- Does he face a challenge that interrupts his ordinary world (diagnosis)? Yes.
- Does he accept it and go forth, undergoing an ordeal (treatment)? Yes.
- Does he gain a reward (remission) and personal transformation? Yes.
- Does he then return to his place of beginning (diagnosis) with a gift to improve that original world? Yes. (For example, funding new research or treatment for others like him.)



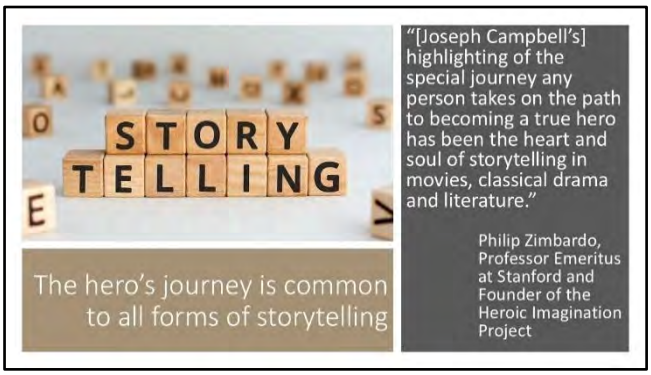
The universal hero story can fit any charitable cause. The place of beginning might be

- Growing up in a church
- Economic hardship
- The love for a pet, or
- Experiences in nature.

The gift might improve the world for other believers, others in need, animals, or the environment. Our causes may differ, but the core elements still apply.[7] And they don't apply just once. The hero's journey is not just a one-shot

[7] One study analyzed the letters accompanying 187 billionaires "giving pledge" commitments. (These were pledges to give at least half of their wealth to charity.) The researchers found that most letters included two elements. First, they included an origin story. The letters referenced family upbringing as the source motivating generosity. In the same way, the monomyth begins with the hero's origin story in his ordinary world.
Second, they referenced a desire not to give, but to "give back." Giving back is different than giving. It references a circular process. In the monomyth, the hero returns to the original world. The hero returns with a gift or "boon" to improve that world.
These letters also typically included a victory reference, mentioning how the giving would make an impact, make a difference, and help solve societal problems. Additionally, they also tended to include references to the personal benefits from giving. This included terms such as ''enjoyment,'' ''satisfaction,'' ''psychological returns,'' or ''pleasure''. The donor experience justified the gift. (It is also interesting to note that none of the letters referenced wealth inequality and only one referenced guilt.)
The monomyth can be thought of as progressing through **original identity → challenge → victory → enhanced identity**. The justification given in these largest of all gifts tended to include these same elements.
Schmitz, H. P., Mitchell, G. E., & McCollim, E. M. (2021). How billionaires explain their philanthropy: A mixed-method analysis of the giving pledge letters. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations,* 1-12.

story. It's a continuing, circular narrative in our lives. It's repeated, ongoing, and overlapping, but always relevant and always compelling.



This universal journey is common to all forms of storytelling. Professor Philip Zimbardo explains,

"[Joseph Campbell's] highlighting of the special journey any person takes on the path to becoming a true hero has been the heart and soul of storytelling in movies, classical drama and literature." [8]



Spoiler alert: Epic Hollywood movies

The universal hero story deserves the ultimate "spoiler alert!" Now that you know the elements, you also know the plot for most epic Hollywood movies. The hero might be

- Luke Skywalker in *Star Wars*
- Neo in *The Matrix*, or
- Bilbo Baggins in *The Hobbit*.

But the universal hero story is the same. The hero begins in his ordinary (small, self-focused) world. For example,

- Luke is a Tatooine farm boy
- Neo is a dissatisfied corporate drone, or
- Bilbo is a Hobbit in the shire.

The hero faces the call to adventure. For example,

- Save Princess Leia
- Take the red pill, or
- Join the expedition.

The hero accepts, goes forth, and enters a new world. He undergoes an ordeal. He gains a reward or transformation. He returns with a gift to improve the world. For example,

- Luke destroys the Death Star. He becomes a Jedi Warrior who defends against the empire.
- Neo defeats Agent Smith. He becomes "the one" with the power to set the prisoners free.
- Bilbo helps defeat the Goblins. He becomes the keeper of the ring with peace restored.

[8] Philip Zimbardo, Professor Emeritus at Stanford and Founder/President of the Heroic Imagination Project. Zimbardo, P. (2017). Foreword. in S.T. Allison, G.R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership.* Routledge. p. xxi.

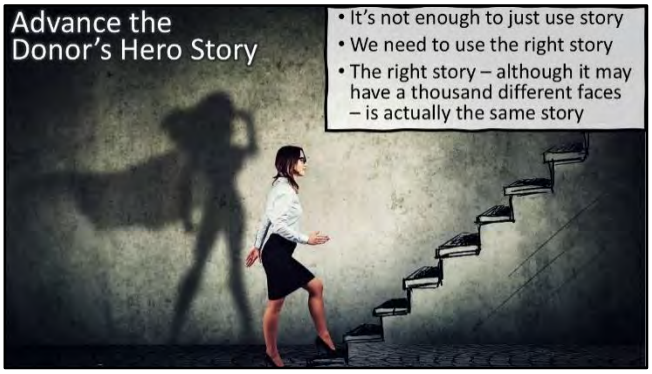


The same story elements appear in all types of movies. The heroes can be

- Historical women (*Mulan*)
- Modern women (*The Devil Wears Prada*)
- Cartoon women (*Moana*)
- Lions (*The Lion King*)
- Ogres (*Shrek*)
- Wizards (*Harry Potter and the Sorcerer's Stone*), or
- Superheroes (*Avengers: Endgame*)



Why does Hollywood keep reusing this same universal hero story? Because it works. The highest-grossing film franchises are all hero stories.[9] It works because it's "hard wired into our psyches."[10]



As fundraisers, it's not enough just to use a story. We need to use the right story. And the right story – although it may have a thousand different faces – is actually the same story.[11] It is the donor's story. It is the donor's *hero* story.

[9] For example: *Avengers* (Marvel), *Star Wars, Harry Potter, James Bond, The Lord of the Rings, X-Men, The Fast and the Furious, Jurassic Park, Spiderman, and Batman*.

[10] Pressfield, S. (2016). *Nobody wants to read your sh*t and other tough-love truths to make you a better writer.* Black Irish Entertainment LLC. p. 68.

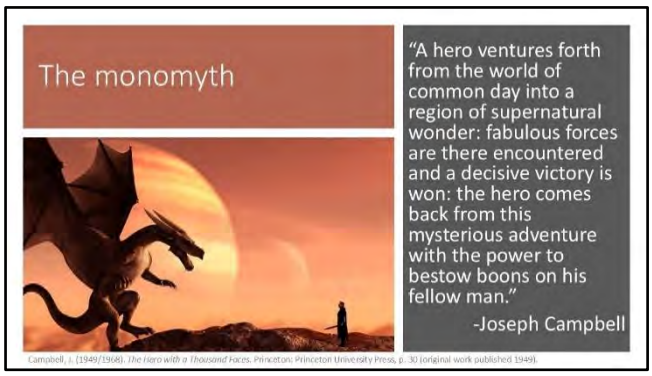
[11] Indeed, these same themes emerge in observational analysis research. For example, Walker and Frimer (2007) studied a sample of moral heroes (having received either the Caring Canadian Award or the Medal of Bravery) and otherwise similar matched comparisons. They assesed these heroes and controls across the three levels of personality measurement: dispositional traits, motivational aspects, and integrative life narratives. They found significant differences only at the "deeper life-narrative level of personality description." In other words, the dispositions (e.g., extraversion) weren't different. The motivations weren't different. But the life stories were different. They were different in five specific ways. "Of the set of personality variables analyzed, five were identified as foundational, all at the life-narrative level of personality description: both agentic and communal motivation, themes of redemption, and intimation of formative relationships in early life as evidenced by secure attachments and the presence of 'helpers' who scaffolded development." Walker, L. J. (2017). The moral character of heroes. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 99-119). Routledge. p. 109.
These elements also appear in the monomyth. Redemption themes arise when a person has overcome and benefitted from negative events. (The hero undergoes a struggle, but ultimately comes out transformed and bearing a gift for the original world.) Agentic motives is about the belief that one can do or achieve something. (The hero succeeds.) Communal motives are about caring for others in the group. (The hero returns with a gift to support the community.) Finally, the presence of helpers along the journey is a universal characteristic of the monomyth. *See,* Walker, L. J., & Frimer, J. A. (2007). Moral personality of brave and caring exemplars. *Journal of Personality and Social Psychology, 93*, 845-860.



2

THE FUNDRAISER IN THE UNIVERSAL HERO STORY





The monomyth

The hero is a fundamental human archetype. Jung describes an archetype as,

"a spiritual goal toward which the whole nature of man strives." [1]

The monomyth is the hero's journey. It's the universal story of fulfilling the hero archetype. Joseph Campbell describes the journey this way:

"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."[2]

These same elements appear in the personal narratives behind major donations. The donor is the hero. The donor's life journey connects to the gift. The gift "bestows boons" on those from a donor's place of beginning.

These story elements are powerful and attractive. As a testament to this, they appear repeatedly in some of Hollywood's most successful movies. Whether the movie is *Star Wars*,

[1] Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume VIII, para. 414.
[2] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.

The Matrix, *Harry Potter and the Sorcerer's Stone*, *The Hobbit*, or many others, the elements are the same.





The fundraiser in the monomyth

Now I know what you might be thinking. You've seen all those movies. You don't remember there being a fundraiser in any of them!

Take a second look. In fact, there is a "fundraiser" character in every one. This "fundraiser" actually plays a key role in the monomyth. This monomyth character is *the guiding sage who challenges with a choice*. Hannah Ascough describes the start of the monomyth this way:

"The story starts with a hero living in an ordinary world. This world is suddenly unbalanced by a disruption or threat and so a mentor approaches the hero and calls her to adventure, providing her with the wisdom and gifts necessary to seek a solution."[3]

Who is this character in the movies? In the original *Star Wars*, this is Obi-Wan Kenobi. Consider this conversation from *Star Wars*:

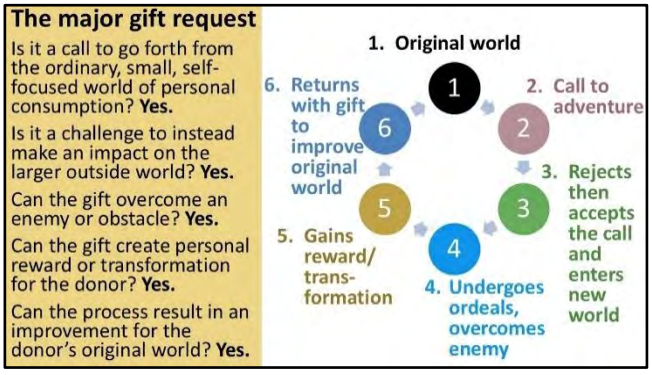


OBI-WAN: You must learn the ways of the Force if you're to come with me to Alderaan.

LUKE: Alderaan? I'm not going to Alderaan. I've got to get home. It's late. I'm in for it as it is!

OBI-WAN: I need your help, Luke. She needs your help.

Obi-Wan is delivering the classic fundraiser appeal. "I need your help." "She needs your help." This is an appeal to make an impact on the larger world. It's an appeal to go beyond normal, self-focused, everyday life. It's an appeal to begin a heroic journey. It's the call to adventure.

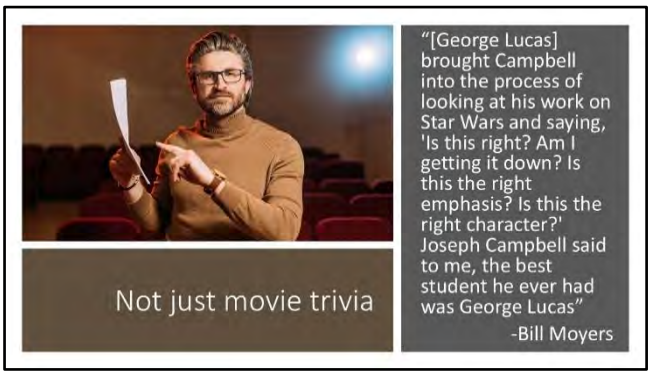


Consider the effective major gift request:

- Is it a call to go forth from the ordinary, small, self-focused world of personal consumption? Yes.

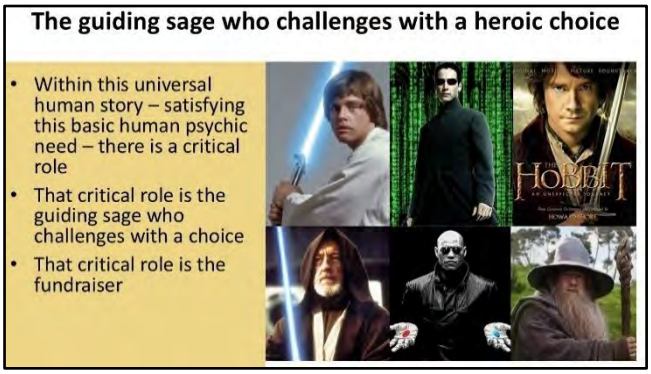
[3] Ascough, H. (2018). Once upon a time: Using the hero's journey in development stories. *Canadian Journal of Development Studies/Revue canadienne d'études du développement*, 533-549. p. 535.

- Is it a challenge to instead make an impact on the larger outside world? Yes.
- Can the gift overcome an enemy or obstacle? Yes.
- Can the donor's journey create personal reward or transformation for the donor? Yes.
- Can it result in an improvement for the donor's original world? Yes.

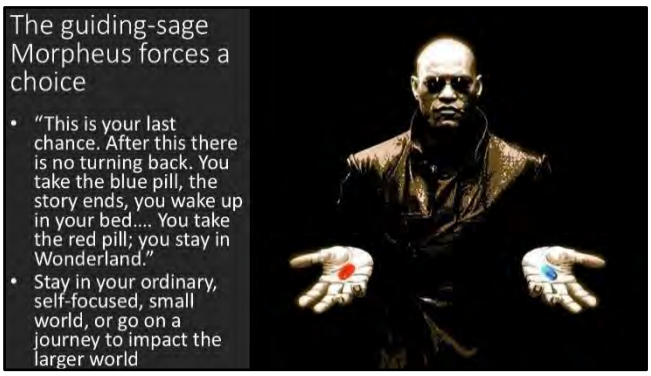


The movie comparisons can be fun. But this isn't just movie trivia. The *Star Wars* script was intentionally constructed as an expression of the monomyth. Joseph Campbell helped write it.[4] In an interview, Bill Moyers relates,

"[George Lucas] brought Campbell into the process of looking at his work on *Star Wars* and saying, 'Is this right? Am I getting it down? Is this the right emphasis? Is this the right character?' Joseph Campbell said to me, the best student he ever had was George Lucas."[5]



The monomyth is a worldwide narrative structure. It fulfills the primal human need for heroism. Within this universal human story – satisfying this basic human psychic need – there is a critical role. That critical role is the sage who challenges with a choice. That critical role is the fundraiser. Understanding your role as a fundraiser within this primal narrative context can be helpful. In fact, it can be transformational.



The sage forces a choice

The effective fundraiser must ask. It's not enough to be friendly and tell good stories. The effective fundraiser must force a choice. The sage plays this same role.

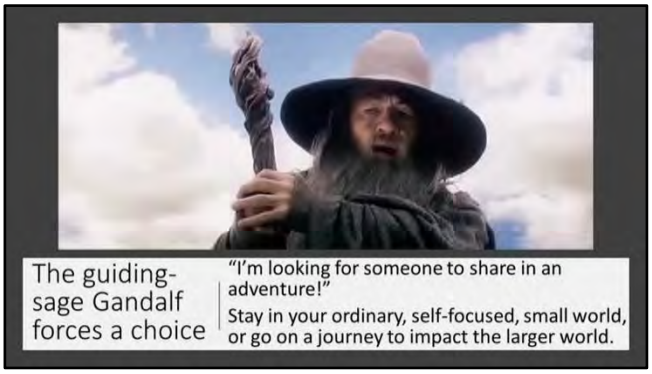
In *The Matrix*, the sage Morpheus forces a stark choice. He confronts the (prospective) hero.

"This is your last chance. After this there is no turning back. You take the blue pill, the story ends, you wake up in your bed .... You take the red pill; you stay in Wonderland."

As with young Luke Skywalker, the elements of the choice are the same:

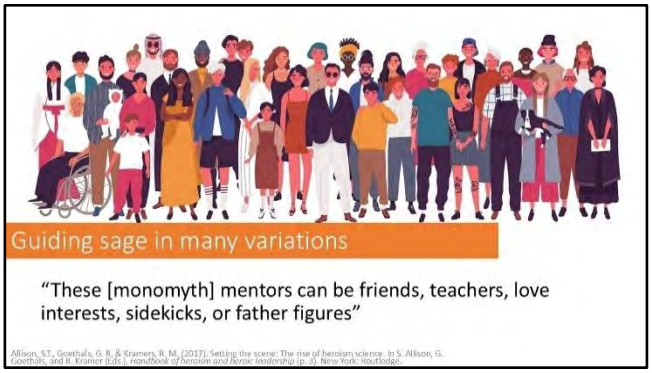
- Stay in your ordinary, self-focused, small world, or
- Go on a journey to impact the larger world.

[4] Larsen, S. & R. (2002). *Joseph Campbell: A fire in the mind*. Simon & Schuster (Inner Traditions). p. 541.
[5] Becker, E. (Producer), Burns, K., & Becker, E. (Directors). (2004). *Empire of dreams.* [Motion Picture]. United States: Prometheus Entertainment in association with Lucasfilm. 10:04 et seq.



In *The Hobbit*, Gandalf challenges Bilbo by saying, "I'm looking for someone to share in an adventure!" The choice is the same:

- Stay in your ordinary, self-focused, small world, or
- Go on a journey to impact the larger world.



Although the traditional guiding sage may be an older man, there are many variations. Researchers explain,

"Heroes cannot triumph over these obstacles without help from others. [Joseph] Campbell calls these helpers *mentors*, who bear a resemblance to the Jungian archetype of the *wise old man*. These [monomyth] mentors can be friends, teachers, love interests, sidekicks, or father figures." [6]



They can even be female lions. In *The Lion King*, Simba is living in his small, self-focused world. This is the "Hakuna Matata" realm of Timon and Pumbaa. Then the lioness Nala challenges him to leave behind that world:

NALA: We really needed you at home.

SIMBA: No one needs me.

NALA: Yes, we do. You're the king.



The core elements are always present. But they can be shifted around. The original Harry Potter movie provides a twist. The challenge comes by direct mail. The acceptance letter to attend Hogwarts forces Harry to choose:

- Stay in your ordinary, self-focused, small world, or
- Go on a journey to impact the larger world.

In another twist, the challenge comes from two sages. The names of both Professor Minerva McGonagall and Headmaster Albus Dumbledore appear on the letter. Both later serve as guides along the hero's journey.

[6] Allison, S.T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 3.

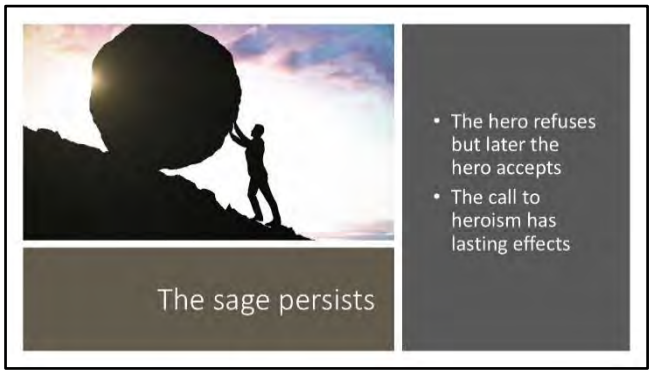


The sage gets turned down

So, if you become an epic, Jedi-warrior-level fundraiser, you'll never have to hear "no" again, right? Wrong.

The hero refusing the call to adventure is *not* a violation of the story sequence. Quite the opposite: Refusing the call is part of the ancient narrative structure.

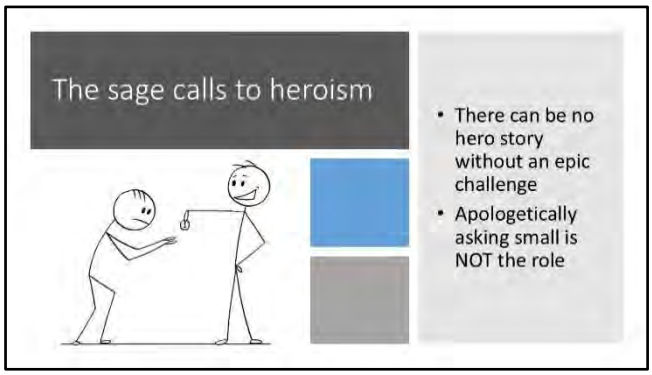
What happens when the actual Jedi warrior, Obi-Wan Kenobi, makes his appeal to Luke? Luke turns him down. Only later does he accept the call. How does Neo respond to Morpheus' first call to escape the ordinary world? Neo turns him down.[7] Only later does he take the red pill. When Nala appeals to Simba to leave behind his self-focused world, what happens? Simba turns her down. Only later does he accept the challenge. How does Bilbo react to Gandalf's initial challenge? Bilbo turns him down.[8]



The point here is to understand that the refusal is not the *end* of the story. The refusal is a natural *part* of the story.[9] The hero refuses. But later, the hero accepts. When the refusal happens, the guiding sage does not disappear. The guiding sage persists.

Any number of factors can change the hero's mind. Maybe the hero's ordinary-world circumstances change. (This is Luke.) Maybe the sage returns with more convincing arguments. (This is Gandalf.) Maybe he returns with a final, last-chance request. (This is Morpheus.)

This standard sequence of refusing, then accepting, the call shows the lasting effects of the call to heroism. Even when it is refused, an epic challenge is powerful. It continues to work on the mind of the potential hero. The call to heroism taps into a deep-seated, universal, spiritual goal. But there's a catch. To have this effect, the challenge must be heroic.



The sage calls to heroism

The call to adventure must provide a challenge to be heroic. There can be no hero story without an epic challenge. When a fundraiser understands her role in this primal story, it should change how she[10] thinks about asking.

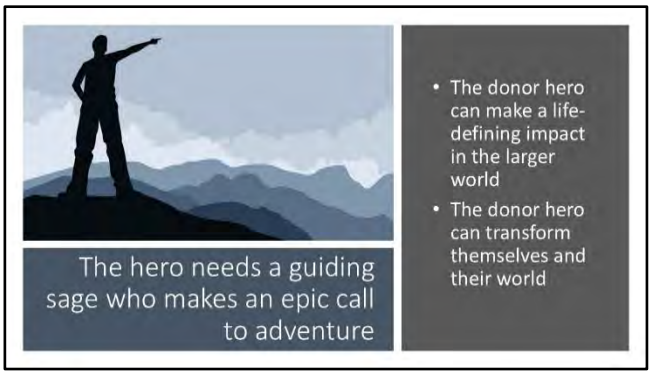
[7] When challenged by Morpheus to escape his normal world by climbing outside his office window, Neo's courage fails and he refuses.
[8] Bilbo responds to the call to adventure by saying, "We are plain quiet folk and have no use for adventures."
[9] In *Harry Potter and The Sorcerer's Stone*, the refusal comes after accepting the initial challenge to attend Hogwarts. Harry says, "I think you must have made a mistake. I don't think I can be a wizard," and also, "I can't be a wizard; I'm just Harry."
[10] As a convention for clarity and variety, throughout this series the donor/hero is referred to with "he/him/his" and the fundraiser/sage is referred to with "she/her/hers." Of course, any role can be played by any gender.

Does the sage challenge by apologetically asking small? Of course not. That's not the role! Failing to understand this ancient role leads to wrong actions. It leads to weak results.

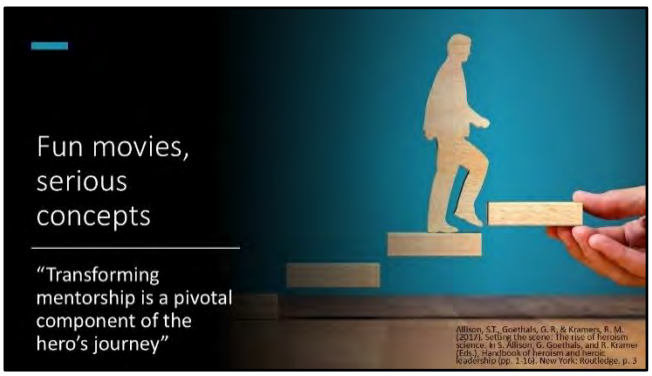


If some fundraisers were playing the role of Gandalf the Grey, the story would be quite different. Why? Because they would shrink from challenging with *an epic* choice. Instead, they might meekly suggest to Bilbo,

"I'm so sorry to inconvenience you. But might you consider a short walk outside the shire? I would really appreciate it. Any time you could spare would help."



No! No! No! That isn't the role. That won't accomplish anything in anyone's life. The role is to deliver the call to a heroic adventure. The donor hero can make a life-defining impact in the larger world. The donor hero can transform themselves and their world. But the hero needs a guiding sage who makes an epic call to adventure. The donor hero needs an epic fundraiser.



We can have fun with movie comparisons. But the underlying concept is serious. There is primal, hard-wired, operating software in humans that hungers for the hero's journey. That journey needs a guiding sage who challenges with a heroic choice. Heroism researchers explain,

"Transforming mentorship is a pivotal component of the hero's journey." [11]



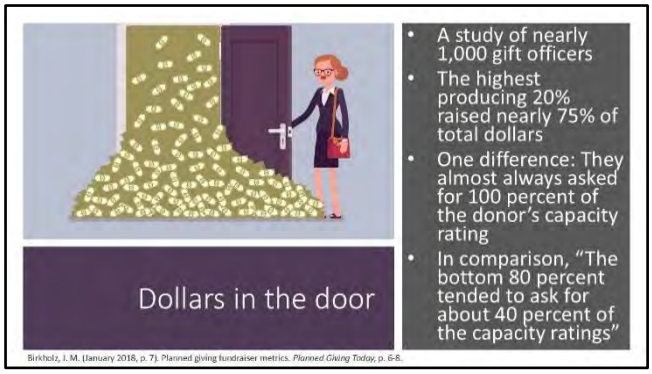
This is the role that the fundraiser can fill in the life story of the donor. This role is to challenge the potential hero to

- Step outside of his ordinary, self-focused, small world of earning and consuming, and
- Go on a journey to impact the larger world.

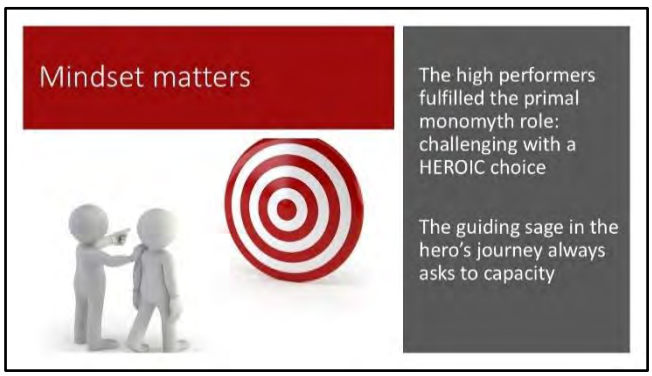
As a fundraiser, you're giving people the opportunity to be part of something bigger than themselves. Understanding your role in this primal narrative is key. It should change

[11] Allison, S.T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 3









how you feel. It should change how you feel about apologetically asking small.[12] It should change how you feel about confidently asking big.

Dollars in the door

Fantasy hero stories are fun. Myth and psychology may be fascinating. But let's get real. How does this connect with actual dollars in the door? Consider this. Joshua Birkholz's team analyzed nearly 1,000 gift officers to learn what worked and what didn't. The familiar 80/20 rule appeared. The highest producing 20 percent of fundraisers brought in nearly 75 percent of the total dollars.

What was special about these high performers? One difference was stark. They almost always asked for *100 percent* of the donor's capacity rating. In comparison,

"The bottom 80 percent tended to ask for about 40 percent of the capacity ratings."[13]

The high-performing fundraisers tended to talk in terms of,

"How can we get the donor to give at their capacity?"[14]

The lower-performing fundraisers tended to talk in terms of,

"How much can we get away with asking them for? What's the safe request? What is a good number the donor would be comfortable with?"

[12] Some experimental evidence suggests that making a request apologetically may reduce giving. In an experiment where people experiencing homelessness sold candles from a nonprofit and kept half of the proceeds, the phrase "I'm sorry, would you please buy a Hope candle?" generated significantly lower likelihood of purchase than the phrase "Hope, Hope. Get a scented candle of Hope." Wei, C., Yu, Z., & Li, Y. (2021). Empathy impairs virtue: the influence of empathy and vulnerability on charitable giving. *Internet Research*. Study 1B. DOI 10.1108/INTR-07-2020-0407.
Another experiment tracked voluntary contributions for upkeep of a public restroom in Cologne, Germany. The share of people contributing was 66.6% when the sign read "Thank you very much for your contribution!" But this dropped to 56.6% (difference significant at p<.01) when the sign was changed to read, "Thank you very much for your contribution! We apologize for possible inconvenience due to construction works." Feldhaus, C., Sobotta, T., & Werner, P. (2018). Reminders for voluntary payments might backfire – Evidence from a field study. *Economics Letters, 171*, 133-136.
Another study used machine learning to identify word clusters in a donation-based crowdfunding website. It found, "While a variety of topic words relating to factual details positively predicted the fundraising outcomes, clusters featuring the overuse of requesting words such as "help", "money", and "thank" seemed to backfire on the petitioners." Xu, L. Z. (2018). Will a digital camera cure your sick puppy? Modality and category effects in donation-based crowdfunding. *Telematics and Informatics, 35*(7), 1914-1924, 1922
[13] Birkholz, J. M. (2018, January). Planned giving fundraiser metrics. *Planned Giving Today,* 6-8. p. 7.
[14] Birkholz, J. M. (2018, Sept. 17). Identifying major gift donors. [Presentation]. *Practical Planned Giving Conference*, Orlando, Florida. The quotation marks here do not necessarily reference direct quotes from the interviewed fundraisers or Birkholz, but rather are my example representations of the general character of the comments.



Mindset matters. One group of fundraisers fulfilled the primal monomyth role. They acted as the sage who challenges with an epic choice. The other group did not.

In a hero story, the sage who challenges with a choice *always* asks to capacity. No epic story ever began by making a comfortable choice. Heroism isn't easy. If it were easy, it wouldn't be heroic. But the fundraiser who challenges with an epic choice is different. She can transform both the donor and the organization.



It's not just about the ask

Fulfilling this primal role in the donor-hero's story isn't simply a matter of adding zeros to an ask. The ask is only a single point in the journey. The relationship with the guiding sage is ongoing. It neither starts nor ends with the challenge.

The guiding sage knows the hero's origin story. The sage understands the hero's motivations. The sage introduces the hero to friends and allies who will support the hero in the journey. The sage provides the hero with magical tools to help accomplish the quest. The sage is there before and after the hero accepts the challenge. The guiding sage helps the hero *start* and *finish* the hero's journey.

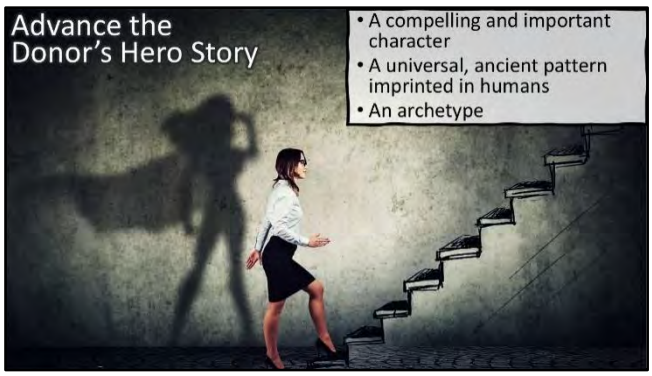
The guiding-sage fundraiser doesn't just make a better ask. She makes a better donor experience. She delivers real value. She finishes the story.



3

BEYOND THE DONOR HERO:

FUNDRAISING AND OTHER ARCHETYPAL CHARACTERS





This series focuses on the "one big thing" in fundraising: Advance the donor's hero story. The hero is a compelling and important character. It is a universal, ancient pattern imprinted in humans. It is an archetype.

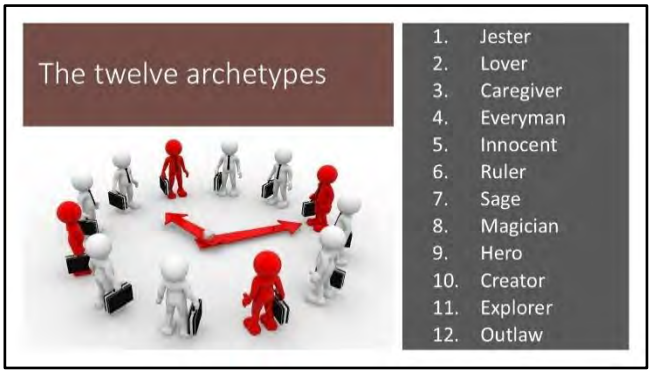
But the hero is not the *only* archetype. It's not the *only* character. Other archetypal characters can also be helpful in fundraising. They can provide alternative donor stories. They can even strengthen the donor-hero story.

The twelve archetypes

The twelve archetypes[1] are

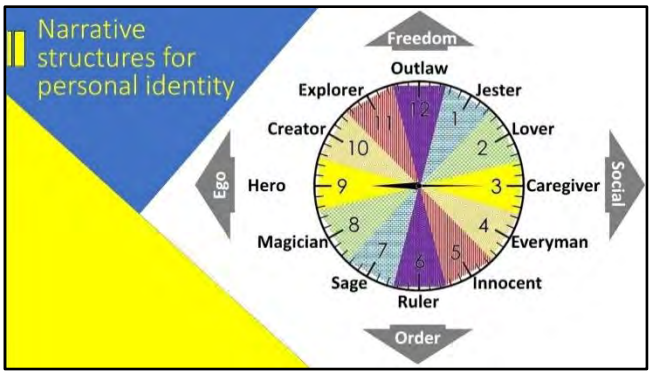
1. Jester
2. Lover
3. Caregiver
4. Everyman
5. Innocent
6. Ruler

[1] Although scholars differ somewhat in the number and labels of archetypes, variations of this particular list of twelve has been used extensively in marketing research, which is particularly relevant for fundraising applications. A detailed tracing of the lineage of each of these twelve archetypes through the works of C. G. Jung, Joseph Campbell, Dan MacAdams and others is presented in Faber, M. A., & Mayer, J. D. (2009). Resonance to archetypes in media: There's some accounting for taste. *Journal of Research in Personality, 43*(3), 307-322. This list of twelve archetypes was presented and discussed extensively in a practical marketing context in Mark, M. & Pearson, C. (2001). *The hero and the outlaw: Building extraordinary brands through the power of archetypes.* McGraw-Hill.



7. Sage
8. Magician
9. Hero
10. Creator
11. Explorer, and
12. Outlaw.

Each character is common in storytelling. People can usually identify with one or more of these characters.[2] This is important. A compelling story requires identifying with a character. In fundraising, this turns *a* story into *the donor's* story.



However, this goes beyond just storytelling. These archetypal characters form narrative structures for personal identity. Different people identify with different characters. Often, they prefer characters whose orientation matches their own along two different axes:

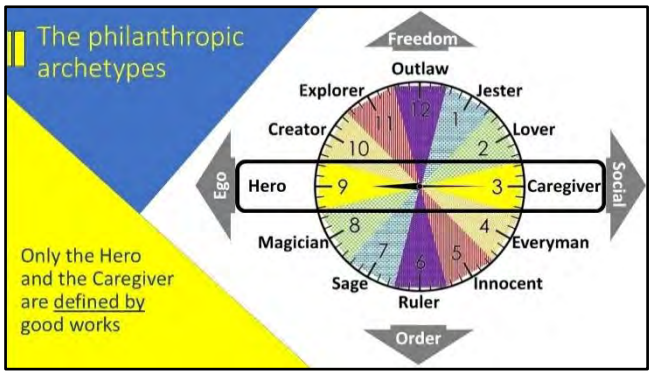
- The freedom-order axis, and
- The ego-social axis.

Each character matches with a location on these axes. Their numbers, 1 to 12, reflect this as hours on a clock.[3] On a clock face, the vertical axis is the freedom-order axis. Up is towards freedom. Down is towards order. The horizontal axis is the ego-social axis. Left is towards ego. Right is towards social.

[2] In his book on marketing, Michel Jansen references this list. He explains that these twelve, "archetypes have a direct influence on people's behaviour. As noted, people are driven by ambitions and aspirations in the (collective) unconscious. As soon as they are recognised in a situation, they are activated because they are meaningful …. From here a meaningful relationship with the consumer can be developed, because the brand connects with the consumer at a deeper level… [These twelve] archetypes offer concrete bases for creating a unique, consistent and consequent identity and developing a meaningful relationship with the consumer." Jansen, M. (2006). *Brand prototyping: Developing meaningful brands.* Kluwer. p. 39. Thus, a focus on archetypal story character serves as a platform for fundraisers to access two powerful underlying giving motivations – identity and relationship.

[3] This axis alignment of the twelve archetypes was proposed by Jansen (2006). Mark and Pearson (2001) proposed a different circular alignment of the twelve archetypes using the axes of "Belonging-Independence" and "Mastery Stability." Bolhuis (2011) presented a circular alignment of the twelve archetypes using a three way axis excluding the fourth pole of "Ego." Van Nistelrooij (2013) also presented the same three-way axis, but shifted the location of Magician and Explorer as compared with Bolhuis (2011). Oosterhout (2013) used the same three-way axis, but changed the locations using unequal distributions of archetypes within categories. Van Hoolwerff (2014) presented a circular figure of the twelve archetypes similar to Bolhuis (2011) but with the "Freedom" axis relabeled as the "Creative" axis. Broek (2014) employed a different circular arrangement of the twelve archetypes using the three poles of power, freedom, and expressive. Another circular arrangement of twelve archetypes appeared in Pearson (1991) as the Heroic Myth Index. This is sometimes incorrectly attributed as the source for Jansen's (2006) popular circular image. Pearson's (1991) image shows a circular arrangement of twelve archetypes without any axes and differs from Jansen's (2006) by labeling Jester as Fool, Outlaw as Destroyer, Hero as Warrior, and Explorer as Seeker. Also, Everyman is absent and an additional character, Orphan is used.

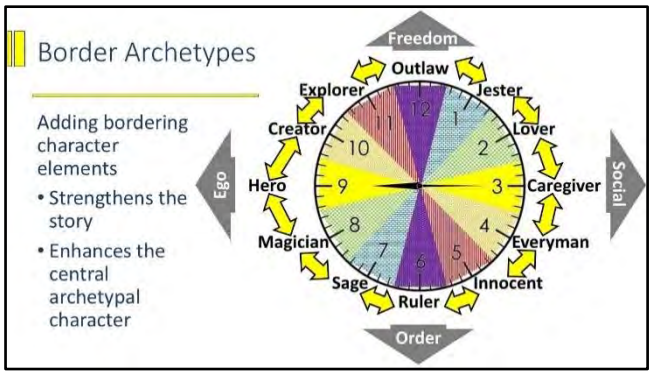
Bolhuis, S. (2011). *Archetypen: onderzoek naar de visualisatie van archetypen met behulp van vormkenmerken.* [Master's thesis]. University of Twente.
Hoolwerff, D. (2014). *Does your mascot match your brand's personality? An empirical study on how visual characteristics of a brand mascot can function as a tool for transmitting an archetypical brand personality.* [Master's thesis]. University of Twente.
Jansen, M. (2006). *Brand Prototyping: Developing meaningful brands.* Kluwer.
Pearson, C. S. (1991). *Awakening the heroes within: Twelve archetypes to help us find ourselves and transform our world*. HarperOne (Harper Collins).
Uit het Broek, N. (2014). *The visualization of archetypes through the use of colors in logos.* [Master's thesis]. University of Twente.
Van Nistelrooij, E. (2013). *Face it, your brand personality needs a logo.* [Doctoral dissertation]. University of Twente, Enschede.
Oosterhout, L. (2013). *Word marks: a helpful tool to express your identity: an empirical study regarding fonts of word marks as a tool for transmitting an archetypal identity* [Master's thesis]. University of Twente.



The philanthropic archetypes

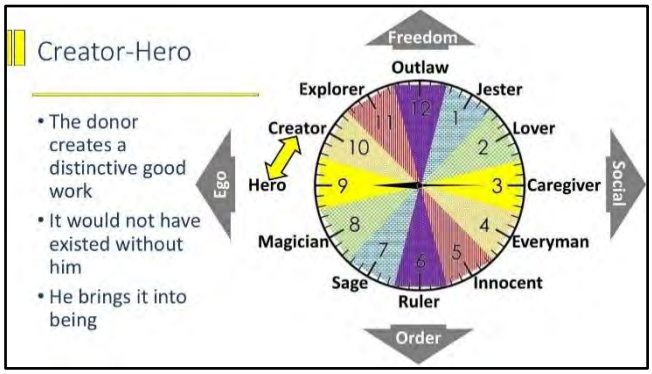
How do these characters fit into a donation story? Any of the characters could help someone. Any could be, at least a little, charitable. But only two characters are philanthropic *by definition*. Only the Hero and the Caregiver are *defined by* good works.

The Innocent is good. But the goodness is based upon what is *not* done, rather than what is done. The Sage[5] is good. But the goodness is based upon *advising* to act. It's not based on actually *performing* the act. All others can perform bad acts without breaking character at all.

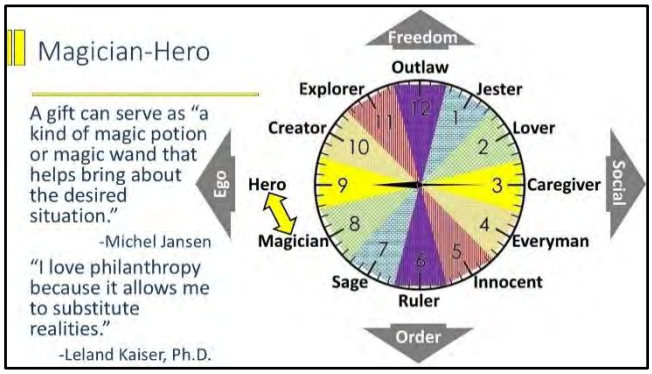


Border archetypes

The location on the two axes creates *border* archetypes. These complement each other. They fit together because they share similar axis orientations. Adding bordering character elements can enhance the central character. This can strengthen the story.



Consider the donor's hero story. The Hero borders the Creator and the Magician. Adding these bordering character elements can enhance the donor's hero story. A donor-hero character can also be a Creator-Hero. The donor creates a distinctive good work. It would not have existed without him. He brings it into being.



The donor may also be a Magician-Hero. A gift can serve as

"a kind of magic potion or magic wand that helps bring about the desired situation."[6]

A gift that transforms a situation or organization is magical. It matches this character. Michel Jansen explains,

"Transformation is the key word for the Magician archetype."[7]

[4] This image was created using the same archetype titles and axis orientation as that presented in Jansen, M. (2006). *Brand prototyping: Developing meaningful brands.* Kluwer.

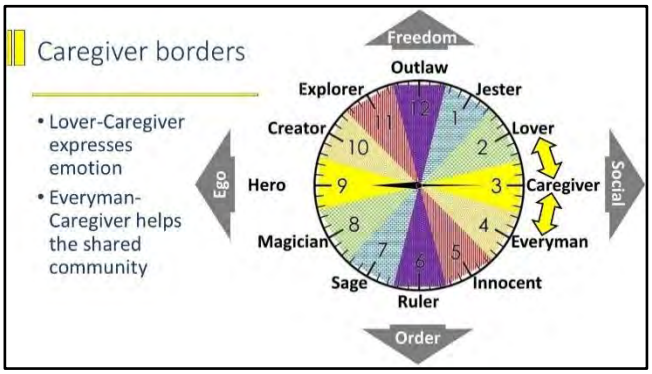
[5] This character is also known as the mentor.

[6] Jansen, M. (2006). *Brand Prototyping: Developing meaningful brands.* Kluwer. p. 64.

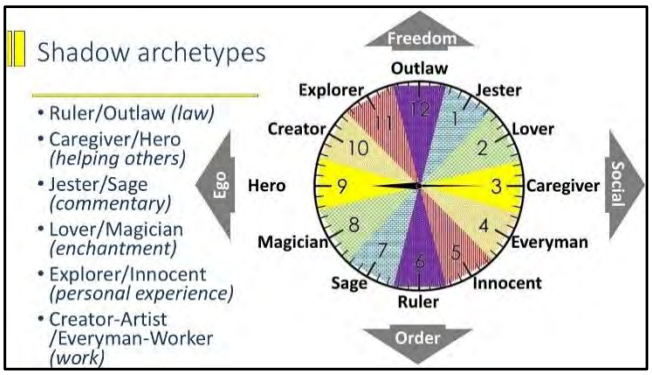
[7] *Id.*

Leland Kaiser also touches on this magical element. He says,

> "I love philanthropy because it allows me to substitute realities."[8]



Adding border elements also strengthens the other philanthropic archetype. The Caregiver borders the Lover and the Everyman. The most inspirational Caregiver is the *loving* Caregiver. Adding Everyman elements also enhances the Caregiver story. The Caregiver helps because it's what we all should do to support our shared community and values.



Shadow archetypes

The archetypal circle also reveals the shadow archetypes.[9] These reside opposite each other on the circle. They're focused on the same issue, but they have an opposite orientation.

Opposite the Ruler is the Outlaw. Both are focused on law, but they differ along the freedom-order axis. The Outlaw represents more freedom. The Ruler represents more order. Focus on personal experiences shadows in the Explorer (more freedom and ego) and the Innocent (more order and social). Enchantment can come from a Lover (more freedom and social) or a Magician (more ego and order). Focus on talking shadows in the Sage (more order and ego) and the Jester (more freedom and social). Focus on work can build something new, individual, and unique (the Creator/Artist). Or, it can solidify something established, shared, and common (the Everyman/Worker).[10]

The final shadow pair are the two philanthropic archetypes. Both the Hero and the Caregiver focus on helping others. The Hero is a sacrificial protector of group members or values. So is the Caregiver. But these characters differ sharply. They are opposites on the ego-social axis.

The conflict of philanthropic archetypes

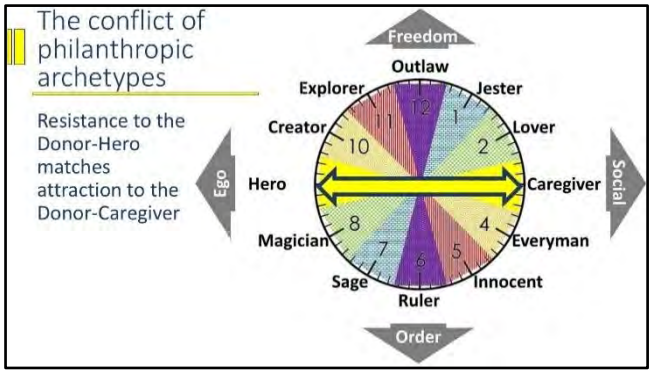
Does a donor strongly resist the hero story? This might reflect attraction to the shadow archetype. Resistance to the Donor-Hero matches attraction to the Donor-Caregiver. If the

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[8] Leland R. Kaiser, Ph.D., quoted in Ahern, T. & Joyaux, S. (2008). *Keep your donors*. John Wiley & Sons. p. 18.

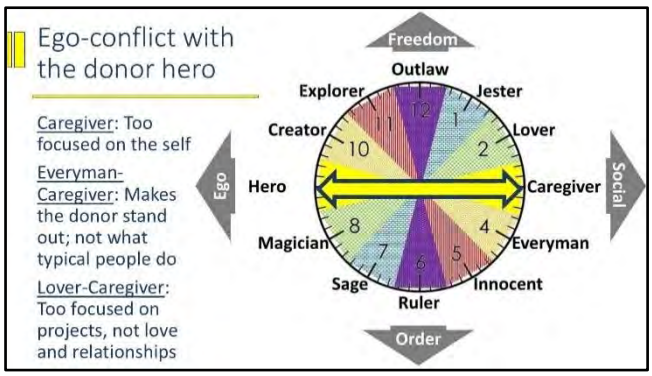
[9] In the original Jungian context the term "shadow" refers to an inverse reflection of the ego, rather than as it is used here in reference to pairs of inverse archetypal characters. Even in its original usage, "shadow" need not refer to a negative characteristic. It references any inverse reflection of the ego, whether positive or negative. Murray Stein points to, "…those who have formed a negative identity. The black sheep who are proud of their greed and aggressiveness and flaunt such traits in public while in their hidden shadow side they are sensitive and sentimental." Stein, M. (1998*). Jung's map of the soul*. Open Court. Chapter 5 (unpaginated).

[10] The Everyman and Creator shadow requires a bit more explanation. The Everyman is the practical, regular guy/gal, worker, or common man. Everyman goals are to belong or fit in to the group. Everyman fears are standing out or seeming to put on airs. See Mark & Pearson (2001), p. 166. The Everyman is high in order and social orientation. In contrast, the Creator is an artist, focused on creativity, originality, and intuition. The Creator is high in freedom and ego orientation. Michel Jansen explains, "Aspects such as creativity, originality, and intuition play an important role in this archetype." Jansen, M. (2006). *Brand prototyping: Developing meaningful brands.* Kluwer. p. 60.

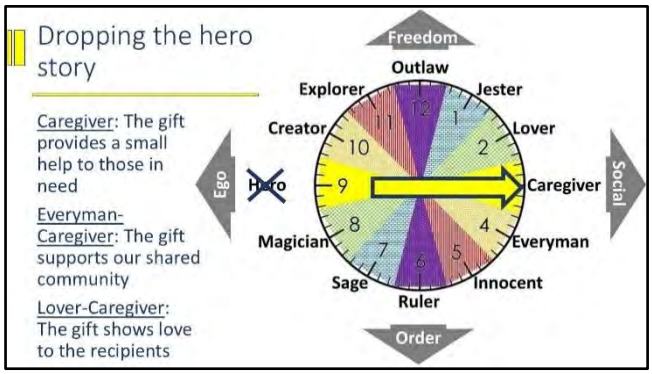


Caregiver archetype feels natural, the Hero will feel too egocentric. The hero is at the wrong location on the ego-social axis.

This ego-orientation conflicts with the Caregiver archetype. It also conflicts with the Lover-Caregiver and Everyman-Caregiver. This creates emotional resistance. For example,



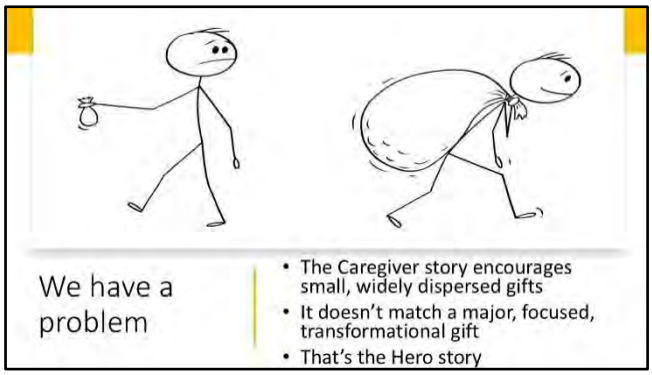
- Heroism can feel too focused on the self. It's not mainly about expressing emotional concern for others. (This violates the Caregiver character).
- Heroism can make the donor stand out. It's not what typical people do. (This violates the Everyman-Caregiver character.)
- Heroism can be too focused on projects and creations. It's not just about love and relationships. (This violates the Lover-Caregiver character.)



Dropping the hero story

One approach to this conflict is easy. Just use the donor's preferred character. If the donor is naturally drawn to the Caregiver story, use it. For example,

- The gift provides a small help to those in need. This matches the Caregiver.
- The gift is what we all should do to support our shared community. This matches the Everyman-Caregiver.
- The gift shows love to the recipients. This matches the Lover-Caregiver.

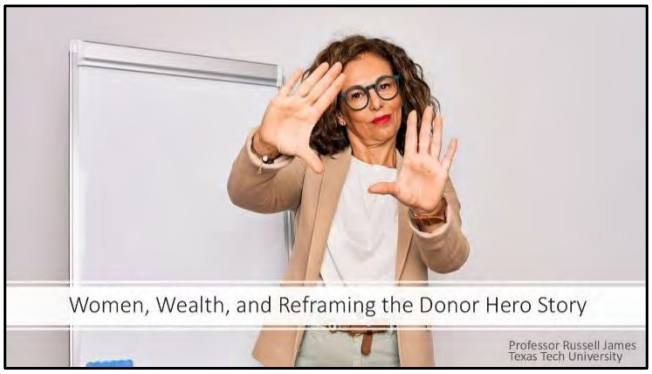


This works. But there is a problem. The Caregiver story does encourage giving. But it encourages small, widely dispersed gifts. The Caregiver ideal is doing a little bit of good in a lot of different places. It inspires the scattered light of a lamp that brightens a room. But it does not inspire the focused light of a laser that cuts through steel.

If we want donors to make regular, small, scattered gifts in response to regular, small, scattered appeals, then the Caregiver story works. But if we want to move the donor to make a major, focused, transformational gift, the story doesn't match. For those gifts, we must look to the Hero. We must advance the donor's hero story.

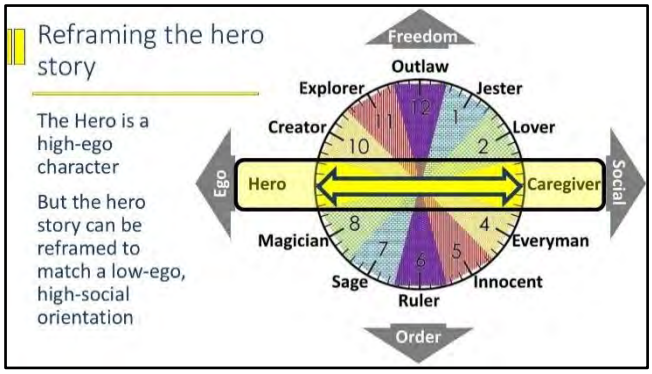


But the story must match the donor. By itself, a hero story may not fit. It may conflict with the donor's ego-social orientation. But there is a solution. A hero story can be reframed. It can be reshaped to match the donor's orientation. It can be custom made to fit the donor. The next chapter looks at this.

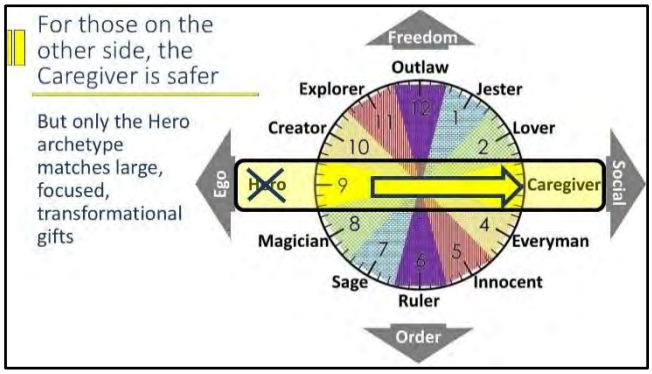


4

WOMEN, WEALTH, AND REFRAMING THE DONOR-HERO STORY







Reframing the hero story

The Hero is a high-ego character. It is at one extreme of the ego-social axis. For those at the opposite end, the character may not fit. It may not feel comfortable. For them, *advancing* the donor-hero story requires first *reframing* it. This is achievable. The hero story can be made acceptable for a low-ego, high-social orientation.

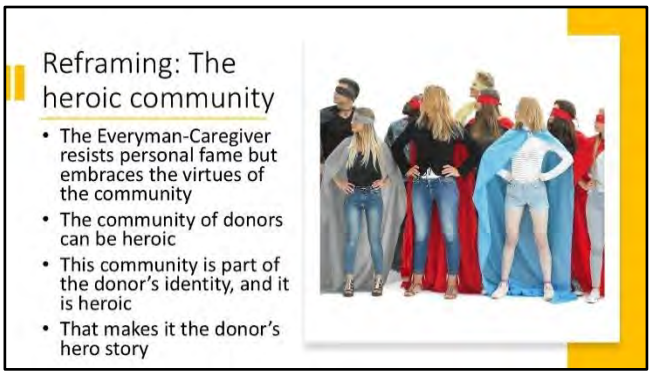
The Hero is in the spotlight. He is often a public figure. He is observed and praised by others. For those on the ego side of the ego-social axis, this is great.[1] Such public recognition is welcome.

What about those at the extreme pole away from ego? They may resist individual notoriety. For them, the other philanthropic archetype is easier. The quiet, hidden Caregiver is safer.

But this story encourages small, dispersed giving. Only the Hero archetype matches

[1] Publicity will be particularly attractive to those with this natural orientation. *See, e.g.,* Cox, J., Nguyen, T., Thorpe, A., Ishizaka, A., Chakhar, S., & Meech, L. (2018). Being seen to care: The relationship between self-presentation and contributions to online pro-social crowdfunding campaigns. *Computers in Human Behavior, 83*, 45-55.

large, focused, transformational gifts. But how can the Hero's public recognition be made acceptable? Let's look at three strategies.

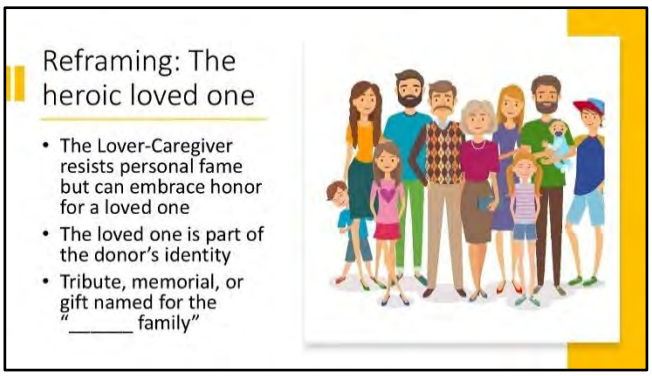


Reframing: The heroic community

The Everyman-Caregiver resists personal fame. The Everyman fears standing out or seeming to put on airs,[2] but he embraces the virtues of the community. Thus, the *community* of donors can be heroic. The donor community may be praised, recognized, and honored.

This community is part of the donor's identity. It's part of the donor's self. And it's heroic. So, this is still the donor's hero story. But the heroism is reframed. It feels less egoistic. It feels more social. It matches the donor's orientation.

This is still a hero story. It's still a hero story *about* the donor. But the donor is not portrayed as *separately* heroic. The donor is part of a *community* of heroic supporters.



Reframing: The heroic loved one

The Lover-Caregiver resists personal fame but can embrace honor for a loved one. The donor may not want a building or scholarship fund named for him. That's egotistical. But naming it after a family member is different.[3] This gives honor to another person. That's less egotistical.[4]

Nevertheless, the person being honored *is part of* the donor's identity. The loved one *is part of* the donor's story. They may even share a family name. So, this is still *the donor's* hero story. This part of the donor's identity, or self, is being honored. But because the heroism is first reframed, it fits. It feels less egoistic. It feels more social. It matches the donor's orientation.

This fits a memorial or tribute gift. This can also work when naming for the "_____ family." The donor is honored, but only as part of a group of loved ones. Group recognition fits the Everyman-Caregiver. Family or "loved one" recognition fits the Lover-Caregiver.

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[2] Mark, M. & Pearson, C. (2001). *The hero and the outlaw: Building extraordinary brands through the power of archetypes*. McGraw-Hill. p. 166

[3] In experiments, this is most powerful with a deceased female ascendant (mother, grandmother, aunt). See James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89.

[4] One study found this effect when giving honor to a corporate sponsor. A phone app allowed people to raise money for charity by running or biking. It encouraged users to share auto-generated twitter posts in the form "I biked 19.251 @CharityMiles for @EveryMomCounts." A policy change then added to this auto generated form the identity of the corporate sponsors, e.g., "Thx2 @GNC for sponsoring me!" This change dramatically increased the number of "Likes" on Twitter. Researchers copied these two types of tweets in an experiment. When the tweet thanked a sponsor, people found the poster to be less "self-promoting" and more likeable. Tan, J., Yan, L. L., & Pedraza-Martinez, A. (2020, January). *How to share prosocial behavior without being considered a braggart?* In Proceedings of the 53rd Hawaii International Conference on System Sciences, 3941-3950. https://scholarspace.manoa.hawaii.edu/bitstream/10125/64224/0389.pdf



Reframing: The heroic sacrifice

But what if we want to personally recognize just the donor? Caregiver donors will naturally resist. But even this can be reframed. For example,

"I know you aren't wanting recognition. But if we could share your story in this way, it would set a powerful example. I know it makes you uncomfortable. But allowing us to do this would be like a second gift to [the charity]. It could really inspire others to give. It could make a big difference."

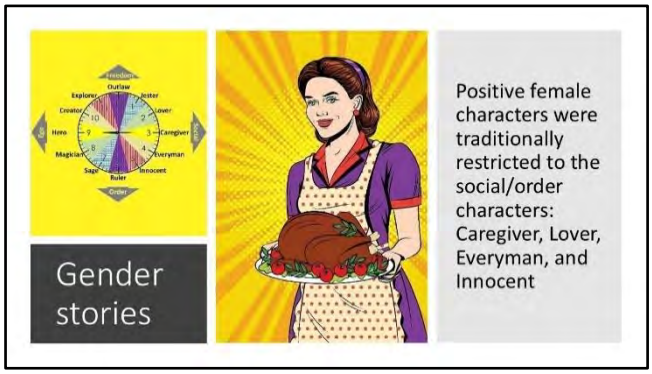
The recognition is personal. But now the motivation has changed. The story is not about ego. It's about sacrificing to help the cause. It's a story that matches the donor's orientation.



Advancing the reframed hero story

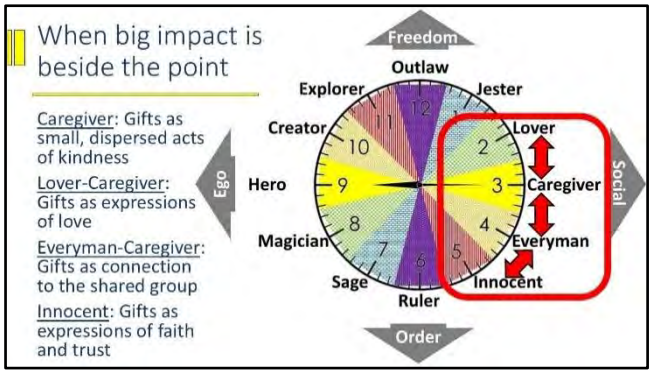
Even for the low-ego/high-social donor, heroism is still powerfully attractive. The hero is still a universal archetype. But matching the donor's natural orientation requires reframing. The story is translated. But it's still a hero story.

Of course, using a Caregiver story for these donors is easier. No reframing is needed. But this has its limits. The Caregiver fits with small, scattered, emotional-impulse gifts. Large transformational gifts need a hero story. Reframing helps the heroic gift match the donor's personality.



Gender stories

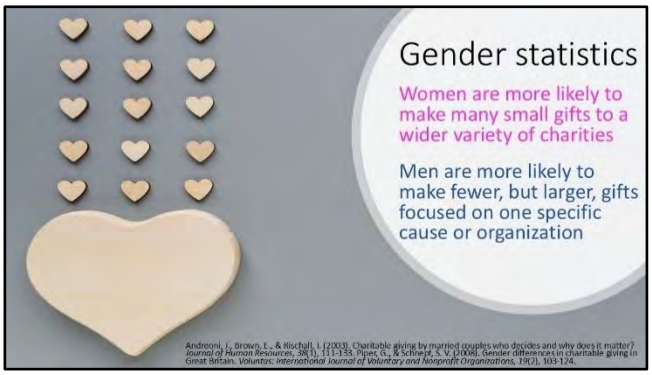
The right framing depends on the individual donor. It depends on the donor's archetype orientation. However, gender and class issues may influence this. For example, positive female characters were traditionally restricted. Men could be admirable Heroes, Rulers, Jesters, Explorers, and Outlaws. But not women. Women were restricted to the social/order characters. These are Caregiver, Lover, Everyman, and Innocent.



In the Caregiver story, gifts are small, dispersed acts of kindness. Such gifts may also be expressions of love. This is the Lover-Caregiver story. Or they may show connection to the shared group. This is the Everyman-

Caregiver story. Giving can also express faith and trust. This is the Innocent story.

These stories share a common theme. A small gift means just as much as a large one. These gifts could make some impact, but impact isn't really the point. The point is to express love, solidarity, or trust. These stories fit small, regular, dispersed giving. But they don't fit with a large, focused, transformational gift. That gift is the gift of the hero story.



Gender statistics

Gender differences in giving match these traditional stories. Women are more likely to make many small gifts to a wider variety of charities. This is true in current giving.[5] It's true in estate giving.[6] This matches the Caregiver story.

Men are more likely to make fewer, but larger, gifts. They're more likely to focus on one specific cause or organization. This matches the Hero story.



However, this traditional gender difference may be changing. For example, a private foundation is a high-ego gift. Typically, the foundation lives forever and is

- Named for the donor
- Controlled by the donor, and
- Required to follow the donor's rules forever.

For years, estate gifts to private foundations were dominated by men. However, women's use of private foundations has increased dramatically. In the most recent years, this gender difference has disappeared.[7]

Wealth

The individual hero story may be naturally attractive to those with greater wealth. For others, it may require reframing. One study illustrated this. Some people received this request.[8]

> "Sometimes, one person needs to come forward and take individual action. This is one of those times. Take individual action. Donate today."

[5] For U.S. data see Andreoni, J., Brown, E., & Rischall, I. (2003). Charitable giving by married couples: Who decides and why does it matter? *Journal of Human Resources, 38*(1), 111-133. For UK data see Piper, G., & Schnepf, S. V. (2008). Gender differences in charitable giving in Great Britain. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 19*(2), 103-124.
[6] James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning and Community Property Law Journal, 12*, 235-285
[7] *Id.* p. 264.
[8] Whillans, A. V., Caruso, E. M., & Dunn, E. W. (2017). Both selfishness and selflessness start with the self: How wealth shapes responses to charitable appeals. *Journal of Experimental Social Psychology, 70*, 242-250.

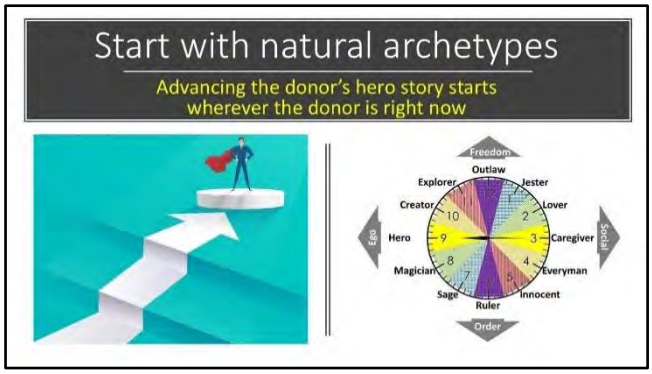


Others received this version:

"Sometimes, one community needs to come forward and support a common goal. This is one of those times. Join your community. Donate today."

Which worked better? It depended. It depended on wealth. For wealthy donors, the high-ego, individual-focused heroic message worked better. For those with lower wealth, the high-social, community-focused heroic message worked better.

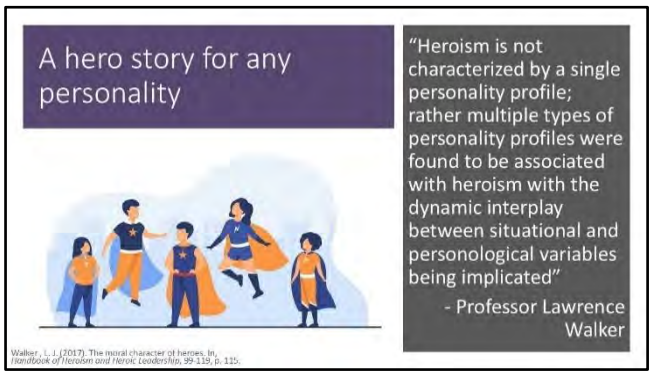
Major gifts are gifts from wealth holders. Wealth holders are used to controlling an outcome. They're used to making an impact. The individual hero story is a natural fit. Effective major gift messages can differ from small gifts messages. The donor's hero story matches the major donation.



Start with natural archetypes

The goal is to *advance* the donor's hero story. This is different from *creating* the donor's hero story. *Advancing* starts wherever the donor is right now. If a person identifies with a particular archetype, advancing starts with that archetype. But it doesn't stop there.

Effective fundraising then combines it with a philanthropic archetype. For smaller donations, it's combined with the Caregiver archetype. For larger donations, it's combined with the Hero archetype.





Any personality can fit with some version of the hero story. Professor Lawrence Walker explains,

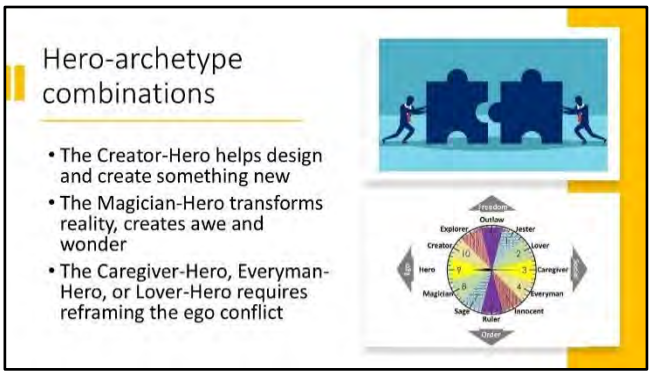
"Heroism is not characterized by a single personality profile; rather multiple types of personality profiles were found to be associated with heroism with the dynamic interplay between situational and personological variables being implicated."[9]

The "personological variables" differ with each donor. These reflect the donor's natural orientation. The fundraiser's role is to create matching "situational variables."

The fundraiser creates a compelling giving opportunity. This allows the donor's latent

[9] Walker, L. J. (2017). The moral character of heroes. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 99-119). Routledge. p. 115.

heroism to emerge. The fundraiser is the sage who guides the donor through the hero's journey.



Hero-archetype combinations

Any archetype can be combined with the donor hero.[10] The bordering archetypes are an easy fit. The Creator-Hero brings into being a new project. He helps design it. He helps create it. Entrepreneurs are natural creators. They love the personal involvement of such hands-on philanthropy. The Magician-Hero uses philanthropy to magically transform reality. The impact should create awe and wonder.

Making the Hero story fit with the Caregiver archetype requires managing the ego-social conflict. The same strategy helps the Caregiver's border archetypes fit with the Hero story. Thus, the Everyman-Hero and Lover-Hero become possible.





[10] This matches the approach advocated by Pearson (1991). She also uses a circular arrangement of twelve archetypes but replaces the Hero character with the Warrior character. She excludes the Hero character because, "All twelve archetypes are important to the heroic journey, and to the individuation process." Pearson, C. S. (1991). *Awakening the heroes within: Twelve archetypes to help us find ourselves and transform our world*. HarperOne (Harper Collins). p. 7
Thus each of the twelve archetypes are simply alternative ways of telling a hero story. In the fundraising context, this means each are alternative ways of telling a donor-hero story.

Other combinations can also work. These are closer to the Hero archetype on the axes, so these can be even easier. For example,

- The Ruler-Hero

  This fits the board member donor receiving position and authority.

- The Outlaw-Hero

  This fits the social change donor railing against the system.

- The Explorer-Hero

  This fits the donor giving for innovative research.

- The Sage-Hero

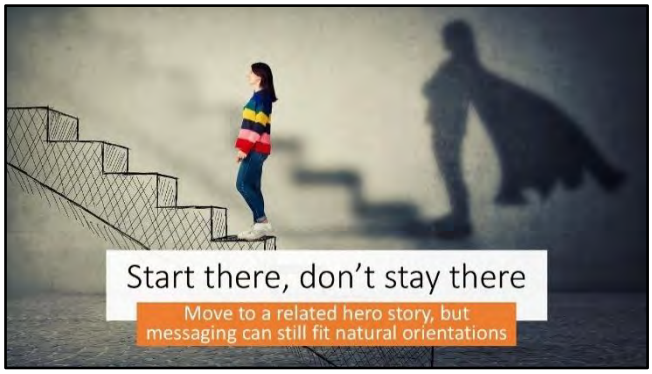
  This fits the donor giving for education or religious teaching.

- The Innocent-Hero

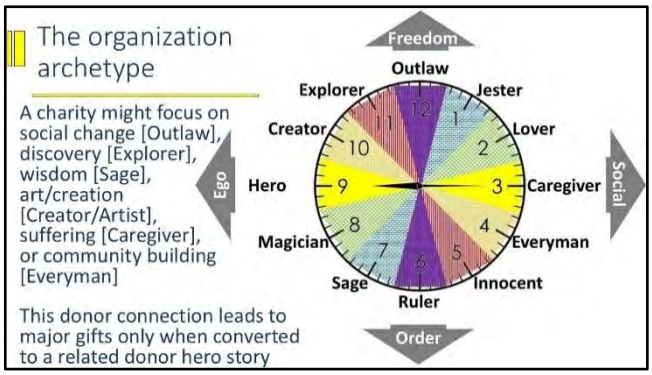
  This fits the donor giving from blind trust or faithful obedience.

- The Jester-Hero

  This fits the ice bucket challenge or "Movember" campaign donor.[11]



The point is not just to match the natural archetype. The point is to start there and then move to the hero story. But the starting point helps guide the relevant messages. Detailed accounting fits the Sage-Hero. But it's needless for the Innocent-Hero. Outrage against the system matches the Outlaw-Hero. But it wouldn't match a Jester-Hero.



The organization archetype

Each archetype can be a starting point. It makes a particular flavor of hero story. This applies to the donor's natural archetype. But it also applies to the charity.

Each organization will likely fit a natural archetype. A charity might focus on social change, discovery, wisdom, art/creation, suffering, or community building. Each has its own natural archetype. Social change matches the Outlaw. Discovery matches the Explorer. Wisdom matches the Sage. Art and creation match the Creator/Artist. Easing suffering matches the Caregiver. Building community matches the Everyman.

[11] However, the jester is a problematic charitable character. For example, if volunteers' related social media posts include humorous facial expressions, rather than serious or smiling ones, others view the volunteers as being less sincere in their support of the organization and are also less supportive of the organization themselves. Daniels, M., Kristofferson, K., & Morales, A. (2018). I'm just trying to help: How volunteers' social media posts alter support for charitable organizations. *ACR North American Advances*. https://www.acrwebsite.org/volumes/v46/acr_vol46_2412150.pdf

This organizational identity can help. It will naturally attract donors with a similar orientation. This creates a competitive advantage in fundraising.[12] But this natural advantage won't lead to major gifts by itself. It does so only when this identity is converted into a related *donor-hero story*. Fortunately, this is always possible. For every archetype, there's a hero story for that.



Summary

The hero is not the only archetypal character. However, among the twelve archetypal characters only two are inherently philanthropic. The Caregiver encourages small, dispersed, regular giving. The Hero matches large, focused, transformational giving. Major gifts fundraising must advance the donor's hero story.



However, not every donor will naturally identify with the hero. Resistance may come from gender roles, class, or just individual personality. Other characters may match better.

The effective fundraiser starts with this natural orientation but doesn't let the story stop there. The fundraiser moves this natural story into a hero story. Sometimes this means reframing the hero story. This requires wisdom. This requires a sage who guides the donor through the hero's journey.



The lurking enemy

The donor's hero story works. It's primal. It's powerful. It can match any donor. It can match any organization. It can be transformational. But there is an enemy.

There's an enemy that battles against the donor's hero story. It's just as primal. It's just as powerful. It's primal and powerful because it, too, is a hero story. It is another face of the monomyth.

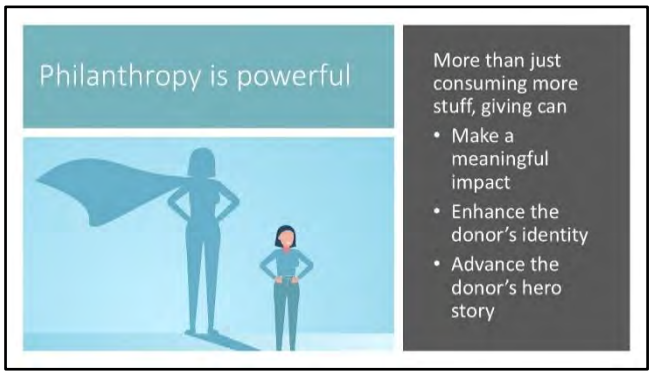
But it's a story that belittles the donor. It's a story that disparages fundraising and discourages the fundraiser. And if you're like many fundraisers, it's the story that dominates your organization. The next chapter looks at this competing hero story.

[12] For a comparable concept, *see* Chapman, C. M., Louis, W. R., & Masser, B. M. (2018). Identifying (our) donors: Toward a social psychological understanding of charity selection in Australia. *Psychology & Marketing, 35*(12), 980-989. p. 986. ("First, identity research will help fundraisers understand which identities a particular type of charity should make salient in campaign materials to uplift response rates.")

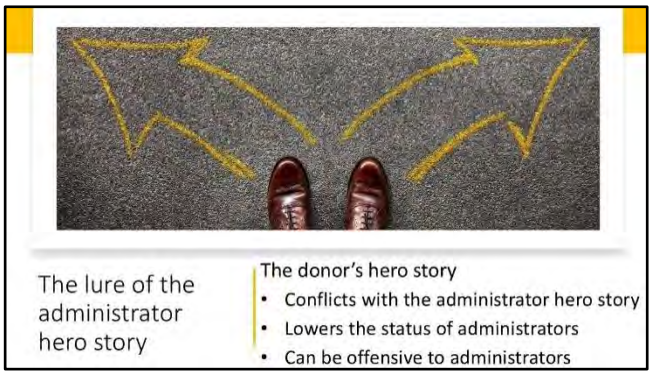


5

THE FUNDRAISING CURSE OF THE ADMINISTRATOR-HERO STORY



Philanthropy is powerful. It can do more for the donor than just consuming more stuff would do. It can provide personally meaningful impact. It can enhance the donor's identity. It can advance the donor's hero story. This series explores the steps for advancing that story. But for many charities, those steps don't matter.



The lure of the administrator-hero story

The steps don't matter because the charity doesn't care about *the donor's* hero story. Fundraisers aren't even allowed to *tell* the donor's hero story. Why? Because it lowers the status of the charity administrator. It conflicts with the administrator-hero story.

For the administrator, the donor's hero story is offensive. So, it's forbidden. This resistance is not trivial. It's fundamental. It's primal.

The desire for heroism is universal. The most compelling story for me is *my* hero story. The most compelling story for you is *your* hero story. The most compelling story for donors is *their* hero story. For the nonprofit administrator, the compelling story is the *administrator* hero story.[1]

[1] For research on the phenomenon of characterizing administrators as heroes in an administrator-hero story, *see*, Bellavita, C. B. (1991). The public administrator as hero. *Administration & Society, 23*(2), 155-185; Hubbell, L. (1990). The relevance of the heroic myths to public servants. *The American Review of Public Administration, 20*(3), 139-154; Learmonth, M. (2001). NHS trust chief executives as heroes? *Health Care Analysis, 9*(4), 417-436. In fundraising literature, *see* Portnoy, D. (2012). *The non-profit narrative: How telling stories can change the world.* PMG Press.



Fundraising with the administrator-hero story

Fundraising messages in the administrator-hero story may vary. But it will be some form of the following:

"Look at how wonderful our organization is. Look at the many great things we are doing. We are worthy. We are inspirational. We are heroes. Give to us."

What is the core message for donors? Alan Clayton describes it succinctly:

"Hello. I'm Alan. I'm great. Can I have some money, please?"[2]



Understandably, the donor response to such messages is weak. In this view, the donor is certainly not the hero. At best, the donor is just an ATM.

And the fundraiser? The fundraiser is the stick used to whack the ATM. Fundraising is dirty business. It's unpleasant work. But alas, it must be tolerated. We must allow it so the real heroes – the administrators – can continue their heroic work.



This administrator-hero story usually falls flat for donors. But it's compelling for administrators. In truth, most nonprofit administrators are not just *normally* attracted to their hero story. They are *extraordinarily* attracted to their hero story.

These are people who willingly accept lower pay. They live in smaller houses. They drive older cars. They endure all this so that they can do work with meaning. They do this so that they can be part of a hero story. Their hero story. The administrator-hero story.



The competitive problem of the administrator-hero story

Fundraising with the administrator-hero story is hard. It's hard because it's based on a false assumption. The assumption is this:

Donations will result simply from proving the organization's greatness.

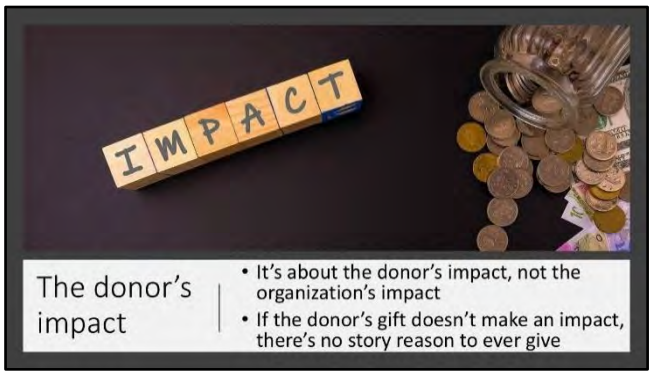
[2] Personal notes from presentation. Clayton, A. (2019, February 27). A new ambition. *Fundraising Institute of Australia Conference*, Melbourne, Australia.

Even if this were true, it wouldn't help. First, there's a logic problem. Suppose donors gave simply to an organization's greatness. Then, logically, they should give only to the greatest organization. Before donating, they should determine,

- Is this the *greatest* charity on the planet?
- Are there none that are *more* financially efficient?
- Are there none that help those in *greater* need?
- Are there none that make a more lasting impact?

Competing on organizational greatness means competing in an infinitely crowded field. In the U.S., there are over a million nonprofits. Most are pitching and promoting to draw attention to their greatness. Good luck proving that *your* organization ranks first out of a million.

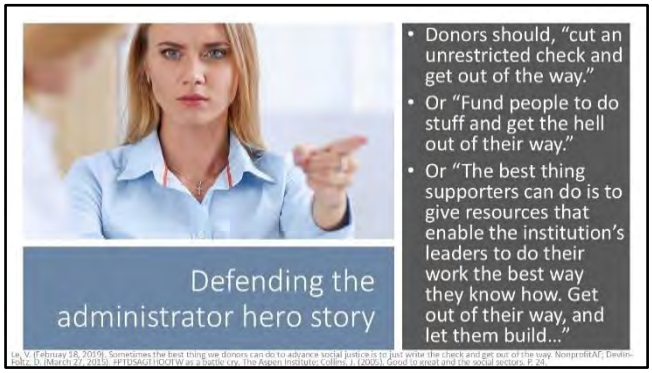
But don't worry. Even if you did, it wouldn't actually help. It wouldn't help because the assumption is false. People don't give to organizational greatness by itself.



The donor's impact

Charity managers often misunderstand philanthropy. They think that giving is motivated by *organizational* impact. It's not. Giving is motivated by *the donor's* impact. Donors care about *their* impact because they care about *their* hero story.

If the donor's gift doesn't make an impact, then why give? Removing the donor's heroism removes the donor's motivation.



Defending the administrator-hero story

It's not that the administrator-hero story isn't logical. It can be. In fact, it can be more logical than the donor-hero story.

Administrators spend their lives focused on these problems. They know the complexities. They are the experts. According to some, donors should,

> "cut an unrestricted check … and get out of the way."[3]

Or more forcefully,

> "Fund people to do stuff and get the hell out of their way."[4]

[3] Le, V. (2019, February 18). Sometimes the best thing we donors can do to advance social justice is to just write the check and get out of the way. [Blog post]. *NonprofitAF*, https://nonprofitaf.com/2019/02/sometimes-the-best-thing-we-donors-can-do-to-advance-social-justice-is-to-just-write-the-check-and-get-out-of-the-way/

[4] Devlin-Foltz, D. (March 27, 2015). FPTDSAGTHOOTW as a battle cry. [Blog post]. *The Aspen Institute*. https://www.aspeninstitute.org/blog-posts/fptdsagthootw-battle-cry/



Administrators love these messages. Nonprofit management books – sold to nonprofit administrators – repeat these cherished ideas. One popular management book explains,

"The best thing supporters can do is to give resources that enable the institution's leaders to do their work the best way they know how. Get out of their way, and let them build."[5]

In this world of the administrator-hero story, people are supposed to give to administrative efficiency. Once administrative efficiency is achieved, fundraising should be easy. In this world, fundraising is

"creating a constituency which supports the organization because it deserves it."[6]



The messaging problem of the administrator-hero story

This administrator-hero story is logical. It is reasonable. And for fundraising *it is deadly*.

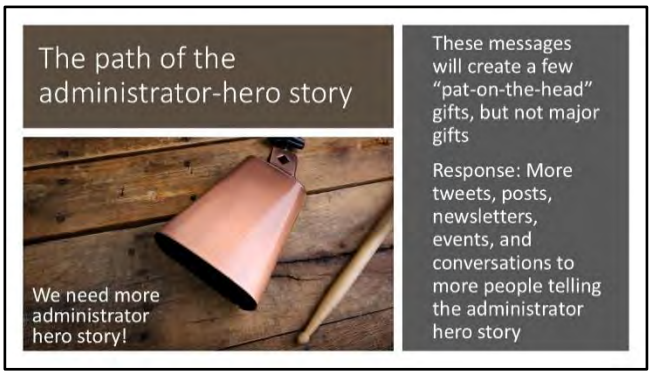
Consider these messages from a donor's perspective:

"Give me your money because I deserve it."

Or even worse,

"I know better than you how to spend your money. So, give me your money then keep your mouth shut. I am the expert here."

The problem isn't that the administrator-hero story is false. The charity managers might "deserve" the money. They might be the experts. The problem is these messages *don't work*. By themselves, they don't encourage giving.



The path of the administrator-hero story

What is the typical experience for charities that fundraise with the administrator-hero story? These messages will create a few "pat-on-the-head" gifts. They'll get an "isn't-that-nice" comment. They'll earn a word of encouragement: "You people" do such good work.

[5] Collins, J. (2005). *Good to great and the social sectors.* HarperCollins. p. 24.
[6] Drucker, P. (1990). *Managing the nonprofit organization.* HarperCollins. p. 56

But for some reason, the donors don't seem to get "engaged." So, the organization spends time and effort to "engage" the donors. It communicates the administrator-hero story in tweets, posts, and newsletters. It shares the administrator-hero story at banquets, on the phone, and in personal visits. And still, the gifts are small. The retention is poor. The revenue is flat.

Administrators read of major, transformational gifts at other organizations. They think again of their administrator-hero story. The story feels compelling – to the administrators. The story feels sound – to the administrators.

Why, then, aren't they getting these transformational gifts? It must be that they aren't reaching the right audience. They decide they need to take their administrator-hero story to new people. New donors. New *wealthy* donors! So, despite poor retention rates for current donors, they pursue the magic elixir of new donors. But such efforts are even more expensive. The rewards are even more modest.

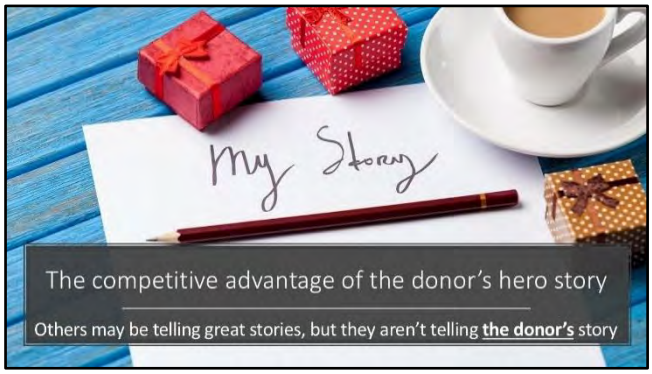
A few bright spots remain. Some large gifts still happen. These come from board members. These donors actually *control* the organization. These donors *are* charity managers. For them, the administrator-hero story *is* the donor-hero story.



The worldview problem

The problem here is not effort. The problem is not commitment. It's not technique or "best" practices. The problem is deeper. The problem is an underlying conflict of worldviews.

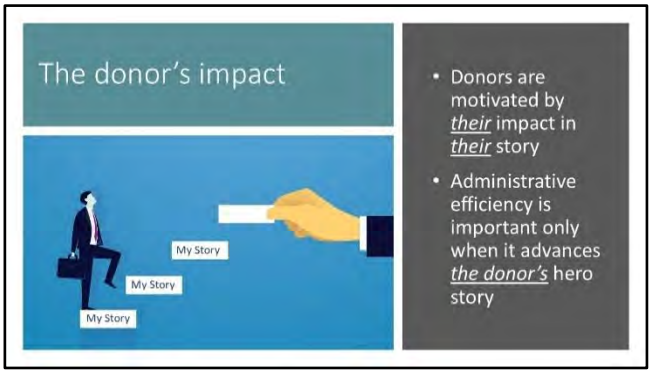
The most powerful experience fundraising can offer is to advance the donor's hero story. Living the donor-hero story provides a transformational experience. It touches the essence of the donor's being. It shapes the donor's identity. It is why major contributors often express gratitude for taking part in the donation experience. But we cannot offer that experience without answering the central question: Who is the hero?



*The competitive advantage of the **donor's hero story***

Advancing the donor's hero story changes the competitive landscape. Other charities may be great. They may be telling great stories. But it doesn't matter because they aren't telling *the donor's* story. No story is more powerful than the donor's story.

Think about your alma mater. Suppose I proved that a rival school was 10% more efficient. According to the logic of organizational greatness, you would immediately switch your donations. But you won't. Why not? You won't because the rival school isn't part of *your* story. What the other school is doing is fine. It's nice. But it's not *your* story. And it won't get *your* donations.



The donor's impact

It's not that donors aren't motivated by impact. It's that donors are motivated by *their* impact in *their* story. Administrative efficiency can be important. But it's important only when it advances *the donor's* hero story.

The *charity* impact story is nice. Did the charity help 10,000 people last year? Congratulations. The administrators are heroes. But that doesn't tell the donor what *his* gift would do today. The donor's gift must create change. Otherwise, why would he make it?

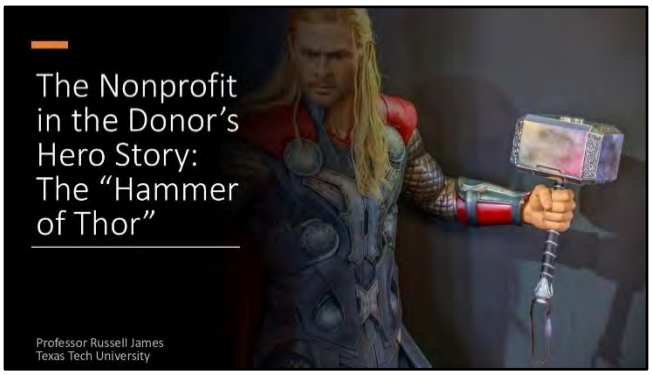
Having helped others in the past is great. But the donor's gift is about reaching the one who *hasn't yet* been helped. It's about the donor's impact. It's not about what the charity has already done. It's about what the charity hasn't done.



Conclusion

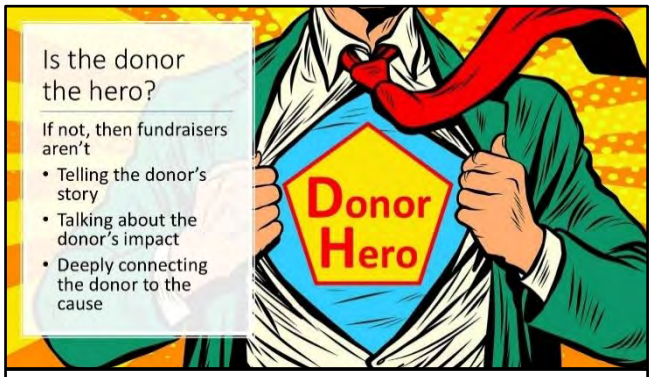
Advancing the donor's hero story is powerful. It's compelling. It provides deep value and meaning. It works. The administrator-hero story is also powerful, but only for the administrators.

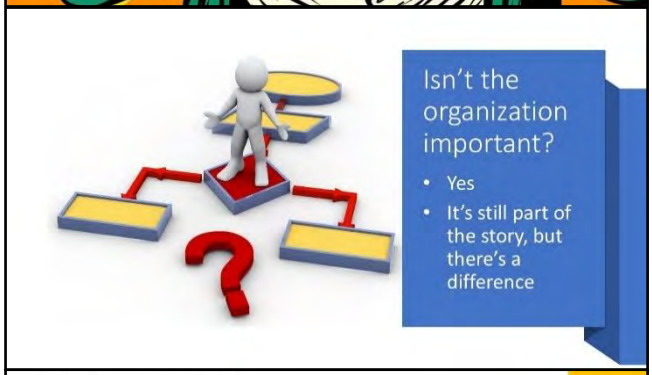
In the donor's hero story, the charity and its administrators are not the hero. But don't worry. The organization does play a vital role in the donor's hero story. What is this role? The next chapter looks at this question.



6

THE NONPROFIT IN THE DONOR'S HERO STORY: THE HAMMER OF THOR







Who is the hero?

Is the donor the hero of our fundraising story? If not, then we may not be

- Telling the donor's story
- Talking about the donor's impact, or
- Deeply connecting the donor to the cause.

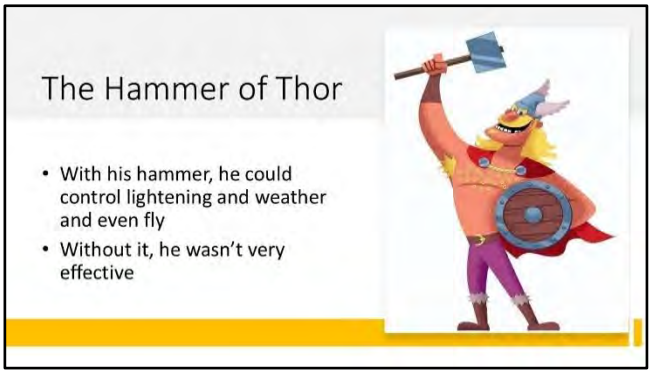
Advancing the donor's hero story is effective. It makes a compelling fundraising story. But wait. Isn't the charity important? What about its expertise and infrastructure? What about its history and goals?

Role change

The charity and its administrators are still essential. Just because the charity isn't the hero, doesn't mean it isn't part of the story.

But when we drop the administrator-hero story, there's a difference. The organization story stops *competing* with the donor's hero

story. Instead, it starts *supporting* the donor's hero story. The charity becomes important *as a means of advancing* the donor's hero story. It becomes the hero's magical instrument for impact. It becomes the hero's weapon.



The hammer of Thor

When I was a kid, I loved comic books. My friends and I studied the latest issues. We traded tattered copies. What we loved most was arguing. Mostly, we argued about which superhero would win in fight.

One of my favorites was Thor. When Thor had his enchanted hammer, he was powerful. He could control lightening and weather. He could fly. He could really make an impact! Without his hammer, Thor wasn't very effective as a hero.[1] The hammer of Thor was a key part of the story.[2]



The hammer is not the hero

Thor's hammer is powerful. But what does it do without Thor? Nothing. Thor's hammer is cool. But nobody ever cheered for the hammer to win. The hammer isn't the hero.

In the hands of the heroic donor, the effective nonprofit can be a powerful hammer. With the right hammer, the donor can make a massive impact. The hammer is important. But the hammer isn't the hero.



The hero's journey

In Joseph Campbell's monomyth, the hero takes a journey. The hero's journey begins when the hero is forced to make a choice. The hero leaves his ordinary, self-focused world. He embarks on an adventure to impact the larger world. Often a guiding sage delivers this call to adventure.



But the guiding sage role continues after the call to adventure. The guiding sage provides help, advice, and direction along the journey. This ongoing role is also common in hero movies. Consider

- Obi-Wan Kenobi (original *Star Wars*)
- Morpheus (*The Matrix*), or

[1] For this story line, *see* Branagh, K. (Director). (2011). *Thor*. [Film]. Marvel Studios.
[2] Real fanboys or fangirls will know that Thor's hammer actually had a name. From the original Norse myth, it was called Mjölnir.

- Gandalf the Grey (*The Hobbit*).

These guiding sages forced a choice to start the adventure. But they also helped along the way.

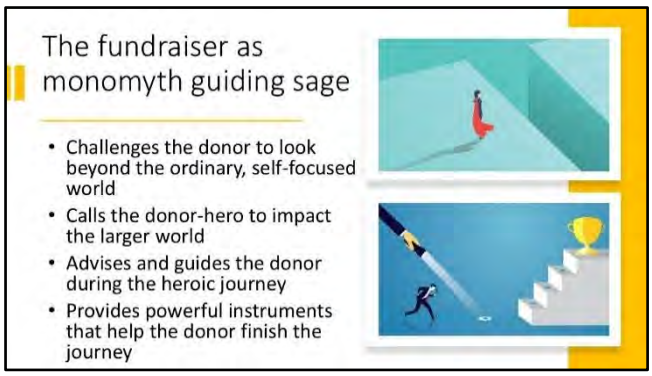


*The guiding sage **provides the hero's** weapon*

The guiding sage can help in several ways. She may introduce the hero to friends and allies. Often, she gives a powerful instrument or weapon to the hero.[3]

Obi-Wan gives Luke a light saber. Gandalf shows Bilbo how to get the magical ring. Morpheus trains Neo to fight. Dumbledore gives Harry Potter an invisibility cloak. These tools aren't just for fun. They help the hero complete the journey. They empower the hero. They magnify the hero's impact.

The instrument encourages the hero to make the journey. It makes the adventure feasible. Could I be an epic hero? I don't know. I'm a little unsure. But what if I had Luke Skywalker's light saber? What if I had Harry Potter's invisibility cloak? What if I had Thor's hammer? That changes things! The powerful instrument makes epic heroism more achievable.



The fundraiser as monomyth guiding sage

The effective fundraiser plays an archetypal role in the donor's hero story. This role is the guiding sage. It's the sage who challenges with a choice. The fundraiser

- Challenges the donor to look beyond the ordinary, self-focused world
- Calls the donor-hero to impact the larger world
- Advises and guides the donor during the heroic journey, and
- Provides powerful instruments that help the donor complete the journey.



*Forging the donor-**hero's weapon***

What magical instruments can the fundraiser offer to the donor hero? Maybe it's an endowed scholarship fund. Maybe it's

[3] "Unleashing the heroic imagination involves fostering the development of new mental scripts and enhancing people's heroic self-efficacy." Allison, S. T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. Allison, G. Goethals, and R. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 4
As the "hammer of Thor," the organization fulfills this role of "enhancing people's heroic self-efficacy".

sponsorship of a child. Maybe it's a named room or building. Maybe it's digging a well. Maybe it's delivering a mosquito net.

These are all things that would be difficult for the donor to do alone. But the guiding-sage fundraiser provides the magical weapon. A proposal can fit the instrument to the needs of the donor's specific journey. The guiding sage selects the weapon to match the hero's journey.



The right-sized hammer

No weapon can fit every hero or every journey. If the hero can't lift the hammer, it can't be part of his story. On the other hand, Thor shouldn't be holding a tiny reflex hammer. That doesn't fit a heroic story either.

In 2015, John Paulson gave $400 million to Harvard's (renamed) John A. Paulson School of Engineering. If a donor wants to use $400 million to make an impact in engineering research and education, Harvard is the right-sized hammer. If he wants his story to live on with future generations of leading engineers, Harvard is the right-sized hammer. This weapon matches this hero and this hero's journey.

On the other hand, it would do no good to convince me to give $400 million to make this impact. It's a really nice hammer, but it's the wrong size. I can't lift that hammer. It can't be part of my hero story.

Suppose $50 provides mosquito nets to people in need. I can lift that hammer. But it might be the wrong size, too.[4] If I can lift it too easily, it's not that heroic. It's a cute hammer, but it's too small to really advance my hero story.

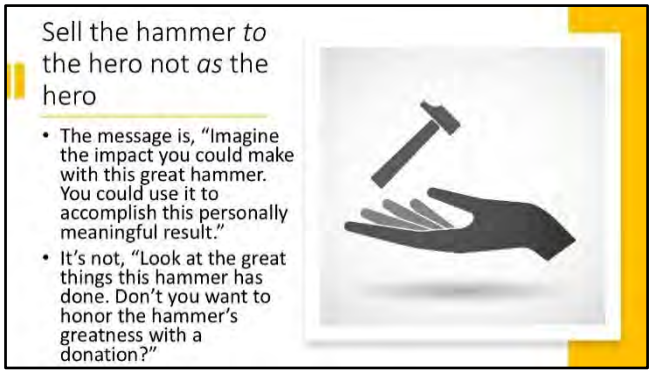


The hammer is not the hero

In comics, the hammer increases the hero's impact. In fundraising, the nonprofit increases the donor's impact. The nonprofit is the donor's hammer. The fundraiser's goal is to get the hero to pick up the hammer and use it.

To accomplish this goal, it's fine to talk about how great the hammer is. But be careful. The goal is to sell the hammer *to* the hero. It's not to sell the hammer *as* the hero.

[4] The impact of this type of mismatch is shown in Lewis, J., & Small, D. (2018). Ineffective altruism: Giving less when donations do more. In A. Gershoff, R. Kozinets, and T. White (Eds.), *NA - Advances in Consumer Research* (Vol. 46). Association for Consumer Research. p. 194-198
https://www.acrwebsite.org/volumes/v46/acr_vol46_2412099.pdf
See also, Lewis, J., & Small, D. (2019, June 4). *Ineffective altruism: Giving less when donations do more.* [Working paper]. SSRN. p. II. ("In four studies (N = 2,725), when we inform participants of the cost of a unit of impact (e.g. the cost of a mosquito net), they perversely donate less when the cost is cheaper. This result arises because people want their donation to have a tangible impact, and when the cost of such an impact is lower, people can achieve it with a smaller donation.")



Talking about the wonderful charity is fine. But don't slide into telling the administrator-hero story. That's not the goal. The goal is to show how great the nonprofit is *as an instrument for the donor hero*. The message is,

"Imagine the impact you could make with this great hammer. You could use it to accomplish a personally meaningful result."

The message is not,

> "Look at the great things this hammer has done. Don't you want to honor the hammer's greatness with a donation?"



Same facts, different stories

The administrator-hero story looks backward. It honors the past heroism of the charity and its administrators. The donor-hero story looks forward. It shows how the donor can accomplish new heroic things. The charity can be a powerful weapon in the donor-hero's hands.

The charity appears in both stories. The facts can be the same, but the story is different. Suppose a charity has an impressive history. That fact can be part of either story.



- *Administrator-hero story*

Look at our grand history and all that we have done. You should give us money because we are so great.

- *Donor-hero story*

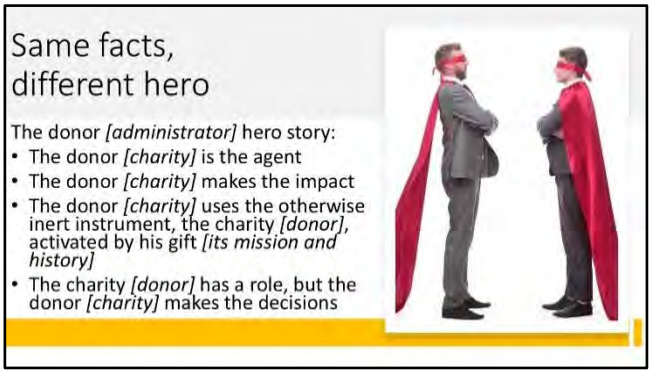
Look at what we have helped these heroic donors to accomplish in the past. You're just like them. We can help you make a lasting impact, too.

Both messages include details about the organization. Both share examples of past impact. But the stories are different. One tells an administrator-hero story. ("We are great. See all the great things we have done.") The other tells a donor-hero story. ("We are a great instrument for you to use. Other donors like you have used this instrument to accomplish great things.")

Same facts, different hero

The difference in these stories is not whether the charity is great. The difference is the hero. In the donor-hero story,

- The donor is the agent.



- The donor makes the impact.
- The donor uses the otherwise inert instrument, the charity, activated by his gift.
- The charity has a role, but the donor makes the decisions.

In the administrator-hero story,

- The charity is the agent.
- The charity makes the impact.
- The charity uses the otherwise inert instrument, the donor, activated by its inspirational mission and accomplishments.
- The donor has a role, but the administrators make the decisions.

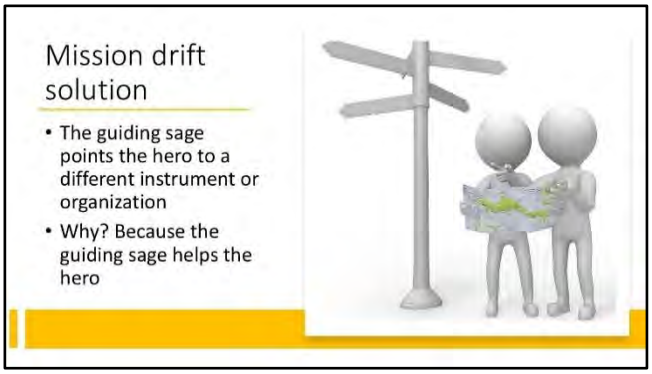


Mission drift problem?

Won't advancing the donor's hero story send the organization off course? Doesn't helping donors prevent a narrow focus? No.

Let's return to the story. The charity is the magical instrument or weapon in the hero's journey. In popular movies, this might be Thor's hammer, Luke's light saber, or Harry Potter's invisible cloak.

But Thor's hammer is not a light saber. A light saber is not an invisible cloak. The instrument may be magical, but it does one thing, not everything. To be a powerful instrument for a donor hero, the charity must be excellent. This excellence means doing a few things well.



Mission drift solution

If the instrument doesn't fit the hero's task, what does the guiding sage do? Does she try to change the instrument into something it's not? ("Yes, you need an invisibility cloak. But we can widen this hammer so you could hide behind it!") No. She points the hero to a different instrument.

The fundraiser points the donor to a different charity. She introduces a new mentor who knows that instrument. Of course, that's not what a "pushy salesperson" would do. And that's the point. The guiding sage plays a different role. The guiding sage *helps* the hero.

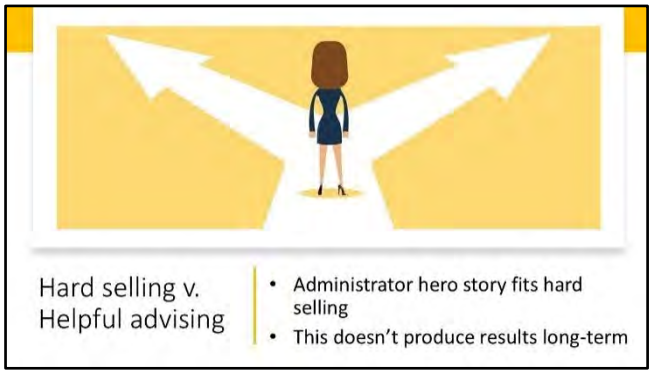
Advising against interest

Helping a donor in this way shatters stereotypes. A "pushy-salesperson" type would never connect a donor with a "competitor." Doing this might seem counterproductive. It's



not. It establishes the fundraiser in the role of trusted advisor. Such authentic behavior transforms the donor-fundraiser relationship.

Of course, in the administrator-hero story, this is an act of heresy. The fundraiser's job isn't to help the donor. The fundraiser's job is to sell the administrator-hero story to the donor. The fundraiser is supposed to be the pushy salesperson.



But even from a purely financial perspective, this aggressive approach isn't the best. Establishing a guiding-sage relationship is like planting an almond. Over time, it can be nurtured into a tree that will produce a thousand-fold more. Forcibly selling the charity as the right tool even when it doesn't fit? That's like eating the almond instead of planting it.



The charity is still important

The charity plays an important role in the donor-hero story. It empowers the donor hero. It helps the donor hero accomplish his heroic goals. It serves as a powerful instrument for the hero.

Advancing the donor's hero story doesn't mean that the charity isn't important. It doesn't mean that the charity isn't great. It only means that the charity isn't the hero.



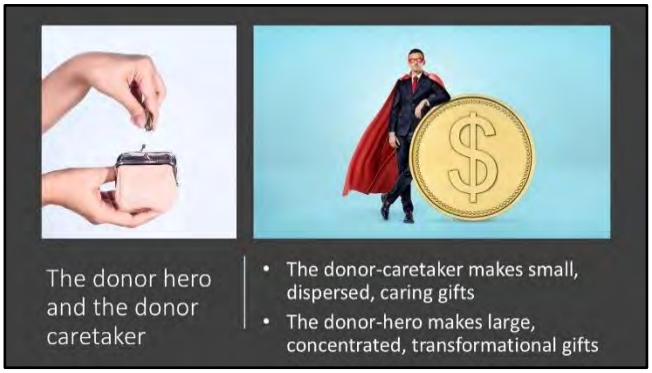
The facts about the organization are the same in both stories. But the story changes. The story is no longer,

"Hello. We're great. Can we have some money please?"

Instead, the story becomes,

"You can use this great instrument to make a personally meaningful impact. Pick it up! Use it to do great things!"

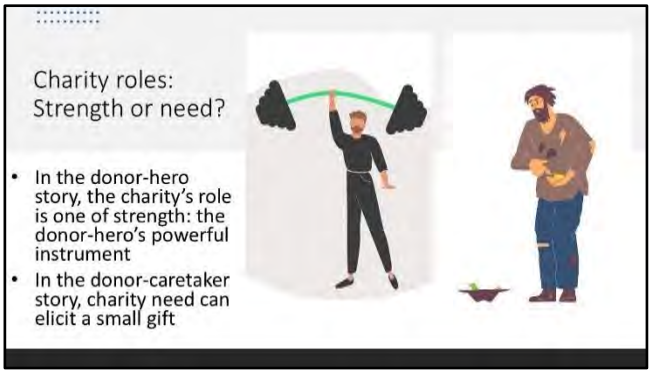
In fundraising, the right story – with the right hero – leads to the right results. However, there can be another barrier to the donor-hero story. Sometimes the problem isn't having the wrong hero. Sometimes the problem is having no hero at all.



Charity role: Strength or need?

There are many archetypal characters besides the hero. However, only two are definitionally philanthropic: The hero and the caretaker. In fundraising, either story can work. But each works for different gift sizes. The donor caretaker makes small, dispersed, caring gifts. The donor hero makes large, concentrated, transformational gifts.

In each story, the charity plays a different role. In the donor-hero story, the charity's role is one of strength. The charity is the donor-hero's powerful instrument.



In the donor-caretaker story, the charity's role is different:

- Charity strength can be a problem.

Why would the charity hold wealth when there is immediate need? Why focus on the charity's long-term stability when others want help now?

- Instead, charity need can fit this story.

The charity has a financial crisis. What happens? The sympathetic caretaker responds with a little help.



Experiment: Matching charity role (strength or need) with donor role (hero or caretaker)

The organization story can be one of need or strength. In either case, it should match the story archetype. One experiment tested this.[5] The fundraising message included a reference either to the charity's need or strength. The charity need message read,

"A survey last year found that [this charity] received financial support from 5% of our local community. However, a recent survey last month shows that [this charity] is supported by ONLY 1% of our local community."[6]

The charity strength message replaced "ONLY 1%" with "OVER 10%." Which version worked better? It depended. One headline emphasized the donor-caretaker role. It read,

[5] Septianto, F., & Tjiptono, F. (2019). The interactive effect of emotional appeals and past performance of a charity on the effectiveness of charitable advertising. *Journal of Retailing and Consumer Services, 50*, 189-198.
[6] *Id.* p. 192.

"Be compassionate to those around you. Make a difference."[7]

With this headline, the charity need message ("ONLY 1%"), worked twice as well. Another headline emphasized the donor-hero role. It read,

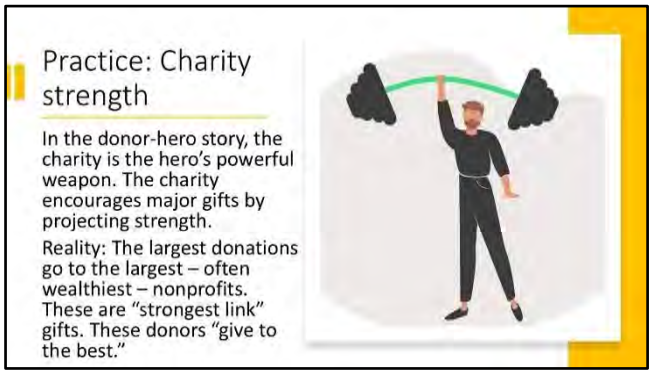
"Be proud of what you can do. Make a difference."[8]

With this headline, the charity strength message ("OVER 10%") worked twice as well. Matching the charity role (strength vs. need) with the donor role (proud hero vs. compassionate caretaker) worked.



Practice: Charity strength or charity need?

Yes, it's true. We can raise funds with an organizational need message. But this won't lead to large gifts. Why not? Because it uses the wrong archetype for large gifts. The donor caretaker makes small, dispersed, caring gifts. Only the donor hero makes large, concentrated, transformational gifts.



Charities can get stuck in the wrong story. This can create a nonprofit starvation cycle. Charities project organizational need because this matches the caretaker story. Charities then internalize this need-based "scarcity" mindset.[9] They avoid building long-term capacity. They avoid projecting financial strength.

Their next financial crisis triggers a few quick gifts. It works! But it "works" at the cost of future major investment gifts. This need-based "scarcity" mindset can lead to recurring organizational crisis.

But there is another path. There is another story. The donor-hero story matches the strong, powerful nonprofit. The charity is the donor-hero's powerful weapon. In this story, the charity projects strength and abundance. This message supports major investment gifts.

This is not just about story or experiments. It's about real-world fundraising.[10] The largest donations go to the largest – often wealthiest – nonprofits. These are "strongest link" gifts.[11] These donors "give to the best."

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[7] *Id.*

[8] *Id.*

[9] *See* Covey, S. R. (2004). *The 7 habits of highly effective people: Powerful lessons in personal change.* Simon and Schuster. (Discussing "scarcity mentality" and "abundance mentality.")

[10] For matching commentary from fundraisers on scarcity vs. abundance mindsets *see, e.g.,* Edgington, N. (2018, March 20). *Nonprofit scarcity thinking will get you nowhere.* [Blog]. https://www.socialvelocity.net/nonprofit-scarcity-thinking-will-get-you-nowhere/ ; Tomchin, A. (2019, September 19). Scarcity versus abundance mindset: Which one will lead your fundraising? [LinkedIn Article]. https://www.linkedin.com/pulse/scarcity-versus-abundance-mindset-which-one-lead-your-amy-tomchin/ ; Wright, A. (2017, May 10). *3 tactics to shift your nonprofit from scarcity to abundance mindset.* [Blog]. https://www.globalgiving.org/learn/listicle/nonprofit-abundance-mindset/

[11] Birkholz, J. (2019, June). *Principal gifts.* [White paper]. BWF. https://www.bwf.com/wp-content/uploads/2019/06/Principal-Gifts-by-Birkholz.pdf



Conclusion

Powerful fundraising starts with the right story. For major, transformational gifts, that story is the donor's hero story. The charity plays an essential role in that story. The charity is the donor's magical instrument or weapon. A donor hero wants the strongest, most effective weapon. That weapon helps him make the biggest impact. The charity is an essential part of this story. It's not the hero. It's the hero's hammer.



7

FUNDRAISER TURNOVER PROBLEMS:

THE STIGMATIZED STORY CHARACTER



Good and bad stories

Stories are powerful. They can provide meaning and motivation. They can be a source of personal identity. For fundraising, stories are key. But there is a downside.

Inspirational stories can motivate. But stigmatized stories can cripple. This matters for fundraising because it matters for *fundraisers*. Few professions suffer more from stigmatized stories than fundraising.



Stigma and synonyms

Story begins with character. Consider the "fundraiser" character. What is this role? What is this title? Fundraiser. What does that mean? Fund means money. Raiser means one who retrieves or gets. So, a fundraiser is a "money getter."

Not very inspirational, is it? It doesn't distinguish the profession from other "money getters." A drug dealer is a money getter. So is a prostitute, a pickpocket, or a time-share telemarketer.

But "fundraiser" actually does imply more. It implies money getting by a specific method. How does a "fund" (money) "raiser" (getter) accomplish this money-getting? By asking. By asking based on need. By asking based on need without offering anything comparable in return.



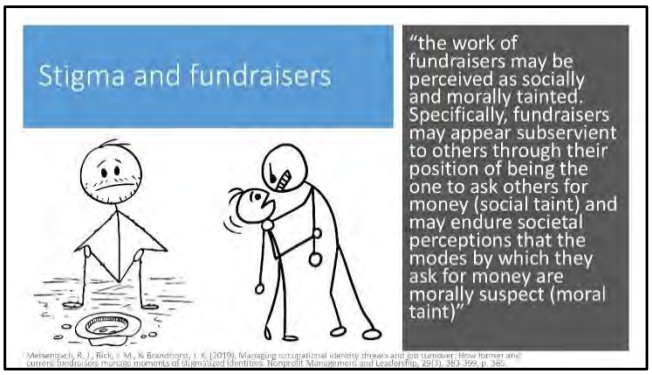
What's another word for that? Begging. Thesaurus.com says to "seek charity" has these synonyms: Solicit charity, beg, hustle, cadge, chisel, freeload, mooch, sponge, and panhandle. (Do you sense any possible stigma in these synonyms?)



Stigma and technical definitions

Let's get technical. Social psychologists define stigmatized work. This means work has either a social or moral taint. Researchers explain,

"Social taint occurs … where the worker appears to have a servile relationship to others (e.g., shoe shiner, customer complaints clerk, butler, maid). Moral taint occurs where the worker is thought to employ methods that are deceptive, intrusive, confrontational, or that otherwise defy norms of civility (e.g., bill collector, tabloid reporter, telemarketer …"[1]



How does this relate to fundraisers? Researchers investigated this by interviewing fundraisers. They found,

"the work of fundraisers may be perceived as socially and morally tainted. Specifically, fundraisers may appear subservient to others through their position of being the one to ask others for money (social taint) and may endure societal perceptions that the modes by which they ask for money are morally suspect (moral taint)."[2]

Fundraisers can have both types of job stigma. Fundraiser can be a stigmatized role.[3]

[1] Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434. p. 415.
[2] Meisenbach, R. J., Rick, J. M., & Brandhorst, J. K. (2019). Managing occupational identity threats and job turnover: How former and current fundraisers manage moments of stigmatized identities. *Nonprofit Management and Leadership, 29*(3), 383-399. p. 385.
[3] "fundraising is still often viewed as a form of high-pressure salesmanship or even begging (Breeze and Scaife, 2015, p 571), 'rather squalid' (Allford, 1993, p 105) and 'an odious activity' (Bloland and Tempel, 2004, p 16), while fundraisers are viewed as 'hucksters' (Kelly, 1998, p 105), 'pushy and somewhat sleazy' Joyaux, 2011, pp 94-5) or even 'the white collar equivalent of cleaning toilets' (Pink, 2012, p 2)." Breeze, B. (2017). *The new fundraisers: Who organizes charitable giving in contemporary society?* Policy Press. p. 21. Citing to
Allford, M. (1993). *Charity appeals: The complete guide to success.* J.M. Dent & Sons.
Bloland, H. G., & Tempel, E. R. (2004). Measuring professionalism. *New Directions for Philanthropic Fundraising, 43*, p. 5-20.



Stigma and retention

Internal feelings of stigma can drive quitting. Research on employee retention confirms this. A belief that one's job is not viewed positively increases intentions to quit.[4] It also increases actually quitting.

Stigma drives quitting because it impairs feelings of self-worth.[5] This is a special concern for expanding diversity in fundraising.[6] An occupational stigma is difficult for anyone. No one wants to feel they are "appearing subservient" by asking for money. But this can be particularly painful if it reinforces stereotypes.



We have a problem

Why do people start a stigmatized role? In a national survey, 44% of fundraisers reported starting because either

- They felt they had no other good opportunities, or
- They thought they were hired to do something else.[7]



How do people respond to a stigmatized role? They don't want to play it. Even if they start, they don't play it for long. What is the average time a new fundraiser stays in the job? 16 months.[8] Half of all development directors

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Breeze, B. and Scaife, W. (2015). Encouraging generosity: The practice and organization of fund-raising across nations. In P. Wiepking and F. Handy (Eds), *The Palgrave Handbook of Global Philanthropy.* Palgrave Macmillan.
Joyaux, S. P. (2011). *Strategic fund development: Building profitable relationships that last* (3rd ed.). Wiley.
Kelly, K. S. (1998). *Effective fundraising management*. Routledge.
Pink, D. H. (2012.) *To sell is human*. Canongate.

Such stigma is a problem even for the most eminent fundraisers. Naomi Levine is credited with overseeing the fundraising that brought NYU from near bankruptcy to the nation's first billion dollar campaign. In a profile of her career, *The Chronicle of Philanthropy* related

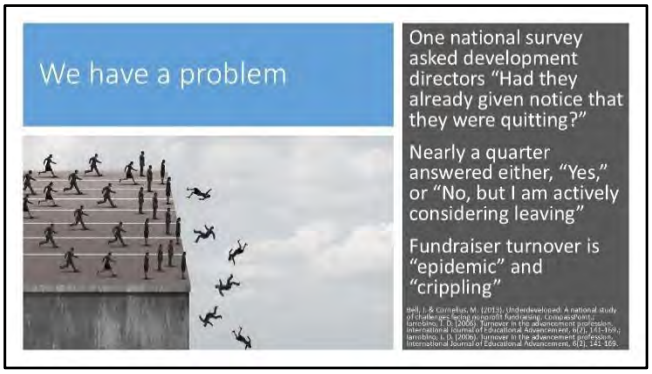
> "When Naomi Levine was making weekly visits in the 1980s to see her mother at a retirement home in the Bronx, she could count on getting a special request just before they encountered the other residents. "Now, look, Naomi," her mother would say, "if the ladies want to know what you do, say you are a lawyer, not a fund raiser."

Sommerfeld, M. (2002, August 8). The secrets of her success. *The Chronicle of Philanthropy*, https://www.philanthropy.com/article/The-Secrets-of-Her-Success/184479
Ken Burnett shares,

> "I used to respond confidently to the customary question, 'And what do you do?' with, 'I am a fundraiser. I raise money for charity.' In my naivete I expected to be met by enthusiastic acclaim, admiration, and expressions of interest. But instead people reacted as if I'd just announced myself to be a badger gasser or apprentice on a North Sea sludge dumper."

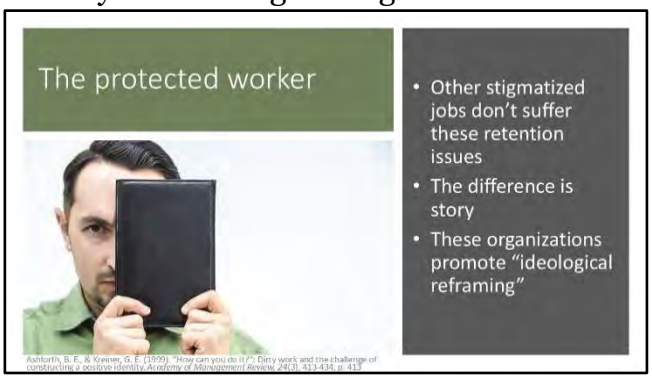
Burnett, K. (2002). *Relationship fundraising: A donor-based approach to the business of raising money* (2nd ed.). Jossey-Bass. p. 13-14

[4] Pinel, E. C., & Paulin, N. (2005). Stigma consciousness at work. *Basic and Applied Social Psychology, 27*(4), 345-352.
[5] *Id.*
[6] Pettey, J. G., & Wagner, L. (2007). Introduction: Union gives strength—diversity and fundraising. *International Journal of Educational Advancement, 7*(3), 171-175.
[7] Burk, P. (2013). *Donor-centered leadership*. Cygnus applied research. p. 5
[8] Flandez, R. (2012, April 2). The cost of high turnover in fundraising jobs. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/The-Cost-of-High-Turnover-in/226573



anticipate leaving in 2 years or less.[9] They aren't just switching charities. At small organizations, about half of these were planning to leave the field of fundraising entirely.[10]

One national survey asked development directors this: had they *already* given notice that they were quitting? Nearly a quarter answered either, "Yes," or "No, but I am actively considering leaving."[11] Academic researchers label turnover in fundraising as an "epidemic."[12] Those hiring fundraisers describe turnover as "crippling."[13]



The protected worker

What's going on? Other jobs face external stigma. They don't suffer from these types of retention issues. The difference is story.



Workers in other stigmatized occupations are protected. They're protected by their internal organizational stories. Researchers describe it this way. These organizations promote "ideological reframing."[14] They

"change an occupation member's dominant cognition from 'I am associated with an occupation that others view as tainted' to 'I am associated with an occupation that has intrinsic value'."[15]



These alternative stories promote occupational pride. It works. Researchers find that

"abundant qualitative research from a wide variety of occupations indicates that people performing 'dirty work' tend to retain

[9] Haggerty, A. (2015). *Turnover intentions of nonprofit fundraising professionals: The roles of perceived fit, exchange relationships, and job satisfaction*. [Ph.D. Dissertation]. Virginia Commonwealth University. p. 80. https://scholarscompass.vcu.edu/cgi/viewcontent.cgi?article=4888&context=etd

[10] Bell, J. & Cornelius, M. (2013). *Underdeveloped: A national study of challenges facing nonprofit fundraising.* CompassPoint. p. 7 https://www.compasspoint.org/sites/default/files/documents/UnderDeveloped_CompassPoint_HaasJrFund_January%202013.pdf

[11] *Id.* Question text from Haggerty, A. (2015). *Turnover intentions of nonprofit fundraising professionals: The roles of perceived fit, exchange relationships, and job satisfaction*. [Ph.D. Dissertation]. Virginia Commonwealth University.

[12] Iarrobino, J. D. (2006). Turnover in the advancement profession. *International Journal of Educational Advancement, 6*(2), 141-169.

[13] Burk, P. (2013). *Donor-centered leadership*. Cygnus applied research. p. 15

[14] Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434. p. 413

[15] Ashforth, B. E., Kreiner, G. E., Clark, M. A., & Fugate, M. (2007). Normalizing dirty work: Managerial tactics for countering occupational taint. *Academy of Management Journal, 50*(1), 149-174. p. 159

relatively high occupational esteem and pride."[16]



The unprotected fundraiser

But fundraisers are often *not* protected in this way. Why not? First, fundraisers usually don't work for fundraising businesses. Even within the charity, there is an "otherness" about fundraisers and their work. Their work is rarely understood. They may be viewed as magicians or jesters. But their work remains a mystery.

This is worse when fundraisers report to non-fundraising managers. These managers completely miss the need for alternative stories. Why? Because *they* don't need "ideological reframing." *They* aren't in stigmatized occupations.[17]



Administrator story conflict

But the problem goes deeper. It's not just that these administrators *don't* promote alternative stories. It's that they can't. Because doing so would challenge *their own* hero stories.

In these stories, the charity administrators are the heroes. They battle the villains of poverty, disease, or ignorance. Donations arise simply because of their heroism.

But this isn't how effective major gifts fundraising works. Instead, the fundraiser helps the donor to define and accomplish the donor's philanthropic goals. The "guiding sage" fundraiser advances *the donor's* hero story.

This role works in fundraising. But it conflicts with the administrator-hero story. It frames administrators as merely the paid servants of the heroic donor. It puts the donor in control. Administrators become just minions. They scamper about to accomplish the donor-hero's plans. This role is quite a downgrade for the administrators. It's no surprise they don't embrace this story.



Fundraiser story conflict

In the donor-hero story, the fundraiser has a valuable, essential, and archetypal role to play.

[16] Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434. p. 413.

[17] "Support for charities remains high, but large sections of the public feel no contradiction in simultaneously feeling sympathy for charitable causes and antipathy towards those who raise the funds for those causes." Breeze, B. (2017). *The new fundraisers: Who organizes charitable giving in contemporary society?* Policy Press. p. 19.

But this story conflicts with the administrator-hero story. In that story, the fundraiser is just a money getter. The work itself has no intrinsic value.



And it gets worse. In that story, donors give simply because the organization deserves it.[18] Did the fundraiser succeed? It's only because the administrators *have already earned* those gifts. They've earned them with their heroic work. Did the fundraiser fail? It can't be the message. The administrator-hero story still feels compelling – at least to them. That leaves only one explanation. The fundraiser is doing a poor job of sharing the administrator-hero story.

Charity managers live the administrator-hero story. But in that story, fundraising is, at best, an unfortunate necessity. That internal story doesn't *overcome* external stigma. It *reinforces* stigma.



The "tolerated" fundraiser

Other occupations face external stigma. But these workers are protected by supportive internal stories. They are protected by "ideological reframing." Fundraisers often aren't. They can face external stigma *and* internal antipathy. This can put fundraisers in a uniquely difficult role.



Professor Beth Breeze explains,

"Of course, charity leaders are aware of the vital role that fundraising plays because they can see the evidence on their balance sheet, and because recruiting good fundraisers is one of their main managerial headaches. But there remains a disconnect between understanding the importance of the role and valuing the people filling that role. There is a widespread sense that fundraisers are tolerated because of the pressing need for the funds they can bring in, rather than a genuine appreciation of their skills and wider contribution."[19]

What is the status of fundraising in the administrator-hero story? It's tolerated. It's distasteful, but, alas, necessary.[20] (We've got to get the money somehow.) Fundraising must be endured, at least until an alternative arises.

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[18] Drucker, P. (1990). *Managing the nonprofit organization.* HarperCollins. p. 56.
[19] Breeze, B. (2017). *The new fundraisers: Who organizes charitable giving in contemporary society?* Policy Press. p. 23.
[20] This precisely fits the typical description of stigmatized work as "dirty work is seen as necessary but tainted". Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434. p. 429.



The "tolerated" fundraiser in research

This administrator attitude is not just talk. It's how many nonprofits are actually managed.

For years, researchers noticed that after a nonprofit received a big grant, donations would drop. The grant "crowded out" donations. The original explanation was this. Donors gave less because the work was already being funded by the grant.

Then an analysis of over 8000 charities across 17 years changed the answer. The researchers explained,

"Crowding out is due primarily to reduced fundraising."[21]

Administrators celebrated the big grant … by cutting fundraising. In many cases, this "crowding out" was over 100%. They cut fundraising so much, they ended up with less money than if they had never received the grant.

Other research finds growth in nonprofit commercial revenues also leads to cuts in fundraising.[22] In both cases, the behavior is the same. Remove the urgent necessity, and the first response is to kill fundraising.

For many administrators, the ultimate fundraising goal is this: Raise enough money so we can stop raising money.[23] Their perfect world is a world without fundraising. It's a world without fundraisers.



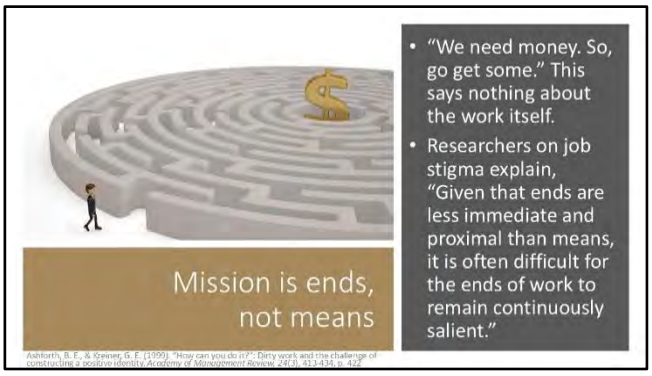
Mission isn't enough

Can't we fix turnover by commitment to the cause? Not really. The organization's mission is important. It's important for fundraisers, administrators, and donors. The mission often motivates fundraisers to take the job in the first place. But the mission doesn't keep fundraisers in the job.

In a national survey, most fundraisers were, "passionate about my organization's mission and field of work."[24] That's great. But statistically it didn't matter. After considering

[21] Andreoni, J., & Payne, A. A. (2011). Is crowding out due entirely to fundraising? Evidence from a panel of charities. *Journal of Public Economics, 95*(5-6), 334-343. p. 334.
[22] The study found "An increase in 1 dollar of commercial revenues leads to a decrease in .14 dollar of donations." A significant part of this was "attributable to nonprofit organizations' reducing fundraising activities." Hung, C. (2021). Decomposing the effect of commercialization on nonprofit donations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 32,* 448-459.
[23] As Penelope Burk explains, "Every not-for-profit is fundraising so that it can stop fundraising." Burk, P. (2013). *Donor-centered leadership*. Cygnus applied research. p. 11
[24] Haggerty, A. (2015). *Turnover intentions of nonprofit fundraising professionals: The roles of perceived fit, exchange relationships, and job satisfaction*. [Ph.D. Dissertation]. Virginia Commonwealth University. p. 54. https://scholarscompass.vcu.edu/cgi/viewcontent.cgi?article=4888&context=etd

other typical job-related factors, greater passion about the mission did *not* predict plans to stay in the job.[25] Nor did it predict willingness to stay in the field of fundraising.[26]



Mission is ends, not means

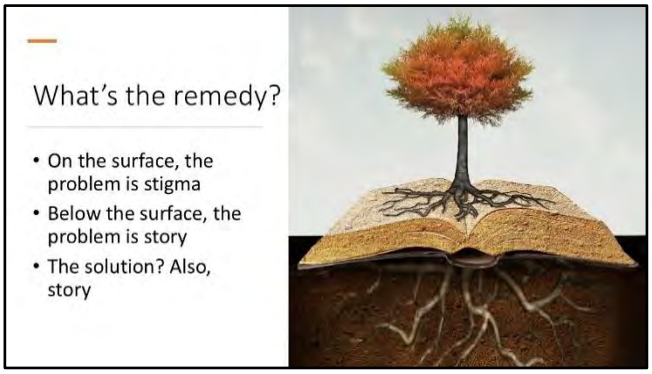
Why isn't a good mission enough? It's not enough because it says *nothing* about *the work* of fundraising. The "mission" justification is nice. But it applies the same to any money-getting activity. The story is this. We need money. So, go get some.



This is not useful reframing of stigmatized work. Why not? Because it says nothing about *the work* itself. Researchers on job stigma explain the problem this way:

"Given that ends are less immediate and proximal than means, it is often difficult for the ends of work to remain continuously salient." [27]

A good mission justifies the ends. It says why money is useful. But it says nothing about the means. It says nothing about the work itself. It says nothing about the intrinsic value of the work. The mission is not effective as "ideological reframing" of the work itself. The work is still only about the money.



What's the remedy?

The prognosis seems bad. The industry has a deadly symptom: Fundraiser turnover. The first step toward a treatment is identifying the underlying problem.

On the surface, the problem is stigma. Below the surface, the problem is story. Powerful, deep-seated, archetypal story. The solution? Also, story. Powerful, deep-seated, archetypal story. In the next chapter, we return to that corrective story.

[25] *Id.* Tables 8 & 9
[26] *Id.* Table 10
[27] Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434. p. 422.



8

FUNDRAISER TURNOVER SOLUTIONS:

TRANSFORMING THE STORY CHARACTER



Things look bleak. Fundraisers don't stay. They don't stay at the nonprofit. They don't stay in the industry. They are stigmatized by outsiders. They are devalued by insiders. Is the situation hopeless? Actually, no.

The problem, at its core, is story. Bad story. Externally stigmatizing story. Internally dismissive story. The solution, at its core, is also story.



The one big thing

Let's go back to the beginning. The *one big thing* in fundraising is this: Advance the donor's hero story. The hero story is a universal story. It is compelling at a primal level. It is archetypal. It is the monomyth. Adopting this *one thing* transforms the paradigm for fundraising. But the transformation is not just for the donor. The transformation is also for the fundraiser.



An inspirational role

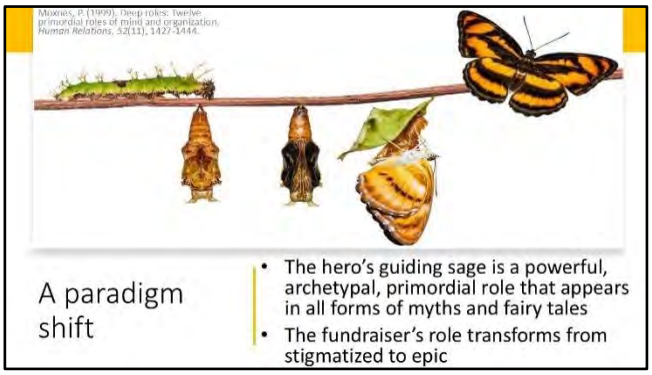
In the donor's hero story, the fundraiser fills a critical role. The fundraiser is the wise sage who guides the donor through the hero's journey. This is the role of

- Obi-Wan Kenobi (*Star Wars*)
- Minerva McGonagall (*Harry Potter and the Sorcerer's Stone*)
- Gandalf the Grey (*The Hobbit*)
- Morpheus (*The Matrix*)
- Mickey (*Rocky*), and
- Mr. Miyagi (*The Karate Kid*).

The fundraiser is the sage who challenges with a choice. This challenge moves the donor's hero journey forward.



But this challenge isn't the end. The fundraiser continues in this monomyth role beyond the initial challenge. She introduces the donor-hero to helpful friends and allies. She presents the donor-hero with powerful instruments. These magnify the hero's impact. The fundraiser serves as mentor, sage, advisor, and guide.



A paradigm shift

For the fundraiser, embracing this role changes things. The hero is a powerful, attractive, archetypal role. But so is the hero's guiding sage.

This character appears in all forms of myths and fairy tales. It is "the Wiseman" or "the Helper"[1] This character helps the protagonist along his or her journey, often by providing magical assistance. Paul Moxnes of the University of Oslo calls it a "primordial" role. He explains,



"the role of the Helpers are of a deep role nature, and they are – next to the essential family roles – the most important ones in human societies."[2]

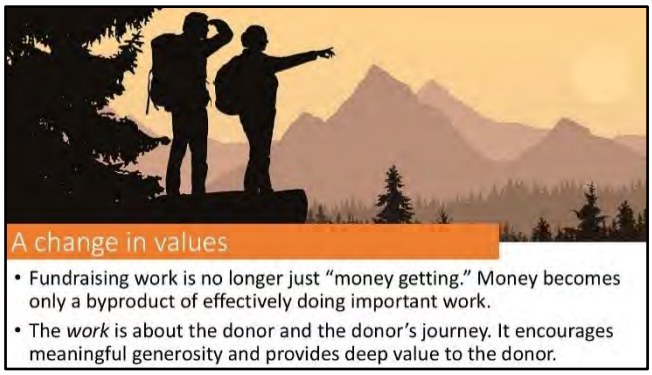
Changing the story changes the role. The fundraiser's role transforms from stigmatized to epic.[3]

Along with this change in role comes a change in goal. The goal is now to help the donor.

[1] Moxnes, P. (1999). Deep roles: Twelve primordial roles of mind and organization. *Human Relations, 52*(11), 1427-1444.
[2] *Id.* p. 1433.
[3] This reframing from stigmatized to epic may also relate to underlying gendered associations. Dr. Elizabeth Dale explains, "The application of gender theory reveals that fundraising roles and responsibilities rely on key relationship-building and organizational tasks, which are commonly associated with stereotypical women's work and are, thus, valued less in a patriarchal society." Dale, E. J. (2017). Fundraising as women's work? Examining the profession with a gender lens. *International Journal of Nonprofit and Voluntary Sector Marketing, 22*(4), e1605. The guiding-sage role, in contrast, is traditionally cast as a male role. Heroism researchers explain, "Campbell

Specifically, the goal is to help advance the donor's hero story. Yes, the fundraiser wants the donor to give. But she wants the donor to give in a way that advances the donor's hero story.

The gift should match the donor's values, life story, and journey. It should deliver an identity-enhancing victory. Advancing the donor's hero story is not just about delivering money to the organization. It's about delivering meaning to the donor.[4]



A change in values

Along with this change in goal is a change in values. Fundraising work is no longer just "money getting." Indeed, the actual *work* of fundraising cannot be *about* "money getting." The actual work of *any occupation* cannot be *about* "money getting." The financial outcome says nothing about the work itself.

Money for the charity is nice. But this becomes only a byproduct of effectively doing important work. Yes, effective donor guidance does benefit the organization. But the fundraiser's work is with the donor. It is about the donor's journey. It advances the donor's hero story. It encourages meaningful generosity. The fundraiser's work provides deep value to the donor.



Fundraiser burnout

The traditional view of fundraising manufactures fundraiser burnout. Consider the position of a new fundraiser. She starts because she loves the cause. She loves the organization.

But now she is responsible for whether it thrives or suffers. To feed it, she must do stigmatized work. She must "seek charity." The synonyms include beg, chisel, sponge, and panhandle.[5] If she fails in her unpleasant work, the thing she loves suffers. And the suffering is her fault. Good people doing noble work get fired. And it's her fault.

If she succeeds in her unpleasant work, her success is credited to others. ("We get donations because we deserve them.") Worse, her success becomes the "new normal" baseline. If she doesn't succeed *even more* next year, she fails. Again, the thing she loves suffers. Again, it's her fault.

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calls these helpers *mentors*, who bear a resemblance to the Jungian archetype of the *wise old man*." Allison, S.T., Goethals, G. R, & Kramers, R. M. (2017). Setting the scene: The rise of heroism science. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership* (pp. 1-16). Routledge. p. 3
Thus, particularly within the context of a patriarchal society, reframing the fundraiser's role in these "epic" monomyth terms may increase the value placed upon the fundraiser's work.

[4] In Paul Moxnes description, the role is "the Wiseman that helps in fulfilling … spiritual (immaterial) needs." This contrasts with other helpers in other roles that focus just on material needs. Moxnes, P. (1999). Deep roles: Twelve primordial roles of mind and organization. *Human Relations, 52*(11), 1427-1444. p. 1434.

[5] To "seek charity" or "beg," according to Thesaurus.com, has synonyms including solicit charity, hustle, cadge, chisel, freeload, mooch, sponge, and panhandle.



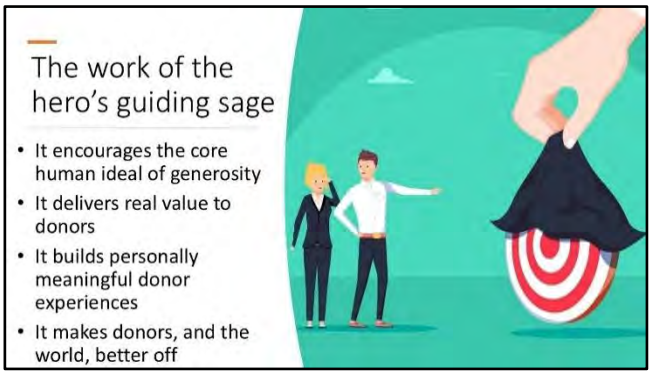
Occasionally, things get worse. A desperate crisis, project, or campaign increases the intensity. She must do more of the unpleasant work in a short period.

This all creates a perfect recipe. It's a recipe for negative emotion, burnout, and quitting. No wonder the average new fundraiser leaves her job in only 16 months.[6]



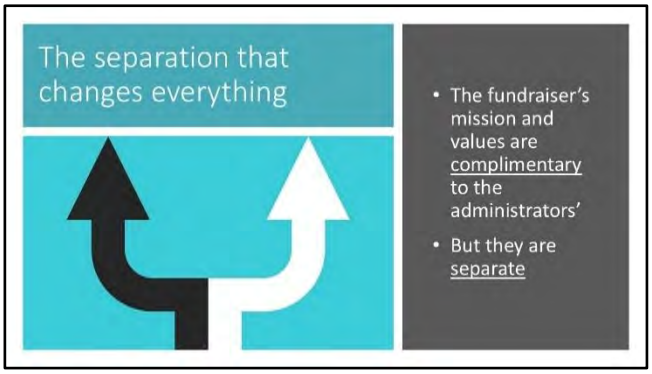
From fundraiser to hero's guide

But what if things were different? What if the job was not just about grabbing cash for administrators? What if the work was to guide, advise, and *help* the donor? What if the goal was to assist the donor in making a *personally meaningful* impact? What if the job was to advance the donor's hero story?



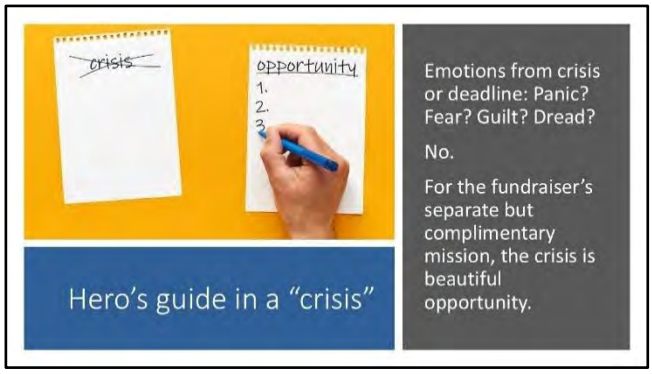
The work *itself* then becomes independently important. The work encourages the core human ideal of generosity. It delivers value to donors. It builds personally meaningful donor experiences. It makes donors, and the world, better off.

The fundraiser's occupational mission and values change. These are no longer just about the money. These are about the actual *work* of fundraising. The fundraiser's mission and values are *complimentary* to the administrator's. But they are different. They are separate. This separation changes everything.

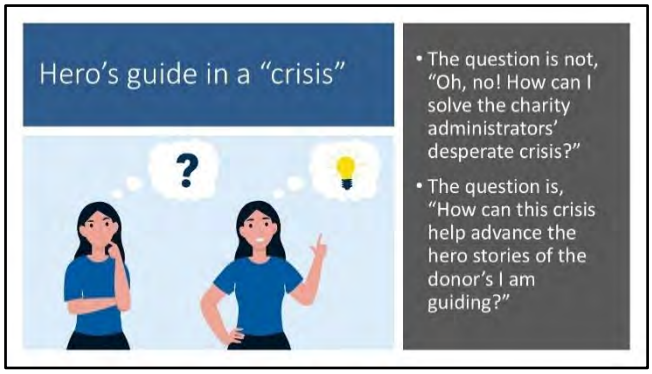


Hero's guide in a "crisis"

Consider this new paradigm in the previous situation. What are the emotions when a desperate organizational crisis or deadline arises? Panic and fear? Overwhelming responsibility and guilt? Dread of new unpleasant obligations? No. None of these. For the fundraiser's *separate* but *complimentary* mission, the crisis is beautiful opportunity.



[6] Flandez, R. (2012). The cost of high turnover in fundraising jobs. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/The-Cost-of-High-Turnover-in/226573



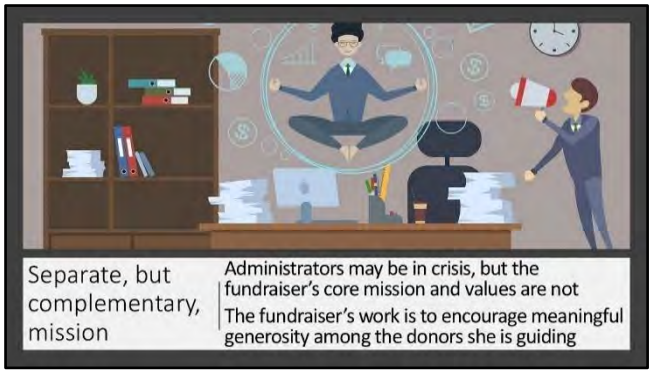
The question is not,

"Oh, no! How can I solve the administrators' desperate crisis?"

The question is,

"How can this crisis help advance the hero stories of the donors I am guiding?"

Does it tell a more urgent and compelling story? Fantastic! Does it provide an opportunity for personally meaningful and heroic gifts? Great! Does it motivate administrators to provide more resources for promoting generosity? Wonderful!



For the fundraiser's mission – the *separate* but *complementary* mission – these are superb opportunities. Administrators may be in crisis. But this need not create destructive emotional experiences for the fundraiser. In the new story, the fundraiser's core mission and values are *not* in crisis. The fundraiser's work is not the administrator's work. The fundraiser's work is to encourage meaningful generosity among the donors she is guiding. The fundraiser's work provides deep value to the donor.



The fundraiser delivers value

The bad story encourages bad behavior. If the fundraiser's job is simply "money getter," then she is a burden to donors. She is an unwelcome obligation. She gets money from donors and leaves them worse off.

But what if the fundraiser advances the donor's hero story? What if she serves as an effective guide on this journey? Then she offers real value to the donor. She provides deep, meaningful benefit.

The donor is left better off than if he had just spent more money on more consuming. What trinket is better than having a more meaningful, even heroic, life journey? More consuming can't compete with that experience.

Fundraiser retention and donor messages

Does messaging affect fundraiser satisfaction and retention? One study found a direct link.[7] Some nonprofits focused on selling the organization's story. This was the "press agent" model. Fundraising was "a one-way avenue." In these nonprofits,

[7] Tindall, N. T., & Waters, R. D. (2010). The relationship between fundraising practice and job satisfaction at historically Black colleges and universities. *International Journal of Educational Advancement, 10*(3), 198-215.



"information spews forth from the organization yet few comments, responses or concerns are returned to the organization." And, "In terms of fundraising, the interests of the donor are outstripped by the interests of the organization."[8]

These organizations scored lowest in fundraisers'

- Satisfaction with the nonprofit
- Trust in the nonprofit, and
- Commitment to the nonprofit.



Another approach was the polar opposite. It was the "two-way symmetry" fundraising model. Donor communication was based on "mutuality," "cooperation," and "collaboration." Fundraisers' satisfaction, trust, and commitment were all highest in these organizations.

One approach views the donor as an ATM. Striking the donor ATM with the fundraising "stick" spits out cash. This view isn't just bad for fundraising. It's bad for fundraisers. It's bad for fundraiser retention. The opposite approach is based on providing value. The fundraiser helps the donor. She delivers value to the donor.



It's hard work

Of course, providing real value isn't always easy. It may require learning the donor's life, the donor's values, and the donor's journey. Uncovering these can be a difficult process.

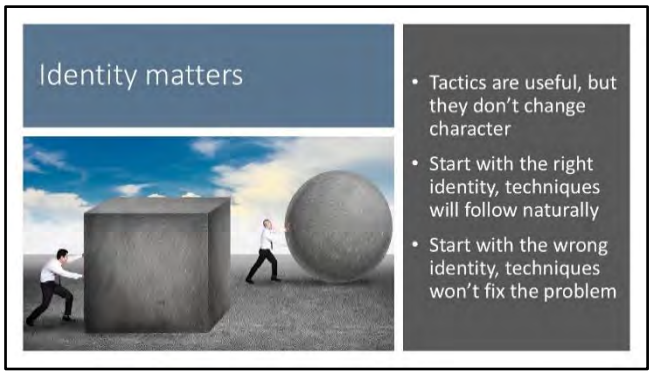
Challenging another to heroism isn't easy. The monomyth sage who challenges with a choice *always* faces rejection. Refusing the call to adventure is *part of* the hero's journey. Advancing the donor's hero story is hard work.



Being a competent guide means knowing the terrain. It means knowing the dangers and the short-cuts along the journey. The effective guiding sage knows how to introduce the hero to friends and allies. The effective guiding sage offers powerful instruments or weapons. This might mean developing new giving opportunities to match the donor's story. It

[8] *Id.* p. 201-202.

might mean learning about tax benefits and complex instruments. The role isn't easy. But it is important.



Identity matters

Typical fundraiser training is all about tactics. Tactics are useful. But tips and tricks don't change story. They don't change character. Playing a stigmatized character with better techniques is fine. But it's still playing a stigmatized character. Powerful solutions start deeper. They start with character and story. They start with occupational identity.[9]



If you start with the right identity, techniques will follow naturally. If you start with the wrong identity, techniques won't fix the problem.[10] Michael Norton explains that success in fundraising is really not about what you know. It's not even about who you know.

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[9] In formal terms, this chapter proposes an archetypal narrative for reframing the occupational ideology of fundraising. Such ideological reframing is essential because the fundraising occupation is stigmatized. Professors Blake Ashforth (Arizona State University) and Glenn Kreiner (Penn State University) studied the entire realm of stigmatized occupations. They found the same solution everywhere. The solution was story. More technically this is called an "occupational ideology." They explain, "Occupational ideologies reframe, recalibrate, and refocus the meaning of [stigmatized] work." Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. *Academy of Management Review, 24*(3), 413-434, p. 414.
In other research, this process is described as follows, "reframing, recalibrating, and refocusing may change an occupation member's dominant cognition from 'I am associated with an occupation that others view as tainted' to 'I am associated with an occupation that has intrinsic value'" Ashforth, B. E., Kreiner, G. E., Clark, M. A., & Fugate, M. (2007). Normalizing dirty work: Managerial tactics for countering occupational taint. *Academy of Management Journal, 50*(1), 149-174, p. 159.
As another example of using the hero's journey to change one's occupational perspective, *see also* Warden, S., & Logan, J. (2017). The nurse practitioner hero's journey. *The Journal for Nurse Practitioners, 13*(7), e350-e351.

[10] The need for occupational ideology is particularly critical for new fundraisers. This is true across new employees to all types of stigmatized occupations. Writing of this need within stigmatized or "dirty work" occupations in general, Ashforth and Kreiner (1999, p. 426) explain,

> "This need for sensemaking is particularly acute for newcomers to dirty work occupations, because they must confront and reconcile themselves to the disparaged aspects of the work (Levi, 1981). As members of society, newcomers likely import stereotypic expectations but lack the subcultural armor to cope with the stereotypes and the dirty particulars of the work…. occupational ideologies are needed to provide esteem-enhancing interpretations of the stigma…. Thus, ideology serves as an important bridge for the transition from outsider to insider, providing alternative and edifying interpretations for the problematic features of work."

In contrast, the typical training for newcomers to fundraising is focused exclusively on techniques. Techniques are useful, but the terrible retention rates for new fundraisers suggests that training in techniques is not enough. Something is missing. That something is an occupational ideology that casts the work as valuable, desirable, even noble. Nonprofit administrators often miss this gap in fundraiser training because

a) They are not in a stigmatized occupation. Thus, they don't intuitively perceive the challenges inherent in the fundraiser's occupational role.
b) They believe that no occupational reframing is necessary because they will use the money for good purposes. However, this justification says nothing about the work itself. It says nothing about the value of the fundraising process itself. Thus, it does not reframe the occupation. To use an extreme example, if a drug dealer sells meth to children but gives the proceeds to a nonprofit, this does not reframe his occupation. The use of the proceeds says nothing about the work itself.
c) Their personal "administrator-hero story" archetypal role tends to dismiss the importance of the work of the fundraiser or other efforts to provide personal value, service, or agency to the donor. Donors are viewed as being motivated to give simply because the heroic administrators deserve it.
d) Their personal "administrator-hero story" archetypal role strongly conflicts with the alternative "donor-hero story" in which the fundraiser does play a valuable and meaningful archetypal role as the sage who guides the donor hero in the hero's journey.

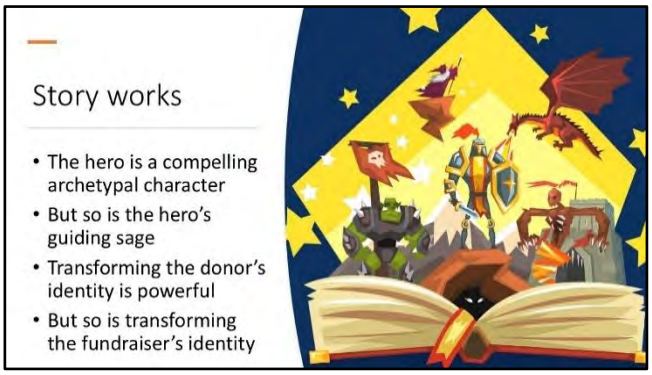




Instead, "in actual fact, it is much more about *who you are*."[11] Michael Bassoff and Steve Chalder explain,

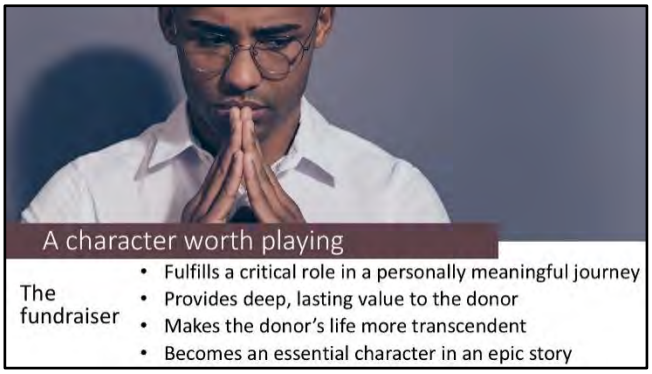
> "The secret to rapid and astonishing success in fundraising seems to require a shift. Not a shift in what you are doing (although that will happen) but more of a shift in who you are being."[12]

Dr. Beth Breeze describes the advice this way. Effective fundraising "goes beyond the mechanical aspects" because it requires "making existential changes."[13]



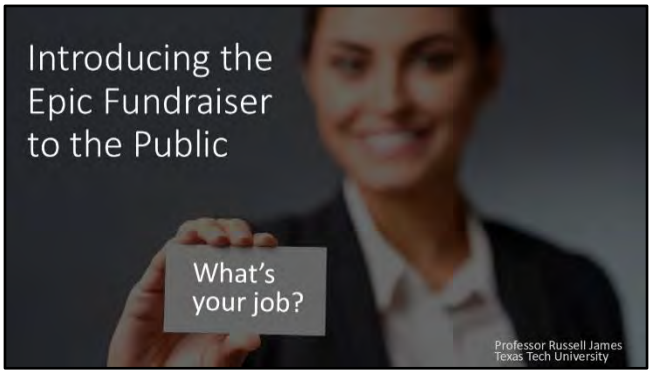
Story works

The hero's journey is a primal story. In this story, the hero is a compelling archetypal character. But so is the hero's guiding sage. Transforming the donor's identity is powerful. But so is transforming the fundraiser's identity. The fundraiser becomes the guiding sage who advances the donor's hero story. This changes things.



The fundraiser fulfills a critical role in a personally meaningful journey. She provides deep, lasting value to the donor. She makes the donor's life more transcendent. She becomes an essential character in an epic story. That's a character worth playing. That's a story worth living.

[11] Norton, M. (2007). *Need to know? Fundraising: Help any cause – legally, safely and effectively.* HarperCollins. p. 11.
[12] Bassoff, M. & Chandler, S. (2001) *RelationShift: Revolutionary fundraising*. Robert D. Reed Publishers. p. 1.
[13] Breeze, B. (2017). *The new fundraisers: Who organizes charitable giving in contemporary society?* Policy Press. p. 118.

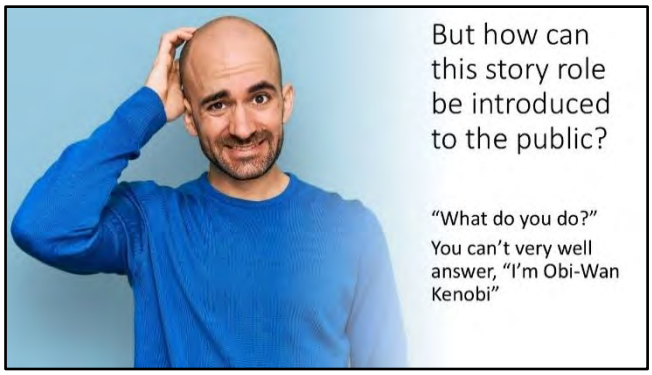


9

INTRODUCING THE EPIC FUNDRAISER TO THE PUBLIC: WHAT'S YOUR JOB?



The universal hero story is attractive. This "monomyth" is "hard-wired into our psyches."[1] In the donor's hero story, the donor's role as hero is compelling. But the same is true for the fundraiser's role. The sage guides the hero in the epic journey. This, too, is an attractive, archetypal character.



A need for translation

The monomyth role of the hero's guiding sage can inform the fundraiser's work. It can build the fundraiser's occupational ideology.[2] It can direct the fundraiser's emotions and career. This can happen when the fundraiser *personally* adopts this role. But how can this story role be introduced to the public? How can we make them understand?

Suppose the person sitting next to you on a plane asks, "What do you do?" You can't very well answer, "I'm Obi-Wan Kenobi." So, what *is* the right answer? The answer starts by understanding a fundamental problem. "What do you do?" is not an easy question for a stigmatized occupation.

[1] Pressfield, S. (2016). *Nobody wants to read your sh*t and other tough-love truths to make you a better writer.* Black Irish Entertainment LLC. p. 68.
[2] Ashforth, B. E., & Kreiner, G. E. (1999). "How can you do it?": Dirty work and the challenge of constructing a positive identity. Academy of Management Review, 24(3), 413-434, p. 414. ("Occupational ideologies reframe, recalibrate, and refocus the meaning of [stigmatized] work.")



A tricky question

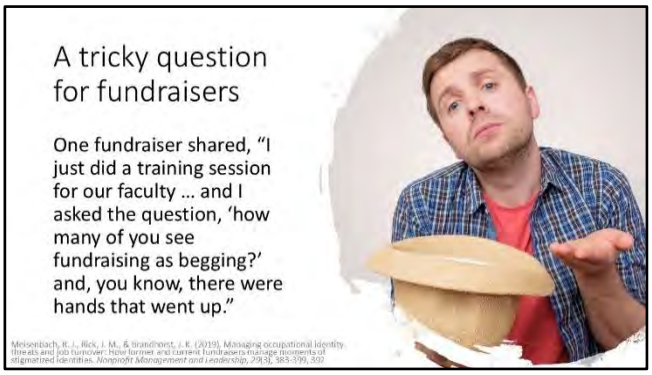
"What do you do?" For the baker or the candlestick maker, the answer is simple. But if your job is stigmatized, answering this question is a problem.

Suppose you work as a slaughterhouse inspector. You like your job. You know it serves an important function in society. But you also know the likely reaction when you tell people what you do. You feel the squirm. You sense the pushback. After a while, this gets tiresome.

"What do you do?" Answering this question is a problem for stigmatized occupations. What's the typical response? Often, it's to avoid giving a clear answer. Researchers explain,

"In socially stigmatized jobs … employees may be reluctant to share their titles."[3]

Often the title itself is made ambiguous for outsiders. "Slaughterhouse inspector" isn't an actual job title. The actual title is "environmental health officer." A garbage collector becomes a "sanitation engineer," and so forth.

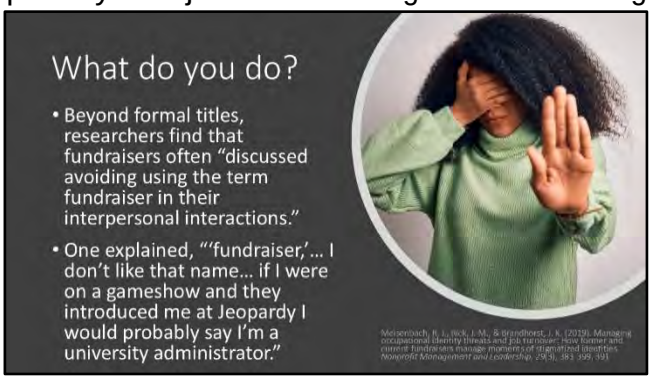


A tricky question for fundraisers

Fundraisers also face job stigma. One fundraiser shared,

"I just did a training session for our faculty … and I asked the question, 'how many of you see fundraising as begging?' and, you know, there were hands that went up."[4]

Matching other stigmatized jobs, fundraisers often avoid clear job titles.[5] In the U.S., most use ambiguous words like "development" or "institutional advancement."[6] For outsiders, this obscures the job. Normal people don't use these words. For insiders, this portrays the job as advancing administrator goals. The job is to help the institution, not the donor.



This ambiguity goes beyond titles. One study found that fundraisers,

"discussed avoiding using the term fundraiser in their interpersonal interactions."[7]

One fundraiser in the study explained,

[3] Grant, A. M., Berg, J. M., & Cable, D. M. (2014). Job titles as identity badges: How self-reflective titles can reduce emotional exhaustion. *Academy of Management Journal, 57*(4), 1201-1225. p. 1201

[4] Meisenbach, R. J., Rick, J. M., & Brandhorst, J. K. (2019). Managing occupational identity threats and job turnover: How former and current fundraisers manage moments of stigmatized identities. *Nonprofit Management and Leadership, 29*(3), 383-399. p. 392.

[5] *Id.* p. 392

[6] James, R. N., III. (2016). Testing the effectiveness of fundraiser job titles in charitable bequest and complex gift planning. *Nonprofit Management and Leadership, 27*(2), 165-179.

[7] Meisenbach, R. J., Rick, J. M., & Brandhorst, J. K. (2019). Managing occupational identity threats and job turnover: How former and current fundraisers manage moments of stigmatized identities. *Nonprofit Management and Leadership, 29*(3), 383-399. p. 392

> "'fundraiser,' … I don't like that name … if I were on a gameshow and they introduced me at Jeopardy I would probably say I'm a university administrator."[8]

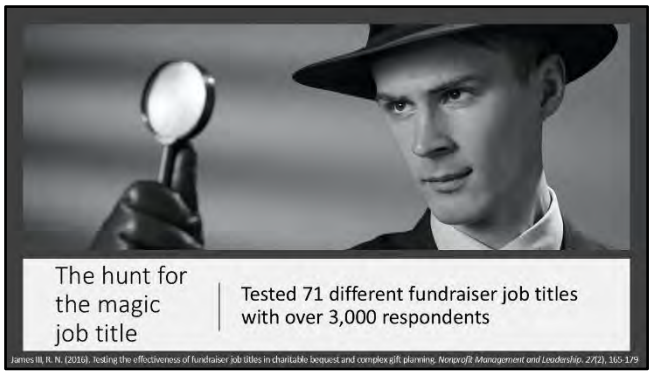
Of course, concealment isn't the only approach. Some aggressively lead with the traditional stigmatized title. One former fundraiser explained that she would tell new acquaintances,

> "I raise money for [the university]. That's what I tell people. Because I got tired of, everybody at [the university] used to apologize for it and that drove me crazy."[9]



However, this frontal approach can generate undesirable reactions. Another fundraiser writes,

> "When responding to the question 'So what do you do?' with 'I'm a fundraiser. I ask people for money.' There's silence, then confusion, then 'I could never do that,' or 'Do you get paid to do that?' No one says: 'That must be interesting,' or, 'I'll bet you get to meet lots of fascinating people.'"[10]



The hunt for a magic job title

Is it possible to address fundraiser stigma with a better job title? Is there a magic job title that is universally attractive to donors? I set out to answer this question in a series of experiments.[11]

I started by collecting as many fundraiser job titles as I could get. At one national fundraising conference, I gave away free copies of my book on charitable gift planning.[12] The only catch was that to get the book, attendees had to give me their business cards. I'm sure they thought I was going to spam them with sales material. But I'm a professor. I don't sell anything. Instead, my goal was to collect as many fundraiser job titles as I could find.



In total, I tested 71 different job titles with over 3,000 respondents. To keep the comparison simple, I changed all titles to "Director of _____" or "Chief _____ Officer."

The worst

First, I measured people's willingness to contact a charity employee about making a gift

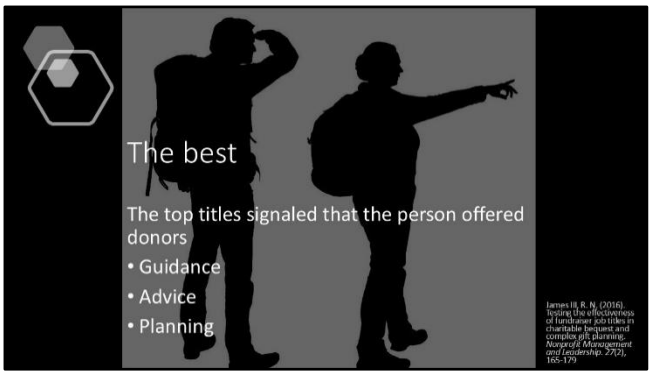
[8] *Id.* p. 391
[9] *Id.* p. 393
[10] Perdue, P. E. (2014). *May I cultivate you? Careers in fundraising*. Petar Publishing. p. 3.
[11] James, R. N., III. (2016). Testing the effectiveness of fundraiser job titles in charitable bequest and complex gift planning. *Nonprofit Management and Leadership. 27*(2), 165-179.
[12] You can download a free copy here: www.encouragegenerosity.com/VPG.pdf

of stock. What was the worst performing title? Director of Advancement. Second worst? Chief Advancement Officer. Also in the bottom ten were,

- Director of Development
- Chief Development Officer
- Director of Institutional Advancement, and
- Chief Institutional Advancement Officer.

In other words, the most common job titles got the worst response. This result was true for both men and women. It was true for older and younger people. It was true for minor donors (<$1,000), moderate donors ($1,000+), and major donors ($10,000+).

It was true for giving stock. It was true for giving real estate. It was true for giving in a will. It was true for a charitable gift annuity. Across all donation scenarios, nine of the ten worst-performing job titles included the words "advancement" or "development."[13]



The best

What worked? The top titles signaled that the employee offered donors

- Guidance
- Advice, or
- Planning.

For example, "Director of Donor Guidance" and "Director of Donor Advising" were in the top ten. In fact, *every one* of the top ten job titles included some variation of "guidance," "advising," or "planning."

This was true across all four types of giving combined. It was true for both men and women. It was true for older and younger people. It was true for minor donors (<$1,000), moderate donors ($1,000+), and major donors ($10,000+).

Consider the universal hero story. What function does the hero's guiding sage provide in the monomyth? What service did Obi-Wan Kenobi, Morpheus, or Gandalf the Grey provide for the hero? Guidance. Advice. Planning. What are donors seeking when considering a significant donation? Guidance. Advice. Planning.



Was there a "magic" job title? No. Instead, there were multiple expressions of a magic concept. That concept is this: I help donors. I give donors wise guidance, expert planning, and sage advice. The archetypal guiding-sage character attracts donors. It's what donors want.

[13] The tenth-worst performing title was the only one that didn't include "advancement" or "development". But it wasn't even a fundraiser title. It was simply Chief Executive Officer. This result just reflects the idea that donors wouldn't normally contact the nonprofit's CEO for help with making a gift.



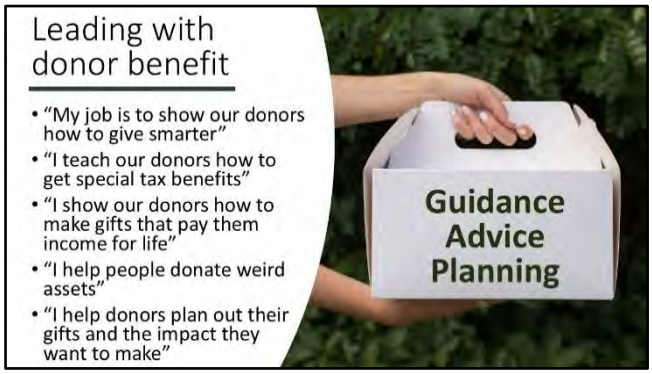
Flip the script

"What do you do?" The fundraiser as the donor-hero's guiding sage is a new story. The new story suggests a new answer to this question.

Instead of leading with,

- Secret code words (*development*)
- Allegiance to administrators (*institutional advancement*), or
- What they wanted to *get* from donors (*fundraiser*),

What if fundraisers led with what they *offered* to donors? In a traditional fundraising worldview, this is ridiculous. The job is to *get* from donors. It's not to *benefit* donors. But this changes when the goal becomes to *advance the donor's hero story*.



The underlying benefit is guidance, advice, and planning. The description can differ depending on the fundraiser's focus. It can be as simple as,

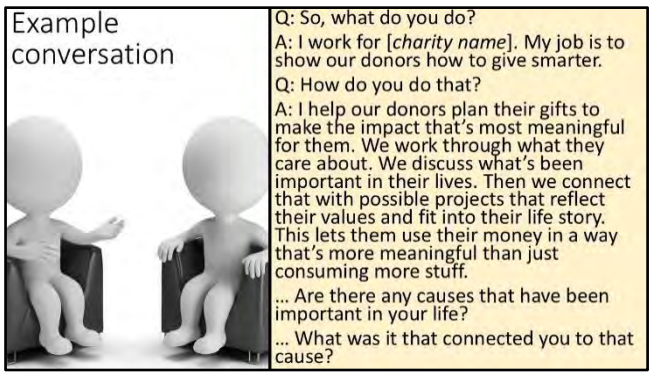
"I work for [*charity name*]. My job is to show our donors how to give smarter.

In complex giving, it might emphasize practical benefits. For example,

- "I teach our donors how to get special tax benefits."
- "I show our donors how to make gifts that pay them income for life."
- "I help people donate weird assets."

Each of these encourages follow-up questions. They start a conversation. If that's not the goal, the answer might be simply,

"I help donors plan out their gifts and the impact they want to make."



An example conversation

What might such a conversation sound like? It might start with,

Q: So, what do you do?

A: I work for [*charity name*]. My job is to show our donors how to give smarter.

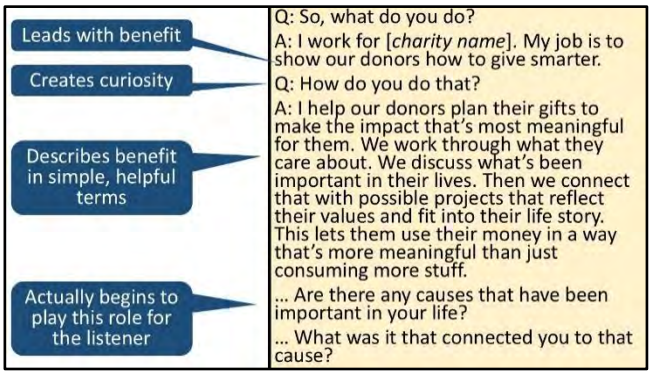
Q: How do you do that?

A: I help our donors plan their gifts to make the impact that's most meaningful for them. We work through what they care about. We discuss what's been important in their lives. Then we connect that with possible

projects that reflect their values and fit into their life story. This lets them use their money in a way that's more meaningful than just consuming more stuff.

… Are there any causes that have been important in your life?[14]

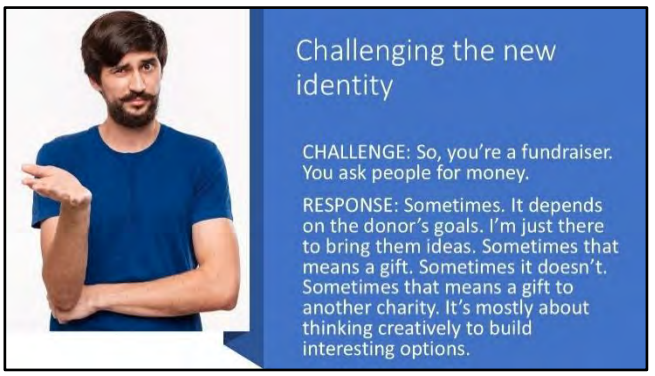
… What was it that connected you to that cause?

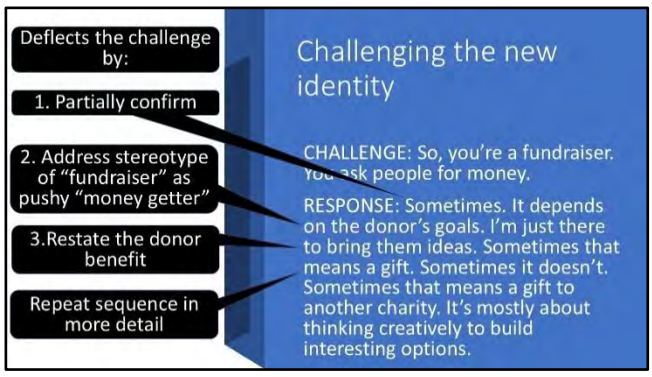


Notice how this response leads with benefit. The benefit is, "how to give smarter." In experiments, this phrase dramatically increases interest in learning more.[15] It creates curiosity for a longer explanation.

The explanation then describes benefits in simple, helpful terms. This person is an advisor. She's a guide. She's like a personal shopper.[16] Next, it touches on a deeper level of benefit. She helps provide meaning beyond just consuming more stuff.

Then things get really interesting. The fundraiser *starts to play that role* for the listener. This is powerful. Whenever the listener plays along, it provides "free" practice at donor mentoring. The fundraiser is guiding with appreciative inquiry. She is engaging in "Socratic fundraising."[17] She may even hear a life story that connects strongly with a project at her own charity. By her conversation she is, in fact, fundraising.





Challenging the new identity

But what if the listener challenges this new identity? For example,

CHALLENGE: So, you're a fundraiser. You ask people for money.

RESPONSE: Sometimes. It depends on the donor's goals. I'm just there to bring them ideas. Sometimes that means a gift. Sometimes it doesn't. Sometimes that means a gift to another charity. It's mostly about thinking creatively to build interesting options.

This deflects the challenge by

1. Partially confirming. ("*Sometimes*.")

[14] See testing of this phrase in, James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011.

[15] For experimental results testing the level of interest generated by this phrase, see James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21.

[16] Since this book series started with a reference to the movie *City Slickers*, I'll say this is a bit like the role of the brothers who could select the precisely correct ice cream pairing for any meal.

[17] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411. *See also,* Book IV in this series, *The Socratic Fundraiser: Using Questions to Advance the Donor's Hero Story*

2. Addressing the aversive stereotype of a "fundraiser" as a pushy "money getter." ("*It depends on the donor's goals.*")
3. Restating the donor benefit. ("*I'm just there to bring them ideas.*")

The rest repeats the same points in more detail. The benefit description – "*ideas*" or "*creative options*" – encourages asking for examples. That opens another door for donor guidance.



Let me share a story

Sharing *an example* of a creative gift can lead to donor mentoring. In experiments, reading a heroically-framed donor story changes attitudes about giving.[18] This is especially true whenever listeners feel that the donor in the story is like them.[19] When asked for an example of a creative option, a response might sound like this:

"I worked with one donor who is about your age. You actually remind me of her. Maybe because you both work with finances." *[Listener is like the donor.]*

"In talking with her I learned that she wouldn't have been able to go to college without help from her late grandmother." *[Guiding sage elicits life story.]*

"I also learned that she wanted to give others that same chance at an education." *[Guiding sage elicits goal.]*



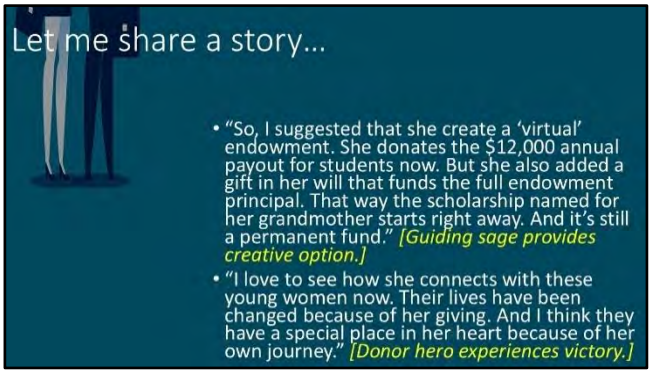
"I shared the idea of creating a permanent endowed scholarship. It would be dedicated for women studying financial planning. And it would be named in honor of her grandmother." *[Guiding sage provides creative option connecting with life story.]*

"She loved the idea." *[Donor hero affirms value.]*

"But the $250,000 minimum cost was too much for her." *[Donor hero experiences conflict.]*

"So, I suggested that she create a 'virtual' endowment.[20] She donates the $12,000 annual payout for students now. But she also added a gift in her will that funds the full endowment principal. That way the scholarship named for her grandmother starts right away. And it's still a permanent fund." *[Guiding sage provides creative option.]*

[18] James, R. N., III., & Routley, C. (2016). We the living: The effects of living and deceased donor stories on charitable bequest giving intentions. *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(2), 109-117.
[19] *See e.g.,* Agerström, J., Carlsson, R., Nicklasson, L., & Guntell, L. (2016). Using descriptive social norms to increase charitable giving: The power of local norms. *Journal of Economic Psychology, 52*, 147-153; James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance, 18*(1), 65-73.
[20] See, e.g., University of Wisconsin Foundation (2012, June 1). The virtual endowment. [Website]. https://www.supportuw.org/gift-planning/virtual-endowment/



"I love to see how she connects with these young women now. Their lives have been changed because of her giving. And I think they have a special place in her heart because of her own journey." *[Donor hero experiences victory.]*

Notice how this example tells a story. It includes backstory, goal, conflict, victory, and resolution. In it, the fundraiser serves as the donor-hero's guiding sage. The fundraiser provides value. The fundraiser suggests creative ideas. The fundraiser provides flexible solutions.



The story describes the fundraiser's job. But it also begins a donor-mentoring process. The listener identifies with the donor in the story. The listener hears of a gift connecting with the donor's

- Life story
- Family
- Career, and
- Values.



The listener learns six novel gift concepts:

1. Virtual
2. Permanent
3. Named
4. Scholarship
5. Honoring a loved one
6. For students in the donor's field.

The listener discovers the value provided by this skilled guiding sage.



One story, many applications

The underlying story is primal. The fundraiser is a guiding sage. She helps to advance the donor along the hero's journey. But this primal role is introduced gently. The fundraiser's job description leads with donor benefit. The fundraiser provides a valuable service to the donor. This idea is shared through simple words and stories.

There are, of course, many variations of this core concept. It's not about one magical description. It's not about one magical title. It's about translating the fundraiser's archetypal

monomyth role into simple terms of donor benefit. That translation can be expressed in many creative ways. But the underlying story stays the same.



Conclusion

This new story role works. The fundraiser serves as the donor-hero's advisor, sage, and guide. The fundraiser helps the donor. Introducing this new role may require side-stepping the stigma of the old role. It may require new descriptions. It may require new conversations.

But when this new role is translated into simple, practical terms, it is powerful. It is attractive for donors. It can be inspirational for fundraisers. It can lead to gifts that are transformational for charities and for donors.

But with this power, comes temptation ...

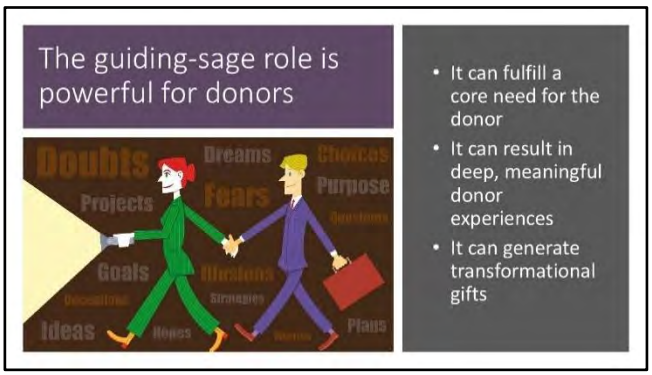


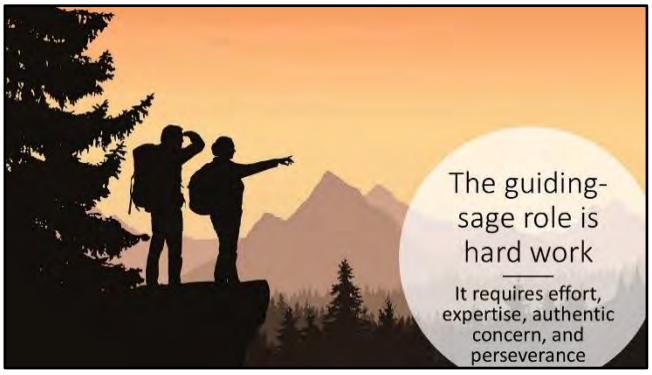
10

FUNDRAISER AS SAGE OR JESTER?

THE COUNTERFEIT GUIDE







The guiding sage

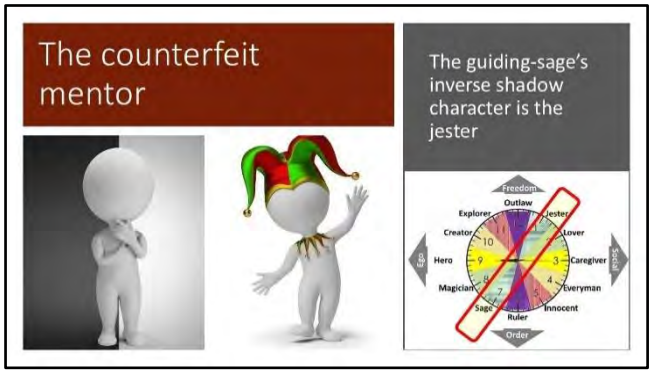
The hero's journey is a universal story. In that universal story, the guiding sage plays a powerful archetypal role.

This role can direct the fundraiser's work. The fundraiser makes the call to adventure. She challenges the donor to heroism. She helps along each step of the journey. She introduces the hero to friends and allies that help. She provides magical weapons that help. She helps the donor start the hero's journey. She helps the donor finish the hero's journey. The fundraiser advances the donor's hero story.

When the fundraiser fulfills this role, it can be powerful for donors, too. It can satisfy a core need for the donor. It can result in deep, meaningful donor experiences. It can generate transformational gifts. It works.

It works, but it's hard. Fulfilling this role requires effort. It requires expertise. It requires authentic concern. It demands perseverance throughout the donor's journey. The guiding-sage role isn't just a deceptive veneer. To work, it must be real.

Donors are attracted to this helpful, knowledgeable character. But this attraction creates the temptation for phony imitation. Appearing helpful is easy. Actually helping is hard.



The counterfeit mentor

The guiding sage is an archetypal character. But, like other archetypal characters, it has a shadow. This is a similar, but inverted, character.[1] The shadow character for the sage is the jester. The jester is highly social and likes personal freedom.

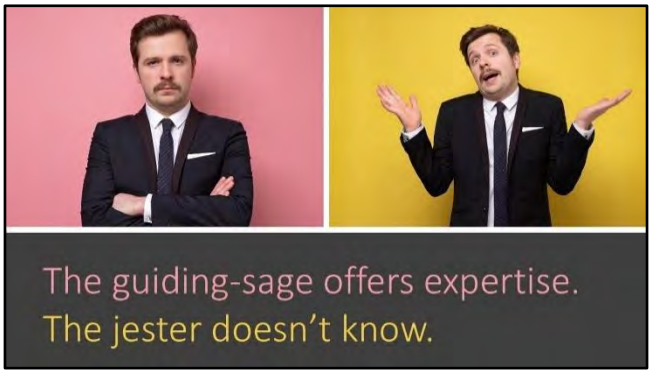
Like the guiding sage, the jester is also good at talking. But the jester has no substance. The jester provides no real expertise. Like the guiding sage, the jester relates well to others. But for the jester, these relations are short and shallow. The jester quits at the punchline.[2]



These character differences apply to fundraising. Differences in characters parallel differences in practice. These differences include

1. The guiding sage offers expertise. The jester doesn't know.
2. The guiding sage finishes the journey. The jester quits at the punchline.
3. The guiding sage focuses on the future. The jester lives for today.

These two characters reflect two competing identities for the fundraiser. They symbolize two competing approaches to fundraising.



[1] See Chapter 3. *Beyond the donor hero: Fundraising and other archetypal characters.*

[2] The guiding sage is known more broadly in myth and fairytale as the "helper" or "Wiseman." In a similar contrasting parallel, Paul Moxnes of the University of Oslo explains, "The Wiseman is a person with knowledge and competence, a real Doctor of the world, one who can heal, give comfort and good advice. The bad Wiseman, on the other hand, is the False Prophet, the quack, the as-if doctor, the impostor. He is the great pretender, pretending that he has the talent and knowledge of a Wiseman, either by consciously fooling others or also by fooling himself in believing he is competent." Moxnes, P. (1999). Deep roles: Twelve primordial roles of mind and organization. *Human Relations, 52*(11), 1427-1444. p. 1434.

1. The guiding sage offers expertise.

The jester doesn't know.



The guiding sage delivers real value to donors. This means offering expertise for the donor's journey. The guiding sage should know

- Organizational possibilities
- Gift possibilities, and
- Financial possibilities.

This practical knowledge is useful. But it becomes powerful when combined with relationship. The guiding sage knows the donor. She knows the donor's values and goals. She knows the donor's origin story. She understands the donor's journey. This fusion of practical and personal knowledge works. It creates real value for the donor.



Organizational possibilities

The guiding sage knows what the charity can deliver. She knows how to match this with the donor's journey. Sometimes, she can push the charity. She can maneuver through bureaucratic barriers. She can help the charity deliver more value to the donor. This might mean

- Tracking and reporting gift impact
- Developing motivational gift structures
- Creating compelling donor experiences
- Delivering donor gratitude, or
- Providing donor recognition and publicity.

These can help advance the donor-hero's journey. But creating them requires organizational expertise. It requires a knowledgeable insider who acts as the donor's advocate. It requires a sage. It requires a true mentor.



Gift possibilities

The guiding sage understands gift structures. She knows about

- Endowment gifts
- Virtual endowment gifts
- Memorial gifts honoring a family member
- Gifts in wills

- Gifts-in-kind
- Restricted gifts
- Asset gifts, and
- Other options.

The guiding sage not only knows the options, she also knows how to present them in a clear and compelling way.[3] She knows when donor circumstances make each option relevant.[4] She knows how to match each with the donor's journey.





Financial possibilities

The guiding sage knows charitable financial planning. She knows how to match options with donor goals and circumstances. In the U.S., this financial knowledge can deliver massive benefit to the donor.

This isn't just for major and complex gifts. Suppose a donor wants to give only $1,000. For non-itemizers, using qualified charitable IRA distributions or gift "bunching" could save over $500.[5] Making the gift as appreciated assets could save another $371.[6]

Or suppose a donor wants to leave $1,000 in a will. Using an IRA designation instead works better. It could save the donor's heirs over $500. This works even for the smallest estates.[7]

Financial knowledge creates tangible donor benefit. It means actual dollars for the donors. But many fundraisers don't know even these basic concepts. Many don't care to

[3] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011; James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management & Leadership. 28*(4), 437-452.

[4] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89; James, R. N., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy and Education. 2*(2), 1-28.

[5] Using these strategies the $1,000 can be excluded (via a Qualified Charitable Distribution substituting for the Required Minimum Distribution of an IRA) or deducted (via bunching all gifts into a single year allowing for itemization in that year but using the standard deduction in all other years, often accomplished through a donor advised fund so that distributions to charity remain smooth in all years). Currently, the highest marginal tax rate is 50.3% (37% from federal taxes and 13.3% from California state taxes with state taxes being nondeductible due to SALT deduction caps).

[6] A $1,000 zero-basis asset generates capital gains taxes at a maximum rate of 37.1% (20% federal capital gains tax + 3.8% affordable care act net investment income tax + 13.3% California state capital gains tax with state taxes being nondeductible due to SALT deduction caps). Donating the asset rather than donating cash eliminates payment of these taxes. Donating this $1,000 in appreciated assets (held for more than a year) also generates an income tax deduction of $1,000. For fungible assets such as stocks, the portfolio can remain the same by using the cash not donated to the charity to purchase new, otherwise identical, replacement stock. The portfolio stays the same, but the capital gain is eliminated.

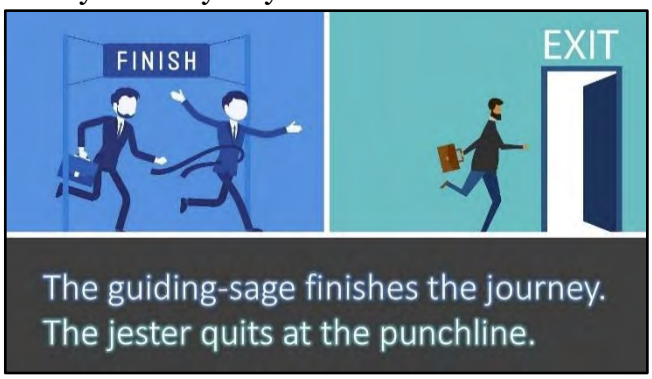
[7] Heirs of any size estate must pay income taxes on inherited qualified plan money, such as a traditional IRA or 401(k). These are forms of IRD (Income in Respect of a Decedent). Heirs pay no income taxes on other (non-IRD) inherited assets. Thus, making charitable donations out of IRD rather than regular assets eliminates these income taxes. Currently, the highest marginal tax rate is 50.3% (37% from federal taxes and 13.3% from California state taxes with state taxes being nondeductible due to SALT deduction caps). Thus, using this technique could potentially save heirs as much as $503 for every $1,000 gift taken from IRD rather than non-IRD assets.



learn. Let me be offensive. If a fundraiser isn't willing to spend 10-15 minutes a day to learn financial options in charitable planning, then she is not a sage. She is a jester. And she always will be.

The information is free. I personally made sure of that. My charitable planning textbook is free.[8] My 10 to 15-minute animated videos are free.[9] The fundraiser can choose to do the work. She can choose to provide real value. She can choose to help the donor.

But helping the donor isn't limited to finances. The expert fundraiser can help the donor along the hero's journey in many ways.



2. The guiding sage finishes the journey.

The jester quits at the punchline.



Delivering the donor-hero's journey

In the donor's hero story, the ask is the "call to adventure." It *promises* the hope of victory. It *promises* a hero's journey. *Delivering* the hero's journey is about what happens *after* the gift.

Was a gift part of a heroic process for the donor? That depends.



1. Did the organization confirm the heroism of *making* the gift?

- Was there recognition of the gift?
- Was there gratitude for the gift?
- Was this expressed by the organization?
- Was it voiced by the beneficiaries?

[8] www.encouragegenerosity.com/VPG.pdf
[9] http://bit.ly/TexasTechProfessor or if that link doesn't work, just search "Russell James Planned Giving" on YouTube

- Was it confirmed by publicity of the gift?





2. Did the organization confirm the heroism of *the usage* of the gift?

- Was the use reported back to the donor?
- Was it described in a simple, tangible, visual way?

3. Did the organization confirm the heroism of *the resulting impact* of the gift?

- Was there recognition of the impact?
- Was there gratitude for the impact?
- Was this expressed by the organization?
- Was it voiced by the beneficiaries?
- Was it confirmed by publicity of the impact?

These steps advance the donor-hero's journey. But they are hard work. Both the guiding sage and the jester make the ask. But the counterfeit mentor then abandons the hero. The jester quits at the punchline.





The jester quits at the punchline

This donor abandonment is common. The donor is promised a heroic journey at the ask. Then the donor is abandoned. Later, the donor is promised a heroic journey at the next ask. Then the donor is abandoned again.

The journey itself is rarely delivered. There is no confirmation of the heroism of

- The making of the gift
- The usage of the gift, or
- The resulting impact of the gift.

What happens? Donors leave. A 2018 U.S. study reported the giving behavior of 11 million donors.[10] About 80% of first-time

[10] Levis, B., Miller, B., & Williams, C. (2018). *2018 fundraising effectiveness survey report.* http://afpfep.org/wp-content/uploads/2018/04/2018-Fundraising-Effectiveness-Survey-Report.pdf

donors gave nothing to the charity in the following year.[11] If 80% of people who try our product won't buy it again, we have a problem.

Clearly, the experience wasn't what donors wanted. What happened *at* the ask worked. They gave. What happened *after* the ask didn't work. They didn't do it again.



The jester quits at the ask. But the guiding sage finishes the journey. When fundraisers become wise mentors, things change. They don't just *promise* to advance the donor's hero story. They deliver on that promise. They don't abandon donors in the middle of the story. And, in turn, they are not abandoned by donors at the next call to adventure.



3. The guiding sage focuses on the future.

The jester lives for today.



The effective guiding sage can deliver deeply satisfying experiences for donors. These can lead to transformational gifts for the charity. But this process is not instant. It takes time.

Along the way, there will be temptations to violate the role. These violations might seem like easy ways to grab the cash. But breaking character ends the guiding-sage role. Taking the longer view works better over time. This approach shows up in many examples.

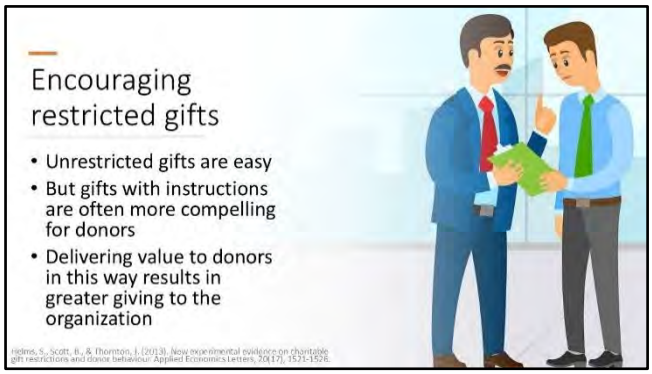
[11] The retention rate for first time donors in 2018 was 20.93%. Reported at https://fundraisingreportcard.com/benchmarks/ This loss rate requires massive acquisition of even more new donors just to stay even. On average, for every 100 new or previously lapsed donors who started giving, charities lost 99 previous donors who quit giving altogether. *See* Levis, B., Miller, B., & Williams, C. (2018). *2018 fundraising effectiveness survey report.* http://afpfep.org/wp-content/uploads/2018/04/2018-Fundraising-Effectiveness-Survey-Report.pdf



Encouraging gifts of assets

Cash is easy. Assets are complicated. Cash is instant. Assets take time and work. Administrators want cash, not assets. But asset gifts deliver tangible benefit to donors. They're cheaper for donors.

The guiding sage delivers value. She encourages gifts of assets. This frustrates administrators' desire for instant gratification. But it serves the charity's future by serving the donor. Over the long term, delivering value to donors in this way works. Research shows it results in much greater giving to the organization.[12]



Encouraging restricted gifts

Unrestricted gifts are easy. Gift restrictions are complicated. Unrestricted dollars are instant. Restricted dollars take time and work. Administrators want unrestricted cash, not restricted gifts. But gifts with instructions are often more compelling for donors. They are often better at advancing the donor's hero story.

The guiding sage frustrates administrators' desire for instant gratification. But she serves the charity's future by serving the donor. Delivering value to donors in this way works. Research shows it results in greater giving to the organization.[13]



Delivering donor gratitude, impact reporting, and publicity

Taking a gift is easy. Delivering donor gratitude is hard. So is gift impact reporting. So is delivering compatible publicity. But these efforts are critical to the donor's experience. They advance the donor's hero story. Delivering value to donors in this way

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[12] Charities consistently raising gifts from assets experienced five-year fundraising growth rates six times greater than those receiving only cash (using descriptive statistics). For organizations raising over $1,000,000, total average fundraising growth from 2010 to 2015 was 11% (about the same as the combined inflation rate) when gifts came only from cash, but 66% when gifts included gifts of securities. For organizations raising $100,000 to $1,000,000 the average fundraising growth was 7 times larger for organizations raising funds from gifts of securities. (Note that this did not include organizations that received no gifts of securities in 2010, but did in 2015. This included only those organizations that received gifts of securities both in the base year, 2010, and in the end year, 2015. In other words the presence of securities gifts did not arise as a result of the overall growth in fundraising, because the securities gifts occurred both at the beginning and end of the growth period measured.) Beyond this yes/no distinction, as organizations raised a larger share of gifts from cash, total contributions dropped. When they raised a larger share of gifts from securities or real estate, total contributions rose. This was true for every organization size and for every cause type (using all 26 NTEE cause-related categories). James, R. N., III. (2018). Cash is not king for fund-raising: Gifts of noncash assets predict current and future contributions growth. *Nonprofit Management and Leadership, 29*(2), 159-179.

[13] Chapter 12. Restricted gifts and fundraising story: Conflict and compromise between two worlds. In Book I, *The storytelling fundraiser: The brain, behavioral economics, and fundraising story.*
See, e.g., Helms, S., Scott, B., & Thornton, J. (2013). New experimental evidence on charitable gift restrictions and donor behaviour. *Applied Economics Letters, 20*(17), 1521-1526.

works. Research shows it results in greater giving to the charity.[14] The guiding sage serves the charity's future by serving the donor.



Advising against interest

Telling donors to do what helps you is easy. Telling donors to do what helps them is hard. Charity administrators won't understand advising a donor to make a gift

- Later
- Smaller
- To a different organization
- From a complicated asset
- Through a donor advised fund
- With more restrictions, or
- With income benefits.

But this works. It establishes trust and credibility.[15] It shows that the fundraiser is not just trying to grab fast cash. She is helping. She is a true guiding sage. (This approach of "advising against interest" isn't just a fundraising technique. It works in all types of sales. This is especially true with stigmatized salespeople.[16])

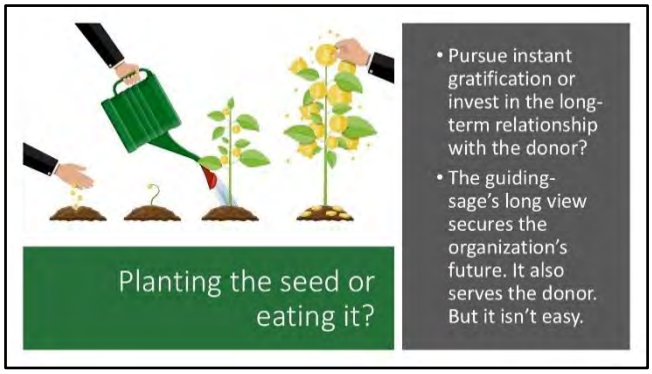
Over the long term, delivering value to donors in this way works. Research shows it results in much greater giving to the organization.[17] Again, the guiding sage serves the charity's future by serving the donor.

[14] Andreoni, J. (2007). Giving gifts to groups: How altruism depends on the number of recipients. *Journal of Public Economics, 91*(9), 1731-1749; Andreoni, J. & Petrie, R. (2004). Public goods experiments without confidentiality: A glimpse into fund-raising. *Journal of Public Economics, 88*(7), 1605-1623; Merchant, A., Ford, J. B., & Sargeant, A. (2010). 'Don't forget to say thank you': The effect of an acknowledgement on donor relationships. *Journal of Marketing Management, 26*(7-8), 593-611.

[15] This can also be true when working with the donor's advisors. Laura Hansen Dean explains, "Over a long career, gift planners may find that they work with the same professional advisors over and over. Building and maintaining credibility with these advisors is a critical element in the ability of gift planners employed by charitable organizations to close complicated gifts." Sharing her most memorable donor story, Dean explains, "After [the donor] met with her attorney and investment advisor, she told me that they both had commented about my encouraging her to give herself time to adjust to widowhood before jumping into an irrevocable charitable trust with most of her assets. They were impressed that I had demonstrated that my university was truly committed to the best interest of our donors, not simply to getting the largest gifts we could." Dean, L. H. (2019). Laura Hansen Dean. In E. Thompson, J. Hays, & C. Slamar (Eds.), *Message from the masters: Our best donor stories that made a difference* (pp. 65-74). Createspace Independent Publishing. p. 68.

[16] Ashforth, et al. (2007) reference this as "an intriguing variant of confronting client (and perhaps public) perceptions of taint." They explain, "This involved exploiting those perceptions by acting contrary to them. A manager (no. 1) of used car salespeople provided an example: ... I say, 'Hey take a minute here with me and let me give you Sam's crash course on car buying … I'll educate you. I'll … protect you against those out there who would take advantage of your ignorance.' And that way …. when they go and meet those types that are still trying to play the manipulation games … people are going to be aware of it and go, 'Hey, that's what Sam told us.' Then my word is going to be validated, and they'll come back to me and say, 'Sam, take care of us.' By acting contrary to the occupational stereotype, the manager hoped to be seen as the exception, thereby gaining the trust of potential clients and possibly even changing their perceptions of the occupation as a whole." Ashforth, B. E., Kreiner, G. E., Clark, M. A., & Fugate, M. (2007). Normalizing dirty work: Managerial tactics for countering occupational taint. *Academy of Management Journal, 50*(1), 149-174. p. 159.

[17] Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20-38; Waters, R. D. (2009). The importance of understanding donor preference and relationship cultivation strategies. *Journal of Nonprofit & Public Sector Marketing, 21*(4), 327-346.



Planting the seed or eating it

These moments of conflict provide a choice. Pursue instant gratification or invest in the long-term relationship with the donor. Building trust as an authentic guiding sage works. It's like planting seeds that will bear plentiful fruit in the future. Breaking that character for fast cash is like eating those seeds today.

The guiding sage's long view secures the organization's future. It also serves the donor. But it isn't easy. There will always be the temptation to give up the true guiding-sage role. Reverting to the jester is tempting. The jester is easier. The jester doesn't need to develop expertise. The jester quits at the punchline. The jester lives for today.



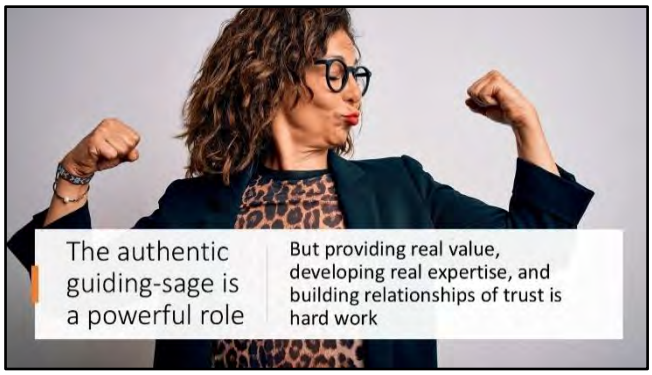
Organizational conflict

Unfortunately, some nonprofits encourage the jester's "live-for-today" attitude. Some managers don't understand the long-term benefits of helping donors. Some aren't staying long enough to care.

Ultimately, this "live-for-today" attitude doesn't work. It doesn't work for donors. It doesn't work for nonprofits. And it doesn't work for fundraisers. In a national study of fundraisers,

> "36% of respondents said they left their last job to get away from the old-school fundraising culture of 'we have to have the money now.'"[18]

The attraction of playing the "live-for-today" jester wears off quickly. It doesn't offer the depth of a meaningful, enduring, satisfying role.



Conclusion

The authentic guiding sage is a powerful role. It works. But fulfilling this role isn't easy. Providing real value to the donor is hard work. It requires developing expertise. It requires effort beyond just asking for money. It requires building relationships of trust and value over the long term.

[18] Burk, P. (2013, August 19). *Staff turnover: The 3 reasons fundraising professionals leave.* [Blog]. https://sumac.com/penelope-burk-on-the-3-reasons-fundraising-professionals-leave/



11

THE EPIC FUNDRAISER AS TRANSLATOR: SELLING TO THE INTERNAL ORGANIZATION



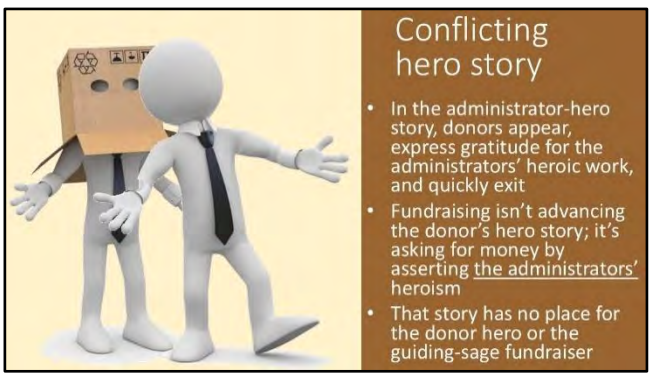
Hero story

In the universal hero story, a guiding sage helps the hero. The sage

- Challenges the hero to begin the journey,
- Introduces the hero to friends and allies along the way, and
- Delivers magical instruments that help the hero finish the journey.

The effective fundraiser is the donor's guiding sage. She advances the donor's hero story. In fundraising, this character is powerful and effective. It works.

But there's a problem. The problem is not with the fundraiser, the donor, or even the public. The problem is within the organization itself.

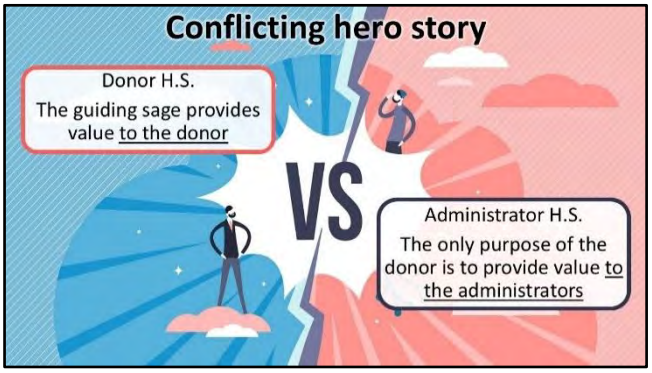


Conflicting hero story

The universal hero story is "hard-wired" into our psyches. It's deeply attractive. But not just for donors. It's also attractive for those who operate the nonprofit. But *this* hero story is different. *This* hero story is the administrator-hero story.

In this story, the people who run the nonprofit are the only heroes. Donors appear only for a moment. They enter. They express gratitude

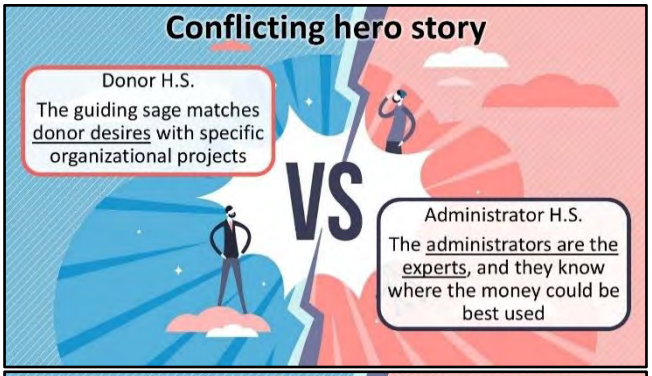
for the administrators' heroic work by donating. They exit. Fundraising isn't advancing the donor's hero story. Fundraising is asking for money by asserting *the administrators'* heroism.



This worldview has no place for the donor hero. It has no place for the guiding-sage fundraiser. The stories are in conflict:

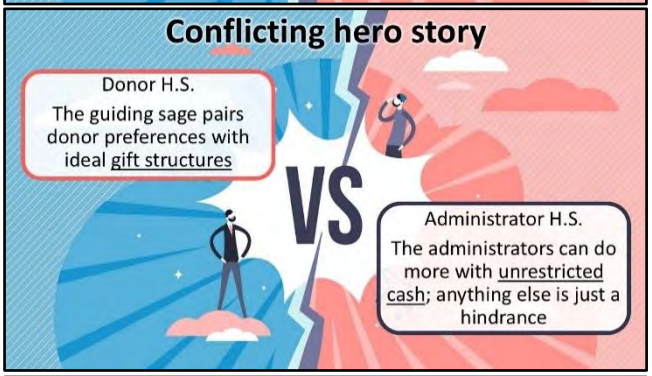
✓ The guiding sage provides value to the donor.

❖ But this makes no sense in the administrator-hero story. The only purpose of the donor is to provide value *to the administrators*.



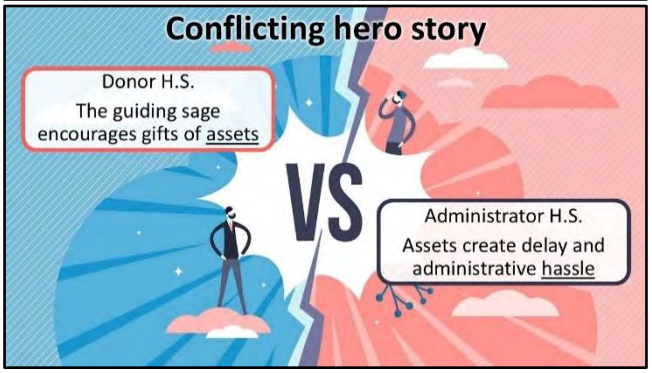
✓ The guiding sage matches donor desires with specific organizational projects.

❖ But this makes no sense in the administrator-hero story. The administrators are the experts. They know where the money could be best used.



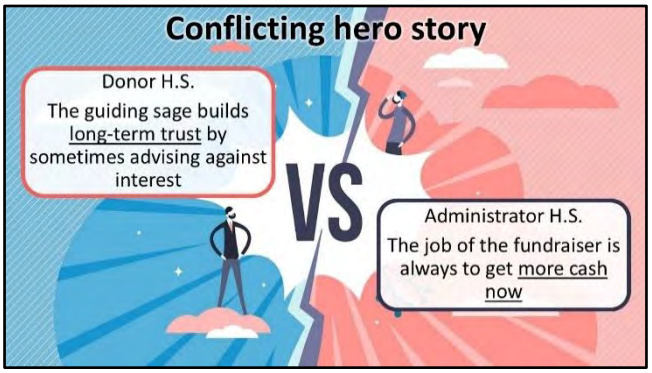
✓ The guiding sage pairs donor preferences with ideal gift structures.

❖ But this makes no sense in the administrator-hero story. The administrators can do more with unrestricted cash. Anything else is just a hindrance.



✓ The guiding sage encourages gifts of assets.

❖ But this makes no sense in the administrator-hero story. Assets create delay and administrative hassle.

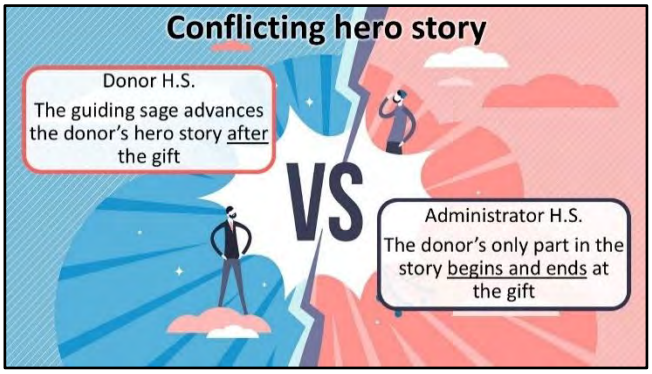


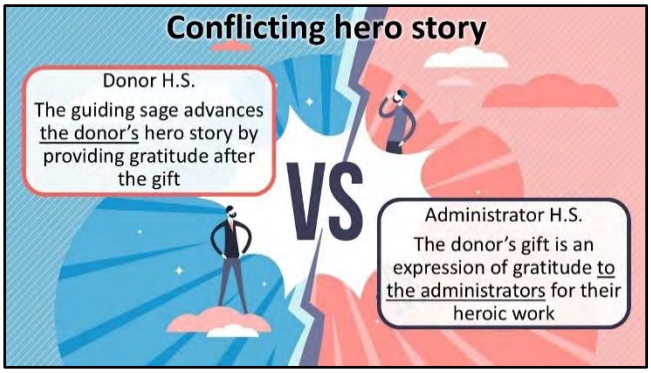
✓ The guiding sage builds long-term trust by sometimes advising against interest.

❖ But this makes no sense in the administrator-hero story. The job of the fundraiser is always to get more cash now.

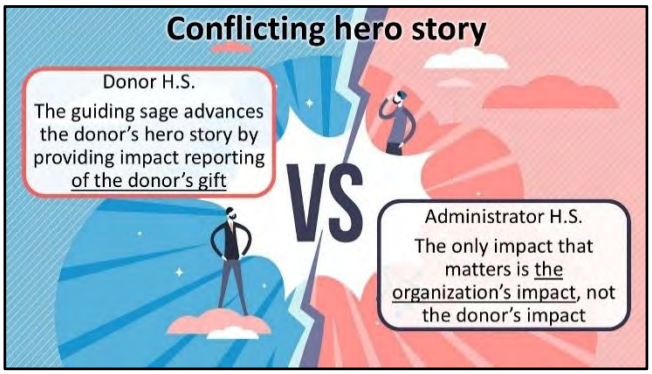
✓ The guiding sage advances the donor's hero story *after* the gift.

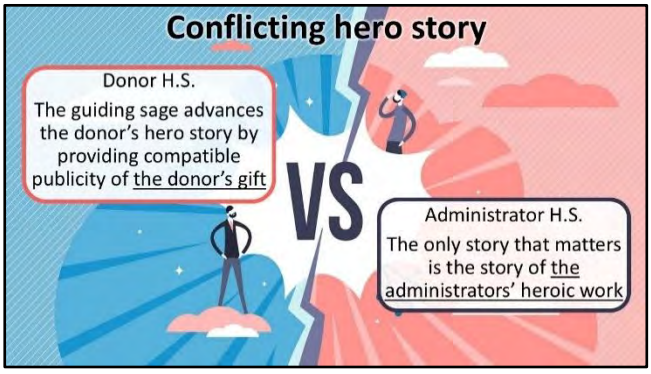
❖ But this makes no sense in the administrator-hero story. The donor's only part in that story begins *and ends* at the gift.



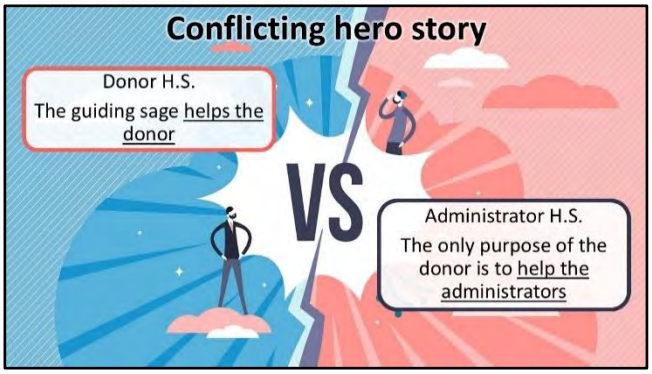


- ✓ The guiding sage advances the donor's hero story by providing gratitude after the gift.
- ❖ But this makes no sense in the administrator-hero story. The donor's gift is an expression of gratitude *to the administrators* for *their* heroic work.





- ✓ The guiding sage advances the donor's hero story by providing impact reporting of the donor's gift.
- ❖ But this makes no sense in the administrator-hero story. The only impact that matters in that story is the *organization's* impact, not the donor's impact.

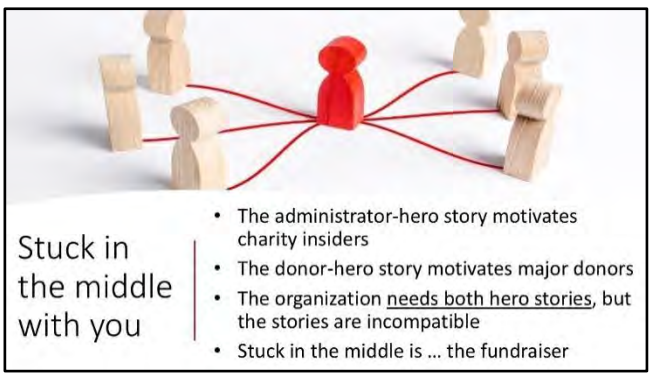


✓ The guiding sage advances the donor's hero story by providing compatible publicity of the donor's gift.

❖ But this makes no sense in the administrator-hero story. The only story that matters is the story of the administrators' heroic work.

✓ The guiding sage helps the donor.

❖ But this makes no sense in the administrator-hero story. The only purpose of the donor is to help *the administrators*.



Stuck in the middle with you

The administrator-hero story motivates charity insiders. The donor-hero story motivates major donors. The organization needs both hero stories, but the stories are

incompatible. Stuck in the middle is … the fundraiser. The fundraiser works for administrators living the administrator-hero story. But the job is to raise money from donors motivated by their own hero story.



Stuck in the middle – what can the fundraiser do? She can, of course, take the easy approach. She can feed the administrator-hero story back to the administrators and out to the donors. She will receive easy approval of her copy. She can show effort, activity, and professionalism, despite weak results.

But what about the fundraiser who wants to do more? The goal is not to eliminate the administrator-hero story. The goal is to manage the rival hero stories.



Empathy

This begins with empathy. It begins with understanding.

Charity administrators will tend to behave in unhelpful ways. Their hero story causes them to misperceive donor motives. It causes them to misunderstand fundraising. This can lead to bad messaging and bad management.

They aren't stupid. They aren't bad people. They're just displaying the unfortunate side-effects of an otherwise valuable and necessary occupational narrative.



Understanding this is a start. But understanding doesn't require submission. You can still push for an internal culture of philanthropy. Administrators can become more donor friendly. As Margaret Holman and Lucy Sargent write,

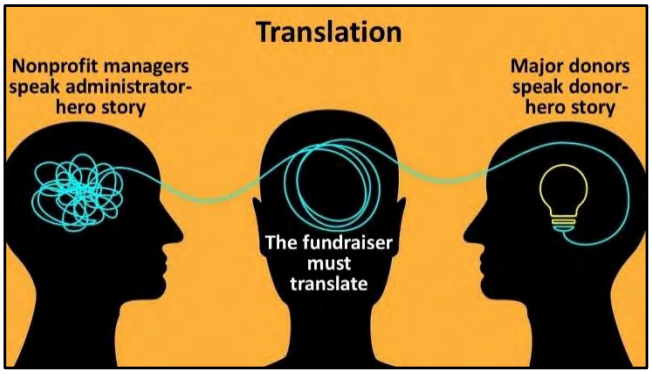
"Major gift fundraising … is the culmination of a collective effort across the organisation to create a major donor-friendly culture within your charity."[1]

Organizations can do this. They can embrace delivering value to the donor as a core competency. When that doesn't work, take another approach: translate.

Translation

If the donors all spoke Spanish and the charity administrators all spoke Russian, we would have to translate. These groups may not speak different languages, but they do speak

[1] Holman, M. & Sargent, L. (2012). *Major donor fundraising* (2nd ed.). Directory of Social Change. p. 138.



different stories. Nonprofit managers speak administrator-hero story. Major donors speak donor-hero story. The fundraiser lives in both worlds. The fundraiser needs to speak both languages. The fundraiser must translate.[2]

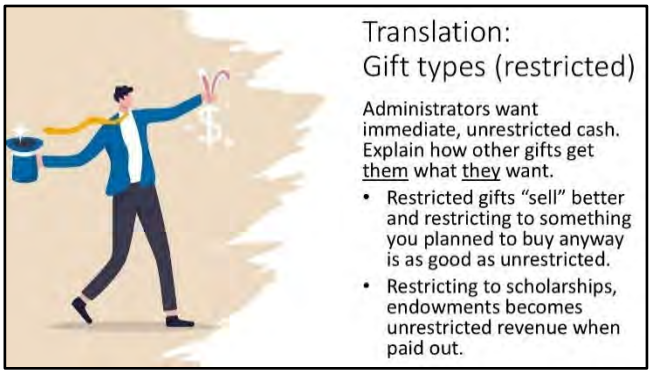


It's how you get what you want

Let's start with the gift. Administrators want immediate, unrestricted cash. They want a lot of it. They want it yesterday. This gift perfectly matches the administrator-hero story. The administrator makes all the decisions. He is the ruler, the expert, and the hero. The donor honors his efficiency, expertise, and heroism by humbly laying cash at his feet. The donor gives because the administrator deserves it.

So, how can we translate? How can we get charity administrators to embrace other gift types? We explain how it gets them what *they* want. We might explain,

- You dislike restricted gifts. But restricted gifts "sell" better. And didn't you already want to spend money on this project? So, what difference does it make to you? Restricting to something you planned to buy anyway is as good as unrestricted. You get what you want.



Or maybe the money is restricted to scholarships. When it's spent to pay for tuition, what does it become? Unrestricted revenue. You get what you want.

- You dislike asset gifts because they're a hassle. But you want more money. Donors can give you more at the same cost. Asset gifts avoid more taxes. You get what you want.



More importantly, it changes the donor mindset. Giving from wealth is different. The reference point is no longer just disposable income. Gifts can become much larger. Later

[2] A study of the factors underlying successful major gifts solicitations reported the following:

> "Three important factors that lie behind successful "asks" are identified and discussed: First, they are made within relationships of trust rather than as a result of a transactional approach. Second, they occur as a result of fundraisers' ability to be an "honest broker" between donors and the organisations they might support. And third, they rely on the fundraisers' skills in reframing complex issues and finding alignment between the recipient organisation's needs and the philanthropic aspirations of the donor."

Breeze, B., & Jollymore, G. (2017). Understanding solicitation: Beyond the binary variable of being asked or not being asked. *International Journal of Nonprofit and Voluntary Sector Marketing, 22*(4), e1607.

The role of "translator" is another way to describe this need to "reframe complex issues" and serve as a "broker" between the donor and the organization.

contributions rise dramatically. A national study of nonprofit tax returns proves it.[3] You get what you want.

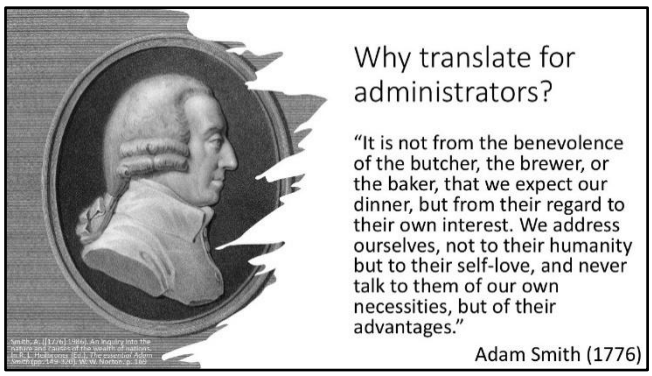


- You dislike estate gifts because you have to wait. But these gifts are massive compared with annual gifts.[4] You get what you want, eventually.

More importantly, it changes the donor mindset. When donors give from wealth, not disposable income, things change. Gifts can become dramatically larger. Annual contributions increase over 75% following addition of charity to an estate plan.[5] This increase is sustained even 2, 4, 6, or 8 years later. You get what you want.



Administrators may dislike spending to provide a compelling donor experience. They may not want to deliver donor recognition or gratitude. They may not want to track individual gift impact. But this can all be translated. It can increase future giving. It can be a solid investment to get more cash. It's a way for the charity administrator to get what he wants.



As the father of economics, Adam Smith, explained in 1776,

"It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages."[6]

We translate for administrators. We do this not by showing how it delivers more value to the donors. We do this by showing how it gets them what they want.[7]

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[3] James, R. N., III. (2018). Cash is not king for fund-raising: Gifts of noncash assets predict current and future contributions growth. *Nonprofit Management and Leadership, 29*(2), 159-179.

[4] Those with estates under $2 million generate estate donations worth 3.5 times their annual giving. For estates $2-$5 million, it's 20 times. For estates $5-$10 million, it's 25 times. For estates $10-$50 million, 28 times. For estates $50-$100 million, it's 50 times. For estates $100 million+ it's 103 times annual giving. Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy.* Urban Institute. Table 4.

[5] James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431. p. 2422.

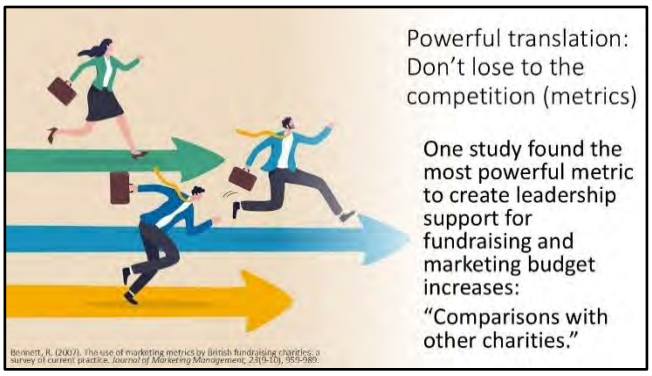
[6] Smith, A. ([1776] 1986). An inquiry into the nature and causes of the wealth of nations. In R. L. Heilbroner (Ed.), *The essential Adam Smith* (pp. 149-320). W. W. Norton. p. 169

[7] This conflict – and solution – is not limited to fundraising. In business, large ticket sales do not work effectively under the same processes as small ticket sales. Effectively managing these "key accounts" requires the establishment of long-term, consultative relationships which may, at times, feel at odds with managers trying to hit immediate sales goals. Researchers have labeled key account managers who thrive in this conflicted world "arbiters." Who are they? "Arbiters are employees who identify highly with both entities, their organization and their customer. Such Key Account managers aim to create value for both sides." Peters, L., Ivens, B. S., &



Otherwise, ***we'll lose to the competition***

Ultimately, fundraising lives in a world of choice. The administrator delivers value to the donor. He does this not because he wants to, but because he must. Otherwise, the donor won't give. Or, more likely, he'll give to a competitor.



We often want leadership to support budget increases for fundraising and marketing. What metrics work best for this? One study researched this at over 200 charities. The most influential metric was "Comparisons with other charities."[8]



Administrators understand competition. What focuses them on delivering compelling donor experiences? Seeing their competition doing it better. Seeing that they are losing.

Want charity administrators to accept the hassle of asset gifts? Don't just tell them these can save donors 30% compared with cash. Show them a competitor who is getting more of these gifts. (To find examples, look at other charities' IRS Form 990s Schedule M.[9])



Suppose a donor wants specific instructions for a scholarship fund. Don't just explain how this will deliver a compelling donor experience. Instead, show a community foundation that *will* accept these instructions.[10] Point out how these competitors won't limit the scholarship just to your school.

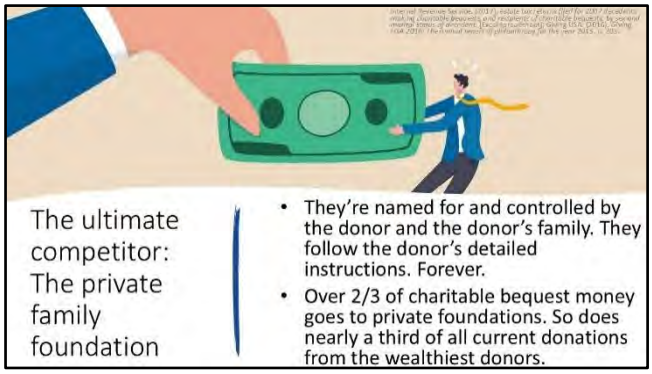
Competition can motivate. But the real motivation starts by recognizing the real competition. It's probably not who you think it is.

Pardo, C. (2020). Identification as a challenge in key account management: Conceptual foundations and a qualitative study. *Industrial Marketing Management, 90*, 300-313.

[8] Or in another analysis, "Marketing expenditures of other charities in the sector." This points to the power of comparisons with other organizations to influence leadership. The least useful? "Predicted improvements in donors' feelings of satisfaction with or commitment to the organization." This points to the need to translate donor benefit into something that fits into the worldview perspective of charity leadership. Results from Bennett, R. (2007). The use of marketing metrics by British fundraising charities: a survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989.

[9] These are freely available at a variety of sites such as guidestar.org ; www.erieri.com/form990finder ; candid.org/research-and-verify-nonprofits/990-finder

[10] As an example, the Oklahoma Community Foundation administers more than 200 such scholarship funds. See https://www.occf.org/scholarships/

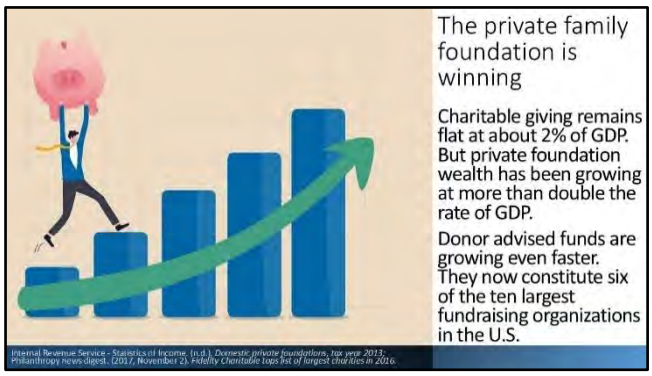


The ultimate competitor

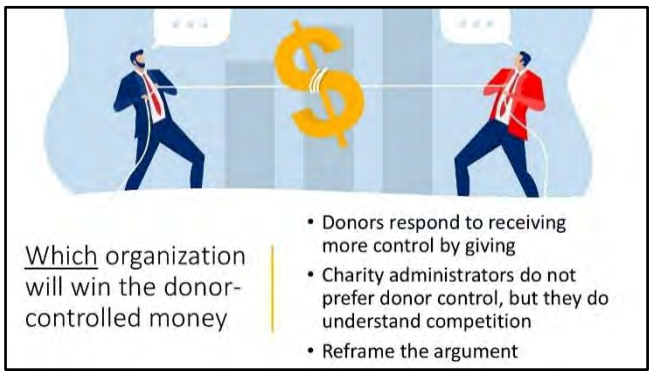
The ultimate competitor for major gifts is not the nonprofit down the street. It's not another charity representing your cause. It's always and only one organization. It's the private family foundation.

They're named for and controlled by the donor and the donor's family. They follow the donor's detailed instructions. Forever. For donors who can afford them, private family foundations are your *biggest* rival. Nonprofit managers and fundraisers often miss this. They remain blithely unaware of their real competition.

Much has been written about the coming intergenerational wealth transfer. And it *will* include massive gifts to nonprofits. But probably not to *your* nonprofit. Why? Because over 2/3 of charitable bequest money goes to private foundations.[11] Your competition is kicking your butt.



This isn't just about estate giving. Private foundations receive nearly a third of all current donations from the wealthiest donors.[12] This trend is increasing. Charitable giving remains flat at about 2% of GDP. But private foundation wealth has been growing at more than double the rate of GDP.[13] Donor advised funds are growing even faster. They now constitute six of the ten largest fundraising organizations in the U.S.[14]



This shows how donors respond to receiving more control. They give. But it can also reframe administrator views. Charity administrators do not *prefer* donor control. But they do understand competition.

Understanding *the real* competition changes the game. It's not about whether the donor or the administrator controls the donor's money. It's about *which* organization will win the donor-controlled money.

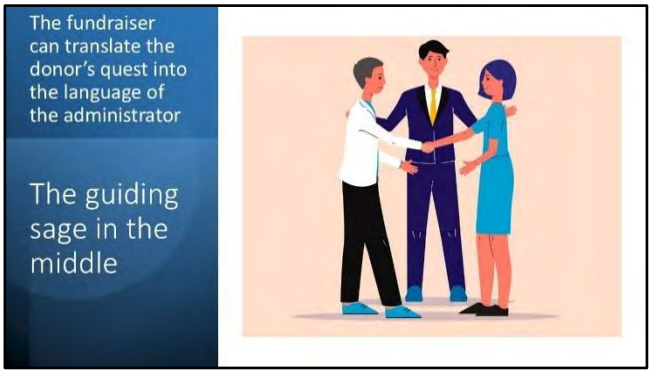
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[11] For decedents in 2007 and 2013, respectively, 72.3% and 67.5% of all charitable bequest dollars reported on tax returns went to private foundations. *See* Internal Revenue Service. (2010). *Estate tax returns filed for 2007 decedents making charitable bequests, and recipients of charitable bequests, by sex and marital status of decedent.* [Excel spreadsheet]. https://www.irs.gov/pub/irs-soi/07es04yd.xls and Internal Revenue Service. (2017). *estate tax returns filed for 2007 decedents making charitable bequests, and recipients of charitable bequests, by sex and marital status of decedent*. [Excel spreadsheet]. https://www.irs.gov/pub/irs-soi/13es03yd.xls

[12] Giving USA. (2016). *Giving USA 2016: The annual report of philanthropy for the year 2015.* Giving USA. p. 203.

[13] Internal Revenue Service - Statistics of Income. (n.d.). *Domestic private foundations, tax year 2013*, https://www.irs.gov/pub/irs-soi/2013privatefoundationsonesheet.pdf

[14] Philanthropy news digest. (2017, November 2). *Fidelity Charitable tops list of largest charities in 2016.* https://philanthropynewsdigest.org/news/fidelity-charitable-tops-list-of-largest-charities-in-2016



The guiding sage in the middle

The fundraiser may not be in control of the organization. She may be stuck in the middle between two rival worldviews. But she can still be effective. She can advocate for the donor. She can translate the donor's quest into the language of the administrator. She has the expertise to advance the donor's heroic journey. She can be the guiding sage for the donor. She can do this both outside and inside the organization. Sometimes, the organization's structure can help. The next chapter looks at this.



12

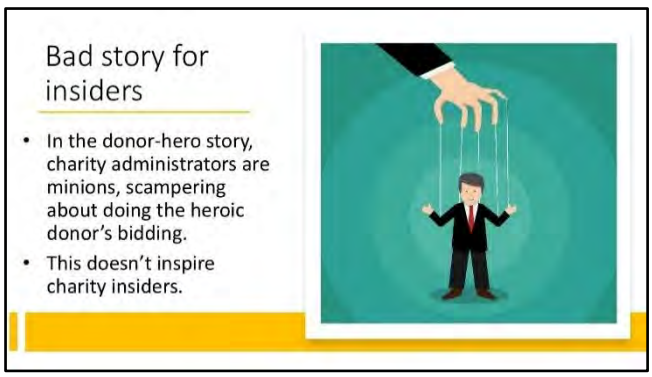
ORGANIZATIONAL SOLUTIONS TO FUNDRAISING WITH RIVAL HERO STORIES



Story conflict

Advance the donor's hero story. In major gifts fundraising, this works. It works for the donor. The donor is the hero. It works for the fundraiser. The fundraiser is the guiding sage.

But a nonprofit is not just a fundraising organization. It's also an operational organization. It might be a hospital, a university, or a museum. It might deliver healthcare, research, or education. For this operations side, the donor-hero story *does not* work.



In the donor-hero story, charity administrators are minions. They merely scamper about doing the heroic donor's bidding. Whatever happens results from *the donor's* decisions, not the administrator's. The administrator's role is only to dutifully obey donor orders. Embracing the donor-hero story inspires fundraising. But it doesn't inspire charity insiders.

What works for this group is the administrator-hero story.[1] The employees heroically battle against a villain. They fight disease, ignorance, or suffering. They face obstacles,

[1] One mathematical economic model suggests that effective organizations will select one of two types of organizational stories to motivate employees. The researchers explain,

> "Our model predicts that an organization will adopt one of two designs. The first design, which we call a "purpose-driven" organization, pairs flat monetary incentives with a story that emphasizes the importance of generating output (e.g., saving lives, putting a person on the moon). The second one, which we call an "incentive-driven" organization, pairs steep monetary incentives with a narrower story that emphasizes the importance of maintaining ethical standards (e.g., maintaining quality, helping peers)."



conquer enemies, and gain victories. This hero story is powerful. It's what attracted them to the job in the first place. It provides significance in their daily work. It keeps them from leaving to make more money elsewhere. It works.

This story conflict is simple. The most compelling hero story is our own. Dr. Olivia Efthimiou writes,



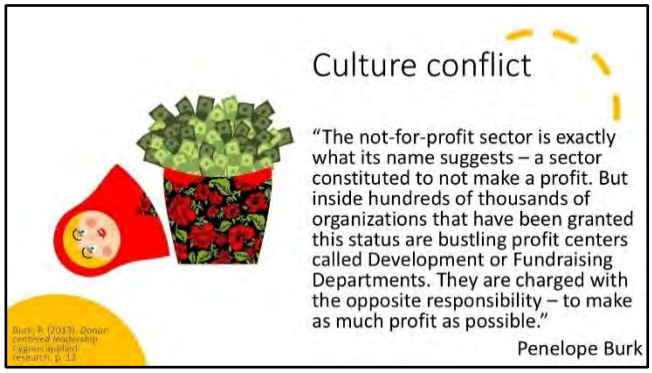
"We are the heroes of our own story. That much is undeniable. We can be skeptical about assigning the label of 'hero' or 'heroine' to ourselves; most of us are. We may even have a deep resistance to it. But heroism is in our blood."[2]

Each story is important for each group. But the stories conflict.



Culture conflict

The conflict goes beyond stories. Effective fundraising culture isn't just *different* from the rest of the nonprofit. In many ways, it's the *opposite*.



Penelope Burk writes,

"The not-for-profit sector is exactly what its name suggests – a sector constituted to not make a profit. But inside hundreds of thousands of organizations that have been granted this status are bustling profit centers called Development or Fundraising Departments. They are charged with the opposite responsibility – to make as much profit as possible."[3]

Alan Clayton explains,

"The fundraiser has to be a truly awesome person because what in effect they are doing is running a private sector culture business, inside an academic, medical or public sector culture organisation."[4]

Nonprofits rarely offer employees "steep monetary incentives." Thus, it makes sense that a heroic organizational story "e.g., saving lives, putting a person on the moon" will be especially important for motiving employees in nonprofits. [Quoting from Akerlof, R., Matouschek, N., & Rayo, L. (2020). Stories at work. *American Economic Review: Papers and Proceedings*, 110, 199-204.]

[2] Efthimiou, O. (2019, July 23). Riding the blue moon: The heroic journey of healing ourselves and others. In S. T. Allison & G. R. Goethals (Eds.), *Heroes: What they do & why we need them - a commentary on today's heroes*, [website], University of Richmond, https://blog.richmond.edu/heroes/page/3/

[3] Burk, P. (2013). *Donor-centered leadership.* Cygnus applied research. p. 12

[4] Williams, W. (2019, April 4). *A new ambition*. Pro Bono Australia. https://probonoaustralia.com.au/news/2019/04/a-new-ambition/





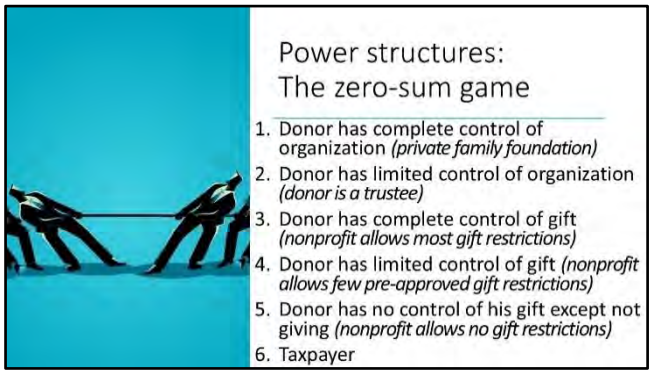
This culture difference goes beyond profit. The operations side is about

- Analytical complexity
- Shared governance, and
- Risk management.



A slow, careful, bureaucratic culture works for operations, but it is death for fundraising. Fundraising is about dreams and possibilities. It's about individual impact and compelling story.

Fundraising is an ambitious, achiever, emotion-centered operation. But it functions inside of a risk-averse, planner, analytic-centered entity. The conflict is real. So, how can we resolve it?



Power structures

One approach to conflict is the zero-sum game. Whatever one side wins, the other side loses. The question is simple. Who's in charge?

Different structures give donors different levels of control:

1. Donor has complete control of organization.

   Example: Donor creates a private family foundation.

2. Donor has limited control of organization.

   Example: Donor is a board trustee.

3. Donor has complete control of his gift.

   Example: Nonprofit allows a broad range of donor-created gift restrictions.

4. Donor has limited control of his gift.

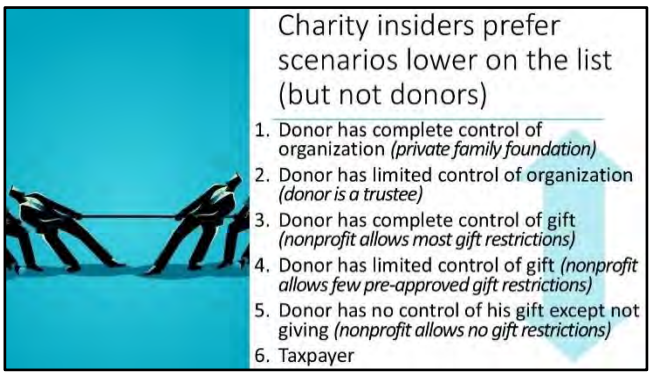
   Example: Nonprofit allows only a few pre-approved gift restrictions.

5. Donor has no control of his gift (other than not giving).

   Example: Nonprofit allows only unrestricted gifts.

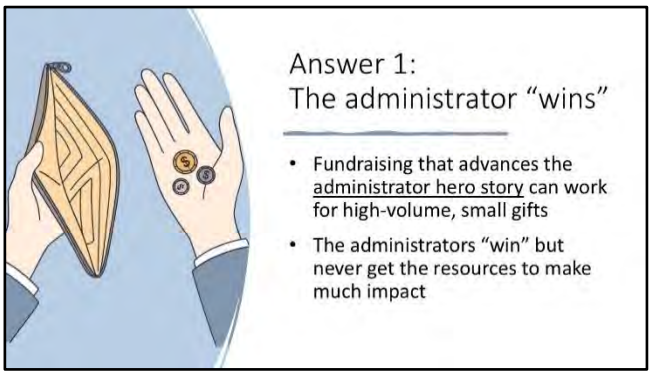
6. Taxpayer

   Example: Government forces unrestricted contributions.



Charity administrators prefer scenarios lower on the list. They want to make all decisions (#5). Donors should just give and then go away. Even better is if government grants (#6) remove the need for donors altogether.[5]

However, major donors prefer the other scenarios. They like control, too. So, what's the right structure?



Answer 1:
The administrator "wins"

Many charities are wholly devoted to the administrator-hero story. The donor-hero story is banned. Commonly, these nonprofits focus on high-volume, small gifts. This works for two reasons.

First, the administrator-hero story *can* motivate giving. It can motivate small "pat-on-the-head" gifts.[6] These show approval for what "those people" are doing. They reflect feelings of "isn't that nice for you."

Second, this fundraising advances the administrator-hero story. A mass appeal can tell the administrator-hero story to thousands. It might produce few gifts, but it's emotionally satisfying for the nonprofit leaders.

Alas, such nonprofits usually do poorly in major gifts. The resistance to donor control is too great. The idea of delivering value to donors is too foreign. Focusing on *the donor's* experience and *the donor's* impact just doesn't fit.

So, the administrators "win." They control the story. They control the organization. They just never get the resources to make much impact.

[5] Andreoni, J., & Payne, A. A. (2011). Is crowding out due entirely to fundraising? Evidence from a panel of charities. *Journal of Public Economics, 95*(5-6), 334-343. p. 334.

[6] For use of the administrator-hero story in small dollar mass appeal letters, *see, e.g.,* Dixon, C. R. (2008). *The complete guide to writing successful fundraising letters*. Atlantic publishing. p. 143



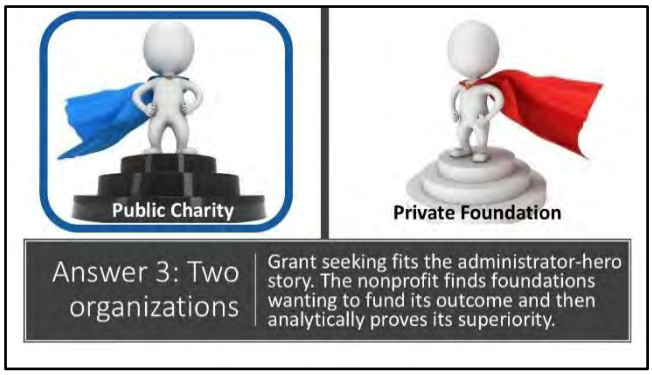
Answer 2:
The donor becomes the administrator

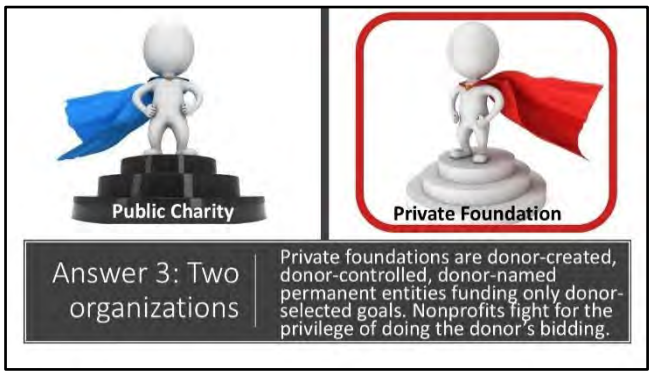
When does the administrator-hero story work for donors? When the donor *becomes* an administrator. For the board trustee donor, the two hero stories merge.

The donor becomes a leader.[7] The nonprofit becomes his responsibility. Its success reflects his success. The nonprofit's impact *becomes* the donor's impact. The donor identifies with the organization.

Board membership can help in other ways. It can build a community of major donors.[8] This provides socially relevant examples of others giving. It provides a socially relevant audience for the donor's giving. Membership signals resources and shared values. This supports future cooperative ventures among members.[9] Such membership has real financial value.

This power-sharing with select donors can work. But it's limited. It works for only a few donors.[10] What else works?





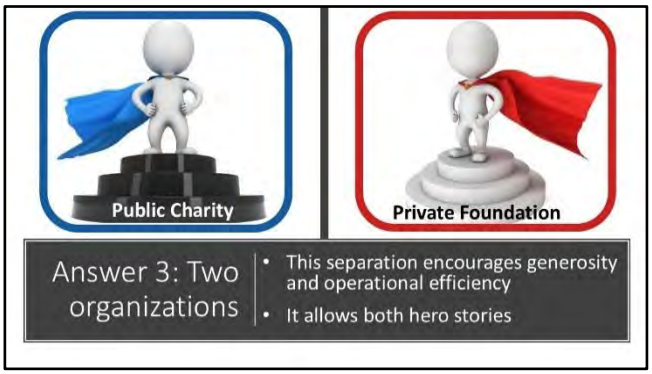
Answer 3:
Two organizations

At first, the private family foundation seems entirely one sided. The donor has all of the power. He gets all of the honor. He's the only hero. But it's part of a larger ecosystem. The foundation makes grants to operating charities. This system allows both hero stories.

For the operating charity, grants are all about *the administrator-hero story*. The nonprofit delivers some heroic outcome. It finds foundations wanting to fund that outcome. It analytically proves its efficiency. It beats out

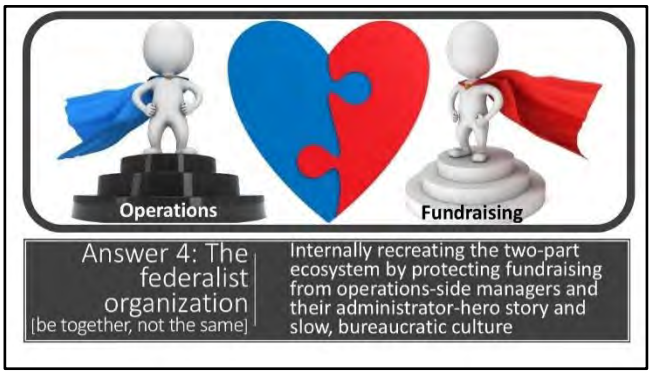
[7] Ideally, the board member is a leader, not a manager. The proper function of the nonprofit board is governance, not management.
[8] Callen J. L., Klein, A. & Tinkelman, D. (2003). Board composition, committees, and organizational efficiency: The case of nonprofits. *Nonprofit and Voluntary Sector Quarterly*, 32(4), 493-520.
[9] James, R. N., III. (2017). Natural philanthropy: a new evolutionary framework explaining diverse experimental results and informing fundraising practice. *Palgrave Communications, 3*, 17050.
[10] Some organizations have expanded this solution to involve a larger number of donors. In one approach, new members of the controlling board of trustees can be selected only from members of a much larger board of advisors. This larger board of advisors provides non-binding advice, opinions, and guidance to the executive director and the controlling board of trustees. It also serves as a training ground for prospective new trustees. Such an advisory board can become very large without risk of affecting the operational efficiency of the actual governing board. Its meeting can serve as a platform to facilitate a large gathering of donors at a charity event. It also serves as a way to keep former trustees engaged when there are trustee term limits. Some organizations instead use donor voting where active donors actually vote on trustees to be appointed to the governing board. This also expands the number of donors involved in organizational governance.

the competitors. It gets the money "because the organization deserves it."[11] Grant seeking fits the administrator-hero story.



For the donor, grants are all about *the donor's* hero story. The donor gives to a donor-created, donor-controlled, donor-named permanent entity. It funds only donor-selected heroic goals. Nonprofit administrators are minions. They fight for the privilege of doing the donor's bidding. If the administrator doesn't like it, tough. They don't get the grant.

This separation is powerful. It encourages both generosity and operational efficiency. It separates the gift-receiving and the operating entities. It allows both hero stories.



Answer 4: The federalist organization (Be together, not the same.)

The foundation-grantee ecosystem works. But how does this help fundraising nonprofits? They must do both fundraising and operations.

A related approach can work. Here the solution is not external separation of organizations. Instead, it's internal separation of cultures. The answer is the Android slogan: "Be together, not the same."

Internal separation can work. In government, this is federalism. Texas culture is not the same as California culture. Maine is not New York. But each can still be part of one nation.

The effective nonprofit needs both stories. It needs both cultures. But one side starts with all the power. Every nonprofit is run by insiders. Administrators have the authority. The donor's only power is negative. The donor can walk away.

Preserving both cultures starts by protecting fundraising. It must be protected from the slow, complex, bureaucratic culture of operations-side management. It must be protected from the administrator-hero story.



Protect fundraising from operations-side managers

The problem isn't just that administrators don't understand fundraising. The problem is they don't understand that they don't

[11] Drucker, P. (1990). *Managing the nonprofit organization.* HarperCollins. p. 56.

understand fundraising. What do fundraisers report as the "biggest fundraising challenge?" It is this:



"My colleagues/boss/others don't understand fundraising and they won't let me do my job!"[12]

Alan Clayton calls this being,

"surrounded by ALOOF people – Amateurs with a Lot Of Opinions about Fundraising."[13]



This can be worse for fundraisers in one-person shops. They neither work with nor report to other fundraisers. What is their most commonly reported work problem (aside from having too much work to do)? It is this: lack of collegial atmosphere.[14]

This can affect retention. Development directors at small nonprofits were 2.5 times more likely to be planning to leave fundraising within two years.[15]



Let fundraisers run fundraising

Retention can be a problem. But not everyone leaves. So, why do fundraisers stay? One study looked at this. It asked fundraisers with no intention to leave why they planned to stay. Of course, belief in the charity's mission was important. Aside from this, the most common reason was

"being included as a respected participant in discussions and decision-making on issues affecting fundraising."[16]

Giving fundraisers the power to run fundraising works. Such fundraisers don't just stay. They also succeed. Development directors in high-performing[17] organizations were different. They were nearly twice as likely to report having "a lot of influence on financial goals."[18]

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[12] Brooks, J. (March 9, 2020). *It takes 2 cultures to make a great nonprofit — and that can be hard!* [Blog]. Moceanic. https://www.moceanic.com/2020/2-cultures-great-nonprofit/

[13] Williams, W. (2019, April 4). *A new ambition*. Pro Bono Australia. https://probonoaustralia.com.au/news/2019/04/a-new-ambition/

[14] Burk, P. (2013). *Donor-centered leadership*. Cygnus applied research. p. 52.

[15] This was 11% at organizations with budgets over $10 million and 27% at organizations with budgets under $1 million. Bell, J. & Cornelius, M. (2013). *Underdeveloped: A national study of challenges facing nonprofit fundraising.* CompassPoint. p. 7. https://www.compasspoint.org/sites/default/files/documents/UnderDeveloped_CompassPoint_HaasJrFund_January%202013.pdf

[16] Burk, P. (2013). *Donor-centered leadership*. Cygnus applied research. p. 47.

[17] Defined as "These are executive director and development director respondents whose organizations have created a broad base of support from individuals —25% or more of their annual budget — and who rated their overall fundraising program as 'very effective.'" Bell, J. & Cornelius, M. (2013). *Underdeveloped: A national study of challenges facing nonprofit fundraising.* CompassPoint. p. 11. https://www.compasspoint.org/sites/default/files/documents/UnderDeveloped_CompassPoint_HaasJrFund_January%202013.pdf.

[18] 64% at high-performing organizations vs. 37% at others. *Id.* p. 16.



Protecting and respecting the fundraising culture within the organization is key. It affects performance. For example, one national study found that,

"57% of development directors at high-performing organizations strongly agreed that their organizations valued them for their fund development skills, knowledge, and expertise, compared to 31% of other development directors."[19]

The appreciation of fundraising starts at the top. This study of nonprofits found that,

"executives at high-performing organizations were twice as likely as their peers to say they 'love' asking individuals for donations."[20]



Protect both cultures

A charity has both an internal operations side and an external fundraising side. Advancing the mission requires both sides. This means bringing both groups together, while protecting each. Jeff Brooks suggests this:

"Publicly define the two cultures. Make it an ongoing conversation. Just knowing that you think differently from someone else, and that it's perfectly okay – that's a big step toward reconciliation."[21]

In the effective charity, people from each side learn to appreciate the other's work. They learn to focus on common goals, common enemies, and mutual benefit. Start simple. For example,



- Validate fundraising. No money = no mission. Getting money that advances some part of the mission is a good thing.
- Have a common fundraising goal. Getting more donor money requires a compelling donor experience. It means delivering more value to donors. Doing this takes everyone working together.[22]
- Have a common fundraising enemy. Charitable foundations, funds, and trusts give donors control and benefits. They also get the largest gifts. So, don't just fight over how much control your donors will get. Instead, focus on beating the competition. Focus on getting the donor-controlled money to come to *your* organization.

[19] *Id.* p. 18.
[20] *Id.* p. 14.
[21] Brooks, J. (March 9, 2020). *It takes 2 cultures to make a great nonprofit — and that can be hard!* [Blog]. Moceanic. https://www.moceanic.com/2020/2-cultures-great-nonprofit/
[22] The goal is to create a "culture of philanthropy" within the organization. *See* Joyaux, S. (March 27, 2015). *Building a culture of philanthropy in your organization*. [Webpage]. Nonprofit Quarterly. https://nonprofitquarterly.org/culture-of-philanthropy-define-philanthropy/



Protect both stories

The donor-hero story works for external fundraising. The administrator-hero story works for internal operations. An organization can silence one of these stories. But this will shrink its impact.

Both stories are important. The effective charity fosters excellent operations and excellent fundraising. But this isn't easy. These two sides thrive in differing cultures. They are motivated by conflicting stories.

Protecting both sides may require mutual understanding and respect. It may mean neither side gets everything it wants. But making room for both cultures is powerful. Protecting both stories works.



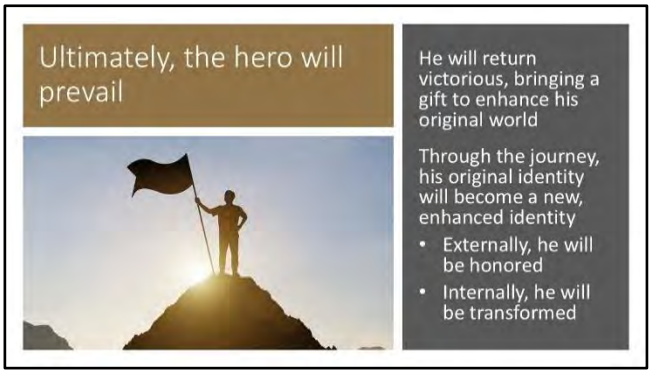
13

MAKING THE PERFECT FUNDRAISING ASK:

LESSONS FROM OBI-WAN, GANDALF, AND MORPHEUS







Universal challenge

Let's go to the movies! And when we go, what will we see? If it's a blockbuster, we'll often see a similar underlying story. It's called the hero's journey.

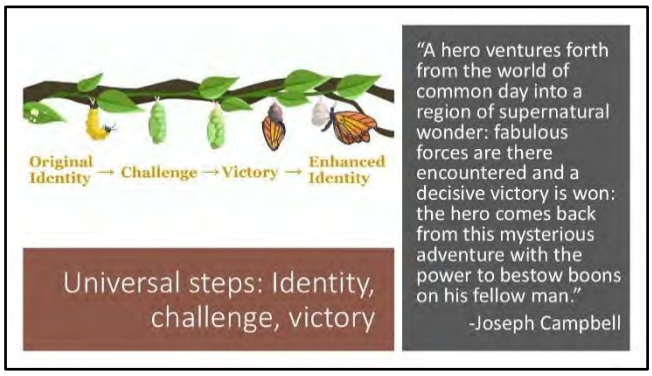
The hero's journey is a universal story. It's found across cultures, lands, and times. This universal journey is launched with a challenge. That challenge is the "call to adventure." The prospective hero must choose:

- Stay in his small, self-focused, ordinary world, or
- Go on a costly adventure to impact the larger world.

The journey won't be easy. It will require sacrifice. But there is a hope of victory. Along the way, a guiding sage will help the hero. This sage will introduce the hero to friends, allies, and magical instruments.

Ultimately, the hero will prevail. He will return victorious, bringing a gift to enhance his original world. Through the journey, his

original identity will become a new, enhanced identity. Externally, he will be honored. Internally, he will be transformed.



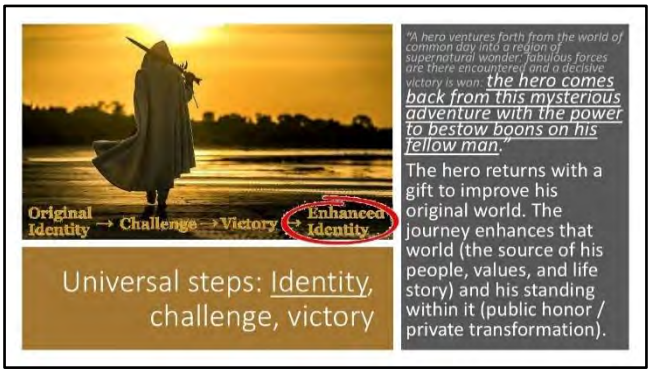
Universal steps: Identity, challenge, victory

Joseph Campbell calls this story the "monomyth." He summarizes it as,

(1) "A hero ventures forth from the world of common day" (2) "into a region of supernatural wonder:" (3) "fabulous forces are there encountered and a decisive victory is won:" (4) "the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."[1]









This hero story describes an identity enhancement journey. It progresses through

Original Identity → Challenge → Victory → Enhanced Identity

Or, as a cycle,

Challenge
↗ ↘
Identity ← Victory

(1) The journey starts in the ordinary world. This is the source of the hero's *original identity* defined by his people, values, and life story.

[1] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28. (The numerical separations do not appear in the text.)

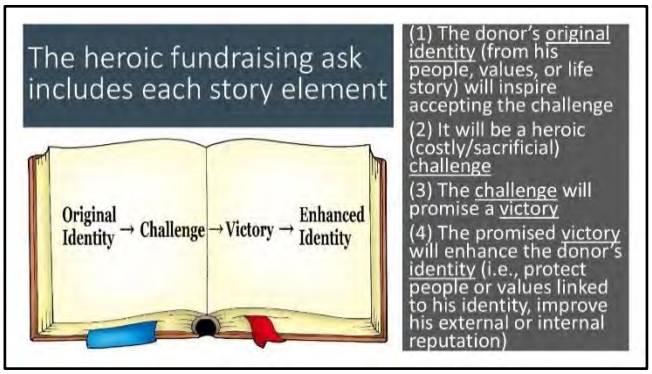
(2) The decision to venture forth into a new world is the *challenge*.

(3) Accepting this *challenge* ultimately results in a *victory*.

(4) The hero then returns with a gift to improve his original world. His journey enhances that world (the source of his people, values, and life story). It enhances his standing within that world. His *victory* results in public honor and private transformation. It leads to an *enhanced identity*.







Fundraising challenge

In fundraising, advancing the donor's hero story is powerful. It can inspire major, transformational gifts. As in every hero story, the journey is launched with a *challenge.*

This fundraising "call to adventure" happens at the "ask." It presents a choice to either

- Stay in the small, self-focused, ordinary world of personal consumption, or
- Go on a costly adventure to impact the larger world through philanthropy.

The heroic fundraising ask will include each story element.

(1) The donor's *original identity* (from his people, values, or life story) will inspire accepting the *challenge*.

(2) It will be a heroic *challenge*. The choice will be costly. It will require sacrifice.

(3) The *challenge* will promise a *victory*.

(4) The promised *victory* will enhance the donor's *identity*. It will protect people or values linked to his *identity*. It will improve his external or internal reputation.

The heroic ask links *identity*, *challenge*, and *victory*.

What does such an epic ask look like? We'll look at some fundraising examples. But first, let's go to the movies! The classic monomyth films demonstrate these heroic ask elements.



The "call to adventure": Let's go to the movies

Star Wars, *The Hobbit*, and *The Matrix* are all classic monomyth films. They're also the highest grossing movie franchises of their times.[2] In all three, the guiding sage delivers the "call to adventure." The sage challenges the prospective hero:

Leave behind your small, self-focused, ordinary world!

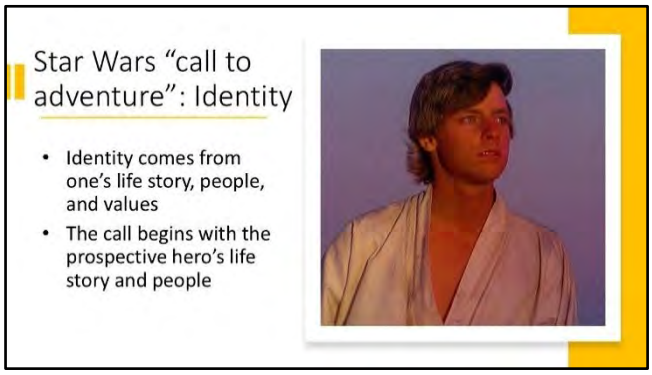
Go on a costly adventure to make an impact for good in the larger word!



The challenge is clear. It's a simple, yes-or-no choice. It's not easy. It's a big ask. But the challenge promises the hope of victory. And in each case, the sage links the challenge to the prospective hero's identity. The message is this:

Take this challenge because of who you are! [your people, your values, and your life story]

The monomyth "call to adventure" matches the compelling fundraising ask. These movie scenes reveal an archetypal pattern for real-world fundraising.



Star Wars "call to adventure"

Identity comes from one's life story, people, and values. The "call to adventure" scene in *Star Wars* begins there. It begins with the prospective hero's life story and people. It begins with Luke's family.

LUKE: How did my father die?

OBI-WAN: A young Jedi named Darth Vader, who was a pupil of mine until he turned to evil, helped the Empire hunt down and destroy the Jedi Knights. He betrayed and murdered your father. Now the Jedi are all but extinct.[3]



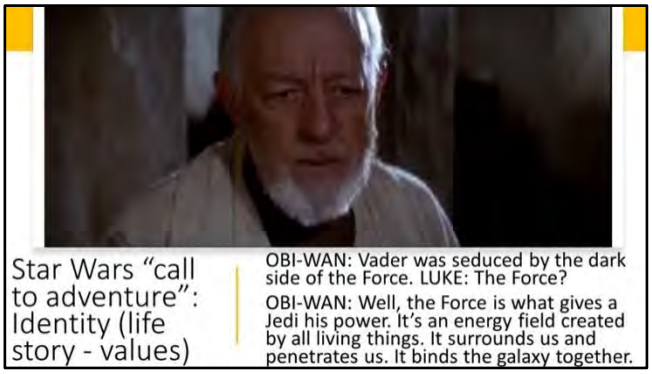
The life story continues by including values.

OBI-WAN: Vader was seduced by the dark side of the Force.

LUKE: The Force?

[2] An argument for paying special attention to these scripts is that their success might suggest a resonance with underlying archetypal story elements from the collective unconscious. More simply, these are stories that – more than many thousands of others – worked. Thus, whether arrived at by studiously following the monomyth playbook (as with *Star Wars*), by artistic genius, or by random chance, the objective empirical reality is that these stories worked and thus merit special attention.

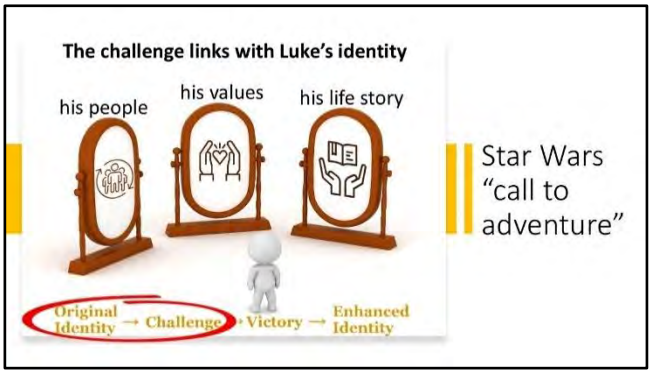
[3] Lucas, G. (January 15, 1976) *STAR WARS Episode IV A NEW HOPE from the JOURNAL OF THE WHILLS*, Revised Fourth Draft, https://www.imsdb.com/scripts/Star-Wars-A-New-Hope.html











OBI-WAN: Well, the Force is what gives a Jedi his power. It's an energy field created by all living things. It surrounds us and penetrates us. It binds the galaxy together.[4]

Luke then hears the clear, simple challenge. It comes first from Leia.

LEIA: I have placed information vital to the survival of the Rebellion into the memory systems of this R2 unit ... You must see this droid safely delivered to him on Alderaan. This is our most desperate hour. Help me, Obi-Wan Kenobi, you're my only hope.[5]

And then from Obi-Wan,

OBI-WAN: You must learn the ways of the Force if you're to come with me to Alderaan.

LUKE: Alderaan? I'm not going to Alderaan. I've got to go home. It's late, I'm in for it as it is.

OBI-WAN: I need your help, Luke. She needs your help.[6]

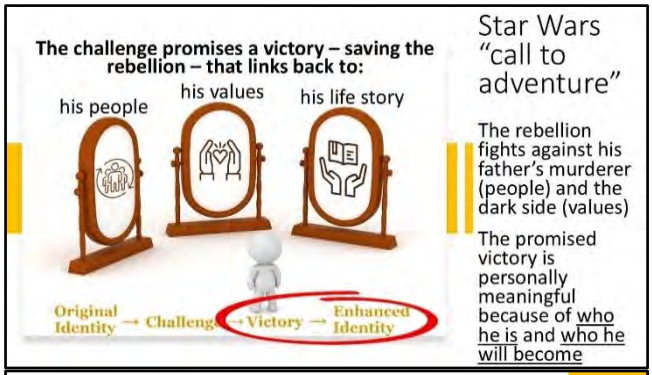
The challenge is clear. Leave behind the small, self-focused world of farming. Make an impact for good in the larger world. It is a stark "yes" or "no" decision. The challenge is immediate. The crisis/opportunity is now.

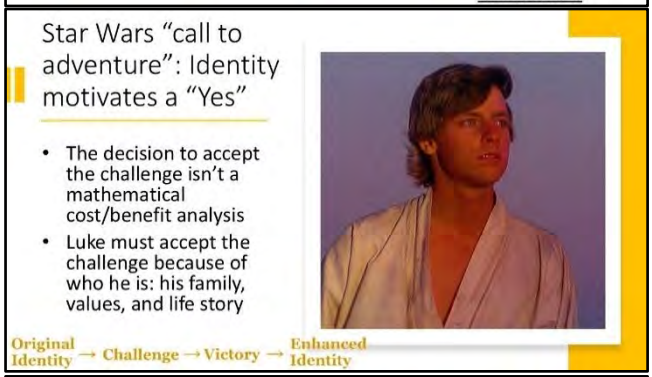
This challenge links with Luke's identity (people, values, and life story). It links with the story of his father. It includes the spiritual values from that life story.

The challenge promises a victory – saving the rebellion. This victory links back to Luke's people and values. The rebellion fights against his father's murderer (people). It fights the dark side (values).

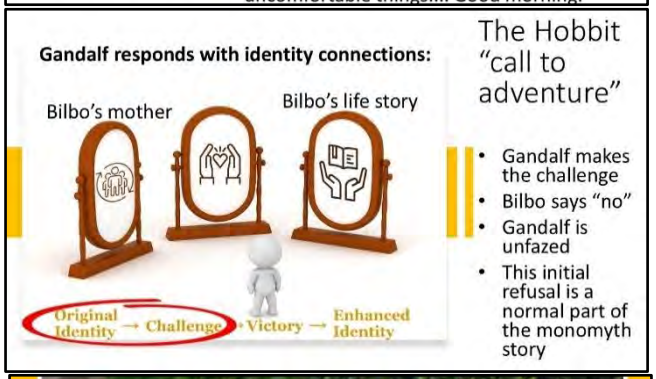
The promised victory is personally meaningful. It is meaningful *because of who he is*. It is meaningful because of his family, values, and life story. It is also meaningful *because of who he will become*. The promised

[4] *Id.*
[5] *Id.*
[6] *Id.*











victory requires learning "the ways of the force." The journey will lead to a personal transformation.

The decision to accept the challenge isn't a mathematical cost/benefit analysis. It is a matter of *identity*. Luke must accept the challenge *because of who he is*. He must accept because of his family, values, and life story.

Like the epic fundraising ask, this "call to adventure" makes a clear challenge. It links the prospective hero's identity to the challenge. The challenge promises a victory. The victory promises an enhanced identity.

The Hobbit "call to adventure"

In *The Hobbit*, Gandalf arrives in the shire. He immediately makes a naked "call to adventure."

BILBO: Can I help you?

GANDALF: That remains to be seen. I'm looking for someone to share in an adventure.

BILBO: An adventure? No, I don't imagine anyone west of Bree would have much interest in adventures. Nasty, disturbing, uncomfortable things. Make you late for dinner. Heh, heh. Mm. Huh. Hmm. Oh. Ah. Good morning.[7]

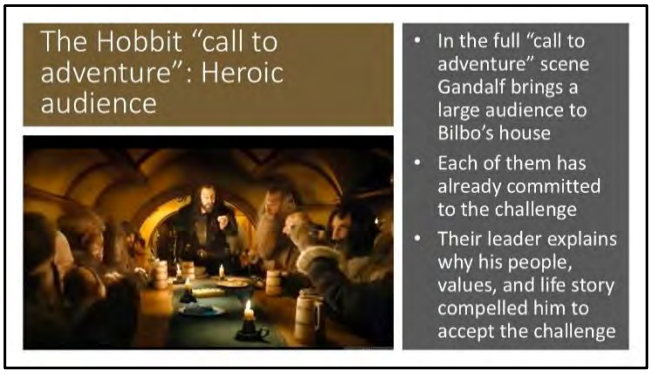
Gandalf makes the challenge. Bilbo says "no." Gandalf is unfazed. (This initial refusal is a normal part of the monomyth story.)[8] Gandalf responds. He responds with identity connections (people, values, and life story). He mentions Bilbo's mother. He mentions Bilbo's earlier life.

GANDALF: To think that I should have lived to be "good morninged" by Belladonna Took's son as if I were selling buttons at the door.

BILBO: Beg your pardon?

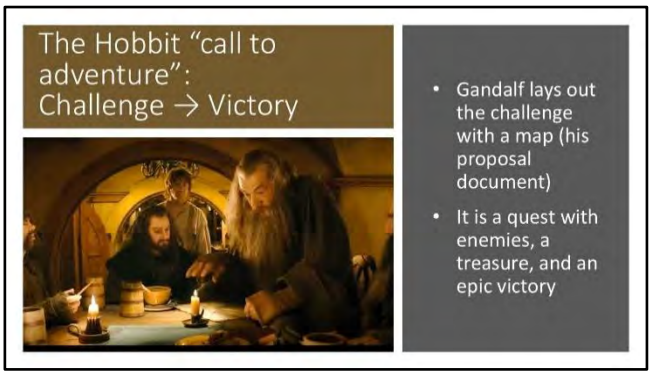
[7] Walsh, F., Boyens, P., Jackson, P., & del Toro, G. (2012). *The Hobbit: An Unexpected Journey – Unofficial Transcript (based on the novel The Hobbit by J.R.R. Tolkien)*. https://pjhobbitfilms.fandom.com/wiki/The_Hobbit:_An_Unexpected_Journey/Transcript

[8] *See* Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Chapter I.2. Refusal of the call. Princeton University Press. p. 45-54. For the practical applications to fundraising *see* James, R. N., III. (2021) *The Socratic fundraiser: Using questions to advance the donors hero story*. Chapter 10. Socratic fundraising after the ask: Congratulations! You got a "no."



GANDALF: You've changed, and not entirely for the better, Bilbo Baggins.[9]

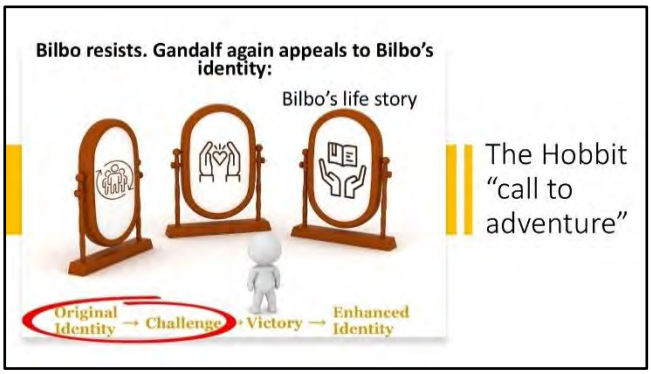
The full "call to adventure" scene happens later. Gandalf brings a large audience to Bilbo's house. Each of them has already committed to the challenge. Their leader explains why his people, values, and life story compelled him to accept the challenge.[10]



Gandalf lays out the challenge with a map – his proposal document! It is a quest with enemies, a treasure, and an epic victory. His presentation even ends with a formal contract to sign!

The challenge is clear. Leave behind the small self-focused world of the shire. Go on an adventure to impact the larger world. It is urgent. The group is leaving in the morning.[11]





It is a stark "yes" or "no" decision.



Bilbo resists. Gandalf again appeals to Bilbo's identity. He mentions Bilbo's life story.

GANDALF: I remember a young Hobbit who was always running off in search of Elves in the woods. Who would stay out late, come home after dark ... trailing mud and twigs and fireflies. A young Hobbit who would have liked nothing better than to find out what was beyond the borders of the Shire. The world is not in your books and maps. It's out there.[12]

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[9] Walsh, F., Boyens, P., Jackson, P., & del Toro, G. (2012). *The Hobbit: An Unexpected Journey – Unofficial Transcript (based on the novel The Hobbit by J.R.R. Tolkien)*. https://pjhobbitfilms.fandom.com/wiki/The_Hobbit:_An_Unexpected_Journey/Transcript

[10] Thorin: I would take each and every one of these dwarves over an army from the Iron Hills, for when I called upon them, they answered. Loyalty, honor, a willing heart. I can ask no more than that.

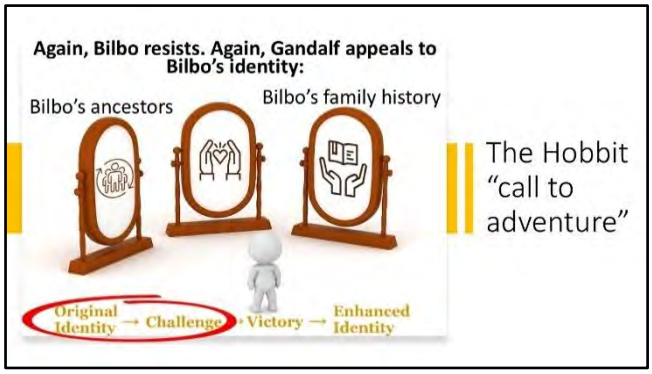
Balin: You don't have to do this. You have a choice. You've done honorably by our people. You have built a new life for us in the Blue Mountains. A life of peace and plenty. A life that is worth more than all the gold in Erebor.

Thorin: From my grandfather to my father, this has come to me. They dreamt of the day when the dwarves of Erebor would reclaim their homeland. There is no choice, Balin. Not for me.

Id.

[11] The dialogue also includes, "Oin has read the portents, and the portents say: it is time." *Id.*

[12] *Id.*



Again, Bilbo resists. Again, Gandalf appeals to Bilbo's identity. He mentions Bilbo's family history.

BILBO: I can't just go running off into the blue. I am a Baggins of Bag-end.

GANDALF: You are also a Took. Did you know that your great-great-great-great-uncle Bullroarer Took was so large, he could ride a real horse?

BILBO: Yes.

GANDALF: Yes, well, he could. In the Battle of Green Fields, he charged the Goblin ranks. He swung his club so hard, it knocked the Goblin king's head clean off ...[13]



Bilbo consistently resists with rational cost/benefit analysis. Gandalf consistently responds by focusing on Bilbo's identity. He highlights the people, values, and life story elements that support taking the challenge.



Bilbo must accept the challenge *because of who he is*. His identity compels him to say "yes." This includes Bilbo's life story – his adventuresome youth searching for elves. It includes his people – his ancestor who defeated the Goblin king. It is spurred on by an audience of others committed to this same challenge.





Bilbo also must accept the challenge *because of who he will become*. The promised victory will lead to an enhanced identity.

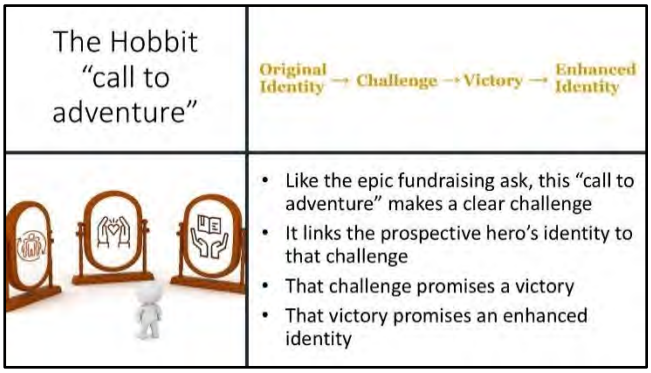
GANDALF: You'll have a tale or two to tell of your own when you come back.

BILBO: Can you promise that I will come back?

GANDALF: No, and if you do ... you will not be the same.[14]

[13] *Id.*
[14] *Id.*





Like the epic fundraising ask, this "call to adventure" makes a clear challenge. It links the prospective hero's identity to that challenge. That challenge promises a victory. That victory promises an enhanced identity.



The Matrix "call to adventure"

Perhaps the most famous decision scene comes from *The Matrix*. The guiding sage Morpheus says,

"This is your last chance. After this, there is no going back. You take the blue pill and the story ends. You wake in your bed and you believe whatever you want to believe. You take the red pill, and you stay in Wonderland and I show you how deep the rabbit-hole goes."[15]



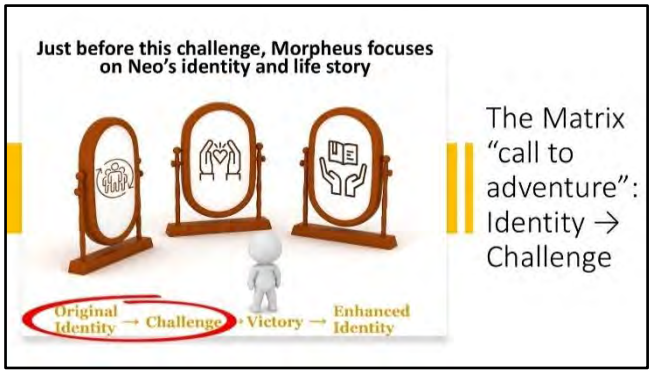


The challenge is clear. Leave behind the ordinary world. Go on an adventure down the "rabbit-hole." It is urgent. ("This is your last chance.") It is a stark "yes" or "no" decision.

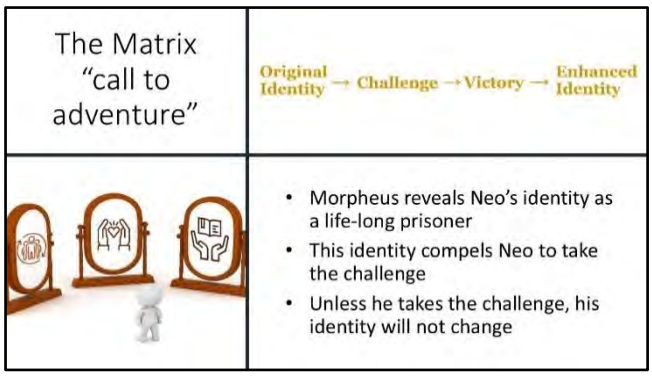
But just before this challenge, Morpheus focuses on Neo's identity and life story. He says,

> "Let me tell you why you are here. You have come because you know something. What you know you can't explain but you feel it. You've felt it your whole life, felt that something is wrong with the world.... You are a slave, Neo. Like everyone else, you were born into bondage, kept inside a prison that you cannot smell, taste, or touch. A prison for your mind."[16]

[15] Wachowski, L. & Wachowski, A. (1997). *The Matrix screenplay.* [Screenplay]. Warner Brothers Entertainment.
[16] *Id.*













Morpheus reveals Neo's identity as a life-long prisoner. This identity compels Neo to take the challenge. Unless he takes the challenge, his identity will not change.

The epic challenge elements

In each of these films, the guiding sage presents a heroic challenge. It is a stark "yes" or "no" choice. There is no "just a little bit" option.

Each challenge comes with a deadline. The threat or opportunity forces a choice. There is no "maybe someday" option.

The decision is clear. But the choice is not a matter of statistically analyzing pros and cons. It is a matter of identity. The guiding sage shows the identity elements (life story, people, and values) that support taking the challenge. The sage's message is this:

"You are *the kind of person* who accepts a challenge like this."

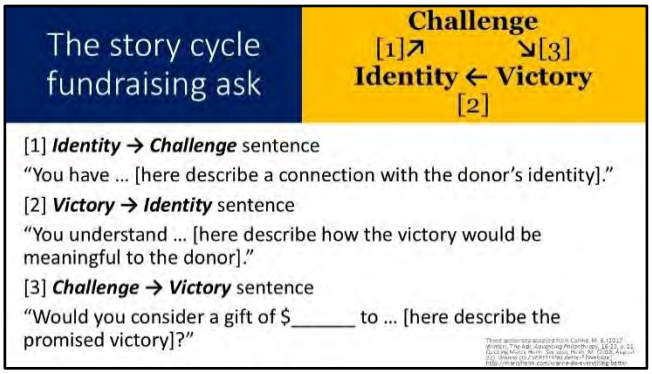
The epic "call to adventure" links identity, challenge, and victory. The hero's identity compels him to accept the challenge (*Identity → Challenge*). The challenge promises a victory (*Challenge → Victory*). The victory is personally meaningful because of the hero's identity (*Victory → Identity*). The epic "call to adventure" includes the full story cycle. The compelling fundraising "ask" does the same.

The story cycle ask: Identity, challenge, and victory

The fundraising ask itself can verify each link in the story cycle.

Challenge
[1]↗ ↘[3]
Identity ← Victory
[2]

It can do this in just three sentences.

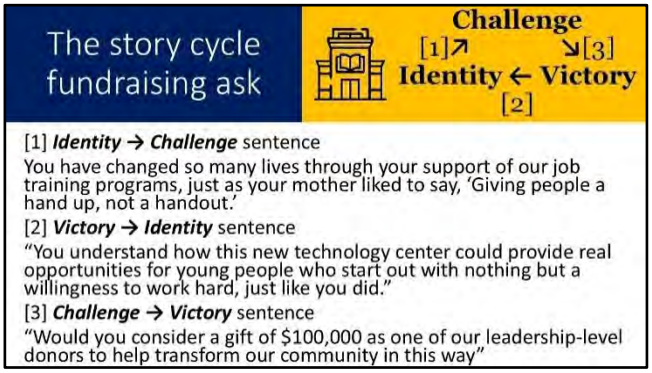


[1] *Identity → Challenge* sentence
"You have ... [here describe a connection with the donor's identity]."

[2] *Victory → Identity* sentence
"You understand ... [here describe how the victory would be meaningful to the donor]."

[3] *Challenge → Victory* sentence
"Would you consider a gift of $_____ to ... [here describe the promised victory]?"[17]

This might sound like the following:



- [1] "You have changed so many lives through your support of our job training programs, just as your mother liked to say, 'Giving people a hand up, not a handout.'" (*Identity → Challenge*)

[2] "You understand how this new technology center could provide real opportunities for young people who start out with nothing but a willingness to work hard, just like you did." (*Victory → Identity*)

[3] "Would you consider a gift of $100,000 as one of our leadership-level donors to help transform our community in this way?" (*Challenge → Victory*)



- [1] "You have meant so much to this football program since your days as a player over thirty years ago." (*Identity → Challenge*)

[2] "You understand how this new stadium expansion would launch our program onto the national stage." (*Victory → Identity*)

[3] "Would you consider a gift of $2 million to lead the campaign to make this a reality?" (*Challenge → Victory*)

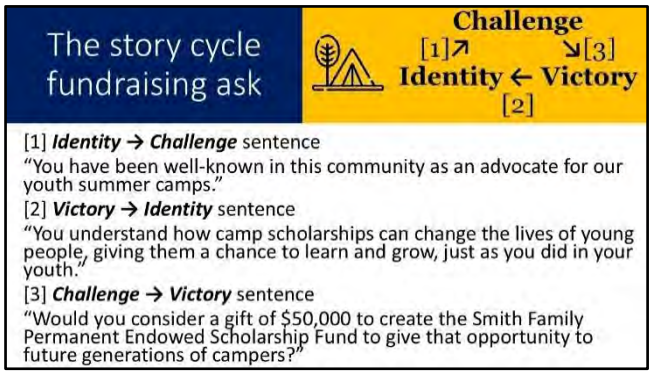
- [1] "You have been so dedicated to improving the lives of patients at this hospital going back even before your own father received care here." (*Identity → Challenge*)

[17] Three sentences adapted from Collins, M. E. (2017, Winter). The Ask. *Advancing Philanthropy*, 16-23, p. 21. Quoting Marcy Heim. *See also,* Heim, M. (2018, August 22). *Wanna Do EVERYTHING Better?* [Website] http://marcyheim.com/wanna-do-everything-better



[2] "You understand how this new 'Campaign against Cancer' can change the lives of so many right here in our community." (*Victory → Identity*)

[3] "Would you consider a gift of $100,000 to help fund next year's screening clinics?" (*Challenge → Victory*)



- [1] "You have been well known in this community as an advocate for our youth summer camps." (*Identity → Challenge*)

[2] "You understand how camp scholarships change the lives of young people, giving them a chance to learn and grow just as you did in your youth." (*Victory → Identity*)

[3] "Would you consider a gift of $50,000 to create the Smith Family Permanent Endowed Scholarship Fund to give that opportunity to future generations of campers?" (*Challenge → Victory*)

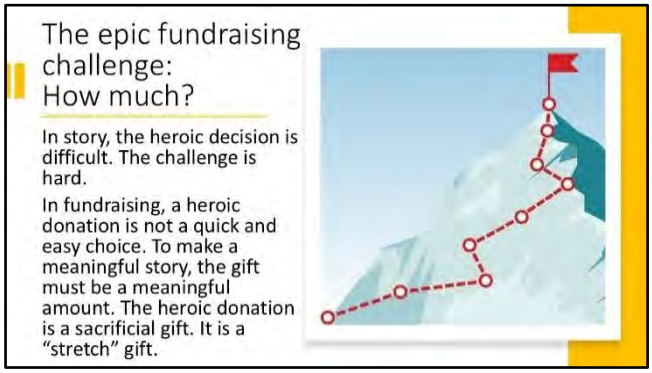
These asks include the full story cycle. They link identity, challenge, and victory. This can make them deeply compelling.



The epic fundraising challenge: Heroic amount

How else does epic story inform practical fundraising? In story, the prospective hero faces a stark choice. It is a "yes" or "no" decision. In fundraising, this means asking for a specific amount.

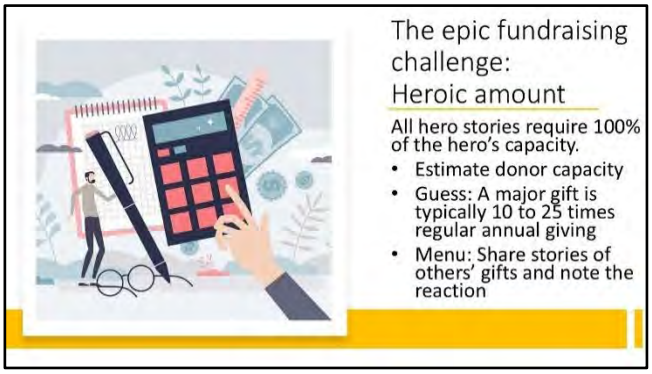
But how much? In story, the heroic decision is difficult. The challenge is hard. In fundraising, a heroic donation is not a quick and easy choice. To make a meaningful story, the gift must be a meaningful amount. The heroic donation is a sacrificial gift. It is a "stretch" gift.



What is this number? Some charities have the research to estimate donor capacity. When the estimate is correct, the right number is simple. It's 100% of capacity. All hero stories require 100% of the hero's capacity.

But what if we have no idea? We could guess.[18] A major gift is typically ten to twenty-

[18] We could ask for "your best gift ever." This has a floor of the donor's previous largest gift. However, always avoid asking for "at least" a certain amount. This language devalues the target amount.



five times regular annual giving.[19] Or we might first share stories of others' gifts. This is a conversational way to introduce a gift menu. Each menu option has a price. A donor's reaction to the amounts can hint at what is possible.

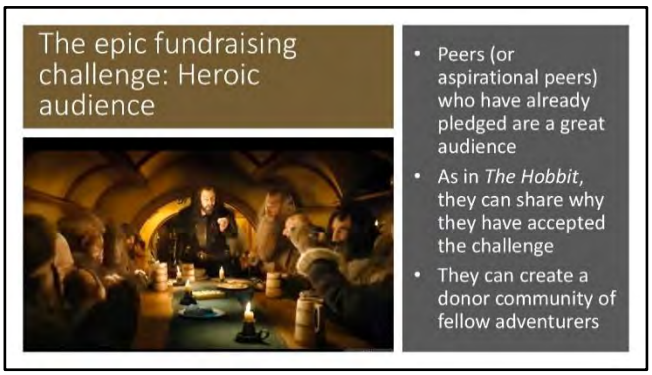
Why not just leave it open? You might say,

"Give what you can. Anything helps."



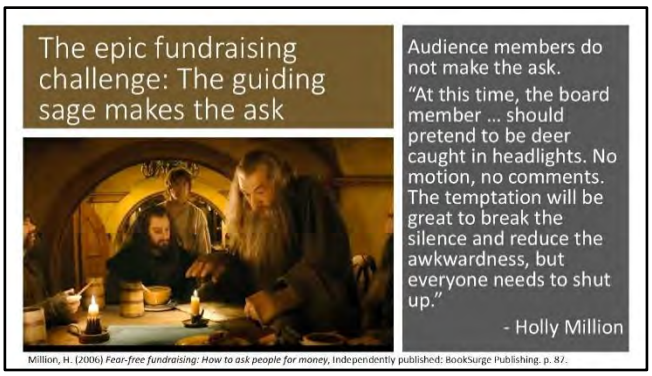
But this doesn't work. It won't inspire a major gift. It doesn't work because it isn't a heroic challenge. It's begging. It's not a call to adventure. It's a call to convenience. It's a mundane choice in a mundane story. That story won't motivate a major gift.

The epic fundraising challenge: Heroic audience



The guiding sage can make the "call to adventure" alone. But, as in *The Hobbit*, it can help to have the right audience. Gandalf makes the final request at a dinner. The guests have already accepted the challenge. They share why they have done so.

This can work in fundraising too. Peers (or aspirational peers) who have already pledged are a great audience. As in *The Hobbit*, they can share why they have accepted the challenge. They can create a donor community of fellow adventurers.



The epic fundraising challenge: The guiding sage makes the ask

Audience members can help. But they do not make the ask. During the moment of the ask, the audience role is to be present and be silent. As Holly Million explains,

"At this time, the board member ... should pretend to be deer caught in headlights. No motion, no comments. The temptation will be great to break the silence and reduce the awkwardness, but everyone needs to shut up."[20]

Coordinating this silence is important. Thus, "not having prearranged signals between solicitation members" can be a key roadblock to a successful ask.[21]

[19] Panas, J. (2020). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. p. 58.
[20] Million, H. (2006) *Fear-free fundraising: How to ask people for money*, Independently published: BookSurge Publishing. p. 87.
[21] Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. p. 168.

Making the ask is not the role of the fellow donor. It's the role of the guiding sage fundraiser. Delivering the compelling "call to adventure" requires experience and expertise.



*Conclusion: **Advance the donor's hero** story*

Knowing the full story cycle can lead to a better ask. It can also lead to a better follow-up. A "no" is not the end of the story. It's a normal step in the hero's journey. The "yes" often comes later.

And a "yes" is not the end of the story, either. The charity must still deliver a victory and enhanced identity. Otherwise, it's not finishing the story. That's an experience the donor is unlikely to repeat.

The "one big thing" in fundraising is to advance the donor's hero story. That story requires a fundraising ask. It requires a "call to adventure." The elements of the effective "call to adventure" are also the elements of the effective ask.



The ideal challenge links to the prospective hero's past identity. The challenge promises a future victory. The promised victory results in an enhanced identity. It provides private meaning or public reputation.

The ideal challenge comes from the hero's guiding sage. The sage challenges with a heroic choice. Who is this sage? It is Obi-Wan, Gandalf, Morpheus … and you!



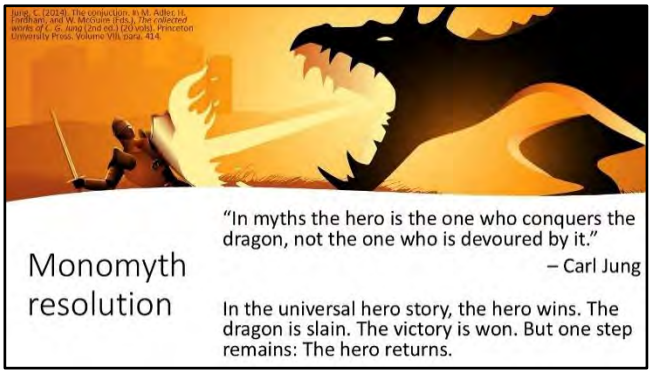
14

CONFIRMING DONOR HEROISM WITH GRATITUDE:

THE RETURN OF THE HERO

"In myths the hero is the one who conquers the dragon, not the one who is devoured by it."

– Carl Jung[1]





Monomyth resolution

In the universal hero story, the hero wins. The dragon is slain. The victory is won. But the story doesn't end there. One step remains: The hero returns.[2]

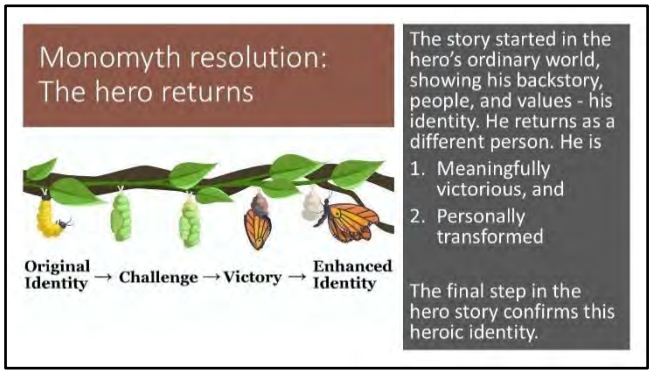
Joseph Campbell writes,

"the adventurer still must return with his life-transmitting trophy. The full round, the norm of the monomyth, requires the hero should now begin the labour of bringing the runes of wisdom, the Golden Fleece, or his sleeping princess, back into the kingdom of humanity, where the boon may redound to the renewing of the community ..."[3]

The story started in the hero's ordinary world. This shows his backstory. It shows his people

[1] Jung, C. (2014). The conjuction. In M. Adler, H. Fordham, and W. McGuire (Eds.), *The collected works of C. G. Jung* (2nd ed.) (20 vols). Princeton University Press. Volume VIII, para. 414.
[2] This *nóstos* or "homecoming" pattern is myriad in epic Greek literature, beginning with Homer's Odyssey. *See* Alexopoulou, M. (2003). *The homecoming (nóstos) pattern in Greek tragedy.* [Doctoral dissertation]. University of Glasgow.
[3] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 193.

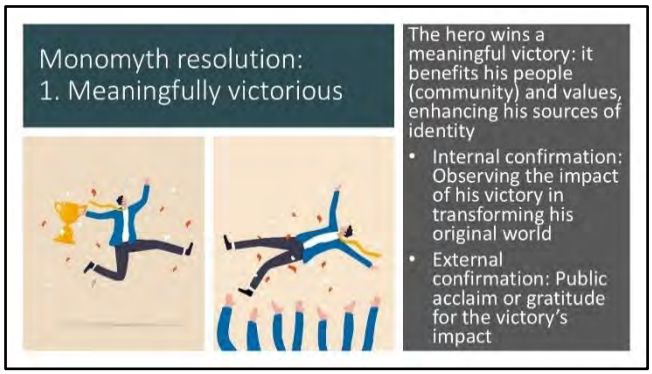
and values. These are his sources of identity. The story ends in the same world. The hero returns.



But he returns as a different person. He started as a seemingly ordinary person in his ordinary world. He returns as a hero. He is

1. Meaningfully victorious, and
2. Personally transformed.

The final step in the hero story confirms this heroic status. It confirms his new identity. In the narrative arc, this is the story's resolution.



Monomyth resolution: Meaningfully victorious

The hero wins a victory. The final step confirms its meaning. It is meaningful because it benefits the hero's community. It benefits his people and values. It enhances his sources of identity.

This confirmation can be internal. The hero can observe the impact of his victory. He can see the transformation to his original world.

This confirmation can also be external. Public acclaim for the victory confirms its meaningfulness. Gratitude affirms its impact.



Monomyth resolution: Personally transformed

The hero is also personally transformed. He is not the same person he was before. He has grown. His identity has been enhanced. This final step confirms it.

This confirmation can be internal. The return to his original world recalls his original self. This old image contrasts with his new one. It contrasts with his now-transformed self. This comparison highlights the personal transformation.

The confirmation can also be external. The hero is honored. Public admiration confirms his altered identity. Gratitude affirms his heroic transformation.

The hero's journey is an identity enhancement process.[4] It progresses through [5]

Original Identity → Challenge → Victory → Enhanced Identity



Or simply, [6]

Challenge
↗ ↘
Identity ← Victory

The final step confirms the hero's enhanced identity.[7] It verifies his heroic status. He has become a

1. Meaningfully victorious, and
2. Personally transformed hero.



Monomyth resolution: Let's go to the movies

This isn't just academic theory. The highest grossing movie franchises are hero stories. The final scene often provides this resolution. It confirms the hero's enhanced identity.

This occurs in the original *Star Wars* film. The ending scene is one of public gratitude and honor. The heroes receive medals at a formal ceremony. Hundreds stand at attention.

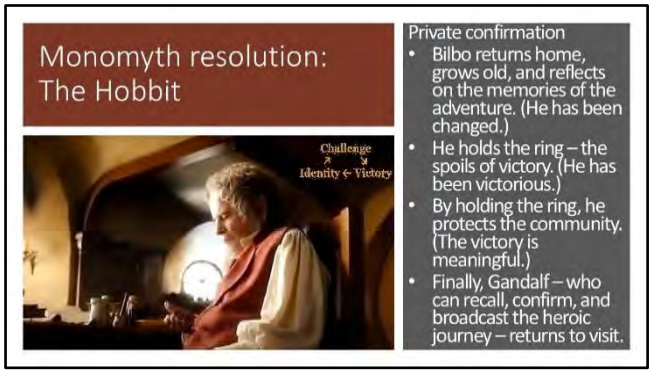
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[4] For example, "this hero's journey corresponds to a process of individual development from a disjointed sense of identity to a consolidated identity, when the individual acquires a clear sense of aspiration in life"
Golban, T. (2014). *Rewriting the hero and the quest: myth and monomyth in Captain Corelli's Mandolin by Louis de Bernières.* Peter Lang GmbH. p. 34.
For an argument that the protagonist of the Bildungsroman – coming of age story or "the novel of identity formation" – is "at the same time the hero of the monomyth" *see* Karabakir, T., & Golban, P. (2019). The Bildungsroman as Monomythic fictional discourse: Identity formation and assertion in great expectations. *Humanitas: International Journal of Social Sciences, 7*(14), 318-336.
See also discussions in Elenbaas, J. D. (2016). *Excavating the mythic mind: Origins, collapse, and reconstruction of personal myth on the journey toward individuation.* [Ph.D. Dissertation]. Pacifica Graduate Institute; Gerhold, C. (2011). *The hero's journey through adolescence: A Jungian archetypal analysis of "Harry Potter".* [Ph.D. Dissertation]. The Chicago School of Professional Psychology.
[5] The monomyth includes specific steps. The hero,
1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation
6. Returns to the place of beginning with a gift to improve that world

This hero story progresses through
Original Identity [1] → Challenge [2, 3, 4] → Victory [4, 5] → Enhanced Identity [5, 6]
[6] Campbell uses a three-step circular illustration with this description:
> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.
[7] This enhanced identity can be as simple as external prestige or an internal "warm glow." However, it also touches on Jung's more nuanced journey of individuation.

This also occurs in the final *Lord of the Rings* film. The ending scene is nearly identical. A massive audience bows to the heroes at a formal ceremony. Their transformation into heroes is publicly confirmed.



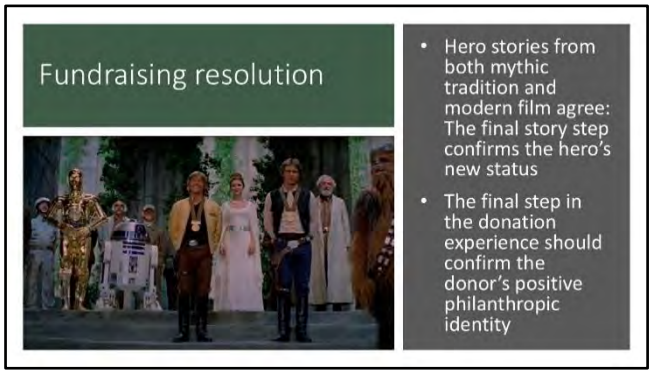
In *The Hobbit*, the final scene is different. Here, the confirmation is private. Bilbo returns to his home and grows old. Then, he reflects on the memories of the adventure. (He has been changed.) He holds the ring: the spoils of victory. (He has been victorious.) By holding the ring, he protects the community. (The victory is meaningful.)

The scene ends with the arrival of the guiding-sage Gandalf. Gandalf can recall and confirm this heroic journey. He can do so now, privately. He can also do so for future generations, publicly. (Wizards live a very long time!)



Neo returns to the matrix in the final scene. This is the original world where the film began. But now he is transformed. He has acquired previously unimagined powers. These were won in his journey. This "trophy" now becomes a gift. It's a gift to benefit his original world. His closing words confirm it. He tells the defeated villain,

"I'm going to show these people what you don't want them to see. I'm going to show them a world ... where anything is possible."[8]



These ending scenes verify the heroic status. The main character returns to the ordinary world. But he returns as a

1. Meaningfully victorious, and
2. Personally transformed hero.



Fundraising resolution

Hero stories from both mythic tradition and modern film agree. The final story step confirms the hero's new status. This is the story's resolution.

What about fundraising? Personal transformation might seem like a lofty goal for a donation. A meaningful victory that enhances identity might too. But these are just extreme versions of a simple idea.

[8] Wachowski, L. & Wachowski, A. (1997). *The Matrix screenplay.* [Screenplay]. Warner Brothers Entertainment.

The final step in the donation experience is a confirmation. It confirms the donor's positive identity. It confirms a positive *philanthropic* identity. This can come from two sources:

1. The *giving* of the gift

   The identity message is this: "I am a

   - Generous
   - Faithful
   - Prosperous
   - Committed

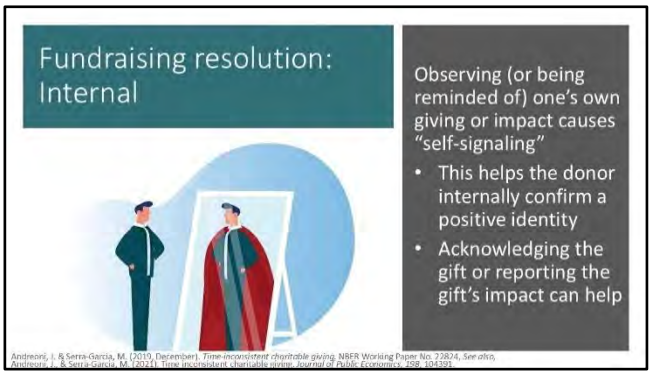
   member of the community."

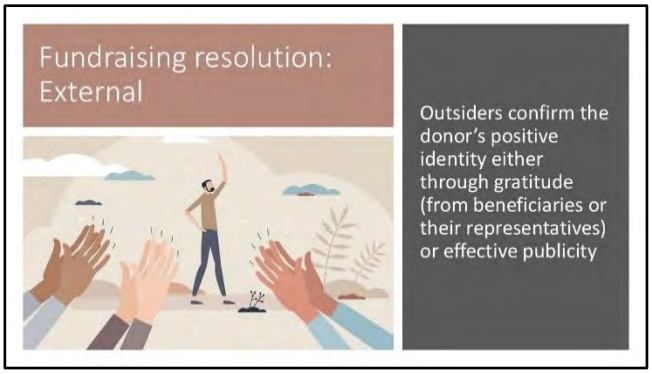
2. The *impact* of the gift

   The identity message is this: "I am an

   - Effective
   - Successful
   - Victorious
   - Valuable

   member of the community."





The confirmation can be internal. Observing (or being reminded of) one's own giving or impact works. It causes "self-signaling."[9] It helps the donor internally confirm a positive identity. Acknowledging the gift can trigger this. So can reporting the gift's impact.

The confirmation can also be external. This comes from gratitude and publicity. Gratitude comes from beneficiaries or their representatives. It confirms the donor's positive identity. Effective publicity causes others to confirm this as well. In either case, outsiders confirm the donor's positive identity.

Gratitude for the act of giving

An effective "thank you" can work on two levels. First, it can recognize the *giving* of the

[9] Andreoni, J. & Serra-Garcia, M. (2019, December). *Time-inconsistent charitable giving.* NBER Working Paper No. 22824, https://www.nber.org/papers/w22824
("the pleasures experienced at the time of the giving decision may be re-experienced later when focus is brought to the giving decision, such as when the gift is transacted. Hence, spreading a single giving decision into two distinct social interactions is like giving a person a larger audience, even if the audience is the same people, and even if the audience is simply themselves (as with self-signaling).") *See also,* Andreoni, J., & Serra-Garcia, M. (2021). Time inconsistent charitable giving. *Journal of Public Economics, 198*, 104391.



gift. It can confirm that the donor accepted the challenge. But great gratitude goes further. It doesn't just acknowledge the gift. It confirms the donor's *positive identity* resulting from the act of giving. The donor is generous, faithful, and sacrificial. The donor is a committed member of the community.

This gratitude can start right away. It can start even before (or without)[10] any impact. This gratitude is not about impact. It's about the act of *giving* the gift.

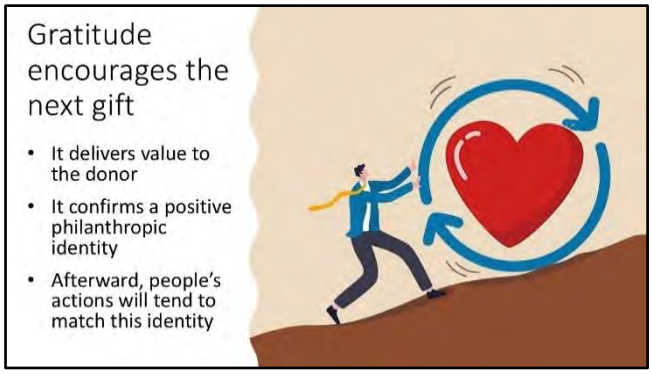


Gratitude for the impact of giving

Gratitude can do more. It can also confirm the *impact* of the gift. But great gratitude goes even further. It confirms the donor's *positive identity* resulting from the impact of the gift. The donor is effective, successful, and victorious. The donor is a valuable member of the community.



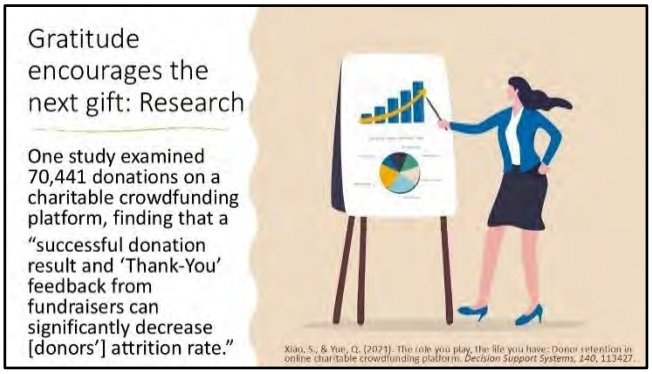
Great gratitude can do a lot. It can confirm the full donor-hero story. First, it can confirm that the donor accepted a heroic *challenge*. This comes from the *making* of the gift. (It was a sacrificial gift in a moment of crisis or opportunity.) Second, gratitude can confirm that the donor won a meaningful *victory*. This comes from the *impact* of the gift. (It protected the donor's people and values.) In both ways, gratitude can confirm the donor's enhanced identity. (The donor is a generous, victorious hero.)



Gratitude: Research

Effective gratitude delivers value to the donor. This encourages the next gift. It also confirms a positive *philanthropic* identity. This helps too. Confirming this identity changes behavior. Afterward, people's actions will tend to match this identity. This also encourages the next gift.

[10] Intentionally giving even without any possible impact is actually quite common in experimental studies. *See e.g.,* Crumpler, H., & Grossman, P. J. (2008). An experimental test of warm glow giving. *Journal of Public Economics, 92*(5), 1011-1021.
Offerings where the gift itself is destroyed are described in the Iliad, the Odyssey, and the Pentateuch. *See* e.g., Genesis 35:14, Exodus 29:41, Leviticus 23:18; Petropoulou, A. (1987). The sacrifice of eumaeus reconsidered. *Greek, Roman and Byzantine Studies, 28*(2), 135-149; Strittmatter, E. J. (1925). Prayer in the Iliad and the Odyssey. *The Classical Weekly, 18*(11), 83-87.



Gratitude encourages the next gift. Research shows this.[11] One study examined 70,441 donations on a charitable crowdfunding platform. It found that a

"successful donation result and 'Thank-You' feedback from fundraisers can significantly decrease [donors'] attrition rate." [12]



Gratitude also encourages fulfilling a gift pledge. Another experiment found,

"If expressions of gratitude are then targeted to individuals who select into pledges, reneging can be significantly reduced and contributions significantly increased."[13]



Gratitude quality: Research

A "thank you" can work. But the effects depend on the content of the "thank you."[14] One experiment varied this message. Students called donors to a university's fundraising campaign. The script included details on the campaign goals and impact.[15] It included a personal "thank you." A second version was almost the same. But it had one difference. It added two sentences:

"You went out of your way to support us, and we want you to know how much we appreciate you. Basically, we think you're great."[16]

This addition nearly doubled the likelihood of later gifts.[17] The added lines did something special. They specifically confirmed the donor's *positive identity*.

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[11] S*ee, e.g.,* Merchant, A., Ford, J. B., & Sargeant, A. (2010). 'Don't forget to say thank you': The effect of an acknowledgement on donor relationships. *Journal of Marketing Management, 26*(7-8), 593-611

[12] Xiao, S., & Yue, Q. (2021). The role you play, the life you have: Donor retention in online charitable crowdfunding platform. *Decision Support Systems, 140*, 113427.

[13] Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science, 67*(10), 4969-6627.

[14] Is it possible for a "thank-you" to be so poor that it doesn't help? Probably so. One experiment tested this type of "worst case" scenario. In this experiment, the generic "thank-you" calls were not from the charity. They were from an outside telemarketing firm. Also, they were not made until about six months after the gift. Rather than warm, personal, social language, the calls used phrases like,

"This call may be monitored or recorded for quality assurance," and

"If you have any questions regarding your donation, please call member services"

Although donations were still higher among those who actually received the calls than those who didn't, the overall effect for being on the list of those who were at risk of potentially being contacted in the experiment was not statistically significant. *See*, Samek, A. & Longfield, C. (2019, April 13) *Do thank-you calls increase charitable giving? Expert forecasts and field experimental evidence*. Available at SSRN: https://ssrn.com/abstract=3371327

[15] "I'm calling to thank you for your gift of [Last Gift Amount] to the Appalachian Fund for our iBackAPP Day efforts! Your participation helped us exceed our 2,500 donor goal for iBackAPP Day and you're helping make a difference on our campus by providing money for scholarships, student mentoring, faculty research, and other areas of greatest need at Appalachian. As a current student, I want to personally say thank you for making a difference in my collegiate experience!" Dwyer, P. (2020). Gratitude and fundraising: Does putting the 'you' in thank you promote giving? [online video]. *2020 Science of Philanthropy Initiative Conference*, https://iu.mediaspace.kaltura.com/media/1_oz1cxzxn at 3:46

[16] *Id.* at 3:58.

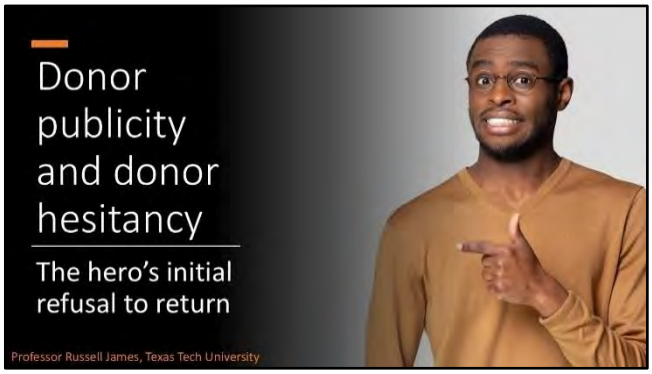
[17] *Id.* at 4:54. [Note this difference arose only for actual phone conversations, not for voicemails.]



Conclusion

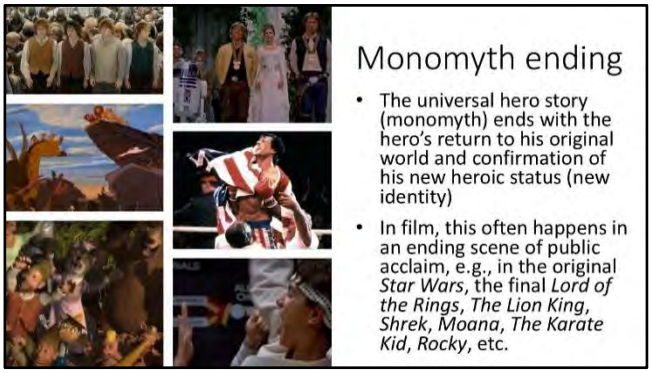
Great gratitude includes gratitude for a gift (accepted a heroic challenge). It includes gratitude for an impact (won a heroic victory). But ultimately, it's not just gratitude for what the donor did. It's gratitude for who the donor is. It's not just *transaction* gratitude ("You did a good thing"). It's *relationship* gratitude ("You are a good person"). It's gratitude that confirms an enhanced identity.

Great gratitude confirms the full donor-hero story. It confirms an accepted challenge. It confirms a meaningful victory. It confirms an enhanced identity. It's the "resolution" step in the donor's hero story.



15

DONOR PUBLICITY AND DONOR HESITANCY: THE HERO'S INITIAL REFUSAL TO RETURN



Monomyth ending

The universal hero story (monomyth) ends with the hero's return. The hero returns to his original world. The return confirms his new heroic status. It confirms his new identity.

This often happens in an ending scene of public acclaim. For example, the original *Star Wars* film ends this way. So does the final *Lord of the Rings* film. So does *The Lion King*. And *Shrek*. And *Moana*. And *The Karate Kid*. And *Rocky*. And on and on.



Fundraising: Publicity risk and reward

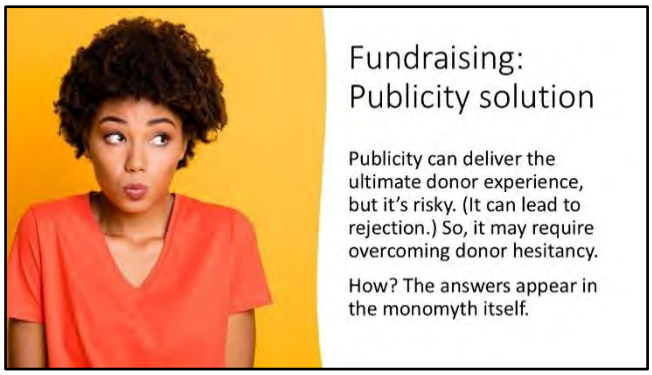
In fundraising, publicity can lead to public acclaim. It can lead others to confirm the donor's positive identity. It can even confirm the donor's heroic status.

Building the right message can help. So can building the right audience. For example, a community of fellow supporters can be a great audience. They're more likely to appreciate and admire the donor's gift and impact.

Good publicity can deliver the ultimate donor experience. But for many donors, it can be scary. It's scary because it can go wrong.



Publicity can be risky for the donor's story. The audience may not be supportive. They can reject the positive identity claim. They can dismiss the donor's hero story. They can view the publicity as the *motivation* for the gift. This makes the gift a self-interested transaction. Such a gift doesn't reflect generosity. It's not sacrificial. It can't be heroic. These challenges can destroy the donor's story.



Yet, publicity can be helpful. It can confirm the donor's positive identity. It can confirm the donor's hero story. It can massively increase the value of the donor's experience. But it's also risky. It can lead to rejection. This can be scary for the donor.

Delivering this story ending is powerful. But it can come with a barrier. It can require overcoming donor hesitancy. How do we do this? How do we overcome the donor's fears? The answers appear in the monomyth itself.



Monomyth: The refusal of the return

In the monomyth, the hero returns. He is now personally transformed and meaningfully victorious.[1] The return confirms the hero's new status. Often, the hero returns to public acclaim.

But the return of the hero isn't simple. In its classic form, it's a sequence of six stages.[2] Stage one might surprise you. It's

"1. The Refusal of the Return."[3]

[1] This is confirmed in the final steps of the hero's return: "5. Master of the Two Worlds" and "6. Freedom to Live." Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. viii

[2] These are:

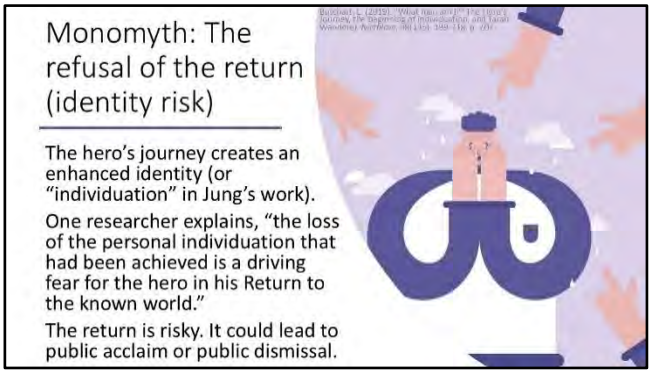
1. Refusal of the Return
2. The Magic Flight
3. Rescue from Without
4. The Crossing of the Return Threshold
5. Master of the Two Worlds
6. Freedom to Live

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. viii

When looking at these, and other components of the monomyth, it is important to keep in mind that these are general descriptors of a cycle. They will not always appear. They are not mandatory, fixed, sequential steps. Campbell (p. 228) explains,

> "Many tales isolate and greatly enlarge upon one or two of the typical elements of the full cycle (test motif, flight motif, abduction of the bride), others string a number of independent cycles into a single series (as in the Odyssey). Differing characters or episodes can become fused, or a single element can reduplicate itself and reappear under many changes."

[3] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. viii



Why would the hero refuse to return? Because the return can be intimidating. The original world might reject the hero. It might not accept his victory as meaningful. It might not see his transformation as positive or real.

The prospect of the return is risky. The original world might reject the hero's enhanced identity. In Jung's work, this enhanced identity is called "individuation."[4]

One researcher explains,

> "the loss of the personal individuation that had been achieved is a driving fear for the hero in his Return to the known world."[5]

The hero resists returning to the original world. The return subjects him to public scrutiny. It could lead to public acclaim. Or not. It might instead lead to public dismissal or derision. It's risky.



These same risks arise in a donor's fear of publicity. The donor may have had a good experience without publicity. He may have felt an internal identity enhancement. The gift may have been personally meaningful. But once it's made public, others may reject the meaningfulness of the gift. They can spoil the positive identity experience.

Publicity risks rejection. It risks "the loss of the personal individuation that had been achieved." It risks a negative reframing of the donor's story. It can be scary.



Monomyth: Reframing the return

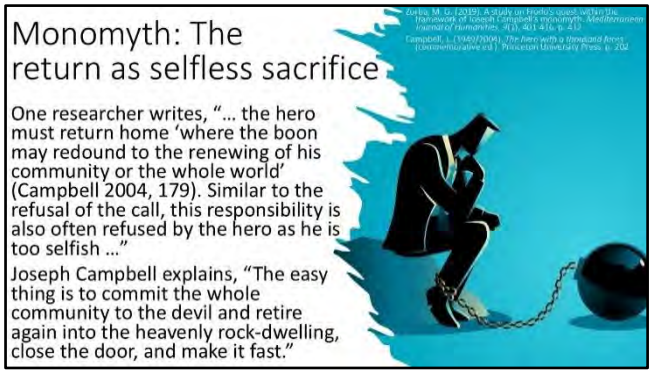
The hero initially resists the return. How is this overcome? First, the return is not framed as a way to gain acclamation. Rather, it is a necessary burden for the hero. The return is *not* an act of selfishness. Instead, it requires *overcoming* selfishness.

One scholar writes,

> "Possessing the boon is not an end for the hero; it is the beginning of another stage. The boon is a 'life-transmuting trophy' so the hero must return home 'where the boon may redound to the renewing of his community or the whole world' (Campbell 2004,

[4] Individuation "denotes the process by which a person becomes a psychological 'in-dividual,' that is, a separate, indivisible unity or 'whole.'"
Jung, C. G. (1990). The archetypes and the collective unconscious. In H. Read, M. Fordham & G. Adler (Eds.), R.F.C. Hull (Trans.), *The collected works of C. G. Jung.* Vol 9 (2nd ed.). Princeton University Press. p. 275.

[5] "Campbell explicitly brings up individuation as he is discussing the return of the hero: the loss of the personal individuation that had been achieved is a driving fear for the hero in his Return to the known world." Butchart, L. (2019). "What man am I?" The Hero's Journey, the beginning of individuation, and Taran Wanderer. *Mythlore*, 38(135), 199-218. p. 207.



179). Similar to the refusal of the call, this responsibility is also often refused by the hero as he is too selfish to use the boon for others' good, he does not want to leave the pleasures that this new world offers ..."[6]

Joseph Campbell explains the risks of the hero's return. He writes,

"As dreams that were momentous by night may seem simply silly in the light of day, so the poet and the prophet can discover themselves playing the idiot before a jury of sober eyes. The easy thing is to commit the whole community to the devil and retire again into the heavenly rock-dwelling, close the door, and make it fast." [7]

It would be more comfortable never to return. But it wouldn't be heroic.



Fundraising: Reframing publicity

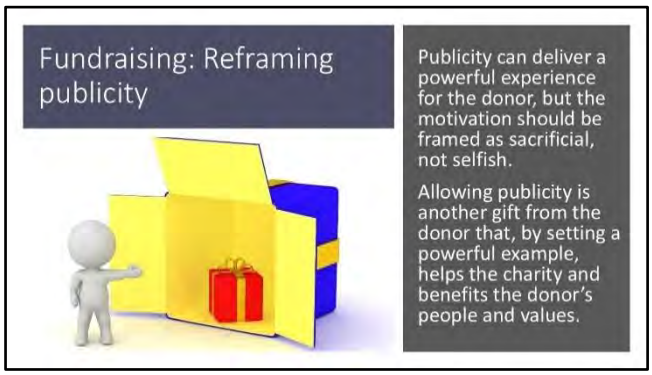
In the monomyth, the hero's return results in public acclaim. But it's framed as a sacrifice. A donor conversation can use this same framing. For example,

"I understand public recognition can be uncomfortable for you. But we've found it sets a powerful example that influences others. Allowing us to share your story could inspire other gifts. Think of it like giving a second gift. It could really make a big difference."



Another fundraiser suggests,

"Thank you so much for bearing with me. One last thing – stories of generosity tend to encourage others to be more generous. It would be an honor to publicize your gift to inspire others. Would that be ok?" [8]



Publicity can deliver a powerful experience for the donor. But the motivation shouldn't be framed as selfish. Instead, the motivation is sacrifice. Allowing publicity is another gift from the donor. It's the gift of setting a powerful example. It's a gift that helps the charity. It's a gift that benefits the donor's people and values.

[6] Zorba, M. G. (2019). A study on Frodo's quest within the framework of Joseph Campbell's monomyth. *Mediterranean Journal of Humanities, 9*(1), 401-416. p. 412.
[7] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 202
[8] Shuba, J. J. (2020, October). *Navigating planned gift conversations with your donors*. [Paper presentation]. Charitable Gift Planning Conference, online. p. 2.



Monomyth: Automatic return

In the monomyth, how does the hero return? One way is "2. The Magic Flight."[9] Here, the hero is forced to return. He's being chased. (The temporarily beaten enemy is none too happy!) There is no place else to go. The hero must escape back to the original world.



Another way is "3. Rescue from Without."[10] Here, the hero's return becomes automatic. He might be given safe and quick passage by those in the new world.[11] Or those in the original world may come and get him.[12]



Thus, the hero's return is either

- Compulsory ("2. The Magic Flight"), or
- Automatic ("3. Rescue from Without").

Either through outside force or outside aid, the hero returns. He moves to the next stage, "4. The Crossing of the Return Threshold."[13] He returns to the original "real" world.



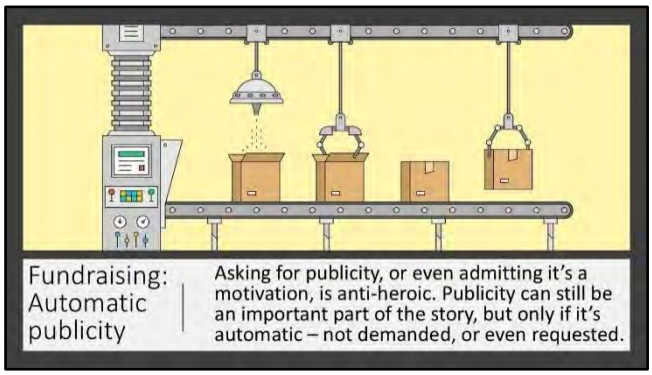
Fundraising: Automatic publicity

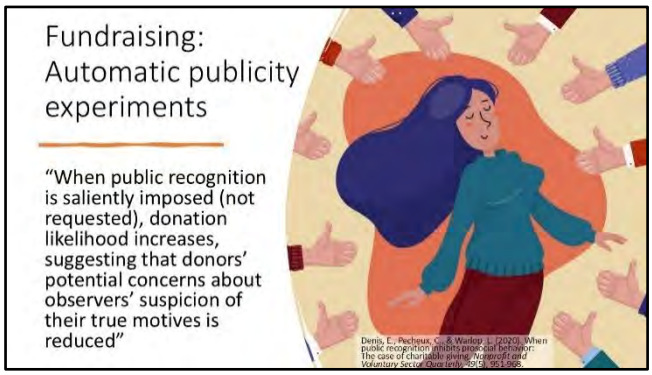
In fundraising, publicity pushes the donor's hero story into the "real" world. It can be scary. But it's also important. It can dramatically improve the donor's experience. So, overcoming donor hesitancy is important.

One way to do this is to make publicity feel automatic. It can feel expected, normal, almost mandatory. Of course, an adamant donor could still opt out.[14] But opting out shouldn't be highlighted, suggested, or even easy. It should trigger resistance. It should lead to conversations. These can be ostensibly to confirm, but also to counsel against, opting out.

[9] Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. viii
[10] *Id.*
[11] "The final work is that of the return. If the powers have blessed the hero, he now sets forth under their protection (emissary); if not, he flees and is pursued (transformation flight, obstacle flight)." *Id.* p. 228.
[12] "The hero may have to be brought back from his supernatural adventure by assistance from without. That is to say, the world may have to come and get him." *Id*. p. 192.
[13] *Id.* p. viii.
[14] One study explored the effects of alerting online donors that a thank you message would be posted on the donor's personal Facebook walls. Doing so increased donations overall. But for less extroverted people (lower "need for social approval"), this announcement reduced their donations. Another approach worked better: making the thank you automatic but allowing for opting out. That approach increased donations for both groups. *See* Study 1 & Study 2 in Denis, E., Pecheux, C., & Warlop, L. (2020). When public recognition inhibits prosocial behavior: The case of charitable giving. *Nonprofit and Voluntary Sector Quarterly, 49*(5), 951-968.







Experiments have tested this. Making publicity mandatory, rather than voluntary, works.[15] It increases volunteering and donations. Researchers explain,

"Making the publicity of a pro-social behavior mandatory instead of voluntary … makes people more willing to both help and to spread word about the charitable cause, and facilitates a win-win situation among contributors, charity organizations, and their recipients."[16]

In practice, publicity should be routine and automatic. It should be a normal part of the fundraising process. A donor should never have to ask. Asking for publicity ruins the donor-hero story. Even admitting that publicity is a motivation is anti-heroic.[17] Publicity can still be an important part of the story. It just needs to be automatic not demanded, or even requested. Another study found,

"When public recognition is saliently imposed (not requested), donation likelihood increases, suggesting that donors' potential concerns about observers' suspicion of their true motives is reduced."[18]

The monomyth hero often hesitates to return. So, too, the donor hero may hesitate to bring his story into the open. This donor hesitancy can be overcome.

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[15] Yang, A., & Hsee, C. (2017). Promoting conspicuous generosity: Justifying the "brag" by removing the choice. *Advances in Consumer Research - North American, 45,* 70-71. https://www.acrwebsite.org/volumes/v45/acr_vol45_1024800.pdf

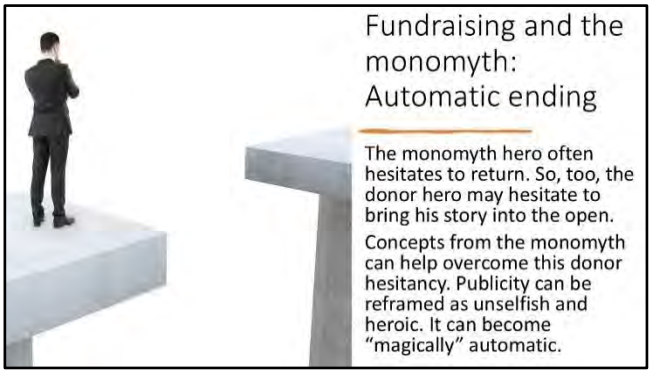
[16] In one study, researchers explained,

> "We show that … "brag-binding", i.e, making the publicity of a pro-social behavior mandatory instead of voluntary, can … motivate people to engage in conspicuous prosocial behaviors … In sum, by removing contributors' choice about whether to brag and justifying their prospective conspicuous prosocial behavior, "brag-binding" makes people more willing to both help and to spread word about the charitable cause, and facilitates a win-win situation among contributors, charity organizations, and their recipients."

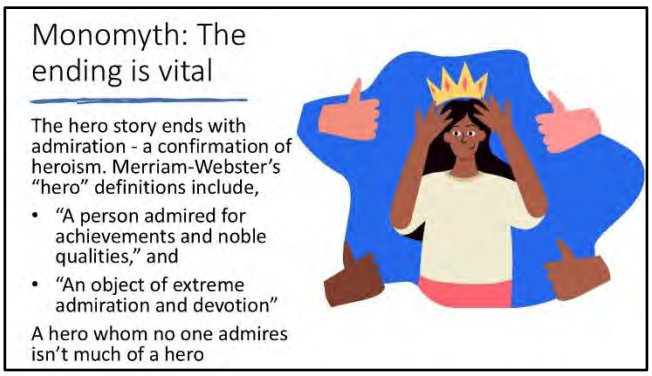
Id. p. 70-71.

[17] This is one of the reasons why publicity will rarely be reported by donors as a motivation for the gift. Such reports should not be taken at face value. Across social science research it is well documented that self-reports of motivations will suffer from "social desirability bias." People will tend to report the most socially acceptable motivations for their actions. This bias is not simply from respondents trying to look good to the person asking the question. It is also about respondents trying to look good to themselves. *See* Brenner, P. S., & DeLamater, J. (2016). Lies, damned lies, and survey self-reports? Identity as a cause of measurement bias. *Social Psychology Quarterly, 79*(4), 333-354. Thus, we should expect that few donors will admit to being motivated by any apparently self-interested benefits such as publicity or tax deductions. However, fundraisers who take such reports at face value will have a mistaken impression of reality. Nevertheless, donors' self-reported motivations are still valuable. This reveals that, although publicity and tax deductions may be highly motivational, they should never be described as *the motivation* for a gift. Doing so is not socially acceptable. It undermines the pro-social nature of the gift. It ruins the story of the gift.

[18] *See* Study 3 in Denis, E., Pecheux, C., & Warlop, L. (2020). When public recognition inhibits prosocial behavior: The case of charitable giving. *Nonprofit and Voluntary Sector Quarterly, 49*(5), 951-968.



Elements from the monomyth can help. Publicity can be reframed as unselfish and heroic. It can become "magically" automatic.



Monomyth: The ending is vital

The hero story ends with admiration. It ends with a confirmation of heroism. This confirmation isn't just an add-on. It's an essential part of the story. It's even in the definition for "hero." Merriam-Webster's definitions for "hero"[19] include,

"A person admired for achievements and noble qualities," and

"An object of extreme admiration and devotion."

A hero whom no one admires isn't much of a hero. Admiration is important. It's important to the hero story. And it's important to *the donor's* hero story.



Fundraising: The ending is vital

In fundraising, donor admiration can come from different sources. It can come from beneficiaries or their representatives. This is gratitude. It can come from other appreciative audiences. This is effective publicity. Gratitude and publicity are key parts of the story.

But they're also key parts of *the next* story. The ending of one donation story is the beginning of the next. Publicity can encourage the next step. This is true whether that next step is the next gift or fulfilling a previous pledge.



Fundraiser Anne Melvin explains,

"every time I got a new pledge, I added (after my 'thank you!') 'Can I let other supporters of Wellesley know you'll be supporting the Wellesley Scholarship Foundation?' Not only did I get a yes, but I increased my chance of turning the pledge into a gift by letting the pledgor know that her gift would be public."[20]

[19] https://www.merriam-webster.com/dictionary/hero
[20] Melvin, A. T. (2014, October). *The art (and science) of persuasion*. [Paper presentation]. National Conference for Philanthropic Planning, Anaheim, CA. p. 9.



Conclusion: The ending is vital

The return of the hero is the end of the monomyth story. Gratitude and publicity are the end of the fundraising story. Both confirm an enhanced identity.

But in fundraising, this ending is also a beginning. It's the beginning of the next story. Confirming heroism (or some other positive identity) enhances the donation experience. It delivers real value to the donor. This encourages the next gift. Keeping the donor starts by finishing the story.



16

Why Story?

The Narrative Arc in Practical Fundraising





Monomyth steps

The "one big thing" in fundraising is always the same: Advance the donor's hero story.

The universal hero story, called the monomyth, includes specific steps. The hero,

1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation, and
6. Returns to the place of beginning with a gift to improve that world.

This hero story progresses through

Original Identity [1] → **Challenge** [2, 3, 4] → **Victory** [4, 5] → **Enhanced Identity** [5, 6]

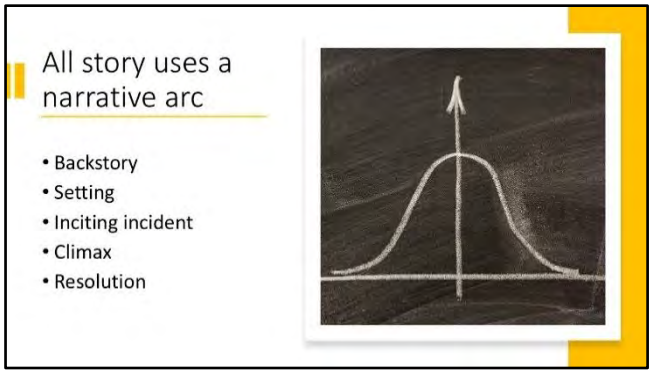
In three words, the monomyth cycle is:[1]

[1] Campbell uses a three-step circular illustration with this description:

Challenge
↗ ↘
Identity ← Victory

The compelling donor experience will include each step. The compelling fundraising challenge will make each link.

Narrative steps



This is a specific story. It has specific steps. But it's just one example of the usual steps in story. All story uses a narrative arc. This typically includes

- Backstory
- Setting
- Inciting incident
- Climax, and
- Resolution.

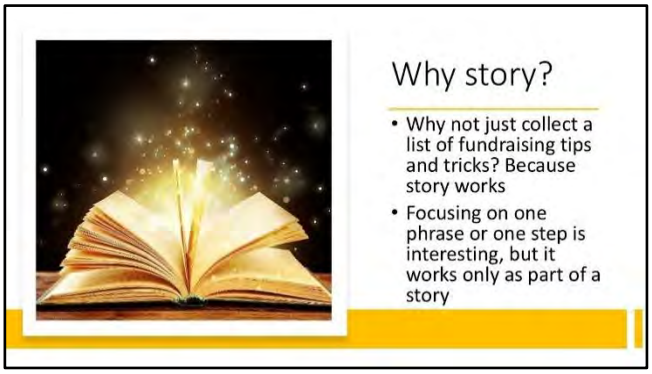
Advancing *any* story means progressing through this narrative arc. In the donor's hero story, each step has a specific purpose:



- The backstory connects the donor's *original identity* with the cause, organization, beneficiaries, or project.
- The setting prepares the donor for the *challenge*. It promotes personal and social norms supporting a heroic response.
- The inciting incident is the *challenge*. It forces a choice with the promise of *victory* in response to a crisis (threat or opportunity).
- The climax delivers the promised *victory*.
- The resolution confirms the donor's *enhanced identity* resulting from the *victory*.

The donor's hero story is a story. It's a specific application of the narrative arc.

"A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."
Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.



Why story?

Why is this series so focused on story? It seems like a lot to go through. I mean, that's a lot of steps. Why not just learn the best phrase to make the ask and get on with the asking? Or why not just collect a list of fundraising tips and tricks?

There's a reason. Story is powerful. Story is how humans are wired. Story works. Focusing on one phrase or one step is interesting, but these don't work by themselves. They work only as part of a story.



What are we doing, anyway?

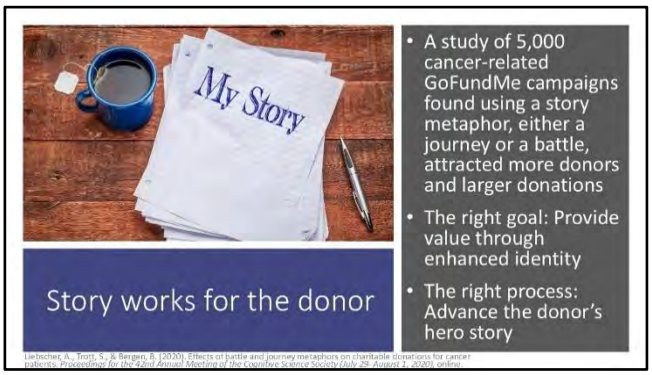
What's the difference between good and bad fundraising? That's easy, right? Good fundraising brings in big money. Bad fundraising doesn't.

The problem with this definition becomes obvious when we apply it to other jobs. A good football player brings in big money. So does a good lawyer. Or a good comedian. Money is a *result* of being good at these jobs. But it's not a *definition* for being good at any of them.



Why do these top people get big money? Because they *provide value*. We live in a choice economy, not a command economy. Big money comes by providing big value. Other professions provide value in different ways. What about fundraising?

A charity can provide value to many people in many ways. But *fundraising* provides value *to the donor* in just one way: identity enhancement. This identity might be internal, private, and transcendent.[2] It might be external, public, and commercial. But identity enhancement is always the ultimate benefit to the donor.



Story works for the donor

The right goal is to provide value to the donor. Fundraising provides this value through an enhanced identity. That's the right goal.

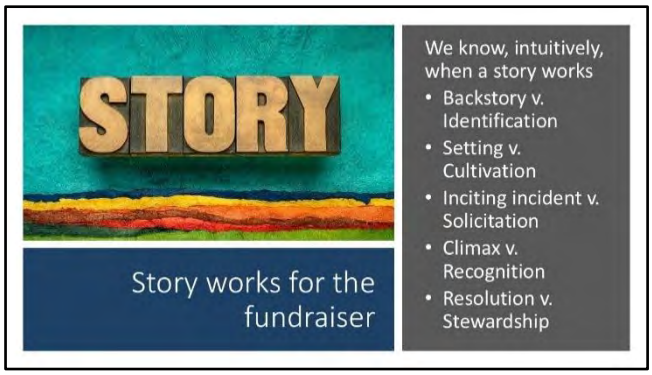
[2] This discussion will focus on identity enhancement in its most basic form. This can be as simple as, for example, "I feel better about myself after I give." However, this actually touches on the substantially more complex journey of individuation. Individuation "denotes the process by which a person becomes a psychological 'in-dividual,' that is, a separate, indivisible unity or 'whole.' Jung, C. G. (1990). The archetypes and the collective unconscious. In H. Read, M. Fordham & G. Adler (Eds.), R.F.C. Hull (Trans.), *The collected works of C. G. Jung.* Vol 9 (2nd ed.). Princeton University Press. p. 275.

What's the right process? It starts with story. Story is natural. It's memorable. It's compelling.

One study analyzed over 5,000 cancer-related campaigns on GoFundMe.[3] Those using a story metaphor, either a journey or a battle, attracted 15% more donors and 11% larger donations.

Story works. What works even better is deeply embedded, primal, archetypal story. Among these archetypal stories, one is best suited to compel major, transformational gifts. It's the hero story. The right process to deliver enhanced identity is this: Advance the donor's hero story. When the donor experience delivers this narrative arc, it provides real value.

In fundraising, story works to motivate the donor. But it also works for the fundraiser.



Story works for the fundraiser

Story works. It doesn't work only for the donor. It also works for the fundraiser. Ask a typical person to explain these steps:

- Identification
- Cultivation
- Solicitation
- Recognition
- Stewardship

You'll likely get a blank stare. These insider terms aren't natural. They aren't memorable. They aren't intuitive.



But people intuitively understand story. We can convert these steps into story.

- Backstory *[Identification]*
- Setting *[Cultivation]*
- Inciting incident *[Solicitation]*
- Climax *[Recognition]*
- Resolution *[Stewardship]*

The steps may be the same, but now they're made into a story. This helps because we know, intuitively, when a story works. We also know when it doesn't. Read any novel. Watch any movie. You'll be able to answer these questions:

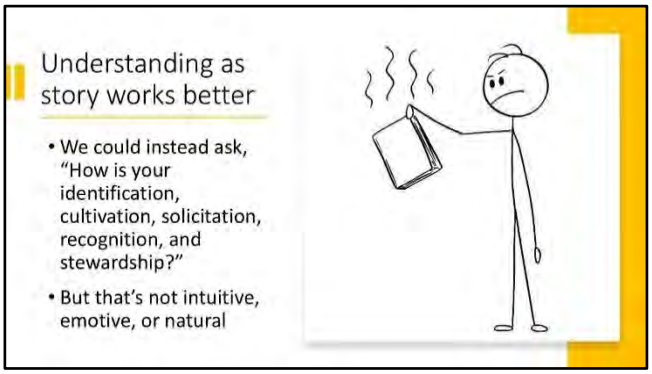
- Did this backstory and setting make me care about the characters?

[3] This study examined data from more than 5,000 Go-FundMe cancer-related campaigns. It found,

> "The results suggest that campaigns that use at least one metaphor family—regardless of whether it is a journey or battle—attract about 15% more donors and about 11% larger average donations." (p. 2571)

Liebscher, A., Trott, S., & Bergen, B. (2020). Effects of battle and journey metaphors on charitable donations for cancer patients. *Proceedings for the 42nd Annual Meeting of the Cognitive Science Society (July 29- August 1, 2020),* online. https://cogsci.mindmodeling.org/2020/papers/0613/0613.pdf

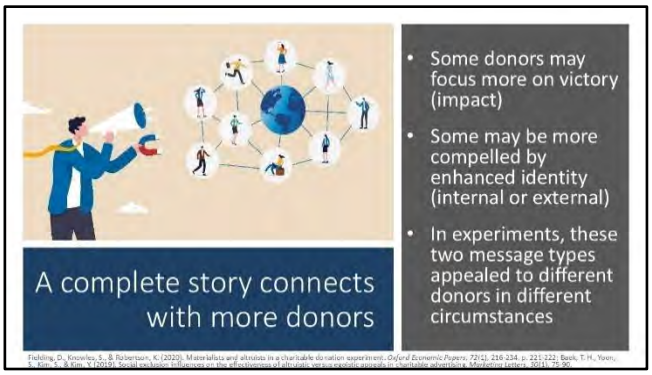
- Did the inciting incident present a compelling choice?
- Did the resulting journey lead to a successful climax?
- Did the story end with a satisfying resolution?



This intuitive guidance disappears when we instead use technical words.

- How is your identification and cultivation?
- How is your solicitation?
- How is your recognition?
- How is your stewardship?

Now, we've lost the intuition of what we're trying to accomplish. These words aren't wrong, but they have little qualitative feeling. This can cause problems. It can lead to a superficial, check-the-box approach. It can even lead to skipping steps entirely.



Including each step makes the story complete. This also helps appeal to the widest range of donors. Some may be more focused on the victory step (impact on others). Some may be more compelled by the enhanced identity step (a form of personal benefit). In experiments, these two message types appealed to different donors[4] in different circumstances.[5] But a complete story includes both elements. It connects with more donors.

[4] Different people respond more strongly to messages of impact [victory] and benefit [enhanced identity]. One study reported this:

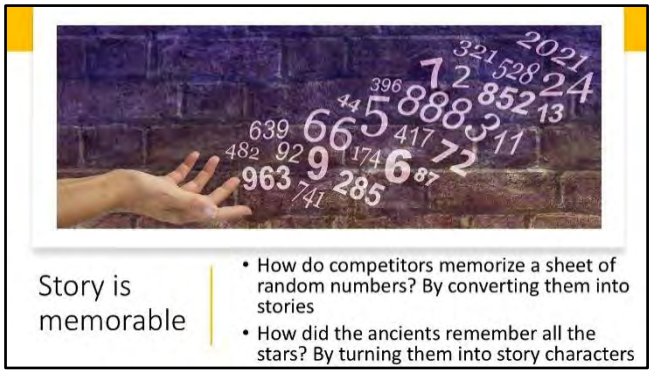
> "In the self-interest treatment it was stated that '[r]esearch by psychologists shows that donating money to charity increases the happiness and wellbeing of the giver'. In the altruism treatment it was stated that '[a]ny donation you make will improve the happiness and wellbeing of an African family' … materialists in the self-interest treatment give more than materialists in the pure altruism treatment; for non-materialists the reverse is true."

Fielding, D., Knowles, S., & Robertson, K. (2020). Materialists and altruists in a charitable donation experiment. *Oxford Economic Papers, 72*(1), 216-234. p. 221-222.

[5] These preferences for one of the two story elements (victory or enhanced identity) differ not only across people, but under different circumstances. In other words, these preferences are not fixed. For example, inducing feelings of social exclusion makes people more interested in benefitting others (i.e., becoming more valuable to others), rather than themselves. Inducing feelings of social exclusion (by playing a multi-player video game of catch where the participant was gradually excluded) decreased the persuasiveness rating for imagining how a donation would "Bring more fulfillment to your life" and increased the rating for "Enhance the lives of those suffering from hunger." Inducing feelings of social exclusion (by having participants recall life events where they experienced social exclusion) slightly decreased giving to cancer research advertisement with headlines of "Save your life" and "Protect your future" but doubled giving to those with headlines of "Save people's lives" and "Protect the well-being of others." This also decreased giving intentions for "Make yourself feed good by donating!" but increased giving intentions for "Bring clean water to people in need by donating!" Baek, T. H., Yoon, S., Kim, S., & Kim, Y. (2019). Social exclusion influences on the effectiveness of altruistic versus egoistic appeals in charitable advertising. *Marketing Letters, 30*(1), 75-90.

Thus, different people (Fielding, et al, 2000) in different circumstances (Baek, et al., 2019) may be more attracted to the impact ["victory"] portion of the story or the self-benefit ["enhanced identity"] portion of the story. Telling a complete story [identity → challenge → victory → enhanced identity] ensures that both portions are included.

Fielding, D., Knowles, S., & Robertson, K. (2020). Materialists and altruists in a charitable donation experiment. *Oxford Economic Papers, 72*(1), 216-234.



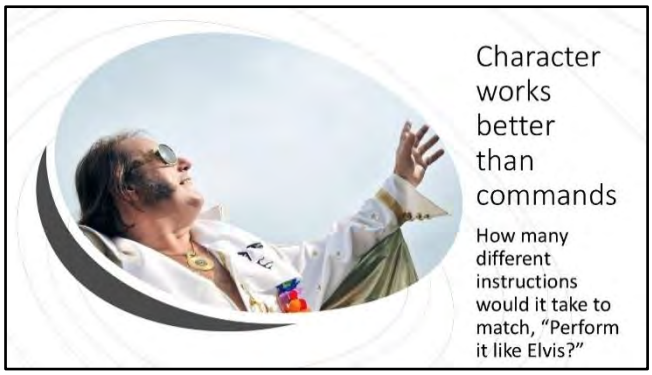
Story is memorable

Getting a list of facts, figures, tips, and tactics is great. We can understand. We can nod our heads. But when we get up the next morning, how much do we remember? Humans remember through stories.

In memory competitions, people memorize a sheet of random numbers. How do they do this? They do it by converting the numbers into stories.

In advance, they connect each two-digit sequence with a person, an action, and an object.[6] That makes every six-digit sequence a unique story image. A page of numbers becomes a journey through these story images. Humans can't remember a page of numbers by itself. But they can remember a set of stories.

Ancient humans looked up at an endless array of stars. Their response? Turn these countless dots into story characters. This is Orion the hunter. This is Leo the Lion or Taurus the Bull. Now they could remember and reference each dot with ease.



Character works better than commands

Story is easier to remember. It's also easier to execute. In fundraising, story works better than a list of tips and tactics. This is because character works better than a set of commands.

Suppose we told a singer to perform a song as Elvis. Instantly, the singer knows,

- How to sound
- How to move
- What to wear, and
- What phrases to say.

But what if the singer had never heard of Elvis? How many instructions would this take? A lot! And even then, the performance still wouldn't work as well.

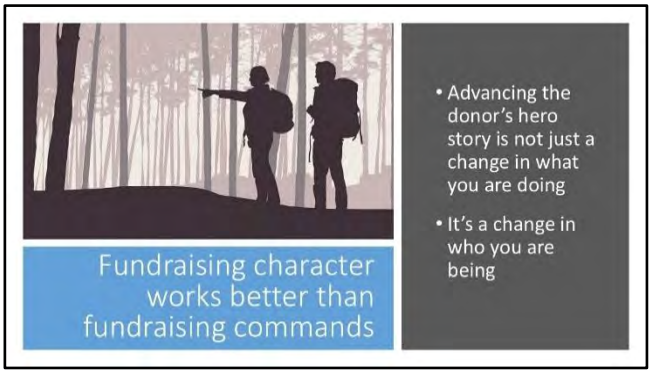
Advancing the donor's hero story gives the fundraiser an intuitive character role.[7] The guiding sage challenges the prospective hero with a choice. This is an archetypal character.

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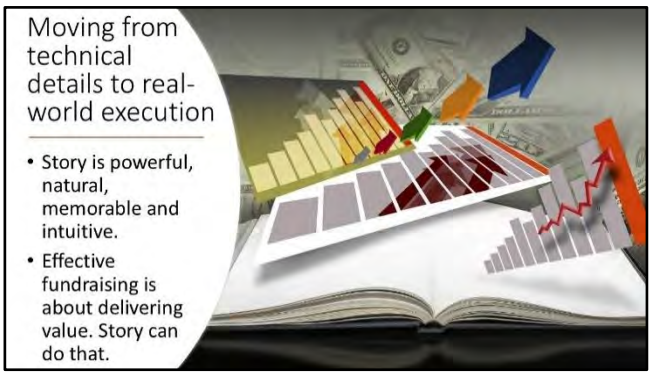
[6] Foer, J. (2012). *Moonwalking with Einstein: The art and science of remembering everything.* Penguin Books.

[7] John McLoughlin outlines the characteristics that are needed for an effective explanatory framework for major gifts fundraising. He writes,

> "I suggest that an explanatory framework for understanding the "major giving" interaction will need the following characteristics:
> 1. Be explanatory rather than simply being a list of tactics or techniques for success;
> 2. Be consistent with findings of research;
> 3. Be comprehensible and recognisable, as well as useful to the actors – fundraisers, philanthropists, advisers and (in the case of fundraisers) their managers and leaders; and







Your favorite version might be Obi-Wan Kenobi, Minerva McGonagall, Gandalf the Grey, Morpheus, Mr. Miyagi, or someone else. Imagining a character provides better intuitive guidance than a set of rules. It's not just a change in what we are doing. It's a change in who we are being.[8] It's an existential change.[9]

Once a fundraiser is *being* a character, adapting to new situations becomes easier. Is it OK to disappear after making the compelling ask? Obi-Wan Kenobi wouldn't. Should we guide the donor to another specialist advisor? Obi-Wan sent Luke to Yoda. Morpheus sent Neo to the Oracle. We know what actions fit because we know the character.

Conclusion

Fundraising isn't about knowing the right term. It's not about passing a quiz. It's about executing in the real world. Execution can involve using specific phrases and asking specific questions. But the questions don't work unless we know where we're going.

This is where story becomes powerful. Story makes effective fundraising natural. It makes it memorable. It makes it intuitive.

Ultimately, effective fundraising is about delivering value. Story can do that. It not only helps *get* the big gift. It also helps deliver a donor experience *worth* that gift.

4. Be compatible with the complexity of processes that may be at work in the philanthropic interaction"
Mc Loughlin, J. (2017). Advantage, meaning, and pleasure: Reframing the interaction between major-gift fundraisers and philanthropists. *International Journal of Nonprofit and Voluntary Sector Marketing, 22*(4), e1600. p. 1-2.
The fundraiser's role as the guiding sage within the donor's hero story (monomyth) context provides an intuitive framework that meets each of these tests.

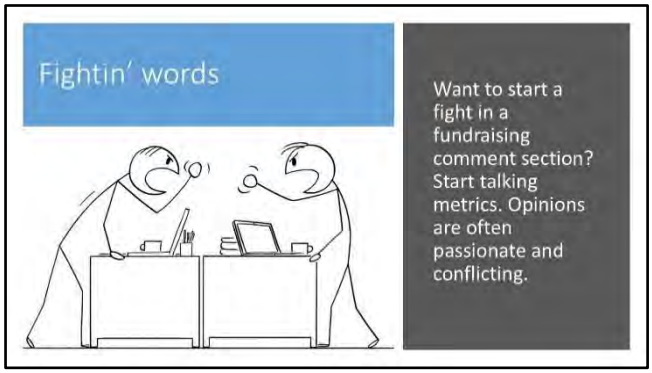
[8] Bassoff, M. & Chandler, S. (2001). *RelationShift: Revolutionary fundraising*. Robert D. Reed Publishers. p. 1.

[9] Breeze, B. (2017). *The new fundraisers*. Policy Press. p. 118.



17

STORY PROBLEMS WITH FUNDRAISING METRICS: UR DOING IT WRONG





Fightin' words

Want to start a fight in a fundraising comment section? That's easy. Start talking metrics. Opinions are often passionate. And they often conflict. One author explains why 26 metrics are "essential."[1] Another writes,

"Fundraisers need to focus MORE on creating memories and moments with their donors ... and LESS about hitting those wacky metrics or year-end goals."[2]

Another questions,

"If philanthropy is all about relationships, then why do metrics only measure money?"[3]

So, what's the answer? Is it "all about the Benjamins?" Or is it "all about the love?"

Can't we all just get along?

Consider for a moment another alternative. What if both sides were correct? They disagree. Strongly. But maybe the problem is this: Maybe they're talking about *different* things.

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[1] DonorSearch. (2015, October 13). *Nonprofit fundraising metrics: 26 essential KPIs to track.* [Website]. DonorSearch https://www.donorsearch.net/nonprofit-fundraising-metrics/

[2] Provenzano, S. (2021, February). [LinkedIn post]. https://www.linkedin.com/posts/samprovenzano_fundraising-repost-philanthropy-activity-6767134914912538624-zLy1

[3] Hodge, J. (2012). *If philanthropy is all about relationships, then why do metrics only measure money?* [Paper presentation]. https://scholarworks.iupui.edu/handle/1805/6058





Yes, they're all talking about fundraising. But fundraising isn't one thing. It's different things. It's different things with different – sometimes opposite – rules.

A business explanation: Big sales v. small sales

Fundraising is like a business that sells toothpicks AND aircraft carriers – *at the same time.* Would you like to buy a new wing for your local hospital? How about a mosquito net? Maybe a chicken or a heifer? Or perhaps endow a world-class engineering school? It's all fundraising.



Here's the problem. Even in the business world, small sales and large sales aren't the same. Small sales are about quick, superficial transactions. Large sales require longer, deeper, more consultative relationships.[4] The field of large sales is called Key or Strategic Account Management. These big-ticket processes are different than traditional small-ticket sales.



A job explanation: Big sales v. small sales

One researcher states bluntly,

"The objectives of salespeople are the opposite of the objectives of Strategic Account Managers."[5]

In fact, moving between these two jobs can be difficult. He explains,

"Salespeople who remain strictly focused on sales instead of customers (i.e., seeking to close short-term deals or working only to reach their monthly targets or their quota)

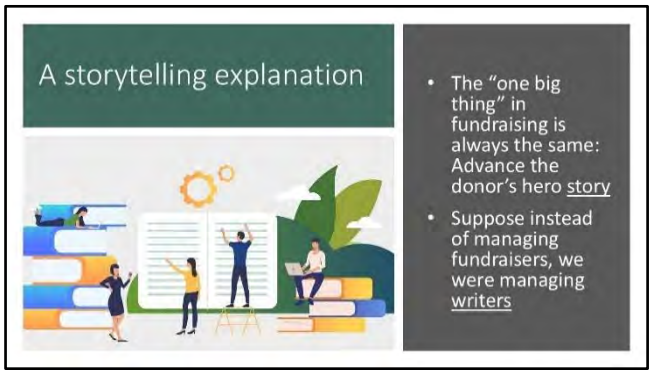
[4] *See* Rackham, N. (1988). *SPIN selling.* McGraw-Hill. *See also,* Lacoste, S. (2018). From selling to managing strategic customers – a competency analysis. *Journal of Personal Selling & Sales Management, 38*(1), 92-122. ("… consultative-selling skills ('offering their advice to help customers solve their problems,' according to Agnihotri, Rapp and Trainor (2009, 474)) should be considered a prerequisite for creativity and intrapreneurial abilities, defined as "involving the sales professional as a valued advisor and viewing him as an industry expert" by Liu and Leach (2001, 147) … Thus, salespeople with advanced consultative selling skills might consider moving to a Strategic Account Management position.")

[5] Lacoste, S. (2018). From selling to managing strategic customers-a competency analysis. *Journal of Personal Selling & Sales Management, 38*(1), 92-122.









might show a propensity to fail as future Strategic Account Managers .... If they have a short-term selling approach, then they most likely should not attempt to transition to Strategic Account Management."[6]

An organizational explanation: Big sales v. small sales

This isn't just an individual conflict. It can be an organizational conflict. Not all sales organizations can succeed in the world of *big-ticket* sales. One study looked at why.[7] Failure in big-ticket Strategic Account Management often came from the following:

- "Failure to differentiate between, 'The opposing philosophies of traditional sales and account management.'
- Focusing on short-term financial numbers rather than customer need and value creation.
- Senior management resists giving influence or control to customers."

Now, replace the word "customer" with the word "donor." Voila! We've got the fundraiser metrics fight.[8] Traditional sales isn't wrong. Strategic Account Management isn't either. They're just designed to succeed at two *opposite* ends of the market.

A storytelling explanation

The "one big thing" in fundraising is always the same: Advance the donor's hero story. So, let's talk storytelling. Suppose instead of managing fundraisers, we were managing writers.

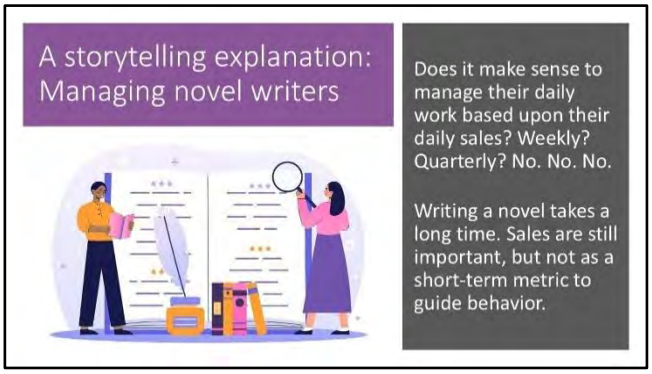
[6] *Id.*

[7] Wilson, K., & Woodburn, D. (2014). The impact of organisational context on the failure of key and strategic account management programmes. *Journal of Business & Industrial Marketing, 29*(5), 353-363.

[8] The parallels go further. Much of what works in major donor fundraising is replicated in best practices in Key/Strategic Account Management. For example, one study defined successful Strategic Account Management programs using the following scale. (Replace "strategic accounts" with "major donors" and these are also ideal practices for major gifts fundraising success.)

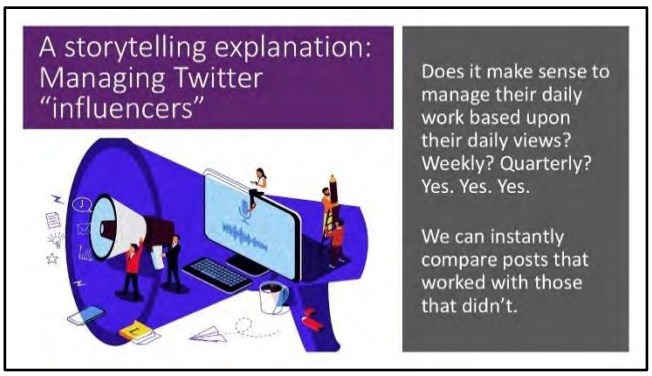
"1. We always review the results of our solution with strategic accounts.
2. When we lose a strategic account, we always know the reasons why.
3. We jointly set long-term objectives with our strategic accounts.
4. We have relationships and dialog at the highest executive levels with all our strategic accounts.
5. We regularly engage our strategic accounts in our product/service planning process.
6. Our salespeople are definitely effective at producing year-over-year revenue growth from existing customers.
7. Specific criteria have been established to define a strategic account in our company."

Sullivan, U. Y., Peterson, R. M., & Krishnan, V. (2012). Value creation and firm sales performance: The mediating roles of strategic account management and relationship perception. *Industrial Marketing Management, 41*(1), 166-173. p. 172.



First, suppose we're managing a group of novel writers. Does it make sense to manage their daily work based upon their daily sales? What about weekly? Quarterly? Of course not. That would be silly.

Writing a novel takes a long time. The money comes in much, much later. Yes, we'll eventually see who sells and who doesn't. Sales are still important. But they aren't helpful as a short-term metric to guide behavior.



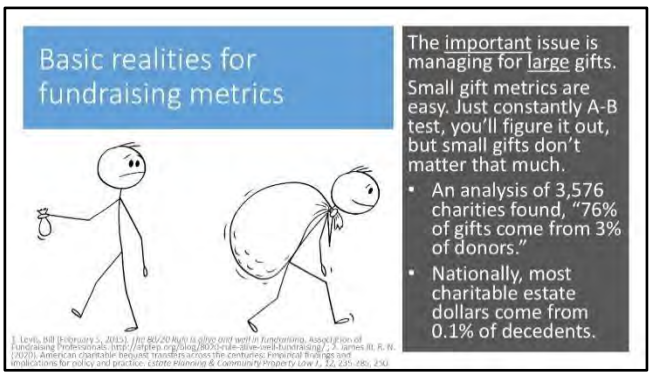
Now, suppose we're managing a group of social media "influencers." They write Twitter posts. Does it make sense to manage their daily work based upon their daily views? Weekly? Quarterly? Yes, that makes perfect sense. We can instantly compare posts that worked with those that didn't. We can coach, track, celebrate success, and identify failure.

But here's the problem. The social media manager then shares the best metrics for managing "writers" and their "output." He puts out rules for managing with daily, weekly, and quarterly data. He describes the most effective "writing." It's about making short, extreme, provocative statements. And he's right.



The manager of novel writers reads this. He responds, "This is nonsense. That's not what works in writing! You can't manage writers that way." And he's right, too.

Each manager holds opposite views on how to manage writers. And they're both correct. How? Because "writing" isn't just one thing. Like "fundraising," one word describes different things. They're both right because they're talking about *different* things.

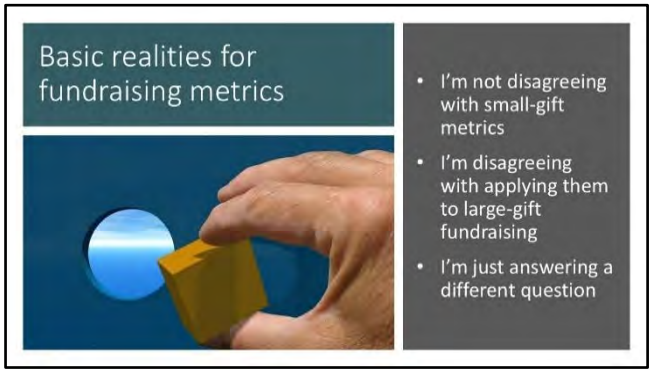


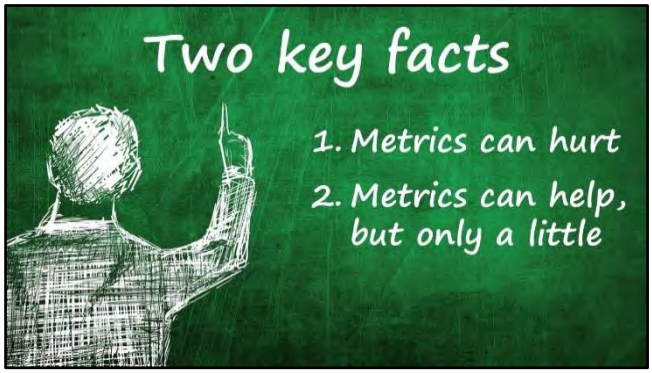
Basic realities for fundraising metrics

I've argued for peace and understanding. Now, let me join the fight. In fundraising, the *important* issue is managing for *large* gifts. Why?

First, this is true because small gift metrics are easy. Results are quick. If you constantly A-B test, you'll eventually get there. You probably don't even need academic theory (or a professor like me). Darwin will figure it out for you.

Second, this is true because small gifts don't matter that much. Fundraising doesn't live in an 80/20 world. It's more like an 80/3 world. An analysis of 3,576 charities found, "76% of gifts come from 3% of donors."[9] Less than one fourth of the money comes from donations under $5,000.[10] For legacy gifts, it's even more extreme. Most charitable dollars come from 0.1% of decedents.[11]







So, I'm not going to disagree with small-gift metrics. I'm going to disagree with applying them to large-gift fundraising. I'm not trying to start a fight. I'm just trying answer a different question.

So, what's the answer? To get there, it's important to start with two facts:

1. Metrics can hurt.
2. Metrics can help, but only a little.

Metrics can hurt fundraising

I'm a data guy. I love numbers. In analysis, more data is better. But in managing people, the opposite can be true. So, the first goal of fundraising metrics isn't,

"Measure everything!"

It's not even,

"Measure all the important things!"

Instead, it's,

"First, do no harm."

Analytic types – like me – can sometimes miss this danger. How serious is it? Consider this. One study found,

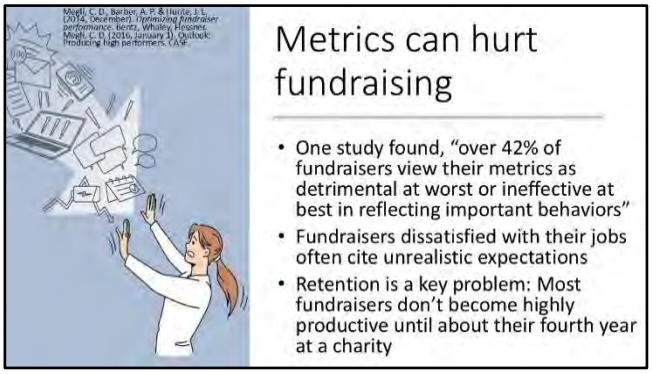
> "over 42% of fundraisers view their metrics as detrimental at worst or ineffective at best in reflecting important behaviors."[12]

[9] Levis, Bill (February 5, 2015). *The 80/20 Rule is alive and well in fundraising.* Association of Fundraising Professionals. http://afpfep.org/blog/8020-rule-alive-well-fundraising/

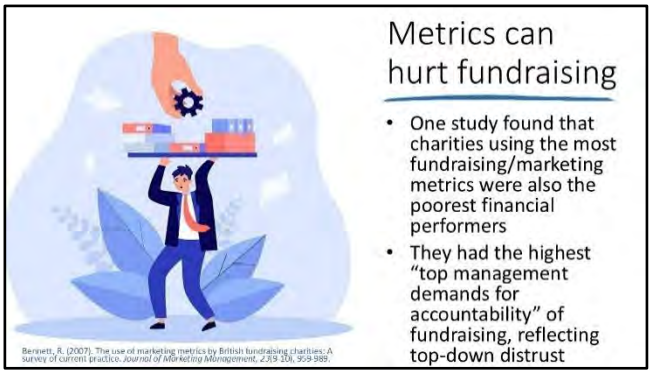
[10] Amperage Fundraising. (n.d.). *The new 80/20 rule for fundraising.* (referencing Fundraising Effectiveness Project Data). https://www.amperagefundraising.com/new-80-20-rule-fundraising/

[11] "in 2017, when only 2,902 estates with charitable transfers filed estate tax returns, these estates still produced the majority (59%) of all bequest dollars transferred to charity in the country." James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law Journal, 12*, 235-285. p. 250. *Also see,* a total of 2,813,503 decedents in 2017 at https://www.cdc.gov/nchs/data/databriefs/db328-h.pdf

[12] Megli, C. D., Barber, A. P. & Hunte, J. L. (2014, December). *Optimizing fundraiser performance.* Bentz, Whaley, Flessner. http://www.bwf.com/wp-content/uploads/2015/01/December2014.pdf



Retaining good fundraisers is a challenge. Bad metrics can make it harder. Fundraisers dissatisfied with their jobs often cite unrealistic expectations.[13] This is a problem for the bottom line. Fundraisers are expensive to replace. And they usually don't become highly productive until about their fourth year at a charity.[14]



Using lots of metrics isn't leadership. It isn't management. And it can be harmful. One study looked at 24 fundraising/marketing metrics at 210 large charities.[15] Which charities used the most metrics? Those with the greatest "top management demands for accountability" of fundraising. They were also the *poorest* financial performers.



When metrics reflect a top-down distrust of fundraisers, they don't help.[16] Even in good organizations, less can be more. One study found,

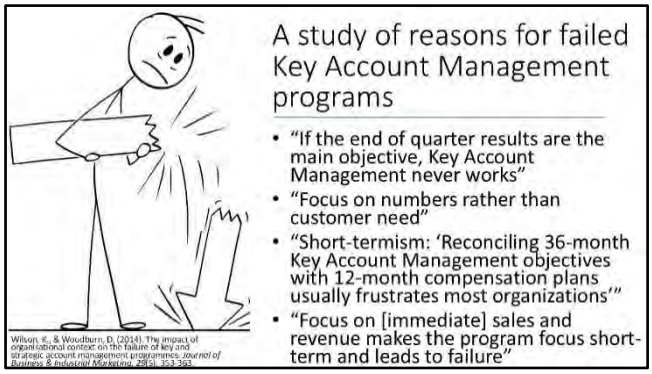
"gift officers that were more focused on fewer metrics ... outperformed those professionals with equally weighted or mixed measurement models. In short, focusing on fewer but essential metrics results in increased productivity across a wide range of activities."[17]



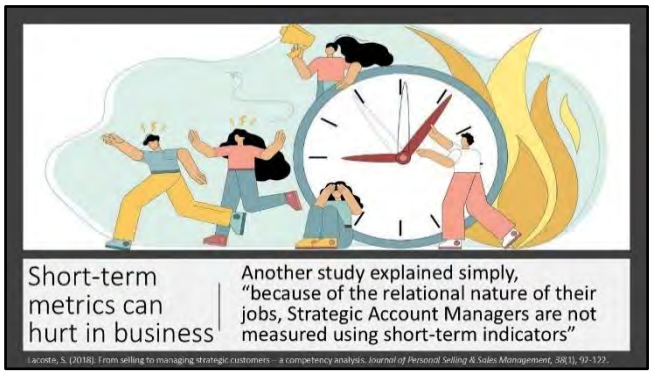
Short-term metrics can hurt in business

Large sales result from long-term processes. Short-term financial metrics can undercut these. One study examined failed key account management programs. Reasons for failure included the following:

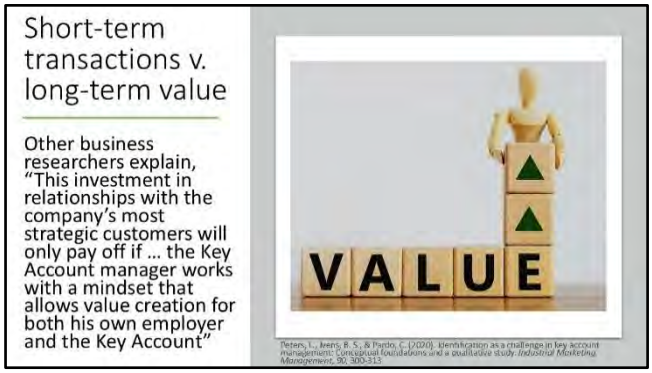
[13] *Id.*
[14] "Fundraisers who jump around hurt their careers and limit their potential to raise money (production jumps at 3.4 to 4 years of tenure, according to BWF data)." Megli, C. D. (2016, January 1). *Outlook: Producing high performers.* CASE. https://www.case.org/resources/outlook-producing-high-performers
[15] Bennett, R. (2007). The use of marketing metrics by British fundraising charities: A survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989.
[16] Which charities in the study were most likely to have sound financial performance? Those that had actually invested the most in fundraising/marketing. *See, Id.*
[17] Grabau, T. W. (2010, July). *Major gift metrics that matter.* Bentz, Whaley, Flessner. https://www.bwf.com/wp-content/uploads/2014/04/00090978.pdf



- "If the end of quarter results are the main objective, Key Account Management never works
- Focus on numbers rather than customer need
- Short-termism: 'Reconciling 36-month Key Account Management objectives with 12-month compensation plans usually frustrates most organizations'
- Focus on [immediate] sales and revenue makes the program focus short-term and leads to failure"[18]

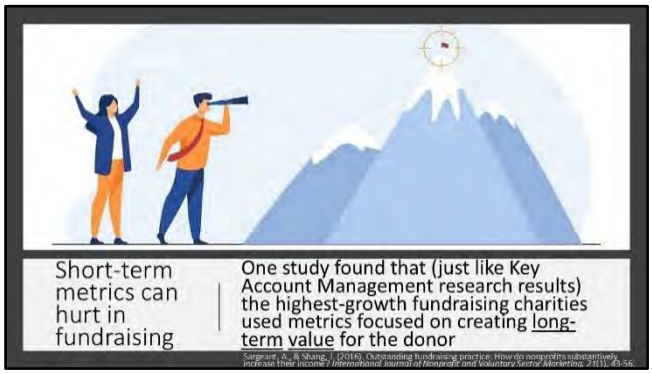


Another study explained simply, "because of the relational nature of their jobs, Strategic Account Managers are not measured using short-term indicators."[19]



The relationships are not about short-term transactions. They're about creating long-term value. Other business researchers explain,

"This investment in relationships with the company's most strategic customers will only pay off if ... the Key Account manager works with a mindset that allows value creation for both his own employer and the Key Account."[20]



Short-term metrics can hurt in fundraising

What about fundraising? One study examined the practices of the highest-growth fundraising organizations. The findings were like those from key account management research in business. These high-growth metrics focused on the long term. They encouraged *behaviors* that created long-term *value* for the donor. The researchers explained,

> "our outstanding leaders aligned their organizational metrics with the longer-term drivers of donor value. There was less concern with metrics such as response rates and immediate return on investment. They focused instead on the standards and behaviors

[18] Wilson, K., & Woodburn, D. (2014). The impact of organisational context on the failure of key and strategic account management programmes. *Journal of Business & Industrial Marketing, 29*(5), 353-363.
[19] Lacoste, S. (2018). From selling to managing strategic customers – a competency analysis. *Journal of Personal Selling & Sales Management, 38*(1), 92-122.
[20] Peters, L., Ivens, B. S., & Pardo, C. (2020). Identification as a challenge in key account management: Conceptual foundations and a qualitative study. *Industrial Marketing Management, 90*, 300-313.

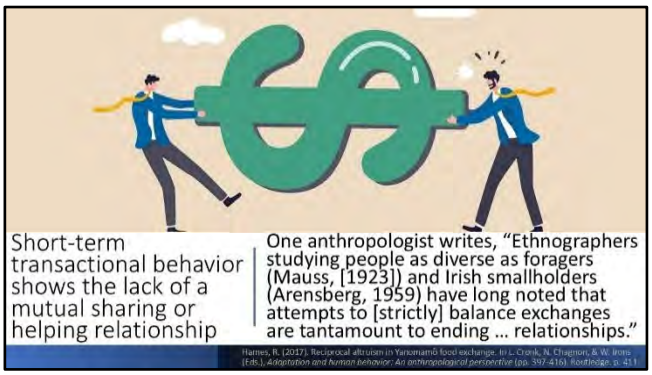


they knew would add value for supporters and thus build donor lifetime value. Their appraisal and reward systems were similarly aligned, to focus team member ambitions on the things that mattered most to longer-term growth."[21]



A short-term, transactional focus hurts large-ticket sales in business. But it may be even more harmful in fundraising. In anthropology, giving is not based upon the transactional "exchange" economy. Instead, it originates from the relationship-based "gift" economy.[22]

This social/sharing world has different rules. Focusing on short-term or immediate payback violates those rules. Whenever a relationship becomes "strictly contingent" or transactional, giving stops. This is true across human cultures. One anthropologist writes,



"Ethnographers studying people as diverse as foragers (Mauss, [1923]) and Irish smallholders (Arensberg, 1959) have long noted that attempts to [strictly] balance exchanges are tantamount to ending ... relationships."[23]

Short-term, transactional behavior signals the absence of a mutual sharing or helping relationship. This kills generosity. Sadly, in many charities this "signal" is accurate. One study examined charity leadership views of seven fundraising metrics.[24] The *least* useful for justifying a budget increase from leadership was this:



"Predicted improvements in donors' feelings of satisfaction with or commitment to the organization."

Most fundraising managers felt this wasn't even "slightly important" to leadership. The problem wasn't just *failing* to add value for donors. The problem was not even *trying* to

[21] Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(1), 43-56, 49.
[22] For the original formulation of this idea, *see* Mauss, M. (1923). Essai sur le don forme et raison de l'échange dans les sociétés archaïques. *L'Année Sociologique*, 30-186. (A recent English translation is Mauss, M. (2002). *The gift: The form and reason for exchange in archaic societies.* Routledge.)
[23] Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. p. 411.
Citing to Arensberg, C. M. (1959). *The Irish countryman: An anthropological study*. P. Smith; Mauss, M. (1967). Essai sure le don. *The gift: Forms and functions of exchange in archaic societies*. Norton. (A translation of the 1923 essay).
[24] Bennett, R. (2007). The use of marketing metrics by British fundraising charities: a survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989.

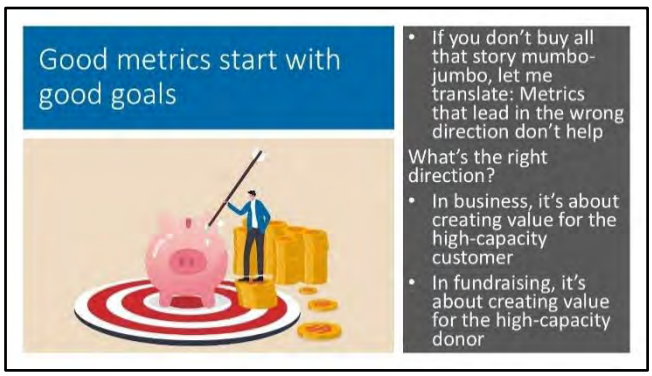
do so. This goal wasn't even there to start with. The charities' leadership simply didn't care.[25]

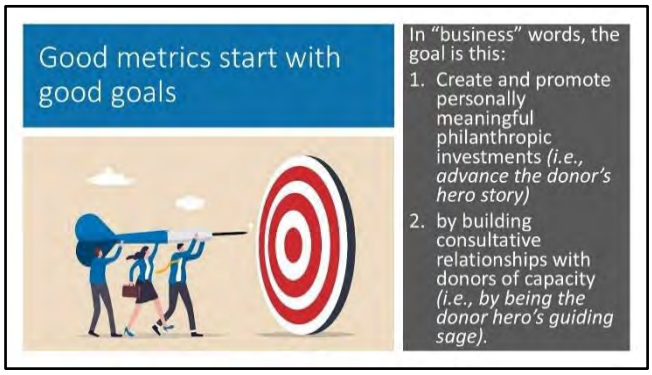


Good metrics start with good story

Not caring about the donor's experience isn't a numbers problem. It's not a problem of what we're measuring. It's a problem of who we're being. It's a story-character problem.

The effective fundraiser delivers real value to donors. She advances the donor's hero story as the donor's "guiding-sage." The universal hero story (monomyth) is an identity-enhancement journey.[26] In fundraising, this enhanced identity can be private meaning, public reputation, or both. Advancing the donor's hero story can deliver big value.





Good metrics start with good goals

If you don't buy all that story mumbo-jumbo, let me translate. Metrics that lead in the wrong direction don't help. What's the right direction? In business, it's about creating value for the high-capacity customer. In fundraising, it's about creating value for the high-capacity donor.

In "business" words, the goal is this:

1. Create and promote personally meaningful philanthropic investments *(i.e., advance the donor's hero story)*
2. by building consultative relationships with donors of capacity *(i.e., by being the donor hero's guiding sage)*.

If we've got the wrong goal, metrics won't help. They'll just get us to the wrong place even faster. But with the right goal, metrics can sometimes help.

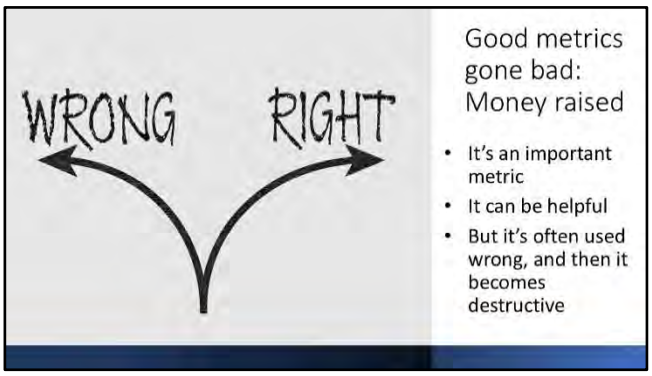
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[25] It appears that charities care less about donors than businesses care about customers. This study noted, "A conspicuous difference between the findings of the present study and those of at least one investigation completed in the business sector … is that metrics concerning market share and (donor) loyalty, retention and satisfaction were rarely presented to top management [at charities]." Bennett, R. (2007). The use of marketing metrics by British fundraising charities: a survey of current practice. *Journal of Marketing Management, 23*(9-10), 959-989. p. 980.

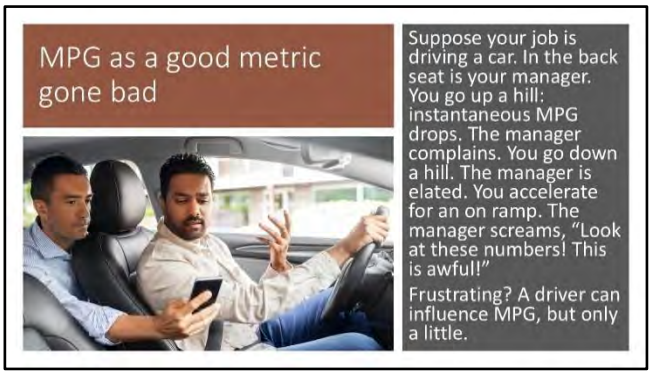
[26] This universal story, called the monomyth, includes specific steps. At the end, the main character returns as an honored and victorious hero bringing a boon to the original world. In the story, the hero,

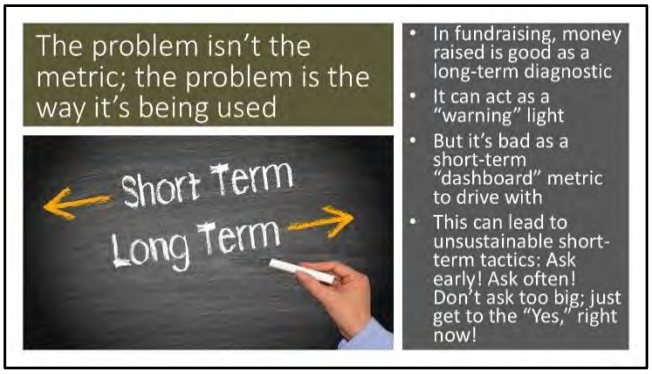
1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation
6. Returns to the place of beginning with a gift to improve that world

This hero story progresses through
Original Identity [1] → Challenge [2, 3, 4] → Victory [4, 5] → Enhanced Identity [5, 6]









Good metrics gone bad: Money raised

There are all types of fundraising metrics. But every charity uses this one: Money raised. It's an important metric. It can be helpful. But it's often used wrong. And then, it becomes destructive. This good metric can go bad.

In driving a car, fuel efficiency (miles per gallon [MPG]) is a good metric. If it drops unexpectedly, something is wrong. It might be your spark plugs, motor oil, fuel, fuel injector, air filter, or tire pressure. It might be the way you're driving.

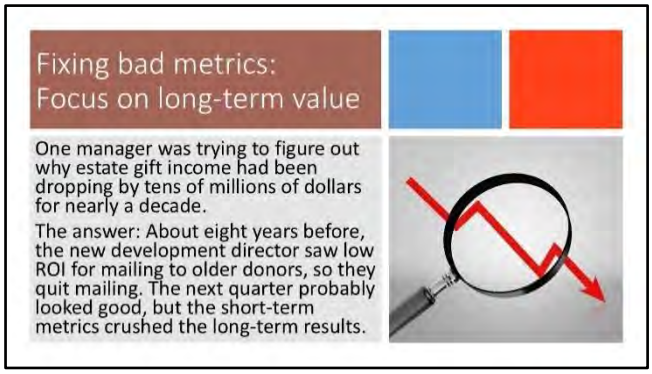
Suppose your job is driving a car. In the back seat is your manager. The car displays instantaneous MPG. You go up a hill. MPG drops. The manager complains. You go down a hill. The manager is elated. You accelerate for an on ramp. The manager screams, "Look at these numbers! This is awful!" You hit snow or rugged terrain. The manager threatens your job.

How soon would this get frustrating? Yes, a driver can influence this metric, but only a little. Mostly it's controlled by the environment. Managing people based on metrics they can't control is a recipe for frustration.

The problem isn't the metric. The problem is the way it's being used. Tracking money raised is similar. It's good as a long-term diagnostic. It can act as a "warning" light. But it's bad as a short-term "dashboard" metric to drive with.

Any new driver can show good short-term results in MPG. Just coast. Until the car stops, MPG will be great! But that's not good – or sustainable – driving behavior.

Any new fundraiser can show good short-term results in money raised. Ask early! Ask often! Don't ask too big! Just get to the "Yes," right now! This quarter will look good. But this "coasts" on previous relationship building. It's not good – or sustainable – fundraising behavior.



Fixing bad money metrics: Focus on long-term value

So, what are the alternatives? First, focus on the long term. If you want to focus on money, fine. But focus on *lifetime* donor value, not just next quarter.

I once received a call from a newly hired legacy giving manager at a major health-related charity. He was trying to figure out why their estate gift income had been dropping for nearly a decade. It had fallen consistently, losing tens of millions of dollars year-over-year.

He thought maybe it was demographics. No, I assured him, that wasn't the problem. Then he thought perhaps it was competition. No, I argued, most people have never heard of your competition.

Finally, he recalled another change. About eight years before, a new development director had arrived. The immediate return-on-investment (ROI) analytics showed mailing to older donors wasn't paying off. So, they quit mailing. The next quarter probably looked good. But the short-term metrics crushed their long-term results. Using *lifetime* donor value could have prevented this disaster.

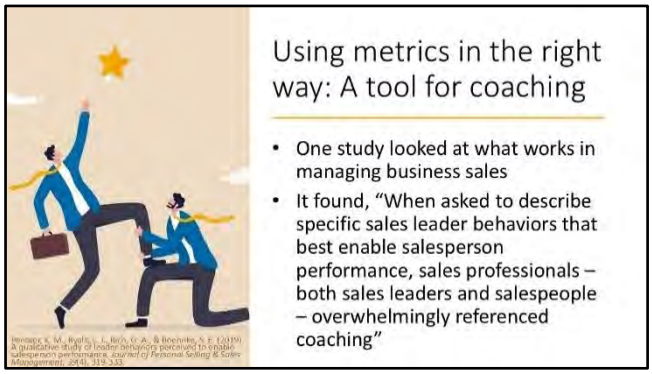


Fixing bad money metrics: Focus on fundraiser actions

Second, consider an alternate approach. Focus on fundraiser *actions*. The fundraiser can better control these. One study examined 270 university fundraisers. It found that,

"Major Gift Officers with solicitation goals, rather than dollar goals, have better activity with prospects and hit dollar goals anyway."[27]

Metrics can help. They can encourage doing the *hard* stuff. In any job, some tasks are easy or urgent, but not that important. Others are important, but they're hard and not urgent. Metrics, when focused on the hard stuff, can help. They can nudge behavior in the right direction.



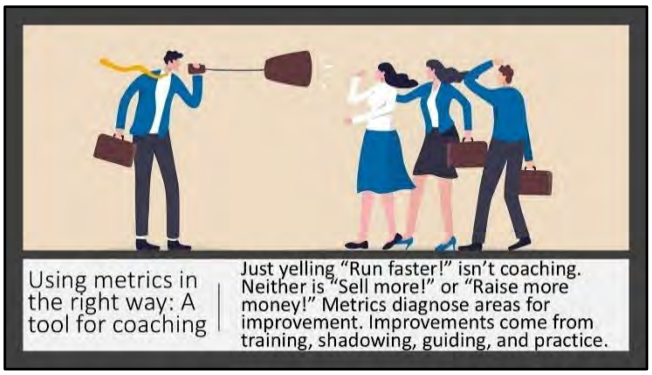
Using metrics in the right way: A tool for coaching

What works in managing business sales? One study took an in-depth look. The answer with this:

"When asked to describe specific sales leader behaviors that best enable salesperson

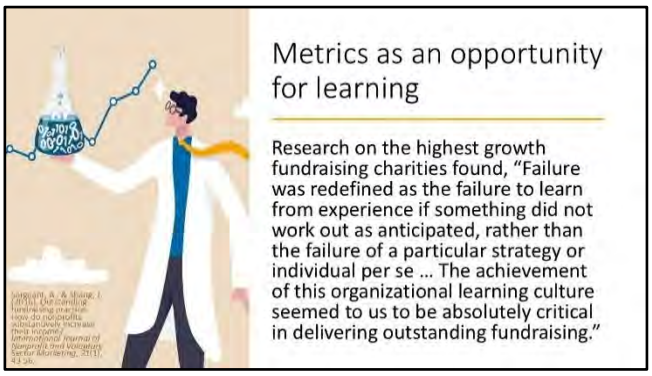
[27] Birkholz, J. & Hunte, J. (2014, October 30). *The secrets of high-performing, long-tenured gift officers.* [PowerPoint slides]. Bentz Whaley Flessner https://store.case.org/PersonifyEbusiness/Store/Product-Details/productId/165848717

performance, sales professionals – both sales leaders and salespeople – overwhelmingly referenced coaching ..."[28]



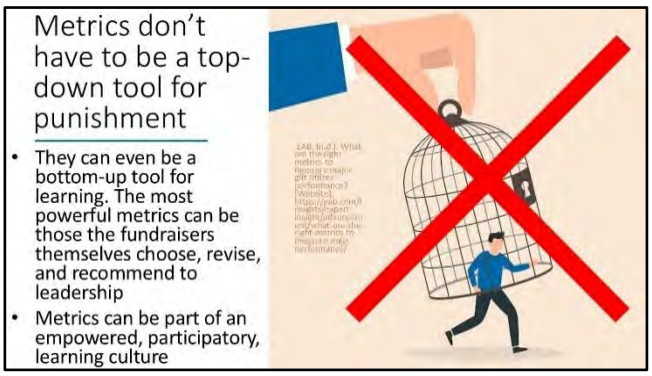
My daughters ran cross-country in high school. Once, the coach brought his four-year old son to practice. Wanting to help, the boy yelled, "Run faster!" It was cute. But it wasn't coaching. Yelling, "Sell more!" or "Raise more money!" is just as unhelpful.

In coaching, metrics can be a useful tool. They can help the coach diagnose areas for investigation. This can lead to improvements. These come from training, shadowing, guiding, and practice.

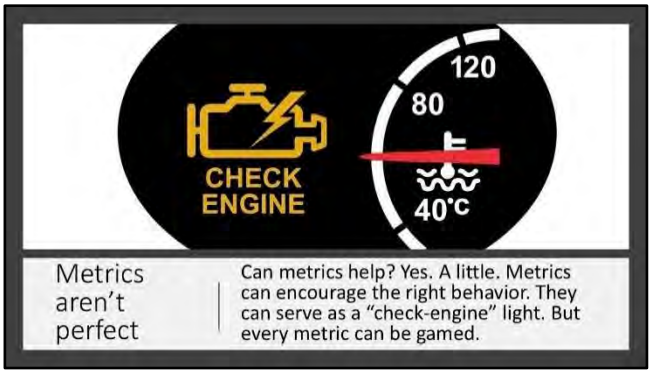


The highest growth fundraising charities did use metrics. They measured outcomes. But they used these metrics in a special way. A bad number wasn't a tragedy. It was an opportunity for *learning*. The researchers found,

"Failure was redefined as the failure to learn from experience if something did not work out as anticipated, rather than the failure of a particular strategy or individual per se ... The achievement of this organizational learning culture seemed to us to be absolutely critical in delivering outstanding fundraising."[29]



Metrics don't have to be a top-down tool for punishment. They can even be a bottom-up tool for learning. The most powerful metrics can be those the fundraisers themselves choose, revise, and recommend to leadership.[30] Metrics can be part of an empowered, participatory, learning culture.



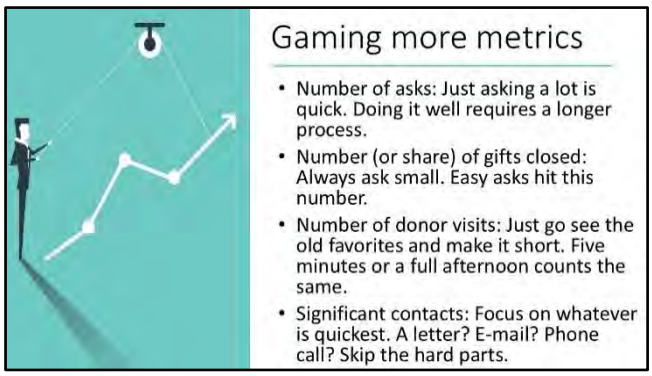
Metrics aren't perfect

Can metrics help? Yes. A little. Metrics can encourage the right behavior. They can serve as a "check-engine" light. But every metric can be gamed. Every one. Pick your favorite.

[28] Peesker, K. M., Ryals, L. J., Rich, G. A., & Boehnke, S. E. (2019). A qualitative study of leader behaviors perceived to enable salesperson performance. *Journal of Personal Selling & Sales Management, 39*(4), 319-333.
[29] Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(1), 43-56, 51.
[30] EAB. (n.d.). *What are the right metrics to measure major gift officer performance?* [Website]. https://eab.com/insights/expert-insight/advancement/what-are-the-right-metrics-to-measure-mgo-performance/



Do you like "money raised?" Gifts are lumpy. Getting a big one means you should stop asking until the next reporting period. A great year means you should change jobs. Who wants to compete against that baseline? The real secret to success? It's "owning" the right donors. Get assigned to the right list and get territorial! Hard selling donors is bad long-term. But it sure makes the numbers look good right now!



Maybe you prefer "number of asks?" Just asking a lot is quick. Doing it well requires a longer process.

What about "number (or share) of gifts closed?" Make sure to ask small! Easy asks hit those numbers best.

What about "number of donor visits?" Just go see the old favorites every month. And make it short! Five minutes or a full afternoon counts the same.

What about "significant contacts?" Just focus on whatever is quickest. A letter? E-mail? Phone call? Just do lots of the easiest thing. Skip the hard parts.



Metrics aren't people

The point of all this isn't that metrics are bad. They can help. We'll look at some great ones next. But metrics help only a little.

If we've got the wrong people, metrics won't fix it. One study of salespeople found this:

> "only 6% of salespeople without the personality traits fitting that trade will perform above average by working hard to compensate for their lack of personality "fit." Emotional intelligence and interrelated features (e.g., competitive intelligence and empathic listening) represent the first pillar of those natural abilities, and the higher the level of emotional intelligence (EI), the better the salesperson will perform ... salespeople who do not score highly on EI have little chance of becoming successful Strategic Account Managers."[31]

The same is true in fundraising. Dr. Beth Breeze studied key personal skills in fundraising.[32] The most important included the following:

[31] Lacoste, S. (2018). From selling to managing strategic customers-a competency analysis. *Journal of Personal Selling & Sales Management, 38*(1), 92-122, p. 110.
[32] Pudelek, J. (2014, July 10). *Eleven characteristics of successful fundraisers revealed at IoF National Convention*. Civil Society. https://www.civilsociety.co.uk/news/eleven-characteristics-of-successful-fundraisers-revealed-at-iof-national-convention.html





- High emotional intelligence
- An ability to read people, and
- A great memory for faces, names, and personal details.

Getting the right people "on the bus" matters. The highest-growth fundraising charities showed a common pattern: High fundraiser turnover at the beginning. Low fundraiser turnover later. The researchers described high initial turnover. They explained,

"In most of our cases, the teams were substantively overhauled. Our interviewees reflected that the people who left or were asked to leave were usually either not up to the task or, critically, did not demonstrate the level of passion and commitment necessary for the new fundraising approach."[33]

But keeping the right people was just as important. They explained,

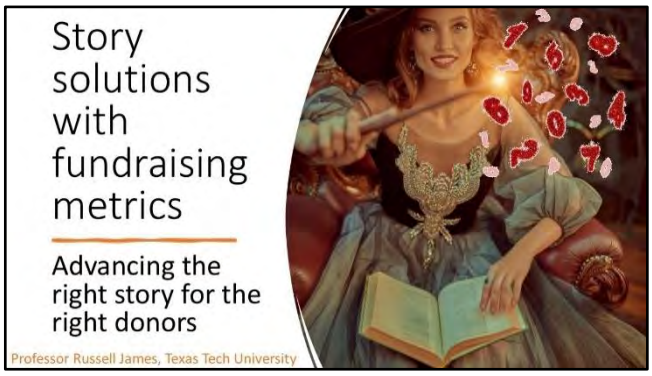
"None of the organizations we interviewed, after the right team had been built, suffered from the high turnover rates that otherwise pervade the fundraising sector."[34]



Conclusion

The secret to success isn't just about metrics. Metrics might get a fundraiser her next job. But they won't keep her in this one. Metrics aren't purpose, cause, or inspiration. They're not coaching, identity, autonomy, or personal growth. Metrics can help. But only a little.

[33] Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(1), 43-56.
[34] *Id.*



18

STORY SOLUTIONS WITH FUNDRAISING METRICS: ADVANCING THE RIGHT STORY FOR THE RIGHT DONORS



The right metrics

Fundraising metrics can't do everything. But they can answer four key questions:[1]

1. Are we focused on the right donors?
2. Do we have individual plans for them?
3. Are we seeing them?
4. Are we asking them?

These are important questions. Answering "yes" doesn't guarantee success. But, answering "no" usually guarantees failure. This is also a common feature of metrics in storytelling.

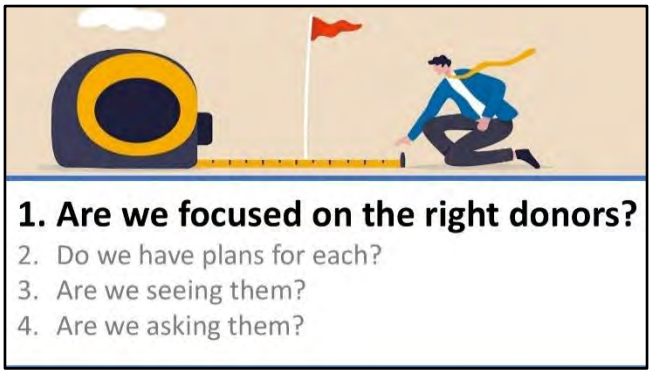
Suppose we were managing novel writers. One metric might be hours per day spent writing. Another might be words per day. Hitting these metrics won't guarantee a successful novel. But their absence does guarantee failure.

I don't manage novelists, but I do manage Ph.D. students as their dissertation advisor. Completing a dissertation requires many things. Students will read research. They'll run experiments. They'll analyze data. They'll fill out paperwork. They'll think, talk, and write. I've had many succeed and others fail. Over the years, I've learned to predict this outcome with just one number. That number is hours per day spent writing.

[1] See examples of similar ideas in Wilson, K. L. (2015). *Determining the critical elements of evaluation for university advancement staff: Quantifiable and nonquantifiable variables associated with fundraising success*. [Dissertation]. East Tennessee State University. ("a) do you have enough prospects, b) are you seeing them, c) are you asking them." p. 57; "number of personal visits made with rated, assigned prospects as reported in contact reports, and the number of proposals submitted with proposal date, content and asks amount." p. 58).



Students who write consistently will finish.[2] Otherwise, they often won't. Here's why. Students fail, but not because they don't do the fun parts. They fail because they don't do the hard parts. Writing is the hard part. All of the parts are necessary. But the only metric that matters is the *hard* part.[3] The best metrics encourage doing the hard stuff. This applies in managing dissertations. And it applies in managing fundraising.



1. Are we focused on the right donors?



Fundraising math v. fundraising emotion

So, let's start with the hard stuff. There's a difference between what's fun and what's important. Consider some simple math.

Scenario 1. You spend the next two years working with 100 donors. Each has capacity to make a $10,000 gift. Interest in giving is high. Each has a 75% chance of making that gift.

Scenario 2. You spend the next two years working with 100 donors. Each has capacity to make a $1 million gift. Interest in giving is low. Each has a 3% chance of making that gift.

Mathematically, the answer is easy. Scenario 2 raises four times as much money. The charity receives $3,000,000 instead of $750,000.

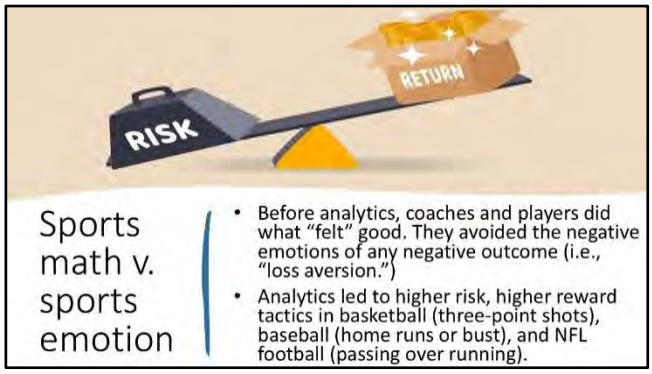
Emotionally, the answer is hard. Suppose you make one gift proposal per week. That's 100 over the course of two years. In Scenario 1 you constantly win. Three out of four weeks, you bring back a big gift.

[2] Bolker, J. (1998). *Writing your dissertation in fifteen minutes a day: A guide to starting, revising, and finishing your doctoral thesis.* Holt Paperbacks.

[3] The same phenomenon can be seen in sports. One study looked at which activities separated local-level and national-level under-18 soccer players. The national-level players had accumulated more hours in focused practice. They actually accumulated fewer hours in "playful activities" in soccer. It wasn't just about putting in the hours. It was about putting in the hours doing the hard stuff. Ward, P., Hodges, N. J., Starkes, J. L., & Williams, M. A. (2007). The road to excellence: Deliberate practice and the development of expertise. *High Ability Studies, 18*(2), 119-153.

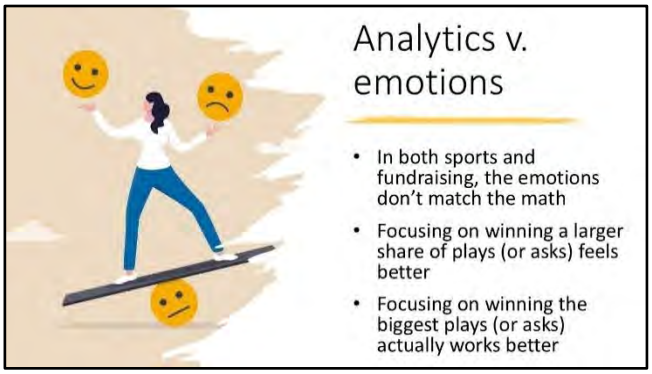


In Scenario 2, you constantly lose. On average you'll lose *33 times* for every victory. You'll have all of your proposals rejected for over 8 months. And you'll raise four times as much money.[4] What *feels like* losing actually wins. Emotionally, a series of small wins feels more attractive. But that's not how the numbers work.

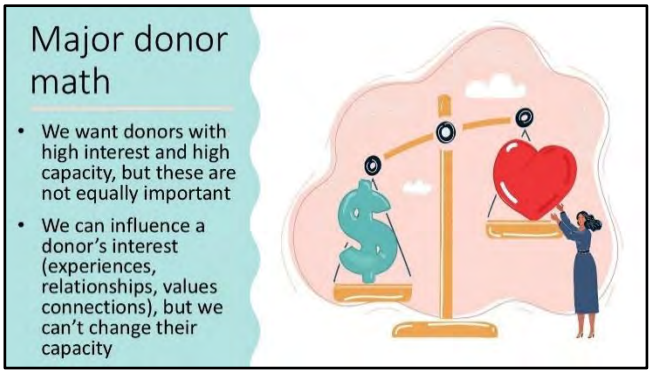


Sports math v. sports emotion

The same result happens in modern sports. Before analytics, coaches and players did what "felt" good. They avoided the negative emotions of any negative outcome. After analytics, games changed. Higher risk, higher reward tactics grew. In basketball, the three-point shot took over. This shot also has the greatest chance of missing. Baseball moved to home runs or bust. This also increases strike outs. In football, throwing increased over running. This also has a higher risk of a turnover or no gain.[5]



In each case, analytics corrects the emotions of "loss aversion." It moves towards higher risk, higher reward tactics. In both sports and fundraising, the emotions don't match the math. Focusing on winning a larger *share* of plays (or asks) feels better. Focusing on winning the *biggest* plays (or asks) actually works better.



Major donor math

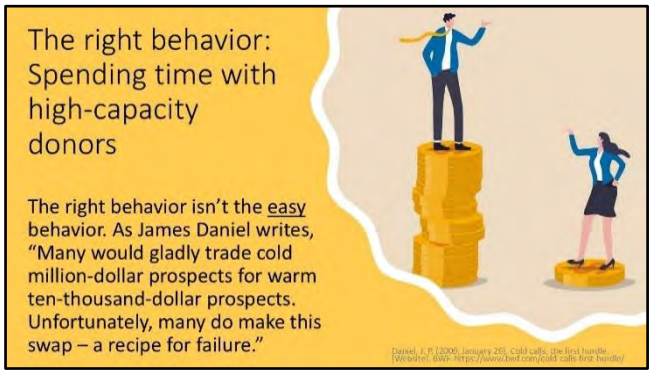
Ideally, we want donors with high interest and high capacity. But capacity and interest are *not* equally important. That's not how the math works. That's also not how people work.

We can influence a donor's interest. Creating donor experiences helps. Building relationships with the charity employees, beneficiaries, or other donors helps. Making connections with the donor's values, people, and

[4] In reality, this difference becomes even larger. In the following year, you would have only 3 long-term relationships to manage instead of 75. And the high-capacity donor is more likely to refer to other high-capacity donors, leading to even greater growth differences.

[5] Part of this change can also be attributed to other rule changes favoring the forward pass. Thus, a cleaner comparison would be the increasing propensity to avoid punting on 4th down. Again, analytics more often points to taking the high risk, high reward approach: Go for it on 4th down. Emotions and loss aversion favor the low risk, low reward decision: Punt on 4th down. *See* Dalen, P. (2013, November 15). Conventional wisdom be damned: The math behind Pulaski Academy's offense. https://www.footballstudyhall.com/2013/11/15/5105958/fourth-down-pulaski-academy-kevin-kelley

life story helps. Any of these can change interest. And what can we do to change a donor's capacity? Nothing.



The right behavior requires spending time with high-capacity prospects. But the *right* behavior isn't the *easy* behavior. As James Daniel writes,

"Many would gladly trade cold million-dollar prospects for warm ten-thousand-dollar prospects. Unfortunately, many do make this swap – a recipe for failure."[6]



The prospect prescription

The right metrics should nudge the right behavior. The right behavior requires spending time with high-capacity donors. There are, of course, many ways to measure this. We might have capacity minimums for major gift officer portfolios. We might multiply activity metrics by capacity rating. (Getting a visit with a high-capacity prospect is a bigger deal.) We can be more flexible with high-capacity success rates and timetables.



But what if we don't have enough high-capacity donors? What if we don't have any? Systematic, planned efforts to contact new prospects can help.[7] John Greenhoe relates,

"the most successful development officers I have worked with developed a regimented procedure for connecting with new prospects."

Referrals can work, too. We can always ask,

"Who do you know that may be interested in our work?" [8]

But what works better is to start with what we can give, not what we want to get. This starts with a simple question:

"How can we *provide value* to high-capacity prospects?"

Maybe we're offering attractive experiences. Maybe we're giving recognition or prestige. Maybe we're sharing gift planning expertise. Maybe it's access to a valuable social network. Our efforts are more likely to pay off when we lead with value.

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[6] Daniel, J. P. (2009, January 26). *Cold calls, the first hurdle.* [Website]. BWF. https://www.bwf.com/cold-calls-first-hurdle/

[7] "Fundraisers who are disciplined about calling new prospective donors typically fare well. Those who aren't usually don't last long in this field." Greenhoe, John. (2013). *Opening the door to major gifts: Mastering the discovery call.* CharityChannel Press. p. 27.

[8] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 14. ("Who do you know that may be interested in our work? Would you send a note to introduce me, or arrange for us to do lunch? You like to entertain—how about a dinner party or reception?"); *See also* Baker, B., Bullock, K., Gifford, G. L., Grow, P., Jacobwith, L. L., Pitman, M. A., Truhlar, S., & Rees, S. (2013). *The essential fundraising handbook for small nonprofits.* The Nonprofit Academy. p. 154. ("Do you know other people that may be interested in learning about what we're doing?").



Internal support: The advocacy story

High-capacity outreach works. Leading with value works. But these take time. Sustaining internal support can be challenging.

It may help to reframe the internal story about prospect outreach. For example, many charities focus on advocacy. But what is advocacy? It's promoting the cause to those with the power to make a difference.

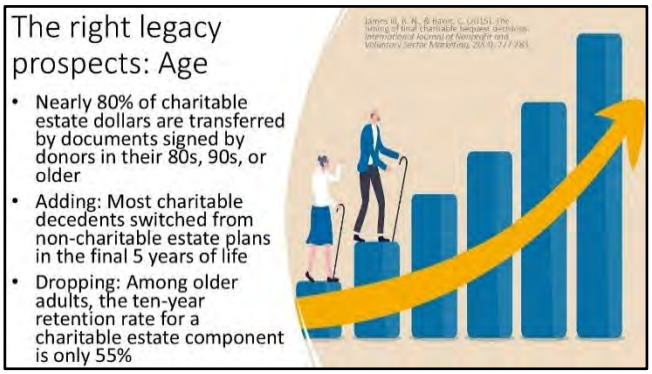
Getting a 30-minute meeting with a senator is reason for celebration. Why? Because that person has capacity to make an impact for the cause. What about getting a meeting with a high-capacity prospect? This should also be a cause for celebration. Why? Same reason.

Advocacy is celebrated. It's part of the core mission. Expanding the advocacy story to include major donor discovery can change perspectives. It can increase internal support for these long-term processes.



Do we have the right legacy prospects?

With legacy giving, the hard stuff gets even harder. Wealth is important in giving. It's even more important in legacy giving. In annual giving, a low-wealth donor can make substantial contributions. In legacy giving, he can't. In annual giving, the value of small gifts can accumulate over many years. In legacy giving, there's only one gift. The wealthiest 0.1% of decedents donate 59% of all charitable estate dollars.[9] Also, wealthy people give a larger *share* of their overall donations as legacy gifts.[10]



And it gets harder. Old-age and end-of-life decisions dominate. Nearly 80% of charitable estate dollars are transferred by documents signed by donors in their 80s, 90s, or older.[11] Most charitable decedents switched from non-charitable estate plans in the final 5 years of life.[12]

[9] "in 2017, when only 2,902 estates with charitable transfers filed estate tax returns, these estates still produced the majority (59%) of all bequest dollars transferred to charity in the country." James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law Journal, 12*, 235-285. p. 250. *Also see* a total of 2,813,503 decedents in 2017 at https://www.cdc.gov/nchs/data/databriefs/db328-h.pdf

[10] Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy.* Urban Institute. Table 4. https://www.urban.org/sites/default/files/publication/99018/patterns_of_giving_by_the_wealthy_2.pdf

[11] James, R. N., III., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing, 20*(3), 277-283.

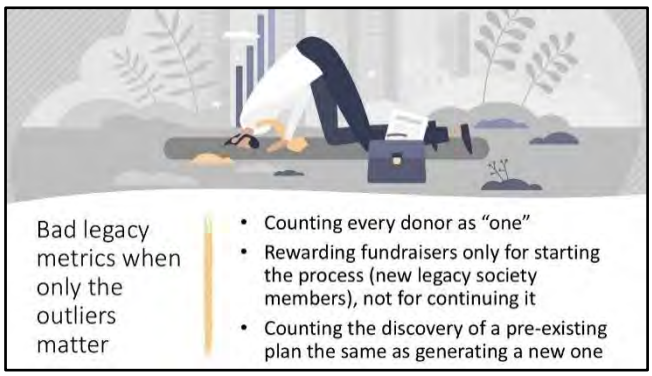
[12] *Id.*



Charities also get dropped from plans. Among older adults, the ten-year retention rate for a charitable estate component is only 55%.[13] Only 65% of legacy society members actually generate estate gifts.[14] Part of the reason is this: About 1 in 4 legacy society members received no communications from the charity in their last two years of life.[15] Why? Often, it's because charities communicate based only on recency of donations. Charitable decedents normally stop donating during the last few years of life.[16]



Who are the right legacy prospects? The oldest, wealthiest, childless friends of the charity.[17] The money will come from just a few, extreme donors. In financial terms, typical donors don't matter. For example, most estate donors leave less than 10% of their estate to charity. Taken together, these typical donors transfer only 3.8% of total charitable bequest dollars.[18] Most money comes from the tiny fraction of donors that give 90% or more of their estate to charity.[19]



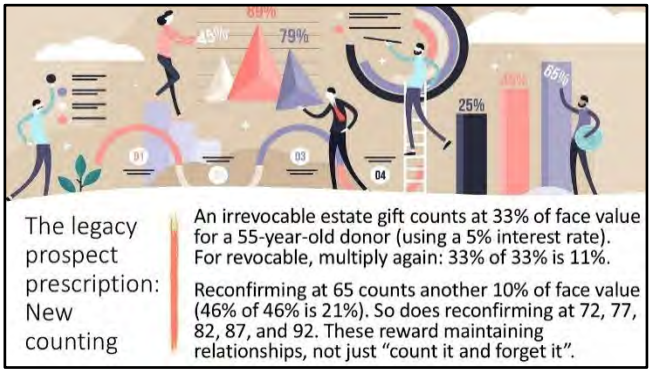
Given all this, common legacy metrics are simply wrong. This is a world dominated by statistical extremes. Only the outliers matter. Yet, charities typically count every donor as "one." A ten-million-dollar planned estate gift from a childless, 95-year-old? That's one. That's one legacy society member. A 25-year-old adding the charity as a death beneficiary on a new bank account? That's also one. One legacy society member.

And it gets worse. Getting a new legacy society member only *starts* a process that might eventually lead to money. These are, after all, highly fluid decisions, especially near the end of life.[20] But fundraisers are rewarded only for *starting* this process. They get no reward for *continuing* it.

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[13] *Id.*
[14] Wishart, R., & James, R. N., III. (2021). The final outcome of charitable bequest gift intentions: Findings and implications for legacy fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1703.
[15] Wishart, R., & James, R. N., III. (2021). The final outcome of charitable bequest gift intentions: Findings and implications for legacy fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1703.
[16] James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431
[17] James, R. N., III. (2009). Health, wealth, and charitable estate planning: A longitudinal examination of testamentary charitable giving plans. *Nonprofit and Voluntary Sector Quarterly, 38*(6), 1026-1043.
[18] James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law Journal, 12*, 235-285.
[19] *Id.*
[20] James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431

And it gets even worse. Generating a new legacy plan counts as one. This may require months of working with a donor. Discovering a pre-existing plan counts the same. This requires a postage stamp on a mass survey.



The legacy prospect prescription

Legacy metrics could be different. They could separate plan discovery from plan creation. They could also value gifts differently.

Valuing an *irrevocable* estate gift is simple.[21] One from a 55-year-old donor counts at 33% of face value (using a 5% interest rate).[22] Multiplying again accounts for the risk of revocation: 33% of 33% is 11%. This revocable gift counts at 11% of face value.

This approach can also reward maintaining relationships. Reconfirming the gift at 65 adds another 10% of face value. (At this age, 46% of 46% is 21%.) Reconfirming again at 72, 77, 82, 87, and 92 adds 10% of face value each time.[23] This creates ongoing goals. It avoids a "count it and forget it" approach.

Of course, counting new plans as "one and done" is easier. It makes life more fun. Fundraisers can just spend time with donors their own age. They don't have to worry about maintaining relationships until the end of life. They don't have to deal with "old people" attitudes, frailties, and family. They also don't need to worry about wealth or complex plans. A token gift counts the same as a massive one.



Are the right metrics the answer in legacy giving? They can help, but other factors also matter. A charity's cause or culture matters. Some causes win because they're naturally in front of people in their 80s and 90s. Pets, cancer, healthcare, and hospice are normally winners.[24]

Others succeed with a culture that values visiting their oldest friends. (They may be especially concerned for those who have no children visiting them.) This works for legacy fundraising.[25] Many universities never lose contact with their alumni – regardless of their current donations.[26] This also works for legacy fundraising. Others include legacy giving as part of their regular messaging. Again, this works for legacy fundraising.

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[21] Valuation Table S for single life and R for joint lives are at https://www.irs.gov/retirement-plans/actuarial-tables
Simply scroll down to your preferred interest rate and use the "Remainder" percentage next to the age of the donor(s).
[22] Using a 5% interest rate, Table S reports a Remainder value of 0.33032 at https://www.irs.gov/retirement-plans/actuarial-tables
[23] Of course, this counting is only for internal administrative purposes. It should never be shared with donors. Instead, donors should always receive recognition for 100% of the face amount of any planned gifts.
[24] These causes are typical for charities receiving the largest share of their fundraising income from legacy gifts. *See*, Pharoah, C. (2010). *Charity market monitor 2010*. CaritasData.
[25] James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning and Community Property Law Journal, 12*, 235-285
[26] James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431.

These charities may not "measure" any better. They may not measure at all. But doing the right things still works, even without the metrics. Metrics can help. But the charity's cause and culture matter more.



2. Do we have individual plans for them?



Individual plans: Research findings

The business world doesn't have "major donors." It doesn't have "principal gifts." Instead, it has "key accounts." What works in the world of key account management? One study looked at 20 practices across 209 businesses. It then statistically tested to see which predicted success. The answer? Only one practice simultaneously predicted

- Increased share of customer spend
- Revenues
- Customer satisfaction
- Relationship improvement, and
- Improved retention.[27]

What was it? Having individual plans for each key account. The winners planned each account separately to ensure the best service. This finding is powerful, but it's not new. Many studies have found similar results.[28] Individual plans are key for key account management.

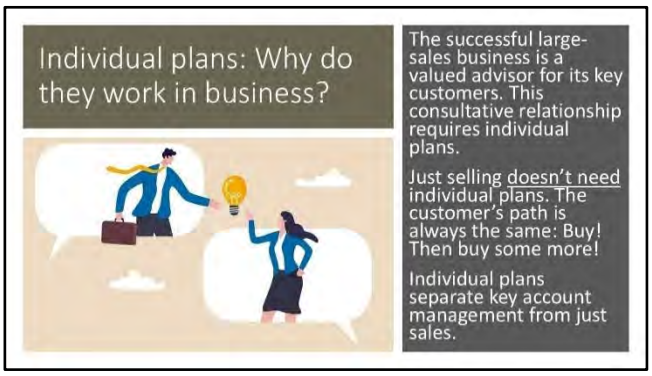


This also works in fundraising. A nationwide study of the most effective major gifts fundraising metrics found this:

"Written strategies for each gift officer's top 25 to 50 prospects with specific initiatives, specific persons to be involved in each task including internal partners and external

[27] Davies, I. A., & Ryals, L. J. (2014). The effectiveness of key account management practices. *Industrial Marketing Management, 43*(7), 1182-1194. Table 8A and 8B. (This was the only factor significantly and positively related to every one of these outcomes.)
[28] McDonald, M., Rogers, B., & Woodburn, D. (2000). *Key customers: How to manage them profitably.* Butterworth-Heinemann; Ojasalo, J. (2002). Key account management in information-intensive services. *Journal of Retailing and Consumer Services, 9*(5), 269-276; Ryals, L. J., & Rogers, B. (2007). Key account planning: Benefits, barriers and best practice. *Journal of Strategic Marketing, 15*(2&3), 209-222; Storbacka, K. (2012). Strategic account management programs: Alignment of design elements and management practices. *Journal of Business & Industrial Marketing, 27*(4), 259-274.

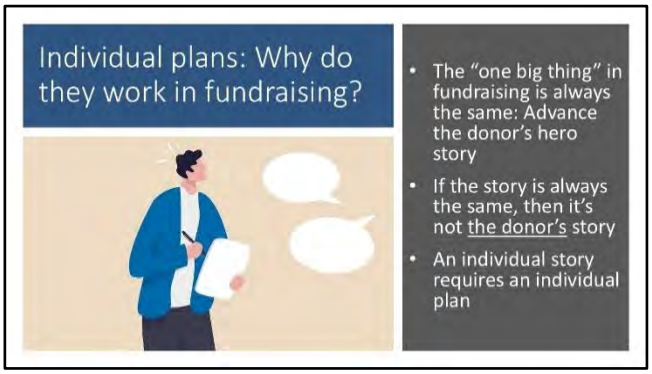
volunteers, and specific target dates for each purposeful action should be required and documented …"[29]



Individual plans: Why do they work?

Why are individual plans so powerful? First, consider the business answer. The successful business is a valued advisor for its key customers. This consultative relationship requires individual plans.

This is different than just selling. Selling doesn't need individual plans. Selling just pushes the product. The customer's path is always the same: buy! Then buy some more! In key account management, individual plans are essential. In traditional sales, they don't matter. Thus, this one factor divides the two approaches.



Next, consider the fundraising answer. The "one big thing" in fundraising is always the same: Advance the donor's hero story. Will that story be the same for every donor? Of course not. If it is, then it's not the donor's story. An individual story requires an individual plan.



An individual plan can help to advance the donor's story. It can map out a journey with specific steps. A step might link to the donor's identity: his people, values, or life story. It might connect these to the charity, the cause, or a specific challenge. It might show how a gift has led to a victory. It might confirm the personal meaningfulness of that victory.

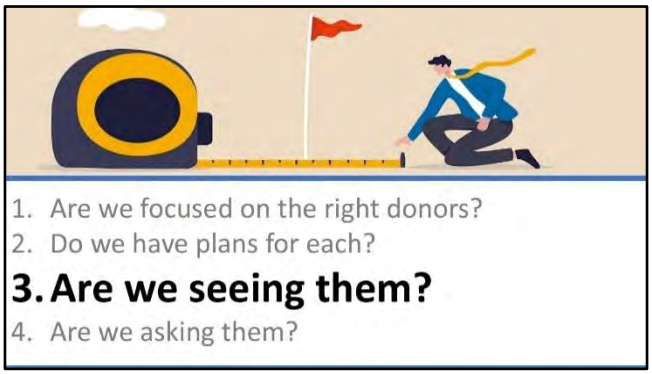
Not every meeting will include an ask for a gift. But every meeting should include an ask. The ask is for the next step in the donor's plan. This might be to take a tour. It might be to attend a meeting. It might be to listen to a proposal. The donor's individual plan guides the process. This plan can change just "seeing them" into advancing the donor's journey.



Of course, having individual plans won't guarantee success. But not having them probably shows that something is missing. If individual plans feel unnecessary, watch out!

[29] Grabau, T. W. (2010, July). *Major gift metrics that matter.* Bentz, Whaley, Flessner. https://www.bwf.com/wp-content/uploads/2014/04/00090978.pdf

- You might just be "pushing product." This is different than being the donor-hero's "guiding sage."
- You might not have the right donors. Only high-capacity donors warrant individual plans.
- You might just be acting friendly instead of fundraising. Just talking doesn't progress towards a meaningful ask.



3. Are we seeing them?



An important start

It's hard to raise major gifts sitting in the office. "Go see people," helps. Seeing the right people helps more. Seeing the right people as part of a personal customized plan helps even more. These don't guarantee success, but not doing them probably does guarantee failure. It's like writing a novel. Hitting 2,000 words per day doesn't guarantee success. But hitting 0 does guarantee failure.

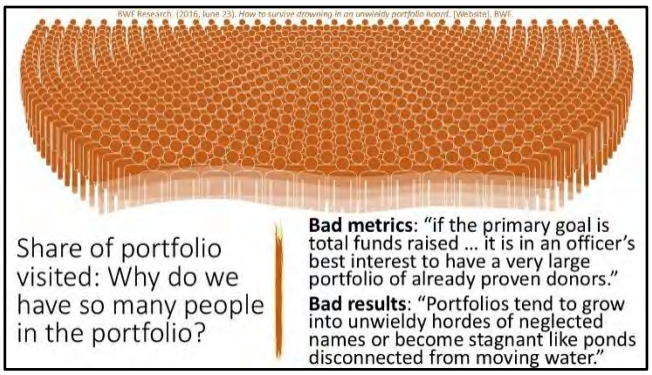


How do we answer, "Are we seeing them?" First, "them" means the high-capacity donors from step 1. Second, "seeing them" is not just about number of visits. It's also about the share of the portfolio visited.[30] You might have 1,000 personal visits. But for a donor you didn't visit, the answer to this question is still, "No"?

This highlights another problem. Why do we have so many people in the portfolio? The answer is often bad metrics. As one author explains,

> "If the primary goal is total funds raised ... it is in an officer's best interest to have a very large portfolio of already proven donors."[31]

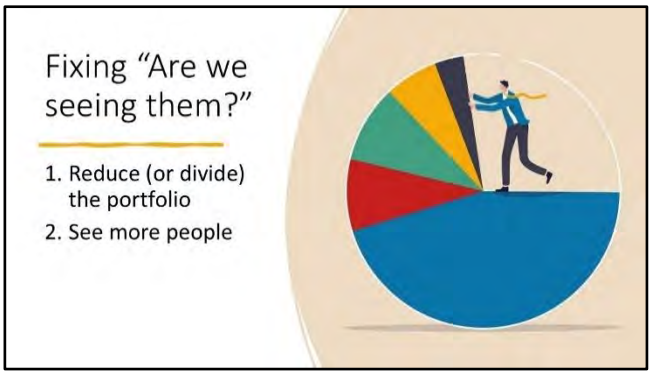
[30] Megli, C. D., Barber, A. P. & Hunte, J. L. (2014, December). *Optimizing fundraiser performance.* Bentz, Whaley, Flessner. http://www.bwf.com/wp-content/uploads/2015/01/December2014.pdf
[31] BWF Research. (2016, June 23). *How to survive drowning in an unwieldy portfolio hoard*. [Website]. BWF. https://www.bwf.com/data-science/survive-drowning-unwieldy-portfolio-hoard/



As a result,

"Portfolios tend to grow into unwieldy hordes of neglected names or become stagnant like ponds disconnected from moving water."[32]

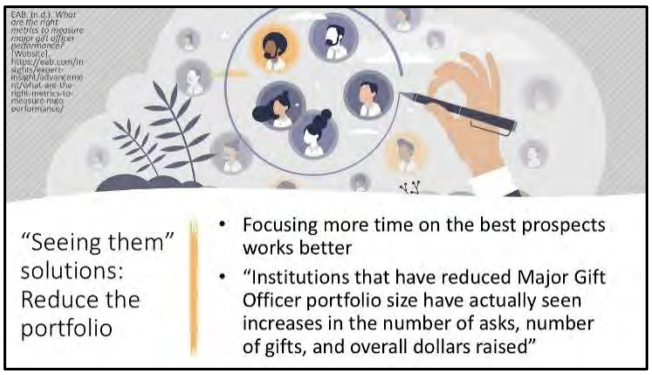
Having too many people in the portfolio can be a problem. It's a problem when it changes the answer to the question, "Are we seeing them?"



What do we do when the answer to this question is, "No."? How can we fix it? There are two answers:

1. Reduce (or divide) the portfolio.
2. See more people.

Let's look at each option.

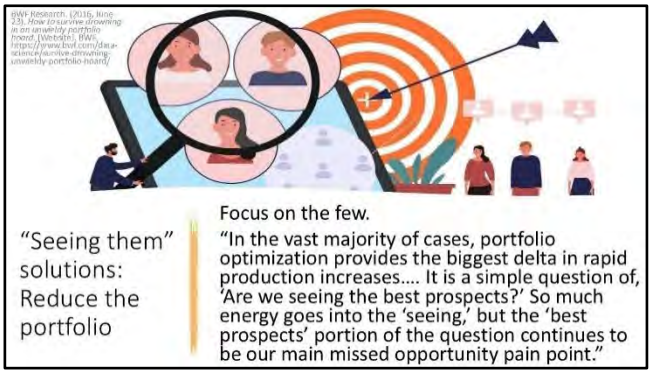


"Seeing them" solutions: Reduce the portfolio

Major gift officers often have 125-150 donors in their portfolio. This is at or beyond the extreme maximum for maintaining human relations.[33] Managing that many relationships can lead to minimal contacts with each person.

Often, focusing more time on the best prospects works better. One way to do this is to make the portfolio smaller. Don't be afraid. This isn't the end of the world! One report finds,

> "Institutions that have reduced Major Gift Officer portfolio size have actually seen increases in the number of asks, number of gifts, and overall dollars raised."[34]



An analysis of hundreds of campaigns found,

"In the vast majority of cases, portfolio optimization provides the biggest delta in rapid production increases ... It is a simple question of, "Are we seeing the best prospects?" So much energy goes into the "seeing," but the "best prospects" portion of

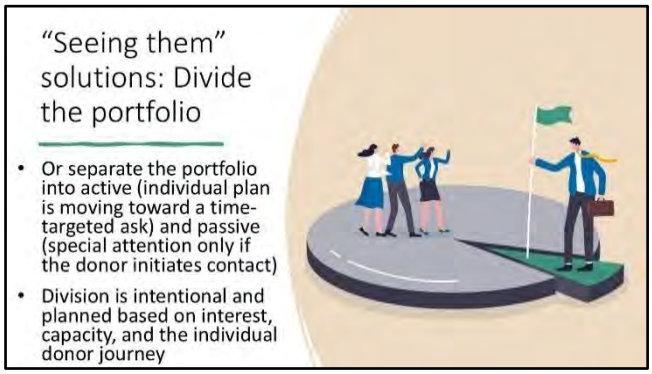
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[32] *Id.*

[33] See an evolutionary argument for a maximum of 150 people in Dunbar, R. I. (2018). The anatomy of friendship. *Trends in Cognitive Sciences, 22*(1), 32-51. Note that this maximum would NOT suggest a portfolio of this size unless the fundraiser had no other social connections in her life. Another view holds that the number may be about double this for online relationships. *See* Zhao, J., Wu, J., Liu, G., Tao, D., Xu, K., & Liu, C. (2014). Being rational or aggressive? A revisit to Dunbar's number in online social networks. *Neurocomputing, 142*, 343-353.

[34] EAB. (n.d.). *What are the right metrics to measure major gift officer performance?* [Website]. https://eab.com/insights/expert-insight/advancement/what-are-the-right-metrics-to-measure-mgo-performance/

the question continues to be our main missed opportunity pain point."[35]

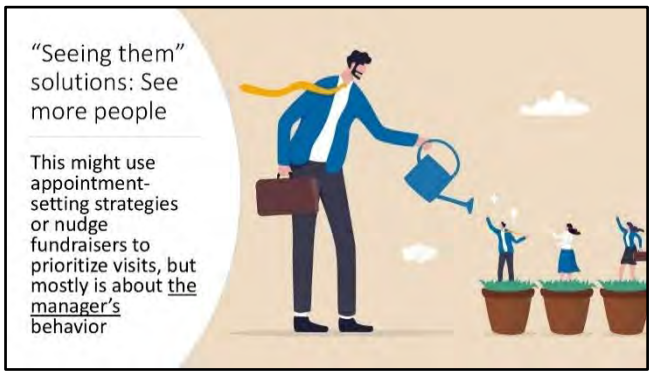


"Seeing them" solutions: Divide the portfolio

If a smaller portfolio isn't acceptable, another approach can work. Separate the portfolio into active and passive relationships. In active relationships, the donor is in cultivation for a gift. The individual plan is moving toward a time-targeted ask. The fundraiser must be visiting, or at least regularly seeking visits, with all active group participants.

In contrast, the passive portfolio has fewer – or no – visit expectations. The donor gets special attention only if the donor initiates contact. The fundraiser is still available when needed. Responding to donor requests is still important. Taking advantage of chance encounters is great. Receiving unexpected gifts is wonderful. But these aren't the same as planned activities. And they shouldn't be counted the same.

Actively dividing a portfolio is different than passively ignoring part of it. Dividing is planned. It's based on interest, capacity, and the individual donor journey. Ignoring is reactive. It encourages the easy meetings, not the important ones.



"Seeing them" solutions: See more people

The question is, "Are we seeing them?" We want to answer, "Yes." One approach is to reduce the number of people who count as "them." The "them" is limited to key high-capacity donors.

Another approach is to see more of these people. How? More effective strategies for setting appointments can help. So can nudging fundraisers to prioritize visits. But usually, it is *the manager's* behavior that drives this number.



What prevents fundraisers from hitting their visit goals? A study of 660 frontline fundraisers found the answer.[36] Managers started with high goals. They wanted fundraisers to spend most of their time on major gifts fundraising. But few met these expectations. Why not? The fundraisers identified the barriers:

[35] BWF Research. (2016, June 23). *How to survive drowning in an unwieldy portfolio hoard*. [Website]. BWF. https://www.bwf.com/data-science/survive-drowning-unwieldy-portfolio-hoard/

[36] Megli, C. D., Barber, A. P. & Hunte, J. L. (2014, December). *Optimizing fundraiser performance.* Bentz, Whaley, Flessner. http://www.bwf.com/wp-content/uploads/2015/01/December2014.pdf

- 70% referenced other administrative work.
- 52% referenced team and program management.
- 46% referenced events.
- 43% referenced support to deans/units/programs.



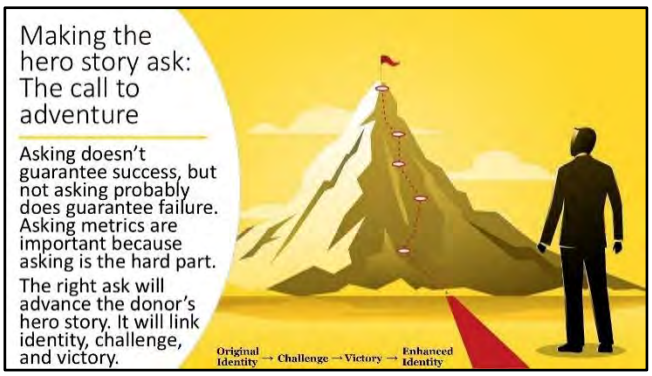
Another study found a similar result. One manager of a high-growth-fundraising charity explained it this way,

"You would think I maintained tight oversight of my team, but in reality, I spend most of my time managing the organization so that my team can maximize their impact."[37]

With competent and willing fundraisers, the biggest change will come from *the manager's* behavior. The manager's task is to protect the fundraiser from the endless array of low-value, internal, "urgent" tasks.[38] The manager frees the fundraiser to "Go see them."



4. Are we asking them?



Making the hero story ask

Asking doesn't guarantee success. But not asking probably does guarantee failure. Asking metrics are important because asking is hard. Metrics help focus actions on the hard parts.

Asking is important. Making the right ask is even more important. The right ask will advance the donor's hero story. Every hero story has a "call to adventure." It is a challenge.

Original Identity → Challenge → Victory → Enhanced Identity

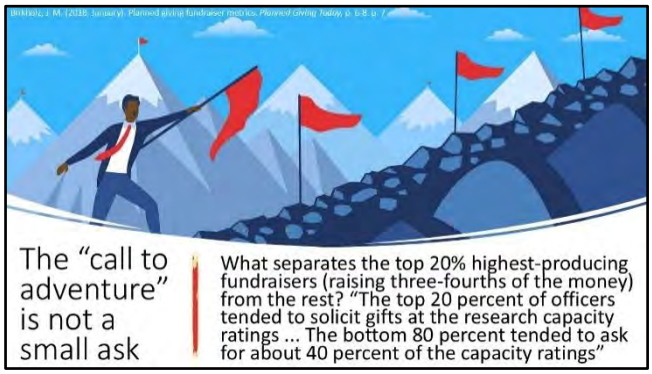
It will link,

[37] Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(1), 43-56.

[38] "What could be easier than focusing on the few who can make major gifts and seeing them? Yet, not seeing donors is the most significant and common barrier to success. What's going on? Most major gift fundraisers have other duties—special events, reports, meetings—that appear more "urgent" than making visits. Visits are urgent only when scheduled; until then, they are movable. Fundraisers fall victim to the tyranny of the urgent and lose focus." Daniel, J. P. (2009, January 26). *Cold calls, the first hurdle.* BWF. https://www.bwf.com/published-by-bwf/cold-calls-the-first-hurdle/

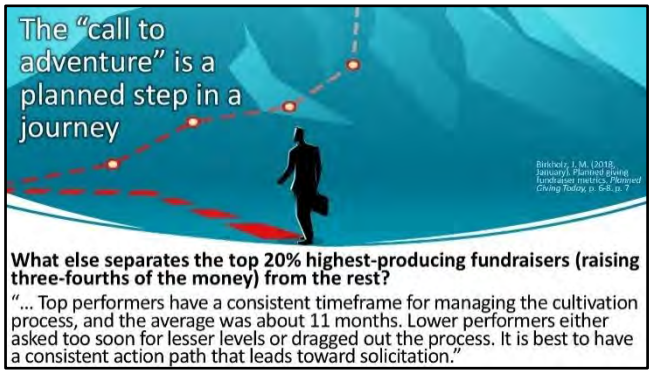
This rarely happens with a generic, shotgun-style approach to asking. It requires a planned, personal ask.

Advancing a hero story requires a heroic "call to adventure." A small, comfortable ask cannot fill this role. The heroic ask is "big." It can be big relative to past giving. It can be big relative to other capacity measurements.



One study analyzed nearly 1,000 gift officers. The top 20% highest-producing fundraisers raised about 75% of the dollars. What was different about these special fundraisers? Two of the factors related to asking. The study found,

"The top 20 percent of officers tended to solicit gifts at the research capacity ratings ... The bottom 80 percent tended to ask for about 40 percent of the capacity ratings ..."[39]



There was also another difference. This heroic ask was a planned step in a journey. It was part of a specific, defined process. The study explained,

"Top performers have a consistent timeframe for managing the cultivation process, and the average was about 11 months. Lower performers either asked too soon for lesser levels, or dragged out the process. It is best to have a consistent action path that leads toward solicitation."[40]



Other research finds,

"Stronger fundraisers go on more calls, yes, but they also ask earlier and make more ambitious solicitations."[41]



Asking indicators

The right behavior is to make planned, personal, "stretch" asks. Doing this works. But it's also hard. Asking for the small, comfortable gift is easier. Asking blindly without cultivation is also easier. Putting off the ask, or avoiding it altogether, is the easiest.

[39] Birkholz, J. M. (2018, January). Planned giving fundraiser metrics. *Planned Giving Today,* p. 6-8. p. 7
[40] *Id.*
[41] BWF. (2014, July 25). *Client advisory – 5 tips for effective, meaningful performance reviews.* [Website]. https://www.bwf.com/published-by-bwf/client-advisory-5-tips-for-effective-meaningful-performance-reviews/

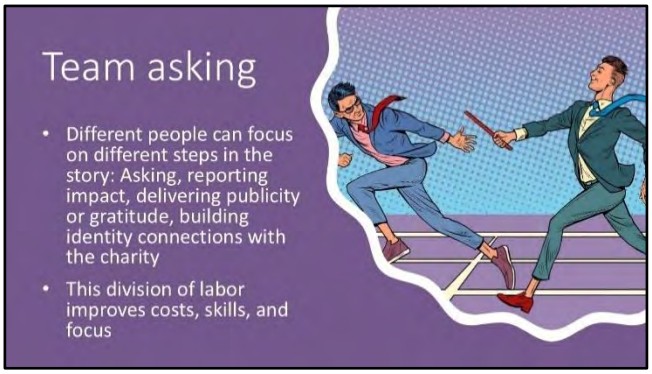
Metrics can help. Too much time in cultivation can be a warning light. It can alert that the donor's story isn't advancing.[42] Measuring asks relative to a capacity indicator can help. It can show if the ask is truly a heroic "call to adventure."



Asking for assets is also powerful. It can change a gift's reference point from disposable income to wealth. This makes larger gifts feel more affordable. It also allows for broader conversations. These can cover the donor's wealth and philanthropic goals. It can lead to deeper, consultative relationships. Giving special credit for asset asks can help long-term fundraising growth.[43]



Tracking gifts closed is fine. But beware! Asking to capacity won't have the same close rate as asking small. A heroic "call to adventure" is often met with an initial, "No." But a "no," handled well, can still advance the story. It can show what is, and what isn't, important to the donor. It can lead to the next challenge.



Team asking

It's easy to think of fundraising in one-to-one terms. A single fundraiser guides the donor. But it can also be a team effort. Different people can focus on different steps in the story. This can be more effective for several reasons.

Advancing different parts of the donor's story uses different skills. Reporting impact requires different skills than asking. So does delivering publicity or gratitude. So does building identity connections with the charity.

These different skills can be a more natural fit for different people. They also have different wage costs. It's relatively easy to find people to manage donor events. It's much harder to find those who will effectively ask for money. Separating the tasks allows those with high-value skills to spend more time using them.

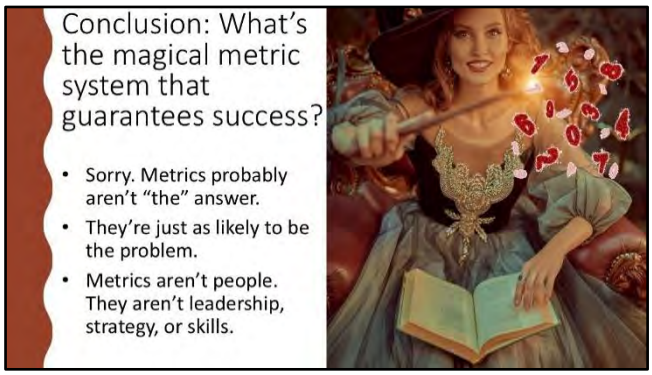
Also, this division of labor helps people improve. It's hard to get better at a task when we don't do it that often. If asking is a rare experience, improvements may come slowly or not at all.

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[42] "Most programs have a gift officer who has a portfolio filled with prospects in a state of perpetual cultivation that never get solicited…. The time in cultivation metric would serve as a red flag of inaction and a barometer of the efficiency with which prospects move from discovery through cultivation to the actual solicitation." Grabau, T. W. (2010, July). *Major gift metrics that matter.* https://www.bwf.com/wp-content/uploads/2014/04/00090978.pdf

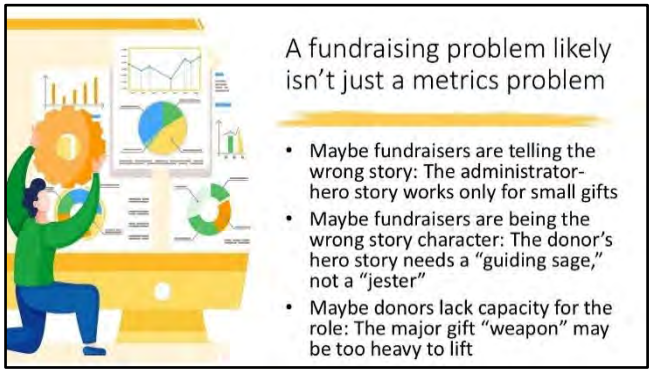
[43] *See* James, R. N., III. (2018). Cash is not king for fund-raising: Gifts of noncash assets predict current and future contributions growth. *Nonprofit Management and Leadership, 29*(2), 159-179.

Separating these tasks also prevents story steps from being forgotten. It's easy to put off making the ask when there are other things to do. It's easy to skip impact reporting, gratitude, or publicity when there are more urgent tasks. But when a task is a person's primary focus, it's unlikely to be forgotten.



Conclusion

So, what's the magical metric system that guarantees success? Sorry. Metrics probably aren't "the" answer. In fact, they're just as likely to be the problem. Metrics aren't people. They aren't leadership, strategy, or skills.



A fundraising problem likely isn't just a metrics problem. Often, it's a story problem.

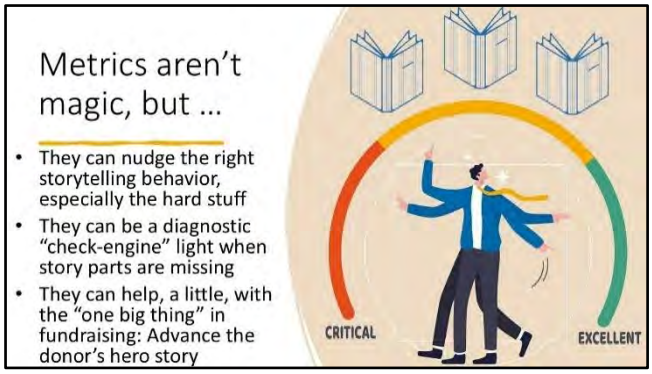
- Maybe fundraisers are telling the wrong story. (The *administrator*-hero story works only for small gifts. The *donor*-hero story works for large gifts.)
- Maybe fundraisers are being the wrong story character. (The friendly "jester" character may be fun. But advancing the donor's long-term journey requires the wise and persistent "guiding sage.")
- Maybe donors lack the capacity to play the major gift donor-hero role. (The major gift "weapon" may be too heavy for this prospective hero to lift.)



But metrics can still help. They can answer:

1. Are we focused on the right donors?
2. Do we have individual plans for them?
3. Are we seeing them?
4. Are we asking them?

Having these doesn't guarantee success. But not having them probably does guarantee failure.



Metrics aren't magic. They can't tell the story for us. But they can nudge the right storytelling behavior, especially the hard stuff. They can be a diagnostic "check-engine" light when story parts are missing. They can help, a little, with the "one big thing" in fundraising. They can help advance the donor's hero story.

The Primal Fundraiser:
Game Theory and the Natural Origins of Effective Fundraising

The Fundraising Myth & Science Series: Book III



INTRODUCTION:

THE MATRYOSHKA DOLL



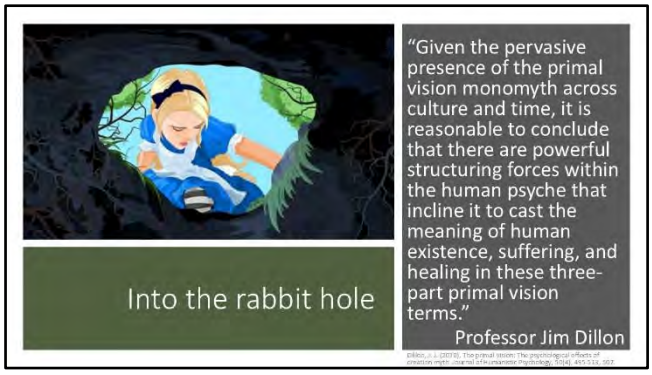
This series started with *The Storytelling Fundraiser*. That introduced fundraising and the science of story. Next was *The Epic Fundraiser*. That focused on a specific story: the monomyth. Now we begin *The Primal Fundraiser*. This explores the natural origins of philanthropy.

These three topics are like a Russian nesting doll. Each doll contains a smaller doll hidden inside it.

The first part was the surface doll. It focused on story words and simple experiments. The results were objective. The science was "hard" science.

Inside that doll was another. It took a turn to the subconscious. It explored myth: the universal hero's journey. It explored psychology: Jung's hero archetype.

But inside that doll is yet another. (Don't worry! It's the last doll. The final book focuses only on practical applications.)

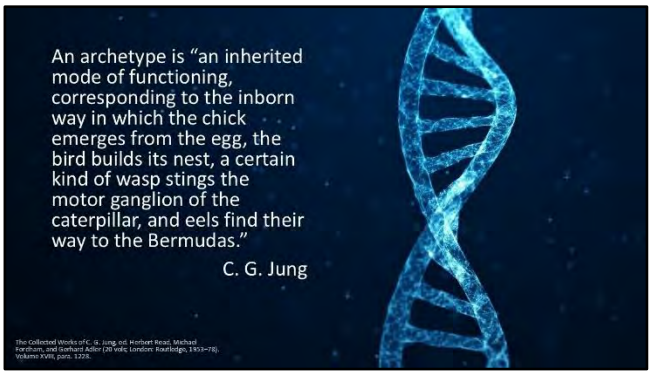


Into the rabbit hole

The attraction to the hero's journey is deep and primal. It connects with myth and psychology. But the attraction goes further. It taps into the natural origins of mankind.

Professor Jim Dillon writes,

"Given the pervasive presence of the primal vision monomyth across culture and time, it is reasonable to conclude that there are powerful structuring forces within the human psyche that incline it to cast the meaning of human existence, suffering, and healing in these three-part primal vision terms."[1]



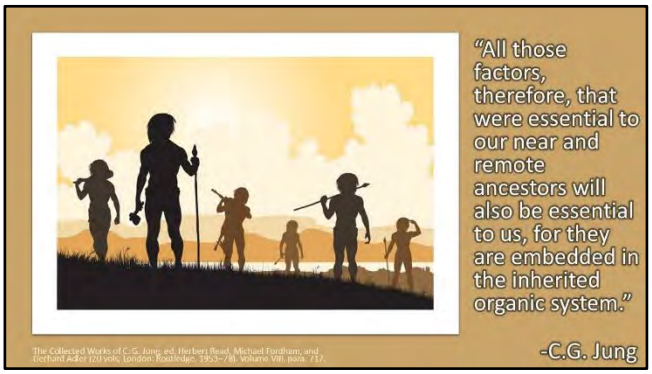
The hero archetype, like other archetypes, originates in natural selection. Carl Jung explains that an archetype is,

"An inherited mode of functioning, corresponding to the inborn way in which the chick emerges from the egg, the bird builds its nest, a certain kind of wasp stings the motor ganglion of the caterpillar, and eels find their way to the Bermudas."[2]



The reason that the archetype is universal is that it's genetic.[3] The study of naturally selected behavior is called ethology. Psychiatrist Anthony Stevens writes,

"Ethology and Jungian psychology can be viewed as two sides of the same coin ... it is as if ethologists have been engaged in an extraverted exploration of the archetype."[4]



Or, as Jung describes,

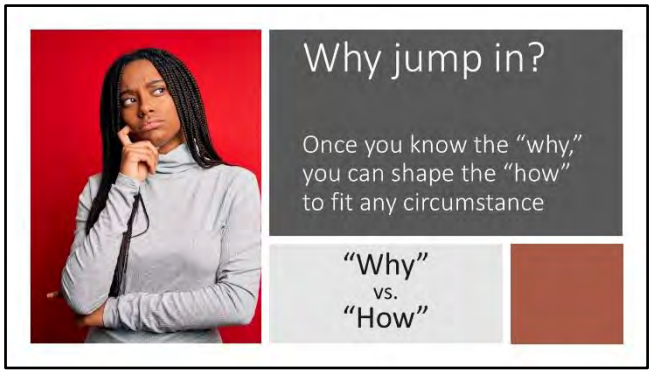
"All those factors, therefore, that were essential to our near and remote ancestors will also be essential to us, for they are embedded in the inherited organic system."[5]

The following chapters explore these natural origins. These origins underlie philanthropy in general. But they also underlie the donor's hero story in particular.

Why jump in?

Look. I get it. This type of theoretical inquiry feels far removed from everyday fundraising.[6] But this isn't just about academic theory. It's about effective fundraising. It

[1] Dillon, J. J. (2010). The primal vision: The psychological effects of creation myth. *Journal of Humanistic Psychology, 50*(4), 495-513. p. 507.
[2] Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume XVIII, para. 1228.
[3] "Jung maps the psyche as a spectrum, with the archetype at the ultraviolet end and the instinct at the infrared end…. Imagine a line running through the psyche and connecting instinct and spirit at either end of it. This line is attached to archetype on one end and to instinct at the other." Stein, M. (1998). *Jung's map of the soul.* Open Court. Ch. 4.
[4] Stevens, A. (2001). *Jung: A very short introduction.* [Kindle Edition]. Oxford University Press. p. 52.
[5] Jung, C. (1953-1978). On the nature of the psyche. In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume VIII, para. 717.
[6] This relates to a fundamental reason why academic researchers and practitioners often fail to communicate. Academics tend to focus on the "Why?" questions. Practitioners tend to focus on the "How?" questions.

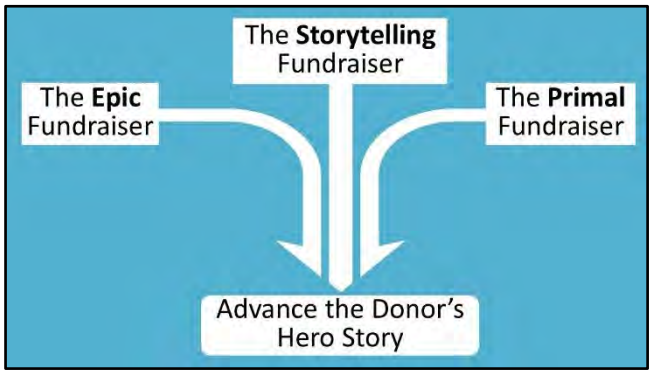


may be down the rabbit hole. But it's still about being a better fundraiser tomorrow than you were yesterday.

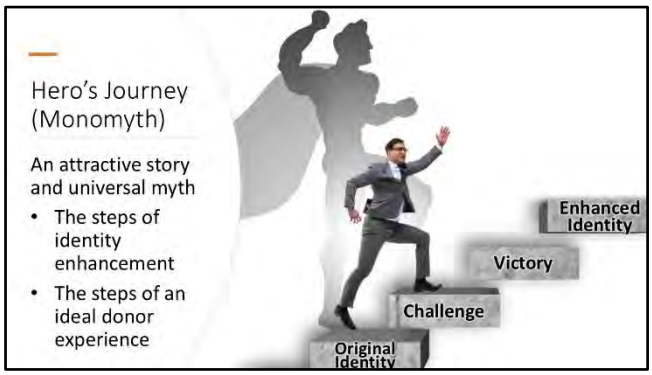
This book can help in two ways. First, it gives you the "secret code" for philanthropic behavior. This is different than just learning a few fundraising tips and tricks. A tactic may have worked for someone else. Understanding the "why" beneath the "how" does more. It shows when a tactic will or won't work for you. It shows what to expect in any new scenario.

Once you understand the rules of the game, new is not scary. New causes, new messages, new donors, or new media aren't a problem. The underlying principals still apply. The "how" may change. The "why" stays the same.[7]

Second, it deepens understanding and confidence in effective strategies. It shows triangulation. Each book takes a dramatically different approach. But these different approaches don't lead to different conclusions. Instead, they converge.



The "one big thing" in fundraising remains the same: Advance the donor's hero story. Gaining deeper knowledge fits this same story. It matches the fundraiser's role as the hero's guiding sage.



What's ahead?

The hero's journey is an attractive story. (See Book II in this series: *The Epic Fundraiser*.) It also contains the steps for identity enhancement. That journey progresses through,[8]

[7] More formally, a deductive, theory-based approach can add to inductive, experience-based findings. A deductive theory (ideally one supported by past observations and experiences) can be used to predict future outcomes using new techniques in new scenarios.

[8] Joseph Campbell uses a three-step circular illustration with this description:

> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.

I label these steps as follows:

The beginning point of "the world of common day" is "**original identity**."

"Venturing forth into a region of supernatural wonder" is "**challenge**."

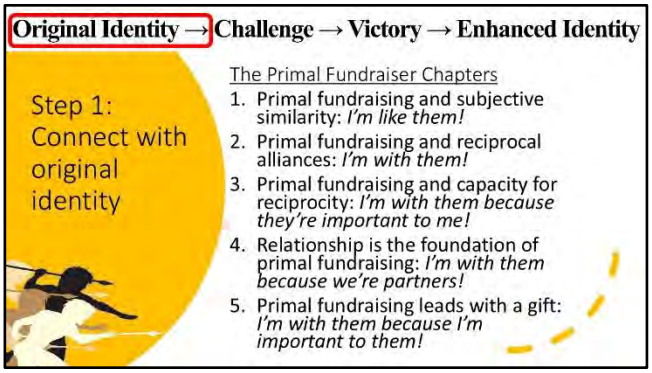
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."

"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."

I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

Original Identity → Challenge → Victory → Enhanced Identity

These same steps also create the ideal donor experience. Further, each step connects to natural origins. This book explores those connections. The following chapters match this sequence of steps. Each chapter title gives the topic. Each subtitle gives the emotional statement we want donors to feel.



Step 1: Connect with original identity

1. Primal fundraising and subjective similarity:

I'm like them!

2. Primal fundraising and reciprocal alliances:

I'm with them!

3. Primal fundraising and capacity for reciprocity:

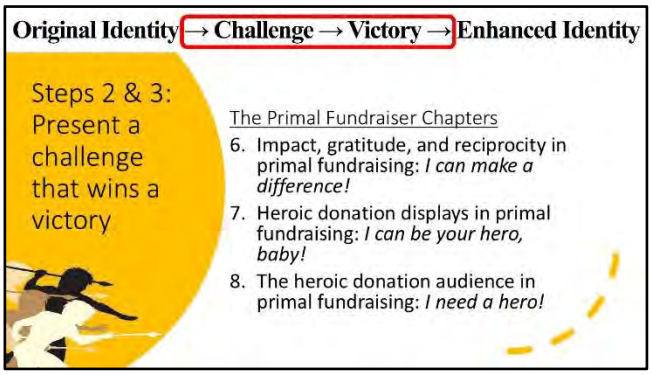
I'm with them because they're important to me!

4. Relationship is the foundation of primal fundraising:

I'm with them because we're partners!

5. Primal fundraising leads with a gift:

I'm with them because I'm important to them!



Steps 2 & 3: Present a challenge that wins a victory

6. Impact, gratitude, and reciprocity in primal fundraising:

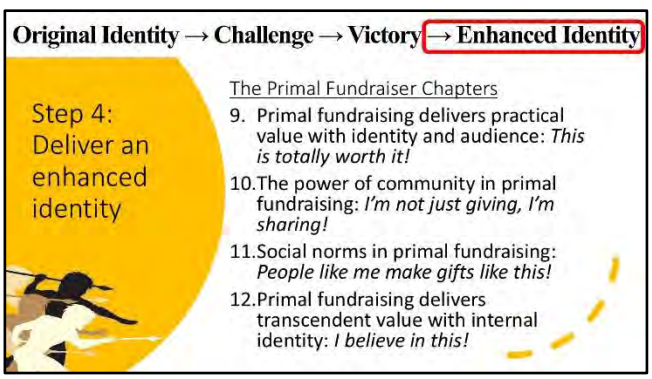
I can make a difference!

7. Heroic donation displays in primal fundraising:

I can be your hero, baby!

8. The heroic donation audience in primal fundraising:

I need a hero!



Step 4: Deliver an enhanced identity

9. Primal fundraising delivers practical value with external identity:

This is totally worth it!

10. The power of community in primal fundraising:

    I'm not just giving, I'm sharing!

11. Social norms in primal fundraising:

    People like me make gifts like this!

12. Primal fundraising delivers transcendent value with internal identity:

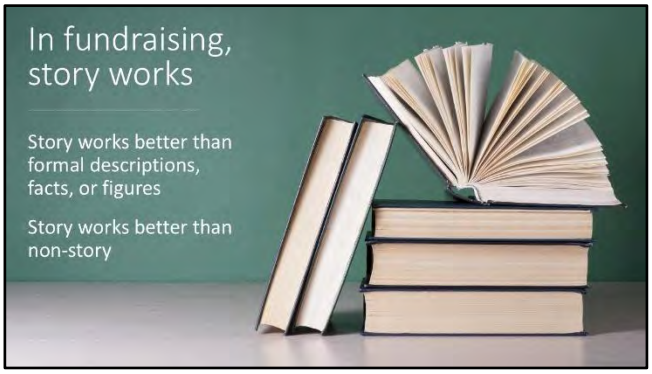
    I believe in this!



1

PRIMAL FUNDRAISING AND SUBJECTIVE SIMILARITY:

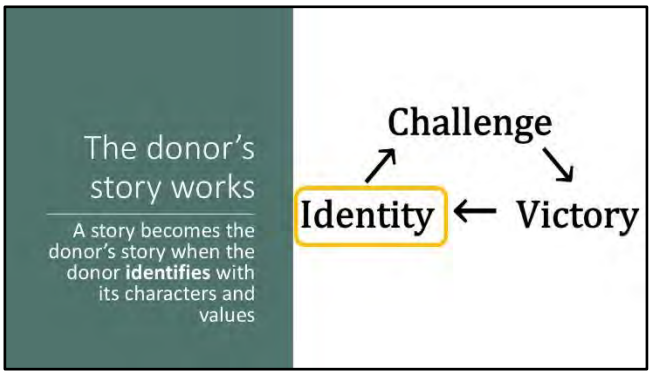
I'M LIKE THEM!



Story works

In fundraising, story is powerful. Story works better than formal descriptions. Story works better than facts and figures. Simply, story works better than non-story.

But for an effective fundraising story, we need something more. It's not enough to tell a story. We need to tell *the donor's* story.



The donor's story works

A compelling ask includes,

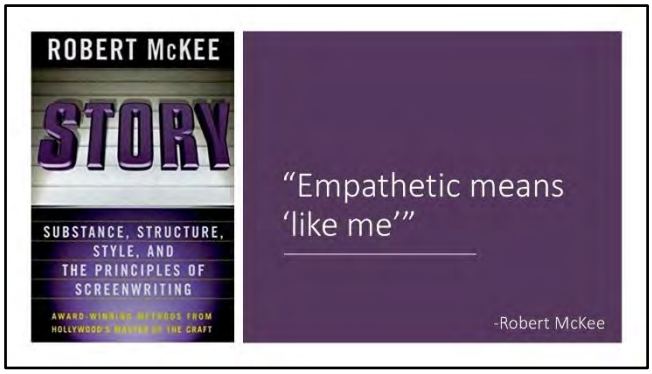
Challenge
Identity ← Victory

When does a story become *the donor's* story? This happens when the donor *identifies* with its characters and values. Fundraising starts with identity. Donors identify with characters they feel are *like* them.

Screenwriter Robert McKee explains it this way:

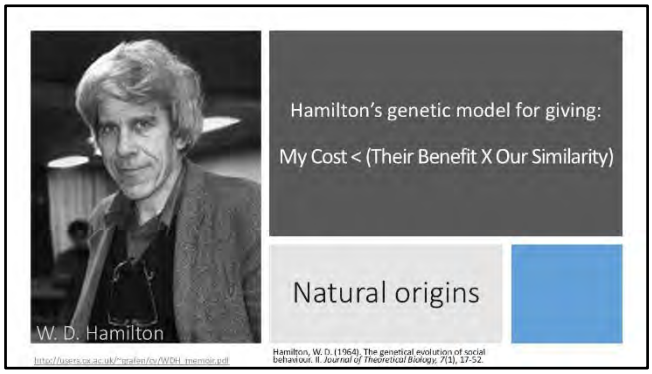
"Empathetic means 'like me.'"[1]

[1] Mckee, R. (1997). *Story: Substance, structure, style and the principles of screenwriting*. ReganBooks. p. 141.



In brain research, donations involve taking another's perspective.[2] They also involve empathy for the other's situation.[3] Both steps are easier when donors feel the other person is *like* them.

This feeling of similarity is powerful in fundraising. To understand why, we need to go back. Way back. All the way back to natural origins.



Natural origins

In 1964, W. D. Hamilton presented a genetic model for giving.[4] Giving doesn't help the donor. But it can help the donor's genes. Giving is genetically helpful when,

My Cost < (Their Benefit X Our Similarity).

The math is easy. More benefit means more giving. Thus, need or impact matters. But so does similarity.



This simple model matches some findings. Similarity in

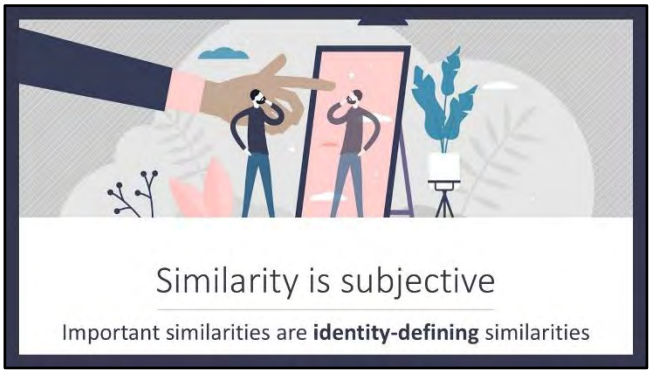
- Behavior
- Location, or
- Appearance

correlates with genetic similarity.[5] Sharing these factors also increases cooperation and altruistic sharing.[6]

People often give more to those who are like them in some way. In experiments, giving increases when the donor and recipient share

- Political views
- Religious views
- Sports-team loyalty, or even
- Music preferences.[7]

[2] Hare, T. A., Camerer, C. F., Knoepfle, D. T., O'Doherty, J. P., & Rangel, A. (2010). Value computations in ventral medial prefrontal cortex during charitable decision making incorporate input from regions involved in social cognition. *Journal of Neuroscience, 30*(2), 583-590.
[3] *Id.*
[4] Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology, 7*(1), 17-52.
[5] Rushton, J. P. (1989). Genetic similarity, human altruism, and group selection. *Behavioral and Brain Sciences, 12*(3), 503-518.
[6] *Id.*
[7] Ben-Ner, A., McCall, B. P., Stephane, M., & Wang, H. (2009). Identity and in-group/out-group differentiation in work and giving behaviors: Experimental evidence. *Journal of Economic Behavior & Organization, 72*(1), 153-170.



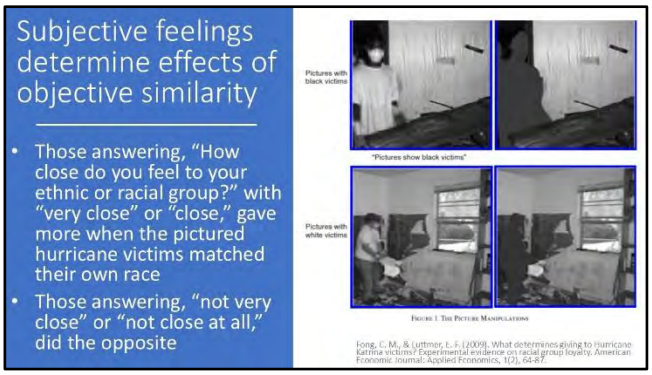
Similarity is subjective

Hamilton's math is simple. But people are complex. A specific similarity with another is an objective fact. But its importance is not objective. Its importance is subjective.

Not every similarity counts. It must trigger a feeling that the other person is "like me." It must trigger *identification*. Important similarities are *identity-defining* similarities.

Suppose a giver and receiver share a likeness. They might both be Catholic. Or from Ohio. Or Hispanic. If a donor *identifies* with the factor, emphasizing it will help. Otherwise, it won't. That's why some similarities matter and others don't.

In one experiment, people could donate to rebuild after a hurricane.[8] But different people saw different photos of damage. The victims in the photos were white, or black, or obscured. Which pictures worked better? It depended.



Potential donors were asked, "How close do you feel to your ethnic or racial group?" Those answering, "very close" or "close," gave more when the pictured victims *matched* their own race. For those answering, "not very close" or "not close at all," the result reversed. They gave more when the victims *did not match* their own race.

Race mattered. But identity determined how it mattered. *Objective* similarity mattered. But *subjective* feelings determined how it mattered.[9]



Similarity with charities

Similarities with a beneficiary can make a difference. But in fundraising, the donor doesn't give directly to a beneficiary. The donor gives to a charity.

This creates another chance for shared identity. The donor can still identify with a beneficiary. But he can also identify with the charity and its agents.[10]

[8] Fong, C. M., & Luttmer, E. F. (2009). What determines giving to Hurricane Katrina victims? Experimental evidence on racial group loyalty. *American Economic Journal: Applied Economics, 1*(2), 64-87.
[9] *See also*, Carboni, J. L., & Eikenberry, A. M. (2021). Do giving circles democratize philanthropy? Donor identity and giving to historically marginalized groups. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 32,* 247-256. p. 247. ("Findings show giving circle members and those not in giving circles are both more likely to give to a shared identity group – related to race, gender, and gender identity – leading to bonding social capital. However, giving circle members are more likely than those not in giving circles to give to groups that do not share their identity, suggesting giving circles also encourage bridging social capital.")
[10] One study of donors to a Division I athletic department found that organizational identification mediated the effects of other marketing programs on donations. The researchers explained,

For example, a donor might give to famine relief through his church. But he might never have given directly to a famine relief charity. The famine victims might be identical. The impact might be identical. But the charity is different. Sharing identity with the charity can motivate a gift.



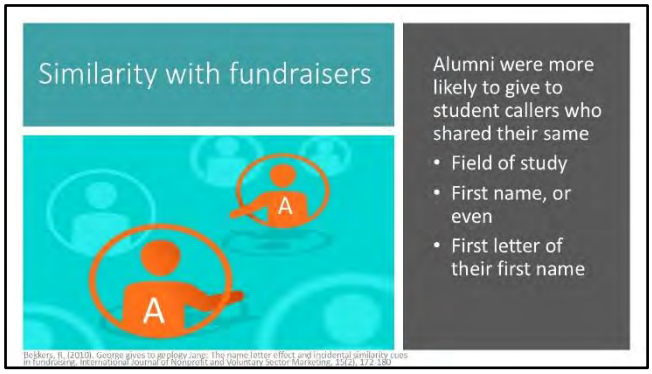
A donor can also identify with the fundraiser. Sharing similarities can help. In experiments, people are more compliant if the requester shares

- The same birthday
- Fingerprint similarities, or
- The same first name.[11]



One study examined 27 years of major gift proposals at a major research university.[12] When female major gift prospects were solicited by female fundraisers, they

- Were more likely to give,
- Gave larger amounts, and
- Were more likely to make subsequent gifts.



Another study looked at a university's fundraising phone calls. Alumni were more likely to give to student callers who shared their same

- Field of study[13]
- First name, or even
- First letter of their first name.[14]

This also happened when the alumnus's name started with the same letter as *the university's* name.

"… this study found that fans who were satisfied with [the athletic department's philanthropic Corporate Social Responsibility] initiatives on an athletic department website were more likely to be identified with the athletic department. In turn, a fan's identification with the athletic department affected his or her online donation intentions to the athletic department." (p. 610)

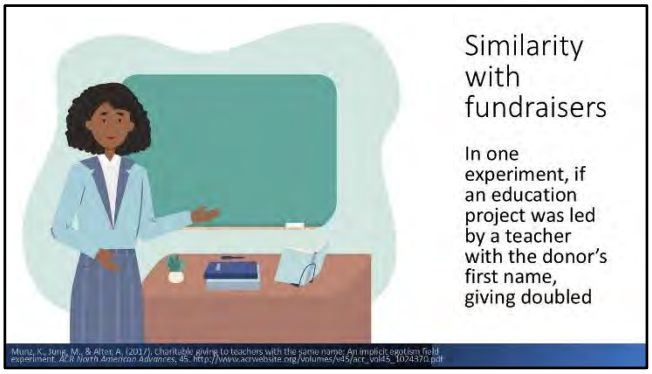
Hwang, G., Kihl, L. A., & Inoue, Y. (2020). Corporate social responsibility and college sports fans' online donations. *International Journal of Sports Marketing and Sponsorship, 21*(4), 597-616.

[11] Burger, J. M., Messian, N., Patel, S., del Prado, A., & Anderson, C. (2004). What a coincidence! The effects of incidental similarity on compliance. *Personality and Social Psychology Bulletin, 30*(1), 35-43.

[12] Adams, C. C. (2017). *Gender congruence and philanthropic behavior: A critical quantitative approach to charitable giving practices.* [Dissertation]. University of Missouri-Columbia. https://mospace.umsystem.edu/xmlui/handle/10355/62238

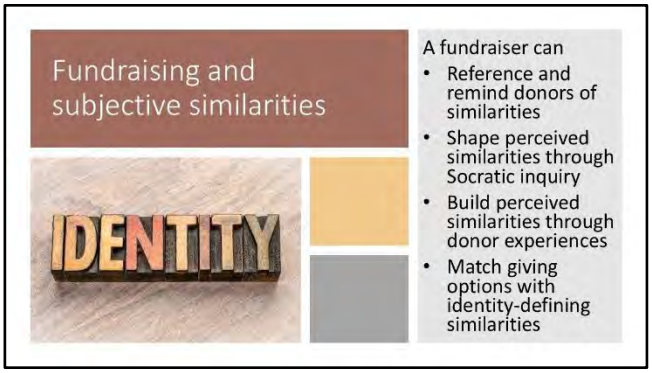
[13] Bekkers, R. (2010). George gives to geology Jane: The name letter effect and incidental similarity cues in fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing, 15*(2), 172-180.

[14] This difference was 40.9% vs. 19.5%



Another study found a similar result. It asked for donations for an education project. If the project was led by a teacher with the donor's first name, giving doubled.[15]

The importance of name matching might seem odd. But one's name is central to one's identity. In fundraising, identity-defining similarities are powerful.



Fundraising and subjective similarities

Identity-defining similarity makes giving attractive. Similarities can be shared with beneficiaries or charity personnel. But this shared identity is not fixed. A fundraiser can influence it. She[16] can,

- Reference and remind donors of similarities.
- Shape perceived similarities through Socratic inquiry.
- Build perceived similarities through donor experiences.
- Suggest giving options that match with identity-defining similarities.

Some similarities are obvious. But the real power comes from similarities that *matter* to the donor. These connect with the donor's identity-defining characteristics.



How can a fundraiser discover these? By listening. Powerful fundraising begins by asking questions and listening. Appreciative inquiry can uncover the donor's life story and values. These reveal the donor's identity-defining traits. They show the similarities *that matter* to the donor.

Armed with this information, the fundraiser can match the giving *challenge* with the donor's *identity*. A gift can support specific projects. It can help specific people. It can advance specific values. This can link the first two steps in the journey:

Original Identity → Challenge → Victory → Enhanced Identity

A fundraiser can uncover these identity-defining factors. But she can do more. She can influence them. Asking what's important to the donor changes attitudes. It highlights the

[15] Munz, K., Jung, M., & Alter, A. (2017). Charitable giving to teachers with the same name: An implicit egotism field experiment. *ACR North American Advances*, 45. http://www.acrwebsite.org/volumes/v45/acr_vol45_1024370.pdf

[16] As a convention for clarity and variety, throughout this series the donor/hero is referred to with "he/him/his" and the fundraiser/sage is referred to with "she/her/hers." Of course, any role can be played by any gender.

importance of these issues. In experiments, asking donors about the importance of causes or projects increases support.[17] Asking donors to recall life story connections to a cause does the same.[18] These Socratic processes change donor attitudes.



Donor experiences can also build shared identity. Events can create a sense of shared group membership. They can enhance feelings of similarity. Marketing, too, can emphasize shared identity. Any experience that makes the donor think, "I'm like them" is powerful.



Summary

Similarities matter. They matter for the beneficiary. They matter for the charity. Ultimately, helping people or organizations like "us" is compelling. But this "us" is not set in stone. The donor subjectively defines this "us" group. However the donor defines it, being part of "us" is powerful.

[17] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411.
[18] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89; James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011.



2

PRIMAL FUNDRAISING AND RECIPROCAL ALLIANCES: I'M WITH THEM!

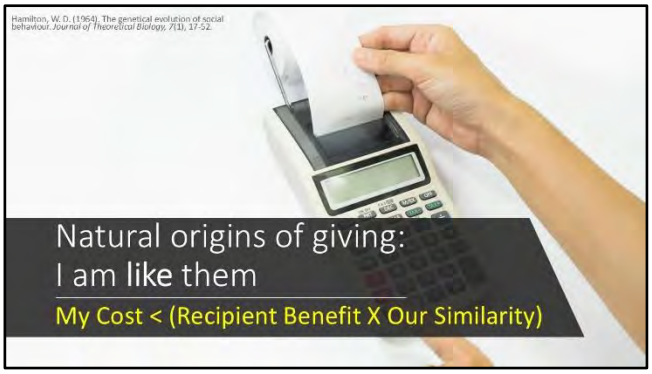


Effective fundraising starts with identity. Compelling fundraising story connects the donation story with *the donor's* story. When does a story become *the donor's* story? When the donor *identifies* with its characters and values.

In fundraising, identifying with others is powerful. It's what turns "them" into "us." It's what turns "giving" into "sharing." A donor identifies with others for two reasons:

1. I am *like* them.
2. I am *with* them.

The first reflects subjective similarity; the second, alliances. Both are rooted in natural origins.



Natural origins of giving: I am <u>like</u> them

Altruism means I give away something valuable to help another. Why would natural selection lead to this behavior? The first explanation is similarity: I am *like* them. This is the simple math from Hamilton.[1] I give if

My Cost < (Their Benefit X Our Similarity).

[1] Hamilton, W. D. (1964). The genetical evolution of social behaviour. *Journal of Theoretical Biology, 7*(1), 17-52.

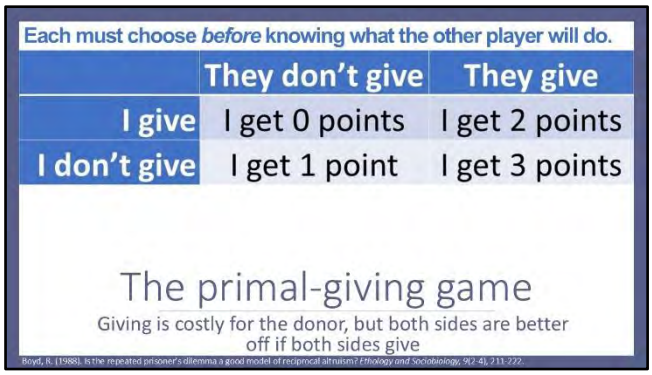
This approach is simple. Most altruism in animals matches this model.



Natural origins of giving: I am <u>with</u> them

But what if we're not related? How could natural selection lead to altruism? I give up something valuable. It helps you, but it costs me. And you are not at all like me. In natural selection, this seems like a bad idea.

But now let's add a wrinkle. Suppose our world becomes better if we *both* act this way. This changes things. Altruism is still costly. But in the long run, it *could* benefit me. It could also benefit others similar to me. This opens the possibility for alliances. This opens the possibility for *reciprocal altruism*.



Let's play a game

We have a dilemma. Altruism costs the donor. But if everyone does it, everyone is better off. (Otherwise, altruism outside the family would never make sense.)

Biologists model this dilemma with a game.[2] Let's start with two players. My choice is this. I keep everything and get a larger reward. Or I give and get a smaller reward.

That's an easy choice. The answer is simple: Don't give. Now suppose my gift helps the other player more than it costs me. The answer is still simple: Don't give. With an unrelated player, changing the payoff doesn't matter.

Adding a new twist changes the game. Now, the other player also faces the same choice. If we *both* give, we *both* become better off. A simple trade now makes sense.

But a new problem changes the game once more. Suppose each must choose *before* knowing what the other player will do.

Here's an example. Both players face these payoffs:

[2] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396; Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology, 46*(1), 35-57.

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

If we both give, we both win. (We each get 2 points. The total is 4 points.) If I give and they don't, they win big, and I lose big. (I get 0 points. They get 3 points. The total is 3 points.) If neither gives, we both lose. (We each get 1 point. The total is only 2 points.)

This simple game captures the core issue.[3] Reciprocal altruism is possible. It is beneficial. But it requires an alliance. It requires trust. Why? Because I must act *before* I know what the other player will do.



The little game that could

This little game is powerful. Biologists use it to model reciprocal altruism across the natural world.[4] Research finds reciprocal altruism in

- Vampire bats [5]
- Vervet monkeys [6]
- Sea bass [7]
- Minnows [8]
- Guppies [9]
- Fig wasps,[10] and
- Tree swallows.[11]

[3] The tradeoff scenario is also called the prisoner's dilemma. Of course, reciprocity need not be altruistic. It can be simple mutualism. Suppose it takes two cavemen to bring down a wooly mammoth. If I (as a caveman) cooperate with the other person, I get a reward. If I don't, I won't. That's not altruism; that's mutualism. Altruism occurs when I lose something in order to benefit an unrelated other. The choice presented in the prisoner's dilemma isn't mutualism. The choice here is altruism because no matter what the other player does, I am personally better off if I don't give. But if we both give, we create additional shared benefit. This is the challenge of altruism. It costs me to behave altruistically. But the world becomes better for everyone if we all behave this way. For a detailed discussion of this game, *see* Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.

[4] *See* Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396; Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology, 46*(1), 35-57.

[5] Wilkinson, G. S. (1984). Reciprocal food sharing in the vampire bat. *Nature, 308* (5955), 181.

[6] Seyfarth, R. M., & Cheney, D. L. (1984). Grooming, alliances and reciprocal altruism in vervet monkeys. *Nature, 308* (5959), 541-543.

[7] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1394.

[8] Milinski, M., Kulling, D., & Kettler, R. (1990). Tit for tat: Sticklebacks (gasterosteus aculeatus) 'trusting'a cooperating partner. *Behavioral Ecology, 1*(1), 7-11.

[9] Dugatkin, L. A., & Alfieri, M. (1992). Interpopulational differences in the use of the tit-for-tat strategy during predator inspection in the guppy, Poecilia reticulata. *Evolutionary Ecology, 6*(6), 519-526.

[10] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1395.

[11] Lombardo, M. P. (1985). Mutual restraint in tree swallows: a test of the Tit for Tat model of reciprocity. *Science, 227* (4692), 1363-1365.

It arises in "fungi, plants, fish, birds, rats, and primates."[12] Giving is natural. Specifically, *reciprocal* giving is natural. The little game is powerful because it captures the underlying, *primal* donation decision.



But it can also model modern giving. Consider this situation. Suppose my neighborhood is raising money to refurbish its park. Four different outcomes match those in the game.

1. Everyone gives a lot. The park will be beautiful. Property values will go way up. Everyone will win.
2. I don't give, but everyone else still does. I come out even further ahead. Property values still go up, but it costs me nothing.
3. I give big, but others don't. I lose. It will cost me a lot, but improvements will be limited. Property values won't go up much.
4. Finally, if nobody gives, nobody benefits. Property values won't change.



These four outcomes match the game. The game models my modern donation tradeoffs. It turns out this little game is quite flexible. We'll see that, with small variations, it can model

- Impact
- Gratitude
- Publicity
- Threat or opportunity
- Tax deductions
- Lead gifts
- Matching gifts
- New donor attrition
- Recipient similarity
- Prospect development
- Donor benefits
- Crisis appeals
- And more.

[12] Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage. ("Experiments demonstrate that fungi, plants, fish, birds, and rats can enforce mutual benefit by contingently altering their cooperative investments based on the cooperative returns, as predicted by the theory of reciprocal altruism."); See also, Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition, 1*(3), 368-386. p. 368. ("evidence shows that fungi, plants, fish, birds, rats, and primates enforce mutual benefit by contingently altering their cooperative investments based on the cooperative returns, just as predicted by the original reciprocity theory.")



Winning strategies

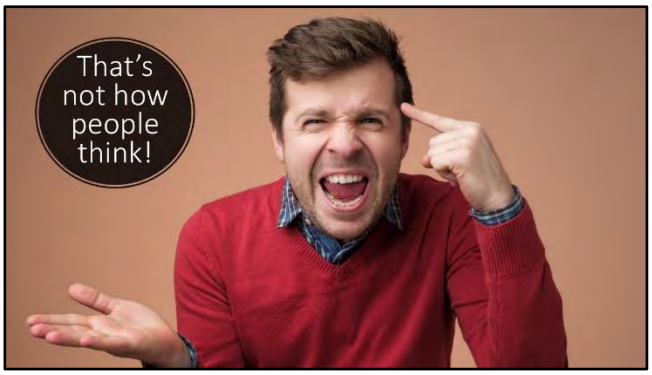
It starts with a simple choice. Give or don't. But with many rounds and many players, the game gets complicated. Giving costs. Without reciprocity, it's never repaid. So, winning means predicting reciprocity. That's tricky. But it starts with an unbreakable natural law. It starts with this:

Giving must be seen by partners who are able and willing to reciprocate.

Without this, reciprocity is impossible. Without this, giving *always* loses. Observers must be *able* and *willing* to reciprocate. Thus, two factors encourage giving in the game:

1. Audience capacity.
   This answers, "Are they *able* to reciprocate?"
2. Reciprocity signals.
   This answers, "Are they *willing* to reciprocate?"

These are rules for the primal-giving game. These are also rules for the modern fundraising game. We'll look at both in depth. But first, it's important to recognize something.



That's not how people think

OK, I get it. These games might be fun. But there's a problem. Maybe you've sensed it already. You might be saying,

- "That's not how people think!" or
- "Nobody plays this silly Sudoku game before donating."

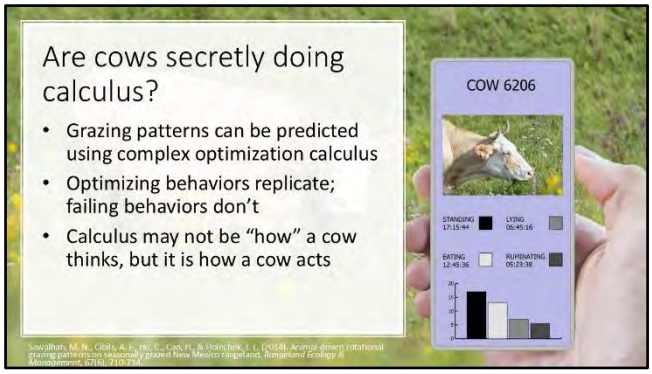
Fine. I'll concede. This isn't how people think. (Well, maybe professors do. But we don't count as real people.) Here's the thing. Natural selection isn't based on what people *think*. It's based on what they *do*.



It's how they act

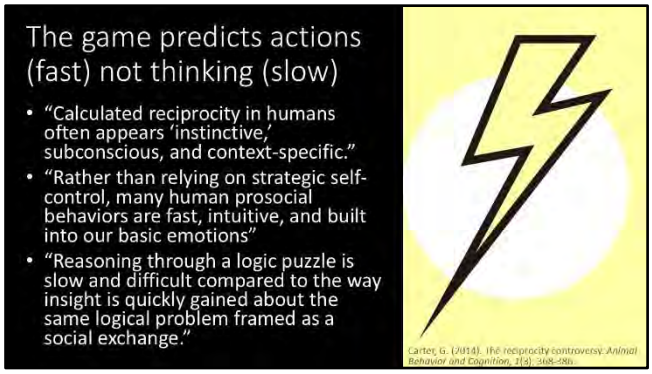
Can we predict where a cow will graze? Yes. How? With a spatial lag regression model. Specifically, one including elevation, slope, cover, and distance from fence, roads, and water. Don't believe me? Read the academic paper.[13]

[13] Sawalhah, M. N., Cibils, A. F., Hu, C., Cao, H., & Holechek, J. L. (2014). Animal-driven rotational grazing patterns on seasonally grazed New Mexico rangeland. *Rangeland Ecology & Management, 67*(6), 710-714.



But is that how cows *think*? Are cows secretly doing calculus?[14] Probably not. But cows *do* graze optimally. The ones who didn't died out long ago.

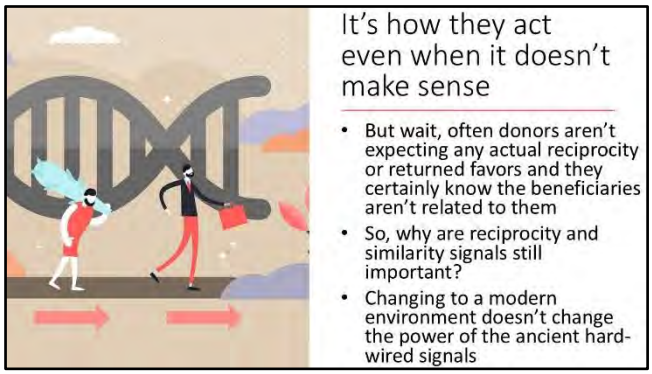
Optimizing behaviors replicate. Failing behaviors don't. A model that identifies optimizing behavior will predict actions. This is true even if it isn't "how" a creature thinks.[15] Natural origins might not predict how people will *think*. They do predict how people will *act*.



The game predicts actions. But the game's math calculations are not *how* people think. Indeed, they shouldn't be. Slowly making such deliberative calculations is inefficient. Instead, these reactions are quick. They're embedded deep in fast, intuitive, emotional systems.[16] Zoologist Gerald Carter explains,

> "Calculated reciprocity in humans often appears 'instinctive,' subconscious, and context-specific. Rather than relying on strategic self-control, many human prosocial behaviors are fast, intuitive, and built into our basic emotions ... Reasoning through a logic puzzle is slow and difficult compared to the way insight is quickly gained about the same logical problem framed as a social exchange."[17]

How people think is with social emotion, not math. But the math still predicts behavior. In each case, the game works. It matches experiments. It matches real-world donor behavior. It matches effective fundraising practice.



It's how they act even when it doesn't make sense

But wait a second. Often donors aren't expecting any actual reciprocity or returned favors. And they certainly know the beneficiaries aren't related to them. So, why

[14] Maybe Gary Larson was right! https://imgflip.com/memetemplate/173580524/Far-Side-Cows-Car

[15] "A key insight of evolutionary theory is that natural selection produces seemingly strategic behaviors that are economically rational, even if the mechanisms are different from those that facilitate human decision-making." Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage.
The "calculated reciprocity error" is the idea that reciprocal altruism can't apply to simple creatures because it requires "an understanding of game payoffs and the ability to keep score, plan ahead, and delay gratification." But it doesn't. It requires only the behavior, not the understanding. Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition, 1*(3), 368-386.

[16] Rand, D. G. (2016). Cooperation, fast and slow: Meta-analytic evidence for a theory of social heuristics and self-interested deliberation. *Psychological Science 27*(9), 1192-1206; Rand, D. G., Peysakhovich, A., Kraft-Todd, G. T., et al. (2014). Social heuristics shape intuitive cooperation. *Nature Communications, 5*(3677), 1-12.

[17] Carter, G. (2014). The reciprocity controversy. *Animal Behavior and Cognition, 1*(3), 368-386.

are reciprocity and similarity signals still important?

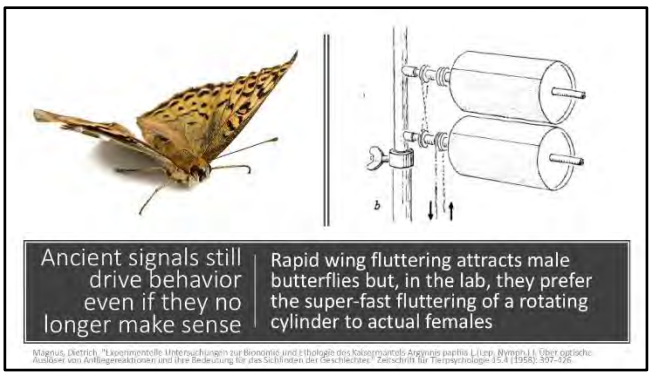
Giving behavior didn't develop in the modern world. It developed in a smaller, more communal world. In that world, reciprocity was real. Responding to reciprocity signals could even impact survival.

In the modern world, things may be different. These ancient signals may no longer make sense logically. But the power of the signal remains. It remains because it's hard wired. Changing the environment doesn't change the power of the signal.



An example from biology illustrates this. In the 1940s, a biologist was working with herring-gull chicks.[18] Chicks begged for food by pecking on a parent's beak. Noticing a red dot on the beaks, he painted this on a flat stick. The chicks pecked at the red dot on the stick.

But then things got weird. He made a striped metal rod with even stronger contrast. The chicks went for it. They loved it so much, they ignored the parent's natural markings.[19]



Here's another example. The female fritillary butterfly's fluttering wings attract males for mating. In nature, faster fluttering shows better health and a more attractive mate. But in the lab, a rotating cylinder creates super-fast fluttering. It turns out, male butterflies prefer the high-speed cylinder to *actual* female butterflies.[20]

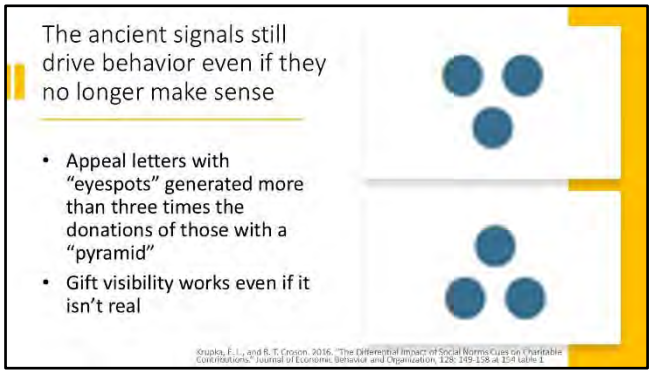
These "supernormal" stimuli are odd examples.[21] But they show an underlying idea. Preferences develop in the original natural setting. But they continue even after the setting changes.[22] They continue even if they no longer make sense.

[18] Tinbergen, N., & Perdeck, A. C. (1951). On the stimulus situation releasing the begging response in the newly hatched Herring Gull chick (Larus argentatus argentatus Pont.). *Behaviour, 3*(1), 1-39.
[19] *Id.* p. 35.
[20] Magnus, D. (1958). Experimentelle Untersuchungen zur Bionomie und Ethologie des Kaisermantels Argynnis paphia L.(Lep. Nymph.) I. Über optische Auslöser von Anfliegereaktionen und ihre Bedeutung für das Sichfinden der Geschlechter. *Zeitschrift für Tierpsychologie, 15*(4), 397-426.
[21] Staddon, J. E. R. (1975). A note on the evolutionary significance of "supernormal" stimuli. *The American Naturalist, 109*(969), 541-545. For an example in humans, *see* Morris, P. H., White, J., Morrison, E. R., & Fisher, K. (2013). High heels as supernormal stimuli: How wearing high heels affects judgements of female attractiveness. *Evolution and Human Behavior, 34*(3), 176-181.
[22] This is known as the concept of ecological rationality.

> "Importantly, the mind was designed by the average consequences of natural selection in ancestral environments, and so it is not necessarily guided by information about the prospective profitability of a potential relationship that is actuarially rational in the present ... But the mind's mechanisms may be ecologically rational. In an ecologically rational mind, psychological mechanisms are triggered by the presence of cues associated with ancestral challenges and opportunities." (Citations omitted.)

Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior, 40*(1), 34-45. p. 35.

Prehistoric man had no international relief charities or institutional advancement offices. But the giving signals selected in prehistory still matter today.[23] They still matter, even if they no longer make sense.



The signals still matter

Instead of birds and butterflies, let's look at people. In the game, the unbreakable natural law of giving starts with,

"Giving must be seen …"

Gift visibility works. But here's where it gets weird. It works *even if it isn't real*. Just posting a picture of watching eyes nearby increases donations.[24]

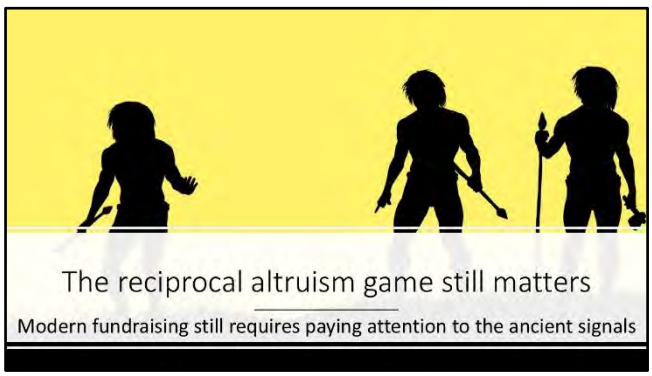
The results get even more extreme. One experiment put three dots on fundraising appeal letters for a public library.[25] The three dots were arranged either as a "pyramid,"



or as "eyespots":



Letters with "eyespots" generated *more than three times* the donations of those with a "pyramid."[26] Of course, this isn't logical. But it is predictable. The ancient signals still drive behavior. The do so even when they no longer make sense. When we flip that switch, we get a response.



Conclusion

The primal-giving game matters. This *little* game shows when reciprocal altruism works. It shows when it works in the *big* game of survival.

In prehistory, we won that game by paying attention to these signals. The modern world is different. But playing the modern

[23] "For example, humans treat one-shot economic games as if they might be repeated, which makes sense given that most social interactions in the human ancestral environment would be repeated (Delton et al., 2011)." Carter, G., Chen, T., & Razik, I. (2020). The theory of reciprocal altruism. In T. Shackelford (Ed.), *The SAGE handbook of evolutionary psychology*. Sage.
Citing to,
Delton, A. W., Krasnow, M. M., Cosmides, L., & Tooby, J. (2011). Evolution of direct reciprocity under uncertainty can explain human generosity in one-shot encounters. *Proceedings of the National Academy of Sciences, 108*(32), 13335-13340.
[24] Bateson, M., Nettle D., & Roberts, G. (2006). Cues of being watched enhance cooperation in a real-world setting. *Biology Letters, 2*, 412-414; Haley, K. J. & Fessler, D.M.T. (2005). Nobody's watching? Subtle cues affect generosity in an anonymous economic game. *Evolution and Human Behavior, 26*, 245-256.
[25] Krupka, E. L., & Croson, R. T. (2016). The differential impact of social norms cues on charitable contributions. *Journal of Economic Behavior and Organization, 128*, 149-158
[26] *Id.* p. 154. t. 1.

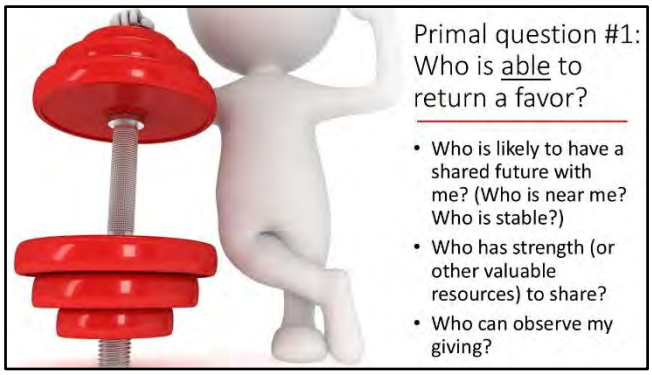
fundraising game still requires paying attention to these ancient signals. Next, we'll explore one of those signals.



3

PRIMAL FUNDRAISING AND CAPACITY FOR RECIPROCITY:

I'M WITH THEM BECAUSE THEY'RE IMPORTANT TO ME!



It starts with a question

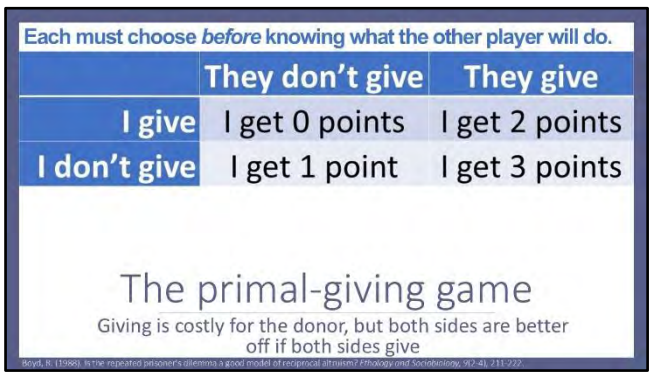
In nature, sustainable giving to unrelated others does occur. But it happens only with reciprocal alliances. These alliances start by answering a question:

Who is *able* and *willing* to return a favor?

Predicting who is *able* involves many factors:

- Who is likely to have a shared future with me? (Who is near me? Who is stable?)
- Who has strength (or other valuable resources) to share?
- Who can observe my giving?

Answering these gets complex. But biologists often model these using a simple game.[1]



[1] Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.

The primal-giving game

The game is this. Two unrelated players both face these same payoffs.

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0



Each must choose to give, or not, before knowing what the other will do. The game has an unbreakable law. It is this:

Giving must be seen by partners who are *able* and *willing* to reciprocate.

Without this, reciprocal altruism fails. Giving costs. Thus, if a gift's audience can't reciprocate, giving always loses. As capacity to reciprocate grows, so can giving.



One-round game

Suppose there is only one round of this game. In that case, giving would break the first law. My giving is never seen by a partner with capacity to reciprocate. They must decide to give *before* they see my choice. After they see my choice, the game is over.



Giving is possible. But *reciprocity* is not. In this scenario, we have no future together. The right play is simple. Don't give. Ever. Without reciprocity, giving always loses.

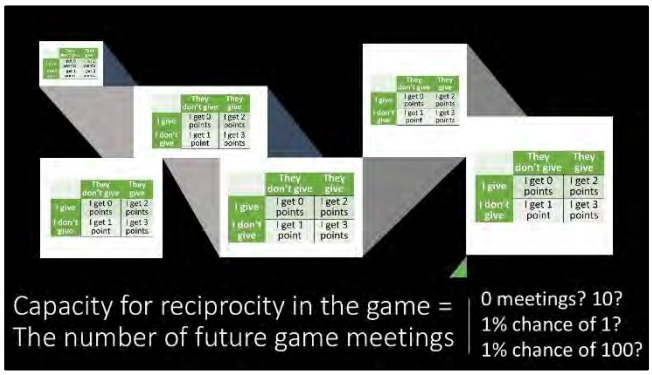
Invisible giving

The game must have more than one round. Otherwise, giving never makes sense. What if the game had multiple rounds, but no one could tell if I gave or not? Again, giving would break the first law. If other players never see my gifts, they can't respond to them. They can't reciprocate. Without reciprocity, giving always loses.



One-night stand

Now suppose my giving *is* visible, but only to the other player. Reciprocity is possible, but only if I encounter *this* player again. What if we will never meet again? Giving would break the first law. We have no shared future. This player has no capacity for reciprocity. Without reciprocity, giving always loses.[2]



Capacity for reciprocity in the game

In this game, the audience's capacity to reciprocate is simple. It's just the number of future game meetings. If I'll meet them in 0 future games, they can't reciprocate. If I'll meet them in 1 future game, they can. If I'll meet them in 10 future games, they can reciprocate 10 times more.

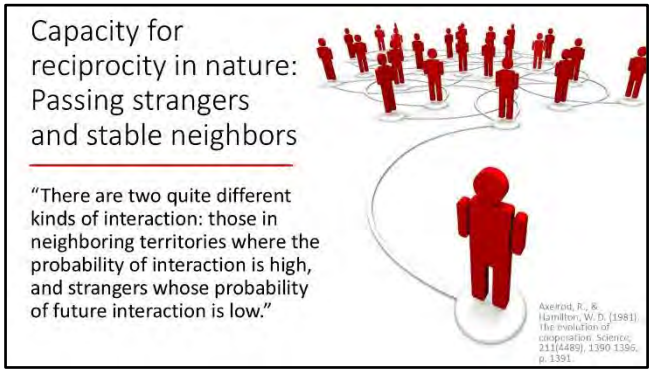
Chance fits in the game, too. If there's a 1% chance I'll meet them in 1 more game, I probably don't care. But if there's a 10% chance I'll meet them in 100 more games, I probably should care.



Capacity for reciprocity in nature: Strangers vs. neighbors

In nature, reciprocal altruism starts with the same question: Do we have a shared future? (In other words, will we play future reciprocal games?) The formal idea is this:

"The shadow of the future makes it ecologically rational for organisms to cooperate, rather than cheat or exploit each other. In part, this is because an act of defection now lowers the probability of receiving a stream of benefits in the future if one's partner responds to defection in kind."[3]



In the game, this "shadow of the future" is simple. It's the expected number of future interactions. In nature, this number is high for neighbors and low for strangers. Researchers explain,

"There are two quite different kinds of interaction: those in neighboring territories

[2] "With two individuals destined never to meet again, the only strategy that can be called a solution to the game is to defect always despite the seemingly paradoxical outcome that both do worse than they could have had they cooperated." Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1391.

[3] Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior, 40*(1), 34-45. p. 35.

where the probability of interaction is high, and strangers whose probability of future interaction is low."[4]

Neighbors have a shared future. Strangers usually don't. Among neighbors, the capacity to reciprocate is high. Among strangers, it is low. Animals will form reciprocal alliances with neighbors. They'll do so even with competing neighbors. But they won't do this with strangers.[5]



One example of mutual sharing happens in the ocean. Small cleaner fish will eat parasites off larger fish. The larger fish don't eat the cleaners, although they could. Both sides benefit. But this doesn't happen everywhere. It happens only when there are stable neighborhoods. Researchers explain,

"Aquatic cleaner mutualisms occur in coastal and reef situations where animals live in fixed home ranges or territories. They seem to be unknown in the free-mixing circumstances of the open sea."[6]

Some places – such as the open ocean – have no neighborhoods. Without stable neighbors, repeated interactions are rare. Without this shared future, reciprocal helping disappears.



In nature, sustainable giving starts with a shared future. This requires stable neighbors. For example, ants have many reciprocal relationships with other species. Ant colonies stay in one place. In contrast, honeybees don't have such relationships.[7] Honeybee colonies often relocate.



Reciprocal altruism starts with this question: Do we have a shared future? With unstable neighbors, expected future meetings decline. With unstable neighbors, reciprocal altruism fails.[8]

Charity strangers

So, what do games, fish, ants, and bees have to do with fundraising? In each case,

[4] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1395.
[5] *See, e.g.,* Getty, T. (1987). Dear enemies and the prisoner's dilemma: Why should territorial neighbors form defensive coalitions? *American Zoologist, 27*(2), 327-336.
[6] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1394
[7] *Id.* p. 1394; Wilson, E. O. (1971). *The insect societies*. Bellknap.
[8] Examples of inter-species cooperation must be based exclusively on reciprocity, as similarity is impossible. However, the importance of neighborhoods increases even more for intra-species cooperation because neighbors tend to also have a higher probability of genetic relatedness. *See* Eshel, I., Samuelson, L., & Shaked, A. (1998). Altruists, egoists, and hooligans in a local interaction model. *American Economic Review*, *88*(1), 157-179.

sustainable giving starts by answering, "Do we have a shared future?" Stable neighbors have a future together. Passing strangers don't.

Some charities see the big "open ocean" of generic prospects. They think success lies there. They like their own story. So, their thought is this:

"Just throw our message as far and wide as possible! The potential is unlimited!"[9]

This sounds good. And, yes, the charity can "reach" many prospects. But it reaches them *as a stranger*.



Approaching another as a stranger doesn't encourage sharing. (Nature says, "Strangers make bad partners.") Thus, this "open ocean" approach isn't initially rewarding. Professor Adrian Sargeant explains,

"It typically costs nonprofits two to three times as much to recruit a donor than they will give by way of a first donation."[10]

Nevertheless, this strategy can eventually work. But it works only if the charity then becomes a stable, reciprocal neighbor. The charity must create a shared future with the donor. In the game, this means ongoing reciprocal interactions.



Charity neighbors

Call it engagement. Call it relationship. Call it community. These are all good social-emotional words. But in the game, they simplify to one thing. These are the expected number of future reciprocal interactions. Increase this and giving makes sense. Eliminate this and it doesn't.

How can a charity increase future reciprocal interactions? There are many ways. Maybe it's building a mutually supportive community of board members. Maybe it's creating compelling volunteer activities. Maybe it's hosting attractive gatherings.

But let's start simple. Want to succeed in fundraising? Go see donors.[11] Bring a gift. Neighbors do that. Good ones do it regularly.

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[9] Or, as Greg Warner calls it, the "spray and pray" method. See Warner, G. (2018). *Engagement fundraising: How to raise more money for less in the 21st century*. MarketSmart.

[10] Steinberg, R., & Morris, D. (2010). Ratio discrimination in charity fundraising: The inappropriate use of cost ratios has harmful side-effects. *Voluntary Sector Review, 1*(1), 77-95. p. 86.
Citing to,
Sargeant, A. (2008). *Donor retention: What do we know and what can we do about it?* Association of Fundraising Professionals, www.afpnet.com/content_documents/Donor_Retention_What_Do_We_Know.pdf

[11] For an excellent description of this concept see, Tumolo, J. (2017). *Go see people: Grow your fundraising program.* Independently published.



It sounds simple. But it's rare because it's hard work. Staying in the office is easier. Pontificating about branding style guides is more fun. But answer this: "What works in the primal-giving game?"

The game isn't about marketing corporate-speak. Instead, it depends on a number. It depends on the expected number of future reciprocal interactions. This starts with a simple question: "Do we have a shared future together?"



Charity neighbors and strangers in legacy giving

"Go see donors?" Really? Is that it? No. But it starts there. Many charities fail to take this first step, even with potentially large donors.

Consider legacy giving. The estate gift is normally, by far, the largest gift a donor will ever make.[12] And yet, charities often react to learning of such a planned gift – by disappearing.

Modern campaign metrics use a "count it and forget it" approach. A charity learns it is in the donor's will. So, it declares victory, and then disappears. Fundraisers receive no credit for maintaining the relationship. The neighborly visits stop. This changes the answer to, "Do we have a shared future?" It changes the expected number of future reciprocal interactions. What happens then? The gift goes away.[13]

One study looked at decedents from several large charities' legacy societies.[14] What happened during their last two years of life? About one in four received no communications from the charities. Among these people, half removed their gifts. But for those who got at least one communication, fewer than a quarter removed their gifts.

This seems obvious, right? Stay connected to your donors. But even among these large charities, it often didn't happen. And when it didn't, the gifts went away.

Neighbor strength and stability in nature

Reciprocal altruism works best with a strong, stable neighbor. In the game, sharing with a player who is about to leave makes no sense. This changes the answer to the question,

[12] Decedents in 2007 with estates of under $2 million, $2<$5 million, $5<$10 million, $10<$50 million, $50<$100 million, and $100 million+, produced estate gifts averaging 3.5 times, 20 times, 25 times, 28 times, 50 times, and 103 times, respectively, their average annual giving in the last five years prior to death.
Steuerle, C. E., Bourne, J., Ovalle, J., Raub, B., Newcomb, J., & Steele, E. (2018). *Patterns of giving by the wealthy.* Urban Institute. Table 4.
https://www.urban.org/sites/default/files/publication/99018/patterns_of_giving_by_the_wealthy_2.pdf.
[13] For data on the end-of-life instability of charitable estate components, see James, R. N., III., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing, 20*(3), 277-283.
[14] Wishart, R., & James, R. N., III. (2021). The final outcome of charitable bequest gift intentions: Findings and implications for legacy fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, 26(4), e1703.

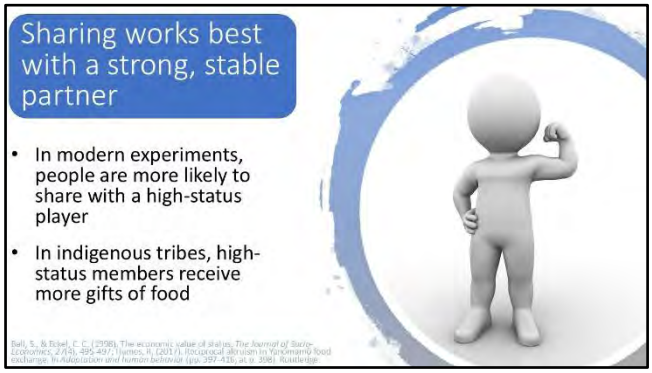


"Do we have a shared future?" In nature, weakness or sickness usually ends reciprocal cooperation.

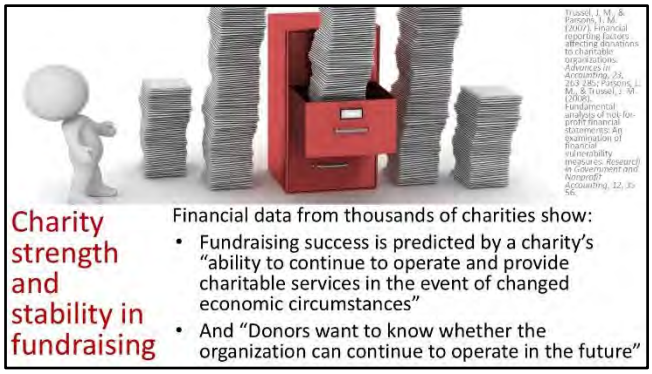
Researchers explain,

"The ability to monitor cues for the likelihood of continued interaction is helpful as an indication of when reciprocal cooperation is or is not stable.... Illness in one partner leading to reduced viability would be one detectable sign of declining [future interactions]. Both animals in a partnership would then be expected to become less cooperative."[15]

This occurs even at the microscopic level. In a "microbiome mutiny," formerly helpful bacteria become harmful when a host becomes seriously ill.[16] The strategy makes sense. A partner who is likely to expire can't offer long-term reciprocity. Reciprocal altruism no longer works.



In the game and in nature, sharing works best with a strong, stable partner. This is true for people, too. In experiments, people are more likely to share with a high-status player.[17] Even in primitive tribes, high-status members receive more gifts of food.[18]



Charity strength and stability in fundraising

For real world fundraising, the results are similar. Donors give more to strong, stable charities.[19] Studies using financial data from thousands of charities confirm this. One reports that fundraising success is predicted by a charity's

[15] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396. p. 1395.
[16] Rózsa, L., Apari, P., & Müller, V. (2015). The microbiome mutiny hypothesis: can our microbiome turn against us when we are old or seriously ill? *Biology Direct, 10*(1), 1-9.
[17] Ball, S., & Eckel, C. C. (1998). The economic value of status. *The Journal of Socio-Economics, 27*(4), 495-497. They're also more likely to join a high-status person in supporting a cause. *See,* Ebeling, F., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor's social status on subsequent charitable giving. *Journal of Economic Psychology, 61*, 124-133.
[18] Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. ("Research in hierarchical societies (Betzig 1988; Bird and Bird 1997) clearly shows that high-status households receive disproportionately more and give disproportionately less in food exchanges.") *Citing to*,
Betzig, L. (1988). Redistribution: Equity or exploitation. In L. Betzig, M. B. Mulder & P. Turke (Eds.), *Human reproductive behavior: A Darwinian perspective* (pp. 49-63). Cambridge University Press;
Bird, R. L. B., & Bird, D. W. (1997). Delayed reciprocity and tolerated theft: The behavioral ecology of food-sharing strategies. *Current Anthropology, 38*(1), 49-78.
[19] Trussel, J. M., & Parsons, L. M. (2007). Financial reporting factors affecting donations to charitable organizations. *Advances in Accounting, 23*, 263-285; Parsons, L. M., & Trussel, J. M. (2008). Fundamental analysis of not-for-profit financial statements: An examination of financial vulnerability measures. *Research in Government and Nonprofit Accounting, 12*, 35-56.

> "Ability to continue to operate and provide charitable services in the event of changed economic circumstances."[20]

Another concludes,

> "Donors want to know whether the organization can continue to operate in the future."[21]

But wait. Shouldn't large donations go to the neediest organizations? Nature says no. Nature says share with the strongest, most stable partners.



Do large donations go to the neediest organizations? Of course not. More than two-thirds of all donations over $1 million go to universities that *hold* large endowments or foundations that *are* large endowments.[22] In 2019, nine of the ten largest charitable gifts went to such groups.[23]

Stability is particularly important for estate gifts. Death reminders increase giving to a charity when it is described as making a "lasting" – rather than an "immediate" – impact.[24] Among those with estates over $5 million, 78% of charitable dollars go to permanent foundations.[25] Over a quarter of all charitable bequests to education go to just 35 of the wealthiest, oldest, and most stable private schools.[26] As in nature, strength and stability attract giving.



Showing charity strength and stability

Strong, stable charities attract major gifts. If you have it, emphasize it. Be careful though. This isn't just about, "Aren't we so great?" It's still about *the donor*. It's about answering, "Do we have a shared future together?" Strength and stability messages can help. They help when they show that, "Donors can make a lasting impact here." They help when they show that, "We can have a long future together."

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[20] Parsons, L. M., & Trussel, J. M. (2008). Fundamental analysis of not-for-profit financial statements: An examination of financial vulnerability measures. *Research in Government and Nonprofit Accounting, 12*, 35-56. p. 35. (*Also see* p. 52, "Our results suggest that contributions are positively associated with a charitable organization's ability to continue to operate …")

[21] Trussel, J. M., & Parsons, L. M. (2007). Financial reporting factors affecting donations to charitable organizations. *Advances in Accounting, 23*, 263-285. p. 268.

[22] *See, e.g.,* Coutts and Co. (2015). *Coutts million pound donors report*. http://philanthropy.coutts.com/en/reports/2015/united-states/findings.html and http://philanthropy.coutts.com/en/reports/2015/united-kingdom/findings.html

[23] Yakowicz, W. (2019, Dec. 29). The biggest philanthropic gifts of 2019. *Forbes.* https://www.forbes.com/sites/willyakowicz/2020/12/29/the-top-10-philanthropic-gifts-of-2019

[24] Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It's only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science, 23*(7), 704-709.

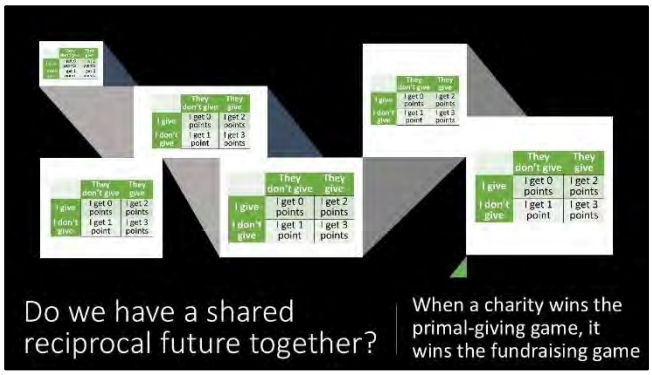
[25] Raub, B. G., & Newcomb, J. (2011, Summer). Federal estate tax returns filed for 2007 decedents. *Statistics of Income Bulletin, 31*, 188-191. https://www.irs.gov/pub/irs-soi/11essumbulestatereturns.pdf (among decedents in 2007 with estates of $5 million and above, 78% of charitable dollars went to private foundations).

[26] Fleischer, M. P. (2007). Charitable contributions in an ideal estate tax. *Tax Law Review, 60*, 263-321. p. 303.

But what if the charity is new? In experiments, just using permanence language to describe impact can help.[27] Also, when a charity doesn't have permanence, it can sometimes borrow it.

It can borrow it from other supporters. A community of wealthy and committed donors has strength and stability, even if the charity is new. Strong, stable supporters encourage giving by others. Research experiments show this. People are more likely to donate after seeing a high-status player give than after seeing a low-status player give.[28]

A charity can even borrow permanence from other organizations. In experiments, the chance to endow a permanent fund can dramatically increase donations.[29] Even a new or unstable charity can offer this. It can create a fund held by a strong community foundation.



Conclusion

In the game, giving depends on a question: "Will we play future reciprocal games?" In other words, "Do we have a shared future?" In nature, and in fundraising, the same question applies.

There are many ways to show, "Yes, we have a shared future." There are many ways to build community. There are many ways to be a strong, stable neighbor. Pick your favorite. But the underlying game still matters. When a charity wins the primal-giving game, it wins the fundraising game.

[27] Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It's only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science, 23*(7), 704-709.
[28] Kumru, C. S., & Vesterlund, L. (2010). The effect of status on charitable giving. *Journal of Public Economic Theory, 12*(4), 709-735.
[29] James, R. N., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy & Education, 2*(2), 1-28.



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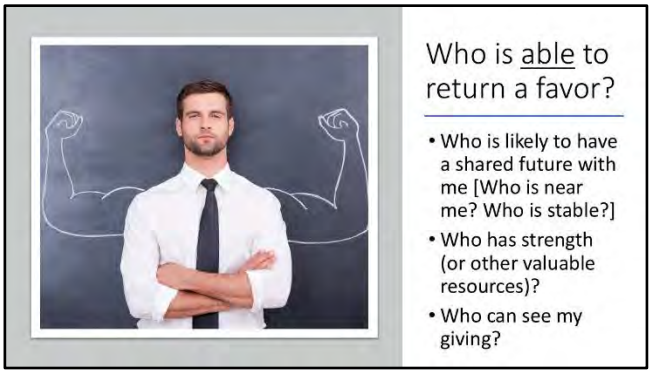
RELATIONSHIP IS THE FOUNDATION OF PRIMAL FUNDRAISING: I'M WITH THEM BECAUSE WE'RE PARTNERS!



In nature, giving to unrelated others can be sustainable. But it requires some form of reciprocity. This need not be immediate. It need not be proportional. It can be a different size or type. It can occur much later. But it starts by answering a question:

Who is *able* and *willing* to return a favor?

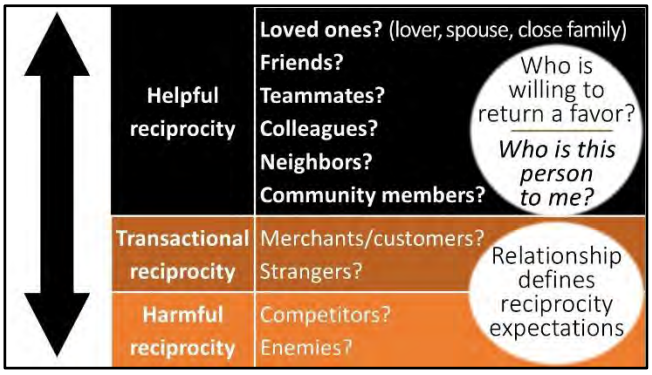
Answering this simple question can get complex.



Able and willing

As seen in the last chapter, predicting who is *able* involves many factors:

- Who is likely to have a shared future with me? (Who is near me? Who is stable?)
- Who has strength (or other valuable resources) to share?
- Who can observe my giving?

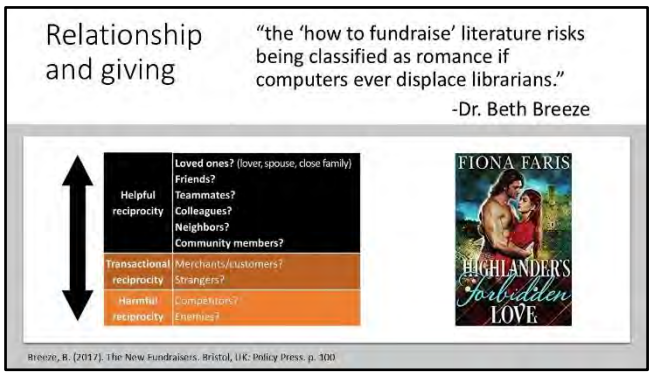


Predicting who is *willing* is even more complicated. In real life, people use signals to predict the type of relationship. The relationship then defines reciprocity expectations.

Answering "What will this person do?" starts with "Who is this person to me?" Is the person a loved one, friend, neighbor, stranger, or enemy? This defines reciprocity expectations. In a scale, it might look like this:

Helpful reciprocity	Loved one *(lover, spouse, close family)* Friend Teammate Colleague Neighbor Community member
Transactional reciprocity	Customer Merchant Stranger
Harmful reciprocity	Competitor Enemy

Relationship signals are reciprocity signals. Move up this scale and sharing increases.[1] Move down and sharing decreases. Then it disappears. Then it turns to warfare.



Relationship and giving

Effective fundraising builds higher, "helpful reciprocity" relationships. These relationships build trust.[2] They support giving. This is nothing new in fundraising advice. The emphasis on love and passion led Dr. Beth Breeze to comment that,

[1] In experiments, giving to family members always exceeds giving to non-family members. At each level as the relationship becomes more tenuous – friend, group member, outsider, competitor – giving falls. Ben-Ner, A., & Kramer, A. (2011). Personality and altruism in the dictator game: Relationship to giving to kin, collaborators, competitors, and neutrals. *Personality and Individual Differences, 51*(3), 216-221; Scaggs, S. A., Fulk, K. S., Glass, D., & Ziker, J. P. (2017). Framing charitable solicitations in a behavioral experiment: Cues derived from evolutionary theory of cooperation and economic anthropology. In M. Li, & D. P. Tracer (Eds.), *Interdisciplinary Perspectives on Fairness, Equity, and Justice* (pp. 153-178). Springer.

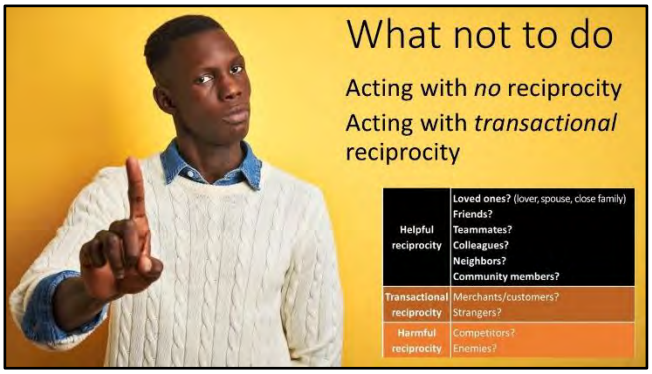
[2] The relationship between trust in a charity and willingness to donate is well established in research. *See, e.g.,* Alhidari, I. S., Veludo-de-Oliveira, T. M., Yousafzai, S. Y., & Yani-de-Soriano, M. (2018). Modeling the effect of multidimensional trust on individual monetary donations to charitable organizations. *Nonprofit and Voluntary Sector Quarterly, 47*(3), 623-644, p. 623. ("Data were collected in Saudi Arabia … Individuals' trust in charitable organizations affects both the intention to donate and future monetary donation behavior."); Chapman, C. M., Hornsey, M. J., & Gillespie, N. (2021). To what extent is trust a prerequisite for charitable giving? A systematic review and meta-analysis. *Nonprofit and Voluntary Sector Quarterly,* 08997640211003250; Hager, M. A., & Hedberg, E. C. (2016). Institutional trust, sector confidence, and charitable giving. *Journal of Nonprofit & Public Sector Marketing, 28*(2), 164-184; Küchler, L., Hertel, G., & Thielsch, M. T. (2020, September). Are you willing to donate? relationship between perceived website design, trust and donation decisions online. In *Proceedings of the Conference on Mensch und Computer* (pp. 223-227); Middleton, G. H., & Lee, H. T. (2020). Non-profit organization's innovative donor management-the identification of salient factors that drive donor loyalty. *Asia Pacific Journal of Innovation and Entrepreneurship. 14*(1), 93-106; Sargeant, A., & Lee, S. (2004). Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behavior. *Psychology & Marketing, 21*(8), 613-635; Taniguchi, H., & Marshall, G. A. (2014). The effects of social trust and institutional trust on formal volunteering and charitable giving in Japan. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 25*(1), 150-175.

"The 'how to fundraise' literature risks being classified as romance if computers ever displace librarians."[3]



It's not a shocking new idea. "Relationship" works. The fundraising books agree. But there's a problem. As Dr. Breeze explains,

"Telling fundraisers to 'build relationships' (Burnett, 2002; Burk, 2003), to 'love' their donors (Pitman, 2007), and to treat the process 'like a romantic courtship' (Green et al., 2007, p. 121) is of limited value without insights or examples of precisely how this can be achieved."[4]



So, what exactly do we do? And what do we not do?

Let's start with what *not* to do. Sustainable fundraising requires relationships of *helpful* reciprocity. We can ruin these relationships by

1. Acting with *no* reciprocity or
2. Acting with *transactional* reciprocity.



No reciprocity means no giving

Giving to unrelated others does happen in nature. It can even include giving to those of other species. But these all start with some form of reciprocity. This reciprocity need not be similar in

- Amount
- Kind, or
- Timing.

It can be

- Smaller
- Different, or
- Much, much later.

[3] Breeze, B. (2017). *The new fundraisers*. Policy Press. p. 100
[4] *Id.* p. 118. *Citing to,*
Burk, P. (2003). *Donor-centered fundraising*. Burk and Associates Ltd.
Burnett, K. (1992/2002). *Relationship fundraising* (2nd ed.). Jossey-Bass.
Green, F., McDonald, B., & van Herpt, J. (2007). *Iceberg philanthropy: Unlocking extraordinary gifts from ordinary donors*. The FLA Group.
Pitman, M. (2007). *Ask without fear: A simple guide to connecting donors with what matters to them most*. Standish and Wade Publishing.

These are no problem. But without *some kind* of reciprocity, giving always loses. In nature, giving outside the family without *any* reciprocity is deadly. It's an *unnatural* act.

When a charity asks donors to give without any signals of reciprocity, it's asking donors to perform an *unnatural* act. It might have clever advertising. It might have a detailed marketing plan. But underneath it all, it's sending primal messages. It's saying,

- "We're not here to help you!"
- "We're not partners!"
- "Sharing with us is foolish!"

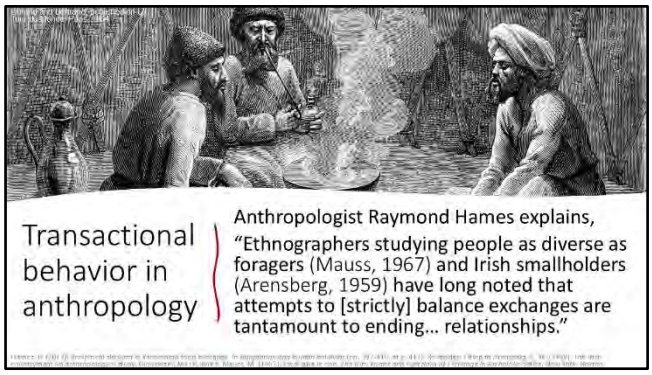
No marketing plan can overcome those underlying signals.



Transactional reciprocity excludes generosity

The next step above no reciprocity is *transactional* reciprocity. This fits merchant/customer norms. Exchanges are brief and "strictly contingent." Any trade must immediately benefit both sides.

Such relationships can be beneficial. But here's the problem for fundraising. Transactional relationships *don't include generosity*.





Transactional behavior in anthropology

Across human cultures, whenever a relationship becomes transactional – or "strictly contingent" – giving stops. Anthropologist Raymond Hames explains,

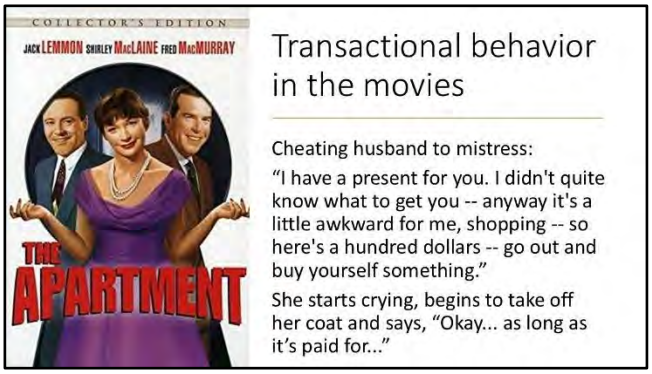
"Ethnographers studying people as diverse as foragers (Mauss, 1967) and Irish smallholders (Arensberg, 1959) have long noted that attempts to [strictly] balance exchanges are tantamount to ending ... relationships."[5]

This isn't just for people. Zoologist Gerald Carter explains,

"Similar to humans, nonhuman primates cooperate in a more contingent manner with less bonded partners."[6]

[5] Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. p. 411.
Citing to,
Arensberg, C. M. (1959). *The Irish countryman: An anthropological study*. P. Smith;
Mauss, M. (1967). Essai sure le don. *The gift: Forms and functions of exchange in archaic societies*. Norton. (This is a translation of the 1923 essay)
[6] Carter, G. (2015). *Cooperation and social bonds in common vampire bats.* [Ph.D. dissertation]. University of Maryland, College Park, MD. p. 23.

Following *transactional* norms signals a *strictly contingent* relationship. It signals the absence of a sharing or helping relationship. It kills generosity.



Transactional behavior in the movies

What's so bad about being transactional? The classic 1960 movie *The Apartment* gives an example. A cheating husband is trying to restart an affair with a younger woman. The following scene shows how much of a heel he is. He leaves his family on Christmas Eve to meet her for a rendezvous. He says,

> "I have a present for you. I didn't quite know what to get you -- anyway, it's a little awkward for me, shopping – so, here's a hundred dollars -- go out and buy yourself something."
> She starts crying, begins to take off her coat and says, "Okay … as long as it's paid for …" [7]

It's a cringe-worthy Hollywood moment. His behavior is "transactional." The relationship drops from "lovers" to "merchant selling goods."

Making a relationship transactional isn't just a problem in anthropology or Hollywood romance. It's a problem for charities.



Transactional behavior in charities

I often share research findings with nonprofit groups. Once, I was talking about which words and phrases work best with donors. A frustrated manager interrupted, "But I just want their money. Can't I tell them that?"

Of course, that doesn't work. Try selling *anything* with this line. Suppose you walk into a business. On the wall in bold lettering is their motto:

"We just want your money."

How would you feel?



No business would be this foolish. So how do charity administrators go so wrong? It's an issue of worldview. From their perspective, their "relationship" with donors is this:

"We're great!"

"Therefore, people should give us things."

[7] Wilder, B. & Diamond, I. A. L. (1960). *The apartment.* [Movie script]. https://www.dailyscript.com/scripts/apartment.html

"Because we deserve it. (Because we're so great!)"

"Our part in a relationship? Just keep being our fantastic selves!"

"And, oh yes, keep reminding people how wonderful we really are."

Have you ever known someone like this? How would you like to be in a relationship with them? If you found yourself in that relationship, how long would you stay? Why do you think donor retention is so low?



In this worldview, donors are just an ATM. Helping an ATM makes no sense. It only reduces transactional efficiency.

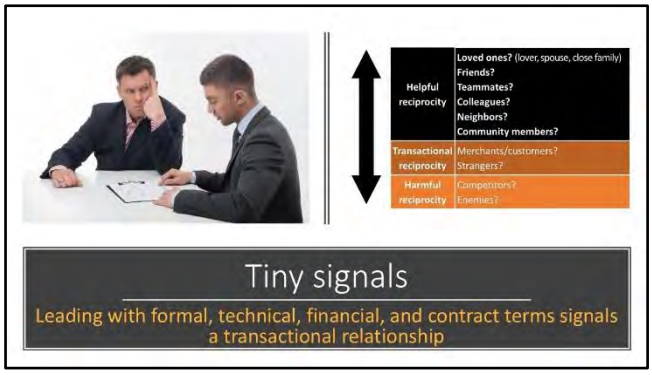
The cheating husband in *The Apartment* explains,

"Go out and buy yourself something. They have some nice alligator bags at Bergdorf's."

His "present" is efficient. Transactional norms are efficient. But they contradict sharing relationships. Ultimately, they destroy generosity.

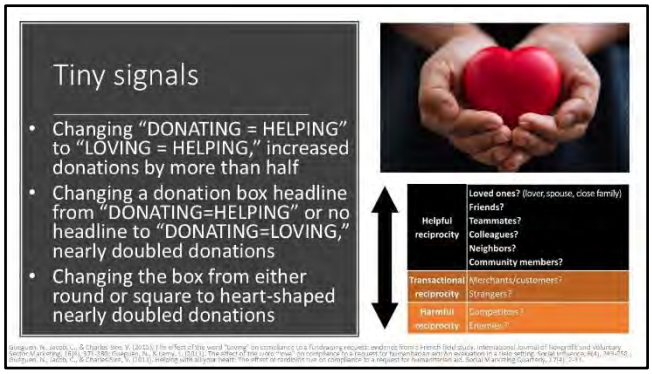
One research study analyzed key factors underlying successful major gift "asks."[8] The secret? It started with this:

"First, they are made within relationships of trust rather than as a result of a transactional approach."



Tiny signals

Even small signals in word choice make a difference. Leading with formal, technical, financial, and contract terms sends a signal. It signals an arms-length, market, strictly contingent relationship. It signals a transactional relationship. In experiments (reviewed in other chapters[9]), these signals consistently reduce generosity.



Small signals can hurt. But they can also help. They can reflect a helpful relationship. They can even reflect love. In one experiment, solicitors for a muscular dystrophy charity changed the phrase on their T-shirts. Changing from "DONATING = HELPING" to "LOVING = HELPING," increased donations by more than half.[10]

[8] Breeze, B., & Jollymore, G. (2017). Understanding solicitation: Beyond the binary variable of being asked or not being asked. *International Journal of Nonprofit and Voluntary Sector Marketing, 22*(4), e1607.
[9] *See* Chapter 10. Using family words not formal words in fundraising story and Chapter 4. Math problems in fundraising story: Motivations & barriers in Book I of this series, *The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story*.
[10] Guéguen, N., Jacob, C., & Charles-Sire, V. (2011). The effect of the word "loving" on compliance to a fundraising request: Evidence from a French field study. *International Journal of Nonprofit and Voluntary Sector Marketing, 16*(4), 371-380.

An experiment for African famine relief placed donation boxes in 14 bakeries. Changing the headline on the box from either "DONATING = HELPING" or no headline to "DONATING = LOVING," nearly doubled donations.[11]

An experiment for a children's charity changed the shape of the donation box. Changing the box from either round or square to heart-shaped nearly doubled donations.[12]



One massive experiment involved 540,000 Alaska residents in a statewide giving campaign. A third received postcards beginning a donation request with "Make Alaska better for everyone." These had no impact on giving. Another third instead received postcards beginning with, "Warm your heart." These people were 6.6% more likely to give. They also gave 23% more money.[13]

Signals, even small ones, indicate the relationship. The relationship defines giving norms. Signaling transactional relationships undermines generosity. Signaling emotional relationships supports generosity.



Let's get practical

We've looked at relationship concepts. We've looked at what *not* to do. But how precisely do we *build* these relationships? In the next chapter, we'll look at several practical examples. We'll see how it's actually done in the real world. And we'll see how one simple strategy underlies it all.

[11] Guéguen, N., & Lamy, L. (2011). The effect of the word "love" on compliance to a request for humanitarian aid: An evaluation in a field setting. *Social Influence, 6*(4), 249-258.
[12] Guéguen, N., Jacob, C., & Charles-Sire, V. (2011). Helping with all your heart: The effect of cardioids cue on compliance to a request for humanitarian aid. *Social Marketing Quarterly, 17*(4), 2-11.
[13] List, J. A., Murphy, J. J., Price, M. K., & James, A. G. (2021). An experimental test of fundraising appeals targeting donor and recipient benefits. *Nature Human Behaviour, 5*, 1339-1348.



5

PRIMAL FUNDRAISING LEADS WITH A GIFT:
I'M WITH THEM BECAUSE I'M IMPORTANT TO THEM!



Lead with a gift: The primal-giving game

Biologists model sustainable giving in nature with a game.[1] This primal-giving game models reciprocal altruism.[2]

What's the best strategy in this game? To answer this question one professor held an international computer gaming tournament. With many rounds and many players, strategies got complicated. How complicated? He explains,

> "An example is one which on each move models the behavior of the other player as a Markov process, and then uses Bayesian inference to select what seems the best choice for the long run."[3]

So, what worked? When – as in nature – winners replicate and losers don't, this complexity disappeared. One strategy always won. Lead with a gift, then act reciprocally.[4]

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[1] This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

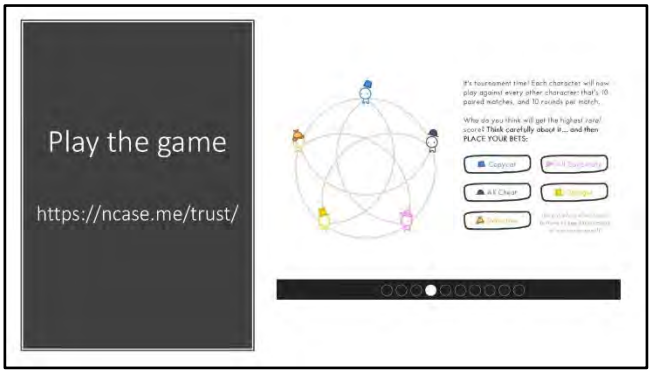
where each must choose before knowing what the other will do.

[2] Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.

[3] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, 211(4489), 1390-1396. p. 1393.

[4] *Id.*

This result attracted a lot of attention. So, another, much larger tournament was held. The winner? Same answer. Every alternative – no matter how complex – eventually lost to this simple strategy.



Another version of the game added a twist. It allowed for miscommunication. Sometimes sharing was reported as not sharing. In this version, a new winning strategy emerged. Lead with *two* gifts, then act reciprocally.[5] To play the game yourself, go to https://ncase.me/trust/



Lead with a gift: Back to relationships

So, how does game theory apply to real-world fundraising? Start with this:

1. Go see donors.
2. Bring a gift.

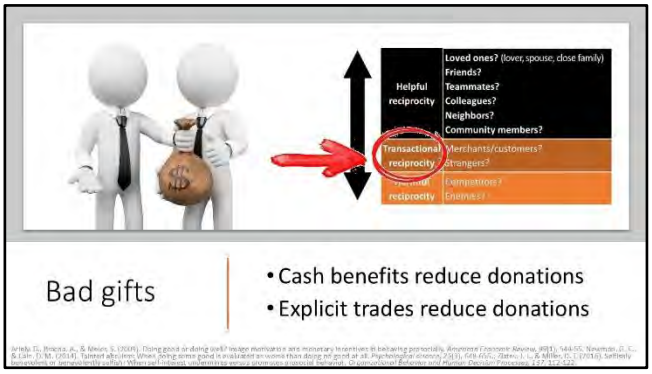
When bringing a gift, make sure it's a good one. What does that mean? A good gift signals a "helpful reciprocity" relationship. These relationships are personal. They encourage generosity. Transactional relationships are different. They aren't personal. They don't include generosity.



A good gift says several things:

- This is not transactional.
- This is personal.
- I care enough to know what you like.
- I want to make you happy.

Not all gifts are good. Cash rarely works. It's transactional, not personal. In experiments, cash benefits can actually reduce giving.[6]



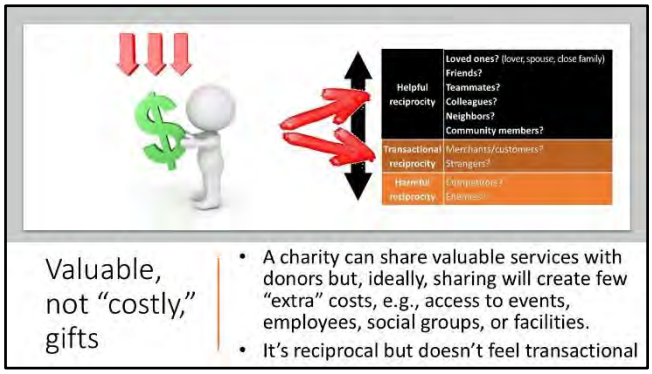
A "gift" given as an explicit trade is not a gift. It's a transaction. In experiments, these

[5] This "generous tit-for-tat" offsets the problem of accidents or miscommunications that might otherwise create a negative reciprocity tailspin. Nowak, M. A., & Sigmund, K. (1992). Tit for tat in heterogeneous populations. *Nature, 355*(6357), 250-253.

[6] For an example where cash payments reduce charitable behavior, *see* Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review, 99*(1), 544-55. For an example where the promise of cash payments reduce guilt and increase satisfaction for those who *don't* support the charity see Giebelhausen, M., Chun, H. H., Cronin Jr, J. J., & Hult, G. T. M. (2016). Adjusting the warm-glow thermostat: How incentivizing participation in voluntary green programs moderates their impact on service satisfaction. *Journal of Marketing, 80*(4), 56-71.

strictly contingent "gifts" can also reduce giving.[7]

A financially costly gift can be risky. It can send financial or transactional signals. It can trigger unwanted feelings of financial obligation. For charities, it can also feel wasteful.



But a gift can be valuable without feeling costly. This is because in a social context, "cost" means *extra* cost. Consider the same gift with different "extra" cost.

- Social gift: "I own a condo on Padre Island. It's empty during spring break. You can use it as my gift to you."
- Awkward gift: "I went on Airbnb and rented a condo for you on Padre Island during spring break. You can use it as my gift to you."

The gift value is identical. But in one case, it feels uncomfortable. In the other, it doesn't. The difference is the extra cost.

Lead with a gift: A simple fundraising example

Games and theory are fine. But let's get practical. What actually *works* in fundraising? When I first became a college president, I wanted to know the answer. I started by looking at schools with our same religious affiliation. Usually age, endowment, alumni, and tuition predict contributions.[8] And this was true for our schools, too. Except for one.



One small school was raising money out of all proportion to its size. It had only one or two frontline fundraisers. Although located in rural Tennessee, it received major gifts from across the country. I had to find out why. So, I went there to see what was going on.

The long-time fundraiser explained his unique approach. He had a disabling condition. Sometimes, he had "bad days" when he couldn't work. There was no way to predict when this would strike. So, he couldn't do the one thing that all other fundraisers do. He couldn't reliably keep appointments.

Here was his solution. He would fly to a location with a list of donors in the area. He would drive to the first house. He would knock on the door. If the donor was home, he would hold out his card, introduce himself and say,

> "Since I was in the area visiting other friends of the school, the president asked if I would drop off this small gift to thank you for your years of support."

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[7] Newman, G. E., & Cain, D. M. (2014). Tainted altruism: When doing some good is evaluated as worse than doing no good at all. *Psychological Science, 25*(3), 648-655; Zlatev, J. J., & Miller, D. T. (2016). Selfishly benevolent or benevolently selfish: When self-interest undermines versus promotes prosocial behavior. *Organizational Behavior and Human Decision Processes, 137*, 112-122.

[8] *See, e.g.,* Terry, N., & Macy, A. (2007). Determinants of alumni giving rates. *Journal of Economics and Economic Education Research, 8*(3), 3-17.

If the donor was busy, this took no more than a minute of their day. But here's the reality: He was *always* invited in.

During the visit, he learned about the donor's history with the school. He updated them on the latest happenings. Because this was a religious school, he would ask about their lives and ask to pray with them. The meeting ended by leaving behind a request "from the president" to consider a specific gift. But this always came with an explanation that no decision should be made on that day.

These little meetings became more powerful because he returned every year. He knew their lives, their families, their connections, and their charitable passions. If the donor wasn't home, he would simply leave the gift with a personal, handwritten note.

He explained to me,

> "I see more donors than any five fundraisers I know. The reason is simple. No dead time. If a meeting runs long or short or the donor isn't home, it doesn't matter. As soon as it's done, I drive to the next home."

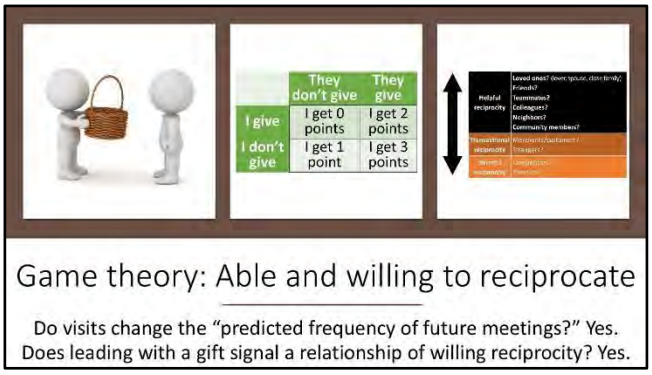
Harold Seymour recounts another "old school" example of door knocking. American Cancer Society canvassers began,

> "Good afternoon! I have here your copy of cancer's 'Seven Danger Signals.' May I come in?"[9]

The point isn't that these are universal solutions for fundraising.[10] The point is that these achieved,

1. Go see donors.
2. Bring a gift.

And they worked.



Game theory: Able and willing to reciprocate

This strategy matches the game. First, consider the previous chapter on capacity for reciprocity.[11] Do personal visits change the "predicted frequency of future meetings?" Yes.

Mentioning other friends of the school in the area fits, too. How can a charity in rural Tennessee become a "neighbor" to a donor in California? It visits. It visits every year. It reminds donors that other community members are nearby as well.

[9] Seymour, H. (1999). *Designs for fund-raising* (2nd ed.). The Gale Group. p. 77.
[10] He shared a story how one school with a similar religious affiliation in Malibu, California explained that such a strategy wouldn't work with their high-net-worth donors. He said, "I didn't want to argue, but I looked at their list of top donors, and a third of them were people I had been visiting this way for years."
[11] *See* Chapter 3. Primal fundraising and capacity for reciprocity: I'm with them because they're important to me!

Next, consider reciprocity signals. The visit leads with a gift. The gift is delivered personally. It's presented as not financially costly. ("I was already in the area visiting others.")

The visit emphasizes personal connections. It includes appreciative inquiry and listening. Every piece signals a personal, social relationship. Although a gift request is left behind, the response is purposely postponed. This prevents any transactional ending to the visit. It keeps things social.



Lead with a gift: A big fundraising example

So, that's cute. But maybe what works for a tiny little religious school doesn't apply to you? OK. How about a big prestigious university? NYU went from near bankruptcy, raising only about $20 million per year, to completing the nation's first billion-dollar campaign. Naomi Levine explains how it happened in her book.[12]

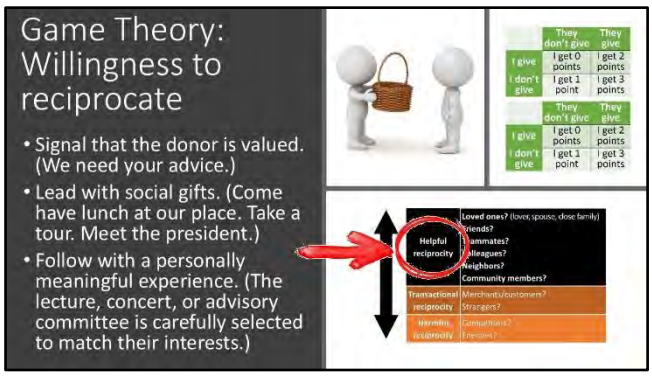
In it, she describes her process of working with a prospect. The purpose of the first meeting, usually a breakfast, was to ask for their advice on some university policy. The conversation would uncover their connections or interest with different university programs. The goal was to schedule a campus visit.

At this campus visit, the prospect would

- Take a tour
- Have lunch with the president, and
- Visit with faculty in areas of interest.

The next goal was to then involve them in some aspect of the university. Levine explains,

> "If there was going to be a concert or film festival at the Tisch School of the Arts, we would invite them to that. If there was a seminar at the Law School, we would invite them to that. If we had an advisory committee on filmmaking, we would, if appropriate, invite them to sit on that committee."



This all took place well before any donation request. She explains,

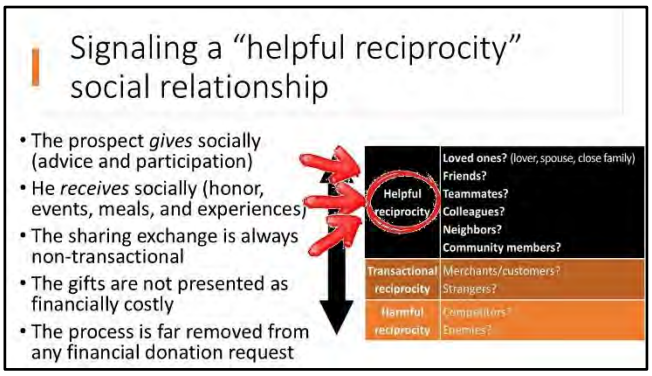
"The quicker you ask, the less money you will receive."

Game theory: Willing to reciprocate

Consider how this series of experiences builds the right relationship.

[12] Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way.* Independently published.

- The charity signals that the donor is valued. (We need your advice.)
- It leads with social gifts. (Have lunch at our place. Take a tour. Meet the president.)
- It follows with a personally meaningful experience. (The lecture, concert, or advisory committee is carefully selected to match their interests.) This gift shows, "We care enough to know what you like."



This process repeatedly signals a helpful reciprocity social relationship.

- The prospect *gives* socially. (He gives advice and participates.)
- He *receives* socially. (He receives honor, events, meals, and experiences.)
- This sharing exchange is always non-transactional.
- The gifts are not presented as financially costly. (The *extra* cost of inviting this person to an event is minimal.[13])
- The process is far removed from any financial donation request.

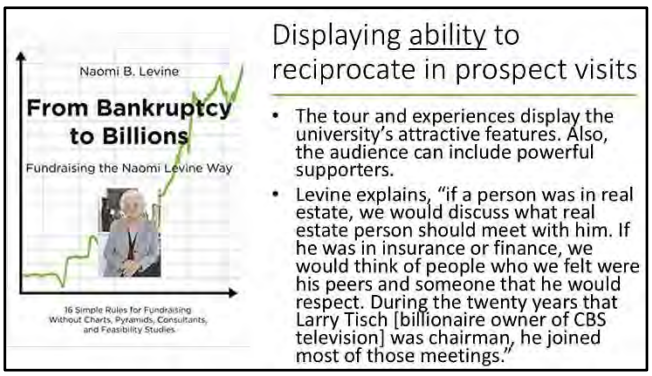


Game theory: Able to reciprocate

Giving in the primal game has an unbreakable law:

Giving must be seen by partners who are able and willing to reciprocate.

The previous social signals help build relationship. They suggest a *willingness* to reciprocate. What about the *ability* to reciprocate? The tour and experiences help here as well. They display the university's attractive features.

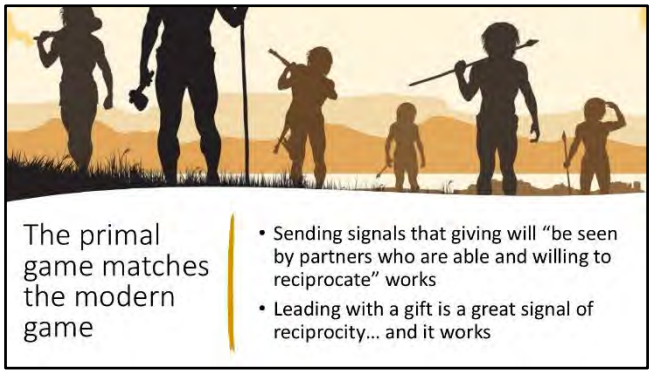


But reciprocity goes further. It can come not only from the nonprofit, but also from a supporting community. How does this work? At these meetings with prospects, the fundraiser rarely went alone. Levine explains,

"if a person was in real estate, we would discuss what real estate person should meet with him. If he was in insurance or finance, we would think of people who we felt were his peers and someone that he would respect. During the twenty years that Larry Tisch [billionaire owner of CBS television] was chairman, he joined most of those meetings."

[13] Note that leading with a gift is still costly. The lunches, tours, meetings, and events cost money. Even when the "extra" cost is small, the total cost is still substantial. So, just like in the game, if the prospect never gives back financially the charity definitely loses.

Notice how the process created a supportive audience with enormous capacity. This wasn't just the wealthy charity itself – displayed during the tour. It was also important professional "neighbors." It was even a recognized billionaire. All of these pieces work together to signal ability and willingness for reciprocity.



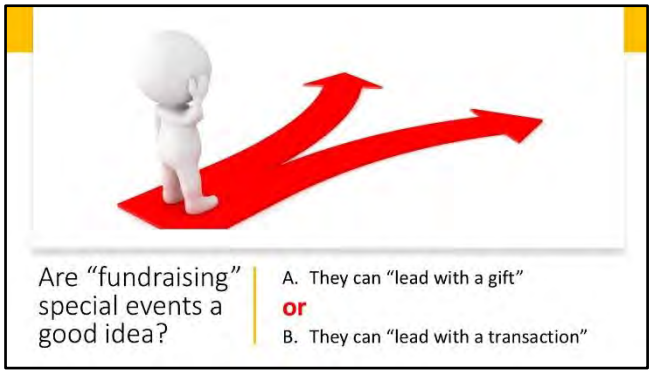
What's the point?

These stories show practical examples of strategies that worked. Some worked for small charities. Others worked for large ones.

The point isn't that any approach is the universal solution for fundraising. The point is that the primal game matches reality. Sending signals that giving will "be seen by partners who are able and willing to reciprocate" works. Leading with a gift is a great signal of reciprocity. And it works.

Postscript: Special events

A practical application of the game



Understanding the primal-giving game provides guidance. It can help answer practical questions. Let's look at a contentious one: Are special events a good idea in fundraising?

Some people love them. Some people loathe them. So, who's right? The first problem is definitions. There are two types of "fundraising" events. An event can "lead with a gift." Or it can "lead with a transaction."



Special events: Leading with a gift

A personal invitation to an attractive event can be effective – if it's a gift. It can signal a social, "helpful reciprocity" relationship – if it's a gift. It can connect a donor with meaningful parts of the charity. It can provide recognition, honor, and gratitude after a donation. It can build a donor community that supports future donations. It can do these things – if it's a gift.

These events aren't transactional. They are a gift to attendees. (The cost is paid by the charity or a donor.) Because they aren't profitable, these events *can't be* the end goal. And that's a good thing. This shows that the important work is not just the event. The important work is the whole fundraising process.



Special events: Leading with a transaction

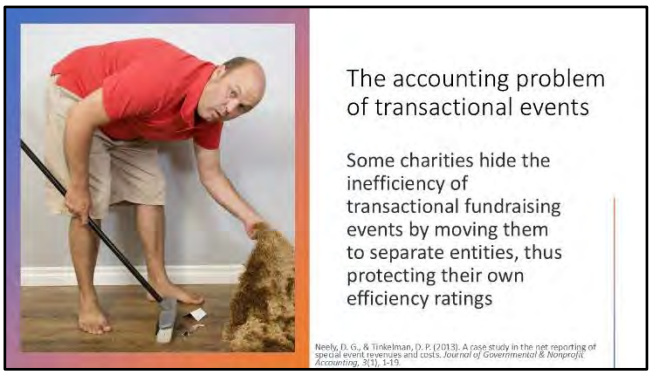
Transactional events are different. They charge fees, provide a service, and generate revenue. They can make a profit. The profit can help the charity.

Transactional events are easy to sell. The event timing creates a deadline. This helps motivate sales requests. People with no idea how to fundraise can sell event tickets or table sponsorships. These are just consumer products with a charitable hue.



Administrators like these events. They provide an immediate quid-pro-quo return. And that's the problem. Even when these "work," they work only *transactionally*. Just a bit more income than cost is a "success." One group of researchers noted,

"Special events are generally accepted to be the least cost-effective way for nonprofits to raise revenue."[14]



Compared to actual fundraising, special event sales are inefficient. Some accounting professors have even found charities that hide these inefficient numbers.[15] Charities move these barely profitable events into separate entities. This protects the charity's own efficiency ratings.



Transactional events vs. social relationships

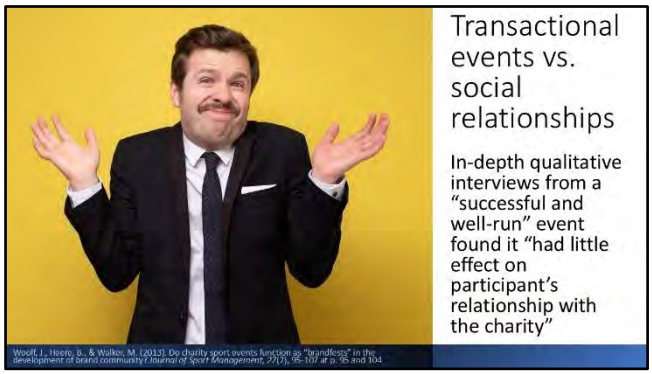
But don't such events lead to great relationships and later donations? Not really. Instead, they signal a completed, transactional relationship.[16] Think about it. Suppose a new work colleague says to you,

"The wife and I are hosting a big New Year's Eve party. We'll have great food and drinks and even a local band! We would love to have you come."

[14] Krawczyk, K., Wooddell, M., & Dias, A. (2017). Charitable giving in arts and culture nonprofits: The impact of organizational characteristics. *Nonprofit and Voluntary Sector Quarterly, 46*(4), 817-836. p. 828. table 2.
[15] Neely, D. G., & Tinkelman, D. P. (2013). A case study in the net reporting of special event revenues and costs. *Journal of Governmental & Nonprofit Accounting, 3*(1), 1-19.
[16] This also risks blunting the donation impulse by providing a marginally-beneficial, transactional option that apparently fulfills the reciprocity obligation.

How do you feel? What does this signal about your relationship? Then he adds, "Tickets are $75. You can buy in advance or pay at the door."

Now, how do you feel? How does this change the signal about your relationship?

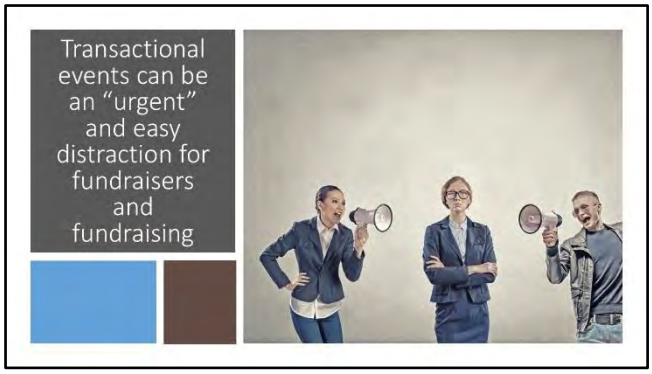


Research supports this feeling about transactional events. One study used in-depth qualitative interviews. It examined a "successful and well-run" money-making charity event. It found that the event,

"Had little effect on participant's relationship with the charity."[17]

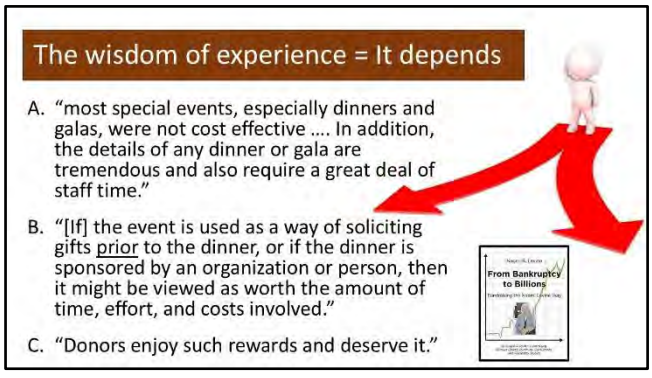


Another study looked at over 10,000 nonprofit tax returns. It found that increasing revenue from special events had almost no impact on later donations.[18] In fact, increasing operations revenue (people paying for the nonprofit's services) actually worked better. This created more than twice as much donations growth as increasing special events revenue did.



These transactional events don't help fundraising. There's another problem. They have a hidden cost. They can strain staff resources. Worse, they can be an attractive distraction for fundraisers.

Event work is urgent. (People are coming!) And it's relatively easy. (Don't believe me? Advertise for an entry-level "event coordinator" or "fundraiser" with identical pay. Compare the response.) But urgent and easy doesn't mean it's important. It doesn't mean it helps with real fundraising.



And the answer is ... it depends

This mixed reality of special events matches theory and research. It also matches the wisdom of experience. As Naomi Levine explains, her feelings could be negative:

"Most special events, especially dinners and galas, were not cost effective .... In addition,

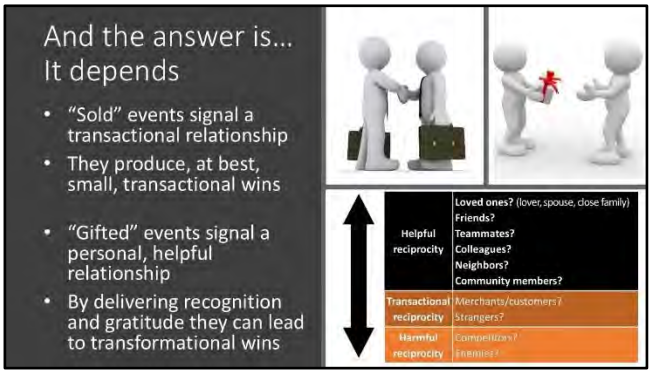
[17] Woolf, J., Heere, B., & Walker, M. (2013). Do charity sport events function as "brandfests" in the development of brand community? *Journal of Sport Management, 27*(2), 95-107. pp. 95 & 104.
[18] Krawczyk, K., Wooddell, M., & Dias, A. (2017). Charitable giving in arts and culture nonprofits: The impact of organizational characteristics. *Nonprofit and Voluntary Sector Quarterly, 46*(4), 817-836. p. 828. Table 2.

the details of any dinner or gala are tremendous and also require a great deal of staff time."[19]

Or they could be neutral:

> "[If] the event is used as a way of soliciting gifts prior to the dinner, or if the dinner is sponsored by an organization or person, then it might be viewed as worth the amount of time, effort, and costs involved."[20]

Or they could be very positive. This happened with an award dinner recognizing top donors because,



"Donors enjoy such rewards and deserve it."[21]

These mixed feelings match the game. "Sold" events signal a transactional relationship. They produce, at best, small, *transactional* wins. "Gifted" events signal a personal, helpful relationship. They can deliver recognition and gratitude. This can produce *transformational* wins.



Conclusion

Leading with a transaction can be a way to earn an immediate profit. But it's *not* a good way to encourage generosity. Leading with a gift won't earn an immediate profit. But it *is* a great way to encourage generosity.

This winning first step is the same in the game and in the real world. Leading with a gift works.[22] In both the primal-giving game and in modern fundraising, the answer is the same:

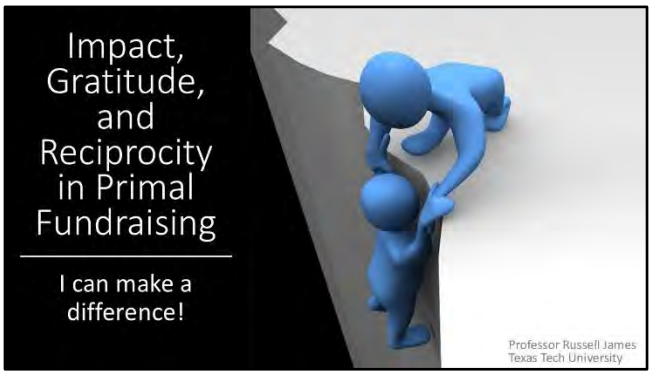
1. Go see donors.
2. Bring a gift!

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[19] Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way.* Independently published. p. 53.
[20] *Id.* p. 53.
[21] *Id.* p. 41.
[22] The strategy of "leading with a gift" is by no means limited to fundraising. A crass application is covered in the movie *Tin Men* about siding salesmen in the 1960s. The great salesman, Bill Babowsky, explains,

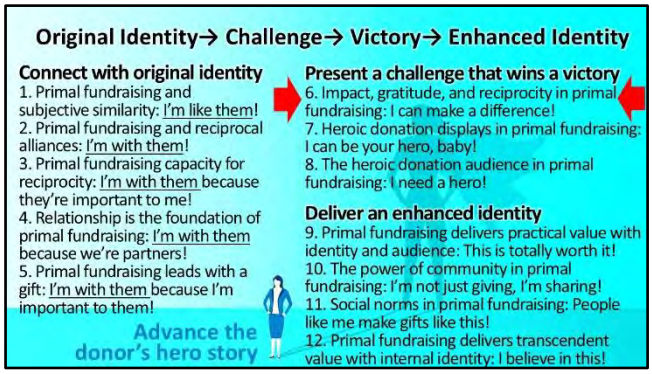
> "You want to get in good with people ... you want to win their confidence? Good thing to try ... get a five dollar bill, take it out when the guy's not looking, drop it on the ground. Ask the guy if he dropped his bill … Right away this guy is thinking you must be one hell of a nice guy ... you're in. You've got him for whatever you want now."

Levinson, B. (1986). *Tin men.* [Movie script]. p. 41. http://www.dailyscript.com/scripts/Tin_Men.pdf



6

IMPACT, GRATITUDE, AND RECIPROCITY IN PRIMAL FUNDRAISING: I CAN MAKE A DIFFERENCE!



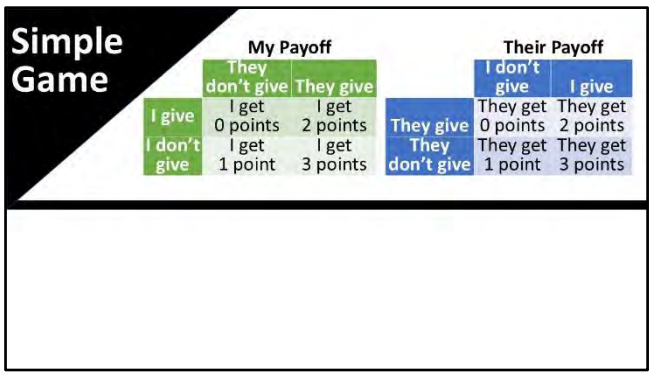
The "one big thing" in fundraising is this: Advance the donor's hero story. The previous book in this series explored this in detail.

The universal hero story (monomyth) progresses through four steps:

Original Identity → Challenge → Victory → Enhanced Identity

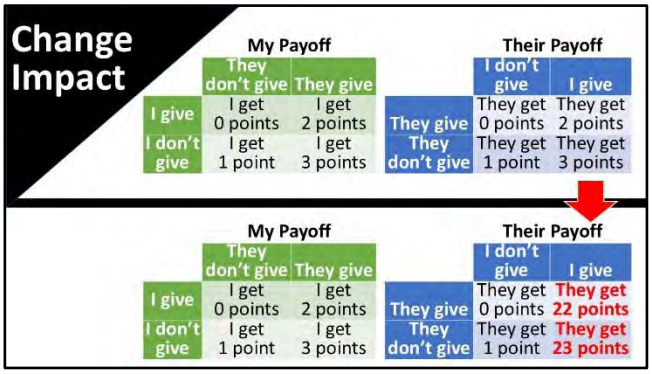
The compelling donation experience includes these same steps. It starts by connecting with identity. This can come from the following:

1. I am like them. (This is subjective similarity.)
2. I am with them. (This is reciprocal alliances.)



Biologists model reciprocal altruism with a game.[1] This primal-giving game can include simple alliances. But the game can do more. It can also include challenge and victory. It can include enhanced identity. It can include similarity and even heroism. But all this requires "leveling up" the simple game.

[1] Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.



Impact

In the simplest primal-giving game, impact is fixed. And it's identical. Two unrelated players face the same payoffs. Each must choose before knowing what the other will do. However, payback is possible because players can meet again. The payoffs are these:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

Giving is costly. But it helps the other player more than it costs. If I give 1 point, the other player gains 2.

Now suppose the impact of my gift changes. The payoffs might instead become these:

	They don't give	*They give*
I give	I get 0 points; they get 23	I get 2 points; they get 22
I don't give	We each get 1 point	I get 3 points; they get 0

Now, my gift has a higher impact. If I give 1 point, the other player gets 22 points. This might come from low cost. (The gift costs me $1. But a matching grant means the recipient gets $22.) Or it might come from high need. (The recipient's benefit from $1 is 22 times my benefit from $1). How might this change alter gameplay?



Impact and gratitude

Impact is great. But in the game, or in nature, why would unrelated players even care? Let's go back to the first law. In the primal game, giving has an unbreakable law:

Giving must be seen by partners who are *able* and *willing* to reciprocate.



Impact matters because it can lead to gratitude. Gratitude matters because it can lead to reciprocity.

Impact →

Gratitude →

Willingness to return a favor

A person expressing gratitude sends a signal. Gratitude signals their view of

- The impact of the gift
- The value of the relationship, and
- Their willingness to reciprocate.

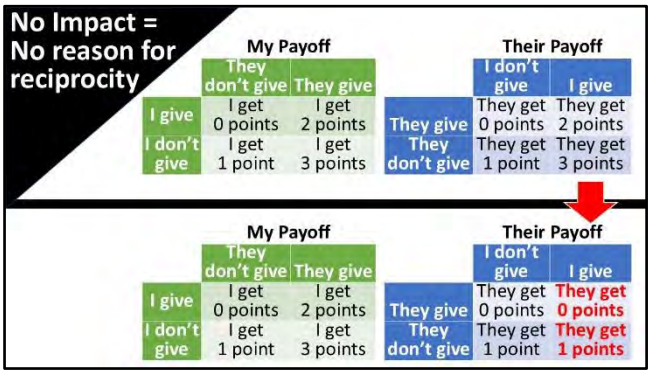


This gameplay matches experimental research. Increasing impact works in donation experiments.[2] Expressing gratitude does, too.[3] Both work by supporting *reciprocal* social relationships.[4]

Impact encourages giving. Now consider the opposite. Suppose my gift has no impact. Payoffs become these:

	They don't give	*They give*
I give	I get 0 points; they get 1	I get 2 points; they get 0
I don't give	I get 1 point; they get 1	I get 3 points; they get 0

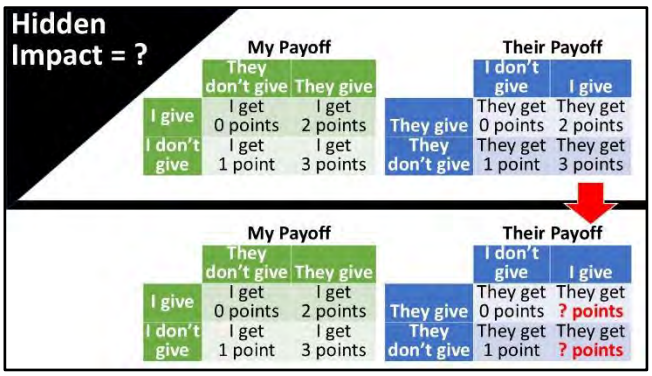
Now, there is *no* reason to expect gratitude. My gift makes no impact. It does nothing to justify reciprocity. This gift makes no sense.



[2] *See, e.g.,* Shehu, E., Clement, M., Winterich, K., & Langmaack, A. C. (2017). "You saved a life": How past donation use increases donor reactivation via impact and warm glow. In A. Gneezy, V. Griskevicius, and P. Williams (Eds.), *NA - Advances in Consumer Research* (Vol. 45). Association for Consumer Research, p. 270-275. p. 272. http://www.acrwebsite.org/volumes/v45/acr_vol45_1024372.pdf ("past donation use increases the perceived donation impact, then induces warm glow which translates into a higher intention to donate in future")

[3] *See, e.g.,* Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science, 67*(10), 5969-6627, p. 5969 ("If expressions of gratitude are then targeted to individuals who select into pledges, reneging can be significantly reduced and contributions significantly increased.") Or, for pro-social behaviors more generally, see the review in McCullough, M. E., Kilpatrick, S. D., Emmons, R. A., & Larson, D. B. (2001). Is gratitude a moral affect? *Psychological Bulletin, 127*, 249-266.

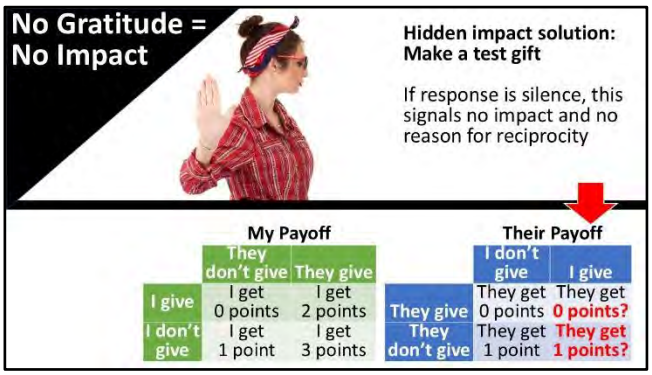
[4] Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior, 40*(1), 34-45. *See also,* Grant, A. M., & Gino, F. (2010). A little thanks goes a long way: Explaining why gratitude expressions motivate prosocial behavior. *Journal of Personality and Social Psychology, 98*(6), 946-955.

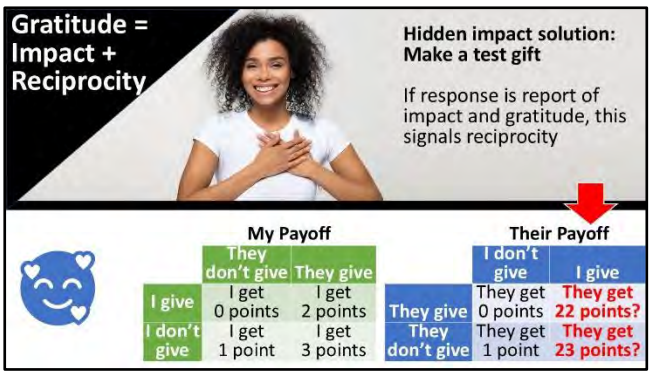


The hidden impact problem

What if I'm not sure of the other player's payoff? I see the payoffs as these:

	They don't give	*They give*
I give	I get 0 points; they get ?	I get 2 points; they get ?
I don't give	I get 1 point; they get ?	I get 3 points; they get ?

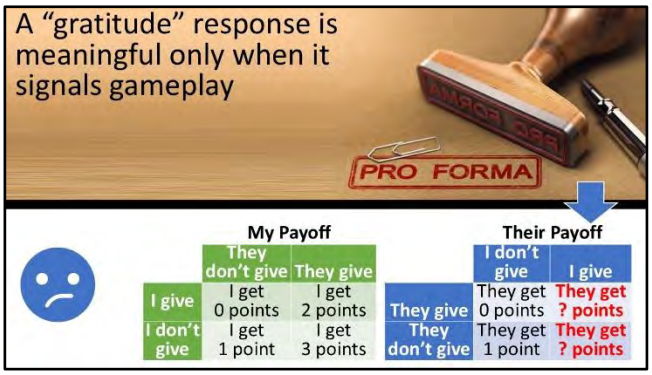




Should I give or not? It's hard to know. There isn't enough information. But with multiple rounds, I could test with a small gift.

Suppose I make a test gift and get silence. This signals no impact. It signals no willingness for reciprocity. Playing this game with this player makes no sense.

Suppose I make a test gift and get a report of impact and a meaningful expression of gratitude. I've learned something about the other player's payoff. I've also received a reciprocity signal. Playing this game with this player does make sense.

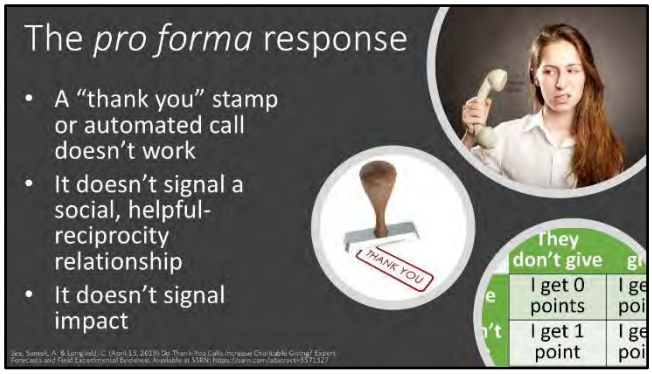


The pro forma response

Not every response is meaningful. A "thank you" *can* be powerful.[5] But only if it signals gameplay. In the game, expressing desire for a social, helpful-reciprocity relationship is meaningful. Why? Because it signals gameplay. Not all gift responses do this.

Suppose I get a receipt that's just stamped "thank you." Or maybe only months later a "thank you" call comes. But it's not from the charity. It's from an outside telemarketing firm. The caller says things like,

[5] Andreoni, J., & Serra-Garcia, M. (2021). The pledging puzzle: How can revocable promises increase charitable giving? *Management Science*, *67*(10), 5969-6627.



- "This call may be monitored or recorded for quality assurance," and
- "If you have any questions regarding your donation, please call member services."

Do these signal a social, helpful-reciprocity relationship? Probably not.[6] Do these reveal information about my gift's impact? Probably not. These don't work in the game. So, it's no surprise that testing finds they don't work in real-world fundraising, either.[7]



The new donor problem

The hidden impact problem in the game often matches the new donor experience. They get a request. But they aren't sure about the outcomes. So, they make a test gift.

How well do charities manage this hidden impact problem? Not well. About 70% of first-time donors to a charity never give to that charity again.[8] The game suggests why they are failing. Authentic signals of gift impact and gratitude work. Silence doesn't.



How well does game theory match reality? In one large study, lapsed donors explained why they quit giving. The top three reasons related to the charity were these:

- "I feel that other causes are more deserving." [Impact]
- They "did not acknowledge my support." [Gratitude]
- They "did not inform me how my money had been used."[9] [Impact]

[6] Suppose to save time a newlywed couple hired a telemarketing firm to contact each person who gave a wedding gift. The hired telemarketer says, "thank you for your wedding gift." Technically speaking, this would qualify as a "thank you" or "donor acknowledgement." However, it certainly does not express either impact of the gift or a willingness for a helpful reciprocity social relationship. The intuitive understanding of the inappropriateness of such a "thank you" in this social context also applies to the social context of a charitable giving relationship.

[7] An experiment tested this type of "worst case" scenario, where the calls from an outside telemarketing firm were made 5-7 months after the donation and included variations of these phrases. Although donations were still higher among those who actually received the calls than those who didn't, the overall effect for being on the list of those who were at risk of potentially being contacted in the experiment was not statistically significant. *See*, Samek, A. & Longfield, C. (2019, April 13). *Do thank-you calls increase charitable giving? Expert forecasts and field experimental evidence*. Available at SSRN: https://ssrn.com/abstract=3371327

[8] https://bloomerang.co/retention ("'Over 70% of people that we recruit into organizations never come back and make another gift, so we're caught on this treadmill where we have to spend lots of money on acquisition which most nonprofits lose money on anyway, just to stand still.' Professor Adrian Sargeant"); *See also* Levis, B., Miller, B., & Williams, C. (2019, March 5). *2019 fundraising effectiveness survey report*. (Reporting 20% retention of new donors in the first 12 months.)

[9] Sargeant, A. (2001). Managing donor defection: Why should donors stop giving? *New Directions for Philanthropic Fundraising, 2001*(32), 59-74. p. 64. table 4.1. (I omit non-charity causes such as donor finances, death, relocation, or inability to remember making the initial gift. However, this last reason may also relate to charity's lack of impact reporting or gratitude expression.)

In the primal game, impact is important. Gratitude is important. Without these, game strategy says, "Play with someone else." In fundraising, the same rules apply.



Impact vs. reciprocity: The false gratitude problem

Gratitude reflects willingness to return a favor. Unless. Unless the signal is false. Suppose the other player expresses gratitude. But later, when they could easily return a favor, they don't. The reciprocity signal was fake. Gratitude signaled future game play. But it was a false signal.

That's how the game works. What about the real world? What happens when reciprocity fails? One study of over half a million donations to a public university gave an answer.[10] If the university failed to admit a donor's child, the donor quit giving.

Logically, this shouldn't have happened. Donors knew that donations were not part of the admissions process. But the emotion is hard to overcome. The university had a chance to help, and it didn't. The relationship is broken. Only a fool gives to a player who won't return a favor.



Impact vs. reciprocity: The charity crisis problem

The game is about predicting ability and willingness to return a favor. Impact can help by signaling higher *willingness* to return a favor. Unless. Unless it also signals lower *ability* to return a favor.

A charity may find that an organizational crisis appeal "works." The charity is in trouble. The need is desperate. The gift will make a big impact. The appeal raises quick cash.

But this also cannibalizes the future large gift. It signals that the charity is unstable. This is now a less trustworthy player. They might leave the game anytime. Stable charities attract major gifts. Unstable charities don't.



The conflict disappears if the crisis is not an *organizational* crisis. A stable charity can appeal on behalf of others in need. This doesn't suggest that the charity is at risk. This is a crisis. But it's not an organizational crisis.

[10] *See,* Meer, J., & Rosen, H. S. (2009). Altruism and the child cycle of alumni donations. *American Economic Journal: Economic Policy, 1*(1), 258-286.

The conflict also disappears if the charity faces an opportunity rather than a crisis. The gift still makes a big impact. But the charity isn't signaling instability.



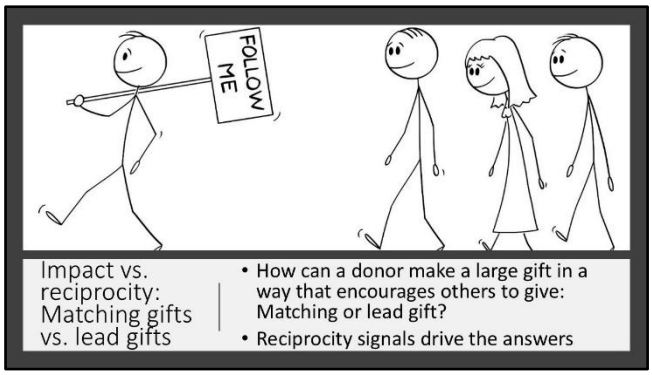
Impact vs. reciprocity: Weird results

Impact is important. But in the game, it's important only as a reciprocity signal. Understanding this helps to explain some weird results.

In experiments, describing another player as needy increases giving to them.[11] Unless. Unless the other player had already shared money with the potential donor in a previous round. In that case, donors still give a lot. But they give the same, regardless of need.[12] The researchers explained,

> "When the stranger is very willing to sacrifice [to help the potential donor], their need does not appear to matter." [13]

Need can signal reciprocity willingness. But actual reciprocity behavior makes the signal redundant. The signal no longer matters.



Impact vs. reciprocity: Matching gift vs. lead gift

Reciprocity signals also help to explain the unusual power of lead gifts. The simple primal-giving game matches funding for a shared project, such as a neighborhood park. The project benefits the group. But there's always a temptation not to give, hoping that others will take care of it.



How can a donor make a large gift in a way that encourages others to give, too? One approach is to promise a "matching" gift. A donor commits that for every dollar another donor gives, he will match it with his own gift. The impact of the other donor's gift is doubled. This works.[14]

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[11] "In the low need condition, the stranger is living a normal, happy life. In the high need condition, the stranger has experienced costly medical difficulties recently that are making completing school difficult." Sznycer, D., Delton, A. W., Robertson, T. E., Cosmides, L., & Tooby, J. (2019). The ecological rationality of helping others: Potential helpers integrate cues of recipients' need and willingness to sacrifice. *Evolution and Human Behavior, 40*(1), 34-45. p. 42.

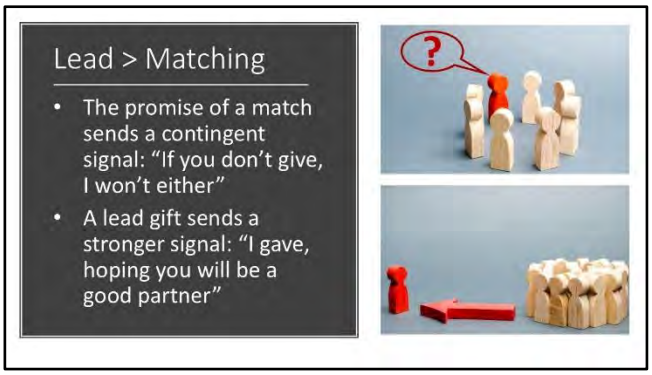
[12] *Id.* p. 40. Figure 2.

[13] *Id.* p. 40.

[14] Eckel, C. C., & Grossman, P. J. (2003). Rebate versus matching: Does how we subsidize charitable contributions matter? *Journal of Public Economics, 87*(3-4), 681-701; Eckel, C. C., & Grossman, P. J. (2006). Subsidizing charitable giving with rebates or matching: Further laboratory evidence. *Southern Economic Journal*, *72*(4), 794-807; Eckel, C. C., & Grossman, P. J. (2008). Subsidizing charitable contributions: a natural field experiment comparing matching and rebate subsidies. *Experimental Economics, 11*(3), 234-252; Karlan, D., List, J. A., & Shafir, E. (2011). Small matches and charitable giving: Evidence from a natural field experiment. *Journal of Public Economics, 95*(5-6), 344-350.

A different approach is to make a lead gift. A donor simply announces his large gift to help fund the project. Here's the weird thing. This also works.[15]

In fact, an announcement of a lead gift works *better* than an announcement of a matching gift of the same size. This is true in both real-world fundraising and lab experiments.[16]

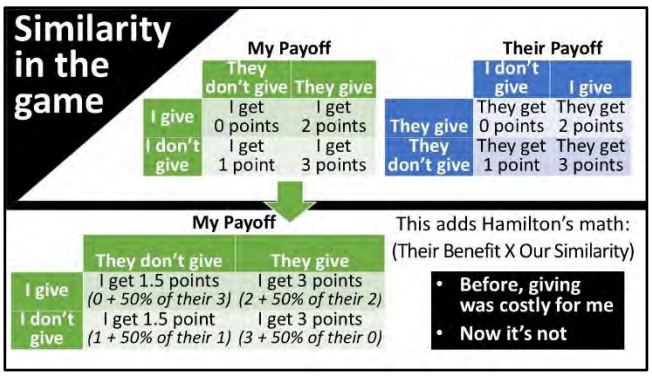


What's going on?

The promise of a match can help. But it creates no reciprocity obligation. It's contingent. It says, "If you don't give, I won't either."

The lead gift is different. I lead with a gift that helps you (or something you care about). I give, hoping for your response. If you don't give, you violate reciprocity norms. I gave; you left me holding the bag. Everyone can see that you are a bad partner.

The promise of a match helps. But it sends a contingent signal. A lead gift helps more. It sends a stronger signal.



Adding similarity to the game

So far, the game has included only *unrelated* players. In that version, I care about the other player only to the extent that it affects me. Things change if I feel that the other player is *like* me.

This returns us to Hamilton's simple math.[17] I give when

My Cost < (Their Benefit X Our Similarity).

[15] Ebeling, F., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor's social status on subsequent charitable giving. *Journal of Economic Psychology, 61*, 124-133; Kubo, T., Shoji, Y., Tsuge, T., & Kuriyama, K. (2018). Voluntary contributions to hiking trail maintenance: Evidence from a field experiment in a national park, Japan. *Ecological Economics, 144*, 124-128.

[16] Epperson, R., & Reif, C. (2019). Matching subsidies and voluntary contributions: A review. *Journal of Economic Surveys, 33*(5), 1578-1601; Huck, S., & Rasul, I. (2011). Matched fundraising: Evidence from a natural field experiment. *Journal of Public Economics, 95*(5-6), 351-362; Huck, S., Rasul, I., & Shephard, A. (2015). Comparing charitable fundraising schemes: Evidence from a natural field experiment and a structural model. *American Economic Journal: Economic Policy, 7*(2), 326-69; Rondeau, D., & List, J. A. (2008). Matching and challenge gifts to charity: Evidence from laboratory and natural field experiments. *Experimental Economics, 11*(3), 253-267.

[17] Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology, 7*(1), 17-52.

In the original game, both players faced these payoffs.

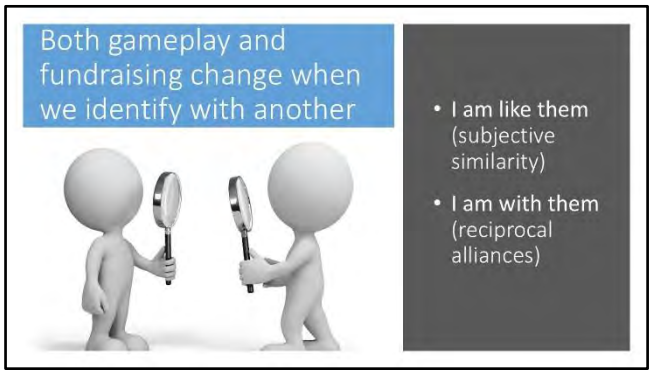
	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

Now, suppose I treat the other player as a brother. This equates to 50% similarity. Based on Hamilton's genetic math, I now count 50% of their benefit. My payoffs change to these:

	They don't give	*They give*
I give	I get 1.5 points (my 0 + 50% of their 3); they get 3	I get 3 points (my 2 + 50% of their 2); they get 2
I don't give	I get 1.5 points (my 1 + 50% of their 1); they get 1	I get 3 points (my 3+ 50% of their 0); they get 0

Before, giving was costly for me. Now, it's not. But it still makes the world a better place. More giving still means more total points. Adding similarity makes giving more attractive.

It also makes impact more important. With unrelated players, impact is important only indirectly. It affects the game only through reciprocity. But with related players, it also has a direct effect. It directly benefits someone who is like me.





Conclusion

Compelling fundraising story starts with identity. It starts by identifying with another. Identifying with others can come from two sources:

1. I am like them. (This is subjective similarity.)
2. I am with them. (This is reciprocal alliances.)

In natural selection, giving has the same two origins: similarity and reciprocal alliances. The expanded game models both.

We've taken a deep dive into natural selection principles. We've come back with story principles. The biologist's game and the storyteller's game start at the same place. They both start with identity.



But for *transformational* gifts we need to "level up" the game once more. It's time to move beyond the natural origins of the donation. It's time to explore the natural origins of the *heroic* donation. The next chapter looks at this.



7

HEROIC DONATION DISPLAYS IN PRIMAL FUNDRAISING: I CAN BE YOUR HERO, BABY! [1]



Something's missing. You might have noticed. The last few chapters played the primal-giving game.[2] But they didn't focus on heroes. Now, it's time to get back to the "one big thing" in fundraising: Advance the donor's hero story.

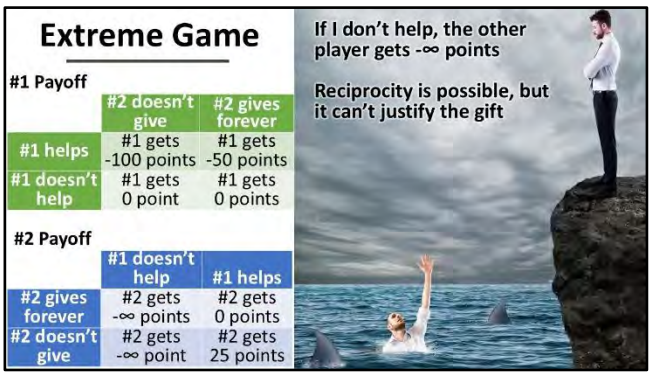
The heroic donation is an ideal. It's an *extreme* form of philanthropy. The principles from the primal-giving game can still apply. But the game must change. It must become more extreme.

[1] Iglesias, E., Barry, P., & Taylor, M. (2001). Hero [Recorded by E. Iglesias]. On *Escape* [CD]. Interscope. (Chorus: "I can be your hero baby. I can kiss away the pain. I will stand by you forever. You can take my breath away.")

[2] This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

where each must choose before knowing what the other will do.



Extreme outcomes

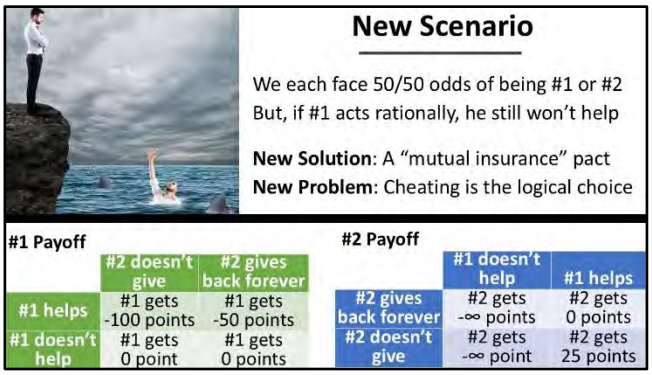
Suppose I am Player 1 with these payoffs:

	P2 doesn't give	*P2 gives for the rest of his life*
P1 gives	P1 gets -100 points; P2 gets 25	P1 gets -50 points; P2 gets 0
P1 doesn't give	P1 gets 0 points; P2 gets -∞ points	P1 gets 0 points; P2 gets -∞ points

My gift has a high impact. If I don't give, the other player gets -∞ points. He dies. But my gift is costly.

Reciprocity is possible. But it can't justify the gift. Even with the other player's *lifetime* of return giving, my result is still negative. (Here, the gift costs 100 points. We might interact 25 more times. Each time he might benefit me 2 points. But 25 X 2 is only 50. 50 points is still less than the 100-point cost of the gift.)

In this game, there is only one rational move for me. Don't give.



A new problem

Now, suppose we each face 50/50 odds of being either Player 1 or Player 2. Still, if Player 1 acts rationally, he won't give. Whoever ends up as Player 2 will die.

Is there a better alternative? Yes. We could make a "mutual insurance" pact. We could both agree to give in a time of crisis. We could agree to support the other in an emergency, even if it were personally harmful. We would both survive.

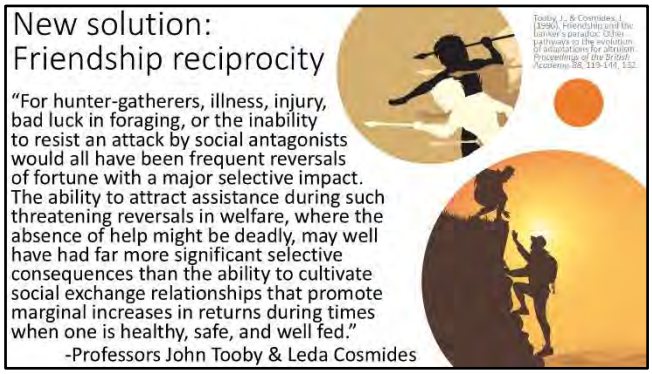
Here's the problem. No courts enforce these agreements. At the crisis point, giving is always a bad idea. Cheating is always the logical choice. This isn't just a dilemma in the game. It's a key issue in natural selection.



A new solution

In the primal world, survival often depended on a special type of reciprocity.[3] This was not the *transactional* reciprocity of market exchange. This was *friendship* reciprocity. It was used only among close friends and family.

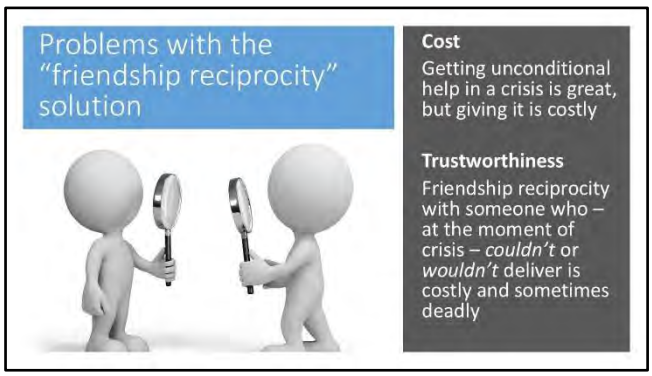
Friendship reciprocity was mutual insurance. In time of need, a friend would help. This happened even if the help could never be fully paid back. This reciprocity was *un*-transactional.



Transactional reciprocity was fine. If you were rich and times were good, it might be all you need. But if everything fell apart, only friendship insurance could save you. Professors John Tooby and Leda Cosmides explain,

> "For hunter-gatherers, illness, injury, bad luck in foraging, or the inability to resist an attack by social antagonists would all have been frequent reversals of fortune with a major selective impact. The ability to attract assistance during such threatening reversals in welfare, where the absence of help might be deadly, may well have had far more significant selective consequences than the ability to cultivate social exchange relationships that promote marginal increases in returns during times when one is healthy, safe, and well fed."[4]

Losing the transactional reciprocity game was annoying. Losing the friendship reciprocity game was deadly.



The problem with the solution

So, the solution is simple, right? Just have as many friendship insurance relationships as possible. No. That doesn't work.

The first problem is cost. Friendship insurance is *mutual* insurance. Getting unconditional help in a crisis is great. But giving it is costly.

The second problem is trustworthiness. Friendship reciprocity with someone who was *able* and *willing* to deliver in a crisis was critical to survival. Friendship reciprocity with someone who – at the moment of crisis – *couldn't* or *wouldn't* deliver? That was costly and sometimes deadly.

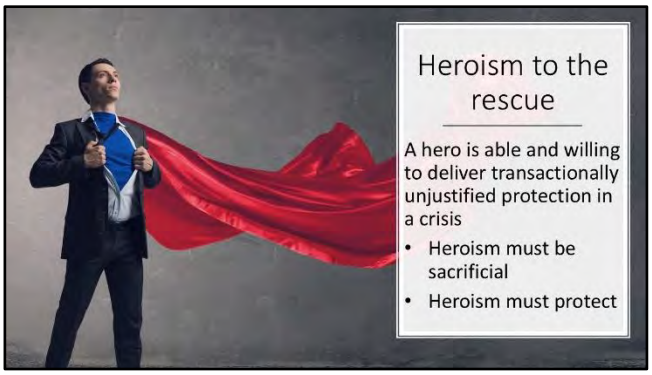
[3] Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy, 88*, 119-144.
[4] *Id.* p. 132.



Tooby and Cosmides explain,

"Although receiving the benefits of friendship reciprocity was critical, fulfilling the obligations of this mutual insurance was costly. Thus, maintaining successful friendships by projecting oneself – and accurately ascertaining a partner – as a valuable and "true" friend rather than a "fair weather" friend in advance of a crisis was an important and difficult task central to survival probability."[5]

Separating powerful "true" friends from weak or "fair weather" friends meant life or death. But how could you tell the difference *in advance* of a crisis? And how could you convince others which kind of friend you would be in a crisis?



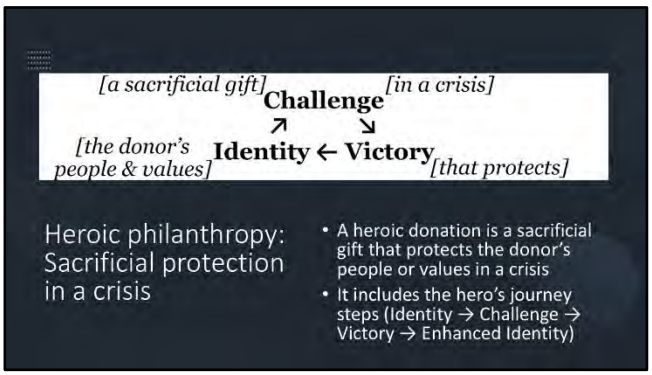
Heroism to the rescue

Heroism solves this problem. Heroism signals trustworthiness for a mutual insurance partner. In a crisis, a hero will save you. A hero is

- Able and willing
- To deliver transactionally unjustified protection
- In a time of crisis or need.

Heroism must be sacrificial. A sacrificial act signals *willingness* to protect in a crisis. It signals willingness without transactional justification.

If the act is not risky or costly, it doesn't do this. If it's self-interested or transactional, it sends the opposite signal. Sacrifice signals *willingness* to be a reliable friendship insurance partner.



Heroism must actually protect. Attempting, but failing, to protect another might signal willingness. But it doesn't signal *ability* to protect in a crisis. Only a *successful* protector displays true friendship insurance reliability.

Heroic philanthropy

A hero displays sacrificial protection.[6] A heroic donation is this:

[5] *Id.*

[6] Philip Zimbardo, Professor Emeritus at Stanford and Founder/President of the Heroic Imagination Project, explains that heroes can be ordinary people "who engage in extraordinary actions to help others in need or in defending a moral cause, doing so aware of personal risk and loss, and without expectation of material gain for their action." Zimbardo, P. (2017). Foreword. In S. T. Allison, G. R. Goethals, & R. M. Kramer (Eds.), *Handbook of heroism and heroic leadership*. Routledge. p. xxi.

a sacrificial gift that protects the donor's people or values in a crisis.

It includes the hero's journey steps.

[a sacrificial gift] **Challenge** *[in a crisis]*
↗ ↘
[the donor's people & values] **Identity ← Victory** *[that protects]*



Heroic philanthropy in a crisis

Heroism signals trustworthiness as a friendship insurance partner. It shows reliability in a crisis. This is easy to demonstrate when there is real peril. But in a safe, modern world such extreme circumstances are rare.

What else can work? In some cases, philanthropy can. It can show the ability and willingness to deliver transactionally unjustified help and protection. In the right circumstances, it can do more. It can show this in an extreme or crisis setting.



Heroic philanthropy in experiments: Sacrifice

Suppose a charity could offer one of two ways to donate. One way is safe and easy. The other requires pain and effort. Logically, the first option will work better, right? Not necessarily.

In one study, people received money they could anonymously keep or share with a group.[7] Any donated funds were doubled. However, for some people, donating required a painful task. It required keeping both hands submerged in painfully frigid water for 60 seconds.

The result? Those in the painful donation situation gave significantly *more* money. They were more than *twice as likely* to donate *all* their money.

Mathematically this makes no sense. Adding pain to a donation should not result in *more* donations. But by the logic of heroism, this makes perfect sense. The painful contribution scenario created an opportunity for heroic donations. Giving everything matched the heroic opportunity. No surprise then, these 100% donations increased the most.

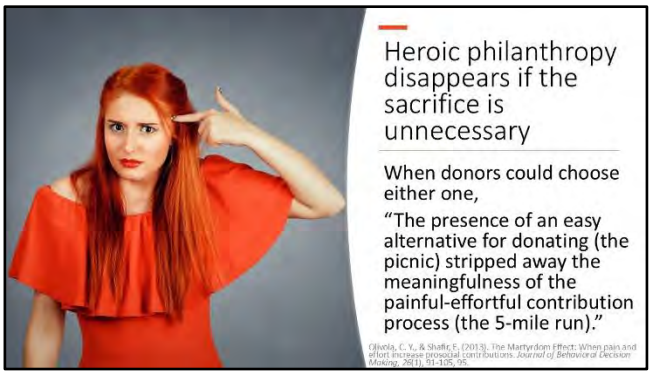
Similarly, Franco, et al. (2011) define heroism as, "Heroism is the willingness to sacrifice or take risks on behalf of others or in defense of a moral cause." In Franco, Z. E., Blau, K., & Zimbardo, P. G. (2011). Heroism: A conceptual analysis and differentiation between heroic action and altruism. *Review of General Psychology, 15*(2), 99-113. p. 113.

[7] Olivola, C. Y., & Shafir, E. (2013). The martyrdom effect: When pain and effort increase prosocial contributions. *Journal of Behavioral Decision Making, 26*(1), 91-105.



In another experiment, people could also donate to a charity and have their donation matched. For some, donating required attending a charity picnic. This was the "easy-enjoyable" condition. Others, instead, would have to complete a five-mile run. This was the "painful-effort" condition.

The result? People in the painful-effort condition offered to donate *three times as much* as those in the easy-enjoyable condition.[8] Again, requiring painful effort for the donation increased giving.



But there was a way to make this effect disappear. When experimenters offered both options *at the same time*, almost no one chose the painful-effort option. The researchers explained,

"The presence of an easy alternative for donating (the picnic) stripped away the meaningfulness of the painful-effortful contribution process (the 5-mile run)."[9]

When the painful-effort donation was *the only* way to give, it created the opportunity for a heroic donation. But when the painful effort became unnecessary, it was no longer heroic. It was pointless. It became meaningless.[10] The opportunity for heroism vanished.



Heroic philanthropy in experiments: Protection

Heroism must be sacrificial. But it must also protect. It must defend from a threat. This is different than helping those who aren't in peril. This difference shows up in experiments.

In one, donors would have their gift matched. For some, donating required attending a picnic. For others it required a 30-hour fast. When the cause was famine relief, the results were as before. Those assigned to the painful-effort condition offered to donate *twice as much*.

However, this effect reversed when the cause changed. Instead of helping those in peril (famine relief) the cause was changed to building a park.[11] Now, donations were *lower* in the painful-effort condition. The heroism effect disappeared.

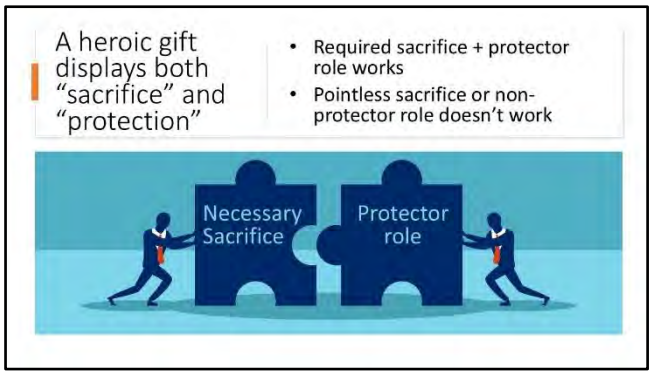
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[8] *Id.* Experiment 4. In another test, Experiment 1, the average donation was nearly twice as much.
[9] *Id.* p. 95.
[10] The researchers statistically confirmed this meaningfulness explanation. Those offered only the painful-effort option rated the contribution as significantly more meaningful than those in the easy-enjoyable condition. This meaningfulness difference largely explained the difference in willingness to contribute.
[11] Olivola, C. Y., & Shafir, E. (2013). The martyrdom effect: When pain and effort increase prosocial contributions. *Journal of Behavioral Decision Making, 26*(1), 91-105.

A park is nice. But it isn't protecting anyone from peril. It provides no potential for a great *victory*. A gift might still be sacrificial. But it isn't heroic.

In heroic philanthropy, the type of charitable project matters. Painful-effort giving didn't work well for a new park. But it worked great whenever the cause protected others in peril. It worked when the cause was

- Tsunami victims [12]
- Hurricane Katrina victims [13]
- Victims of war and genocide,[14] or
- Starving children.[15]



A heroic gift displays both "sacrifice" and "protection." Heroic philanthropy needs both parts. When the donation opportunity provides both parts (required sacrifice + protector role), donations are higher. When it is missing either part (pointless sacrifice or non-protector role), donations are lower.



Real world fundraising

Adding extreme circumstances to donations that protect others in peril works in the lab. But this isn't just a matter of lab experiments. It shows up in real world fundraising. The ice-bucket challenge raised more than $115 million for the A.L.S. Association.[16] World Vision's 30 Hour Famine – requiring extended fasting – has raised over $170 million.[17] Charity runs are ubiquitous.



But torturing your donors is *not* the point. (Unless you're into that. In that case, some fundraising events even require walking barefoot on burning coals or broken glass.[18]) The point is that the behavior gives insight into core donor motivations. Heroic donation

[12] *Id.* Experiment 1A
[13] *Id.* Experiment 1B
[14] *Id.* Experiment 4
[15] *Id.* Experiment 5
[16] Rogers, K. (2016, July 27). The "Ice Bucket Challenge" helped scientists discover a new gene tied to A.L.S. *The New York Times.* https://www.nytimes.com/2016/07/28/health/the-ice-bucket-challenge-helped-scientists-discover-a-new-gene-tied-to-als.html
[17] World Vision. (2014, February 19). *World Vision 30 hour famine rallies youth nationwide to fight hunger this weekend.* [Website]. https://www.worldvision.org/about-us/media-center/world-vision-30-hour-famine-rallies-youth-nationwide-fight-hunger-weekend
[18] Birks, B. (2006, October 25). Sedgley firewalk. *BBC.* http://www.bbc.co.uk/blackcountry/content/articles/2006/10/24/fireandglass_feature.shtml
Haverhill News. (2004, October 21). Firewalkers blaze a trail for charity. http://www.haverhill-uk.com/news/firewalkers-blaze-a-trail-for-charity-1621.htm

opportunities can be compelling. But it helps to know why.

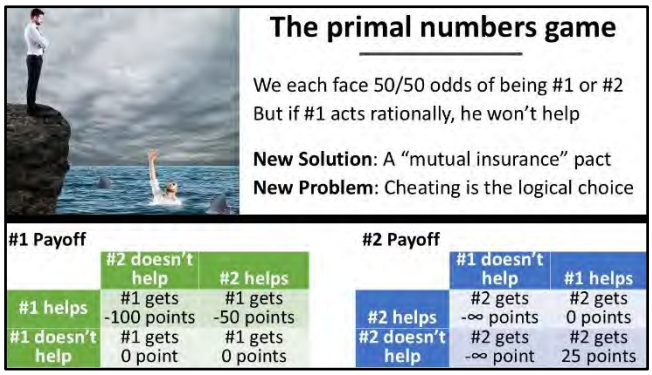
Knowing why shows the underlying rules. Knowing the rules helps. It helps in small-gift lab experiments. It helps in small-gift fundraising events. The next chapter looks at how it helps in major, transformational gifts.



8

THE HEROIC DONATION AUDIENCE IN PRIMAL FUNDRAISING: I NEED A HERO![1]

Biologists model sustainable giving in nature with a simple game.[2] The heroic donation comes from an extreme version of this game.



The numbers game

In the extreme version, two players each risk becoming either Player 1 or 2. The payoffs are these:

	P2 doesn't give	*P2 gives for the rest of his life*
P1 gives	P1 gets -100 points; P2 gets 25	P1 gets -50 points; P2 gets 0
P1 doesn't give	P1 gets 0 points; P2 gets -∞ points	P1 gets 0 points; P2 gets -∞ points

[1] Steinman, J. (1983). Holding out for a hero [Recorded by B. Taylor]. On *Faster than the speed of night* [CD]. Columbia Records. (Chorus: "I need a hero. I'm holding out for a hero 'til the end of the night. He's gotta be strong. And he's gotta be fast. And he's gotta be fresh from the fight.")

[2] Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222. This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

where each must choose before knowing what the other will do.

Each player faces the chance either to save (Player 1) or be saved (Player 2). But saving the other player means taking an unrecoverable loss. If players choose rationally, Player 1 won't give. Player 2 will die. One of the players will be Player 2. So, one of them will die.

There is an alternative. Both players could agree to a "mutual insurance" pact. This is called friendship reciprocity.[3] Both agree to deliver *transactionally unjustified* aid in a time of crisis. Both players would survive.

But there is a problem. At the time of need, there is no way to enforce the agreement. At the point of crisis, giving is irrational. It's a losing move. Thus, picking the right friend is both critical and difficult.

The simple game has an unbreakable law:



Giving must be seen by partners who are able and willing to reciprocate.

In the extreme game, the law still applies. But now, potential partners are those who are able and willing to save *in a crisis*. They are willing to do so even when it's sacrificial. Simple reciprocity no longer works. Only *friendship* reciprocity can help.



The natural game

The game models the natural world. In the natural world, friendship reciprocity relationships are critical to survival.[4] But they are tricky.

The dilemma is this:

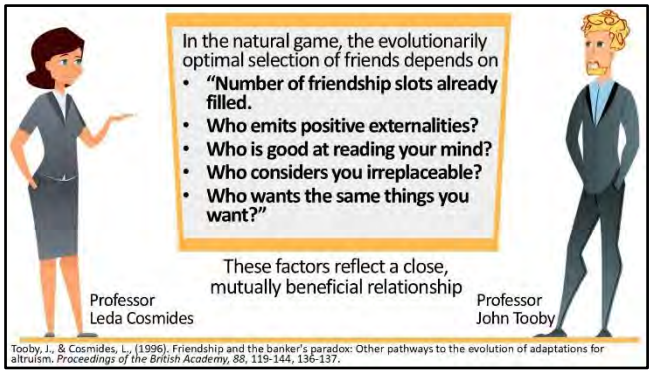
- Having a reliable friend is valuable. Having a fair-weather friend is not.
- Being a reliable friend is expensive. Being a fair-weather friend is not.

Picking a "fair-weather" friend means when the crisis comes, you die. Picking a loyal – but powerless – friend has the same result. Being a "fair-weather" friend isn't costly. But actually saving a friend means taking a permanent loss.

This dilemma leads to strategies. It leads to natural rules for picking mutual insurance partners. Professors Tooby and Cosmides originated the evolutionary theory of friendship

[3] Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy, 88*, 119-144.

[4] "Many nonhuman animals possess long-term cooperative social bonds that are functionally analogous to human friendships. Such long-term cooperative social bonds (henceforth – social bonds) are well described in chimpanzees and baboons (Seyfarth & Cheney, 2012), and there is also evidence for their existence in macaques, capuchin monkeys, elephants, feral horses, hyena, dolphins, bats, corvids, and mice (Braun & Bugnyar, 2012; Carter & Wilkinson, 2013c; Fraser & Bugnyar, 2012; Seyfarth & Cheney, 2012; Weidt, Hofmann, König, 2008; Weidt, Lindholm, & König, 2014). Field studies have demonstrated that strong social bonds provide clear fitness benefits (e.g., Cameron, Setsaas, & Linklater, 2009; Schülke, Bhagavatula, Vigilant, & Ostner, 2010; Silk et al., 2010)." Carter, G. (2014). The reciprocity controversy. Animal Behavior and Cognition, 1(3), 368-386. p. 374.



reciprocity.[5] They write that the evolutionarily optimal selection of friends depends on the following:

1. "Number of friendship slots already filled."
2. "Who emits positive externalities?"
3. "Who is good at reading your mind?"
4. "Who considers you irreplaceable?"
5. "Who wants the same things you want?"[6]

These factors reflect a close, mutually beneficial relationship. They show who is valuable to you. They show who is invested in you. They show who is *with* you.



These factors also reflect emotional bonding. This bonding distinguishes a fair-weather friend from a reliable friend. At the moment of crisis,

- A fair-weather friend acts *rationally.*
- A reliable friend acts *emotionally.*



The fundraising game

A charity can structure giving opportunities to allow heroic displays.[7] A donor can be seen to sacrificially protect his people or values. He can even do it in an extreme setting. This can signal reliability as a friendship insurance partner.

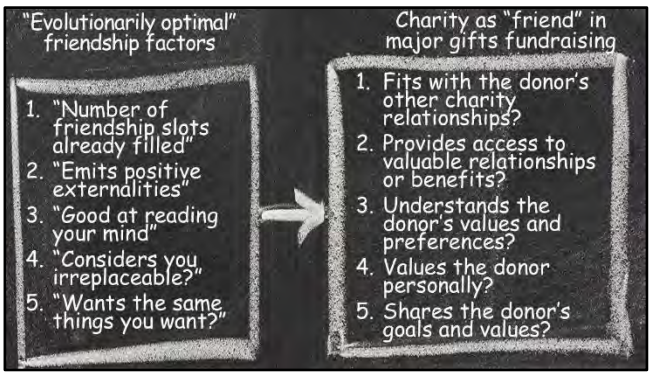


A charity can do more. It can build a community of powerful friends. This creates an ideal audience for a heroic display.

Even more, a charity can *act* as a reliable friend. It can *become* an ideal audience for a heroic display. But how? How can a charity *become* an attractive friend?

The answer starts with the evolutionarily optimal factors. These can also apply to the charity. Does the charity,

[5] Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy, 88*, 119-144.
[6] *Id.* 136-137.
[7] *See* Chapter 7. Heroic donation displays in primal fundraising: I can be your hero, baby!



1. Fit with the donor's other charity relationships? ["Number of friendship slots already filled"]
2. Provide access to valuable relationships or benefits? ["Emits positive externalities"]
3. Understand the donor's values and preferences? ["Good at reading your mind"]
4. Value the donor personally? ["Considers you irreplaceable?"]
5. Share the donor's goals and values? ["Wants the same things you want?"][8]

Answer "no" to any of these questions, and a major gift is unlikely. Of course, these evolutionary theorists weren't writing about major gifts fundraising. But the rules of the game still apply.



A simple example

One fundraiser for a law school shared this story.

"I heard that one of our donors was in the hospital. So, I stopped by just to visit. He joked about me hoping to collect on the estate gift. But you know, ever since that meeting, our relationship completely changed. He has been much more strongly connected to the school. That little visit made a huge impact."[9]

Can visiting a donor in the hospital work? Theory says, "Yes."[10] Showing support *during a time of need* signals friendship insurance reliability.



In a primitive context, this timing is key. It is precisely when fair-weather friends will vanish. Anthropologists explain,

"Individuals who are sensitive to current probability payoffs have incentive to renege on exchange commitments to a disabled exchange partner when they are most in need ... prolonged injury or illness renders an individual incapable of reciprocating at a time when he or she is most in need of investment."[11]

[8] Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy, 88*, 119-144. p. 136-137.
[9] (2016, June 2). Personal communication. *ABA Law School Development Conference*, San Diego, CA.
[10] "These ancient habits would induce modern humans to treat medical care as a way to show that you care. Medical care provided by our allies would reassure us of their concern." Hanson, R. (2008). Showing that you care: The evolution of health altruism. *Medical Hypotheses, 70*(4), 724-742.
[11] Sugiyama, L. S., & Sugiyama, M. S. (2003). Social roles, prestige, and health risk. *Human Nature, 14*(2), 165-190. p. 168.

Showing solidarity is nice. But showing solidarity during a time of need is more meaningful. It helps separate true friends from fair-weather friends.



A simple answer

Signals of helpful, social-emotional relationships encourage generosity. Signals of transactional relationships don't. We can see this in game theory. We can also see it in evolutionary theory.

But a fundraiser can get the same answers without math or biology. Just ask, "What would a good friend do?"

This simple question is powerful.

Q: Should I actually visit donors?

A: What would a good friend do?

Q: Should I call?

A: What would a good friend do?

Q: Should I write a personal note?

A: What would a good friend do?

Q: It's so cheap to just spam the donor's inbox. Should I do that?

A: What would a good friend do?

What are successful major gifts fundraisers like? Theory predicts it. Research confirms it. They tend to excel at friendship-related skills.



Dr. Beth Breeze studied personal skills in fundraising.[12] Her three-year research project found the most important factors. These included,

- "High emotional intelligence"
- "An ability to read people"
- "A great memory for faces, names, and personal details"
- "A tendency to engage with people" even outside their job, and
- "A love of reading" particularly "popular psychology books."

[12] Pudelek, J. (2014, July 10). Eleven characteristics of successful fundraisers revealed at IoF National Convention. *Civil Society*. https://www.civilsociety.co.uk/news/eleven-characteristics-of-successful-fundraisers-revealed-at-iof-national-convention.html



Experience confirms this, too. Naomi Levine led America's first billion-dollar fundraising campaign. She describes the successful fundraisers behind it. They,

"Had to be 'interesting well-read people' so that donors would enjoy talking and relating to them, for fundraising is not primarily about 'asking people for money' ... It is the cultivation of people. It is developing relationships."[13]



Time and behavior

Building charity friendship alliances takes time. CASE suggests donor cultivation of 2 or 3 years before making a major gift request.[14] If this were just a transaction, such a time commitment would make no sense. No one needs 3 years to gather transactional data. But these major gifts are not simple economic transactions. Again, Levine explains,

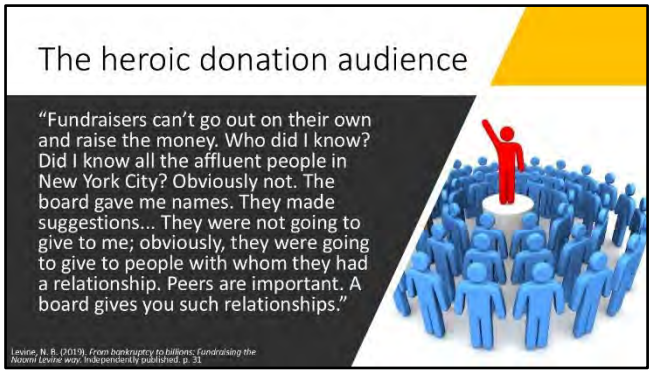
"When you sit down with someone and try to develop a relationship, you can't just say, Oh, Mrs. Jones, would you give me $100 million? That's not the way it works. It's a slow process. The quicker you ask, the less you get. Developing relationships and trust often takes a long time."[15]

Of course, developing such relationships is not just a matter of waiting for time to pass. The charity must actually *behave* as a friend. It must signal that it is able and willing to act as a *reliable* friend.



At the moment of crisis, cheating is the *rational* choice. Friendship reciprocity is a bet. It is a bet that a friend will behave *non-rationally*. Signaling a close, personal, emotional relationship builds friendship alliances. Signaling a dispassionate, formal, detached relationship kills them.

[13] Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way.* Independently published. p. 31.
[14] CASE (Council for Advancement and Support of Education). (2013). Fundraising fundamentals. *CASE.* http://www.case.org/Publications_and_Products/Fundraising_Fundamentals_Intro/Fundraising_Fundamentals_section_7/Fundraising_Fundamentals_section_73.html
[15] McCambridge, R. (2013, July 25). Naomi Levine: Insights from a master of fundraising. *Nonprofit Quarterly*. https://nonprofitquarterly.org/insights-from-a-master-naomi-levine-on-the-fundamentals-of-fundraising/

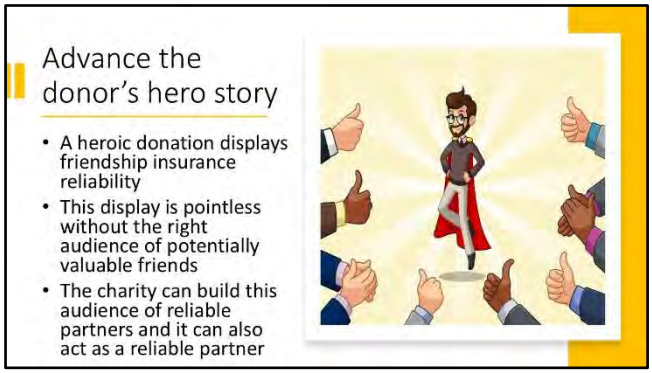


The heroic donation audience

The crucial relationship can be with the charity. But it can also be with other supporters. They can be potentially valuable friends. They can be the key *audience* for the heroic gift. Levine explains,

> "Fundraisers can't go out on their own and raise the money. Who did I know? Did I know all the affluent people in New York City? Obviously not. The board gave me names. They made suggestions ... They were not going to give to me; obviously, they were going to give to people with whom they had a relationship. Peers are important. A board gives you such relationships."[16]

High-capacity fellow donors make an ideal audience for heroic donation displays. Such an audience encourages transformational gifts.

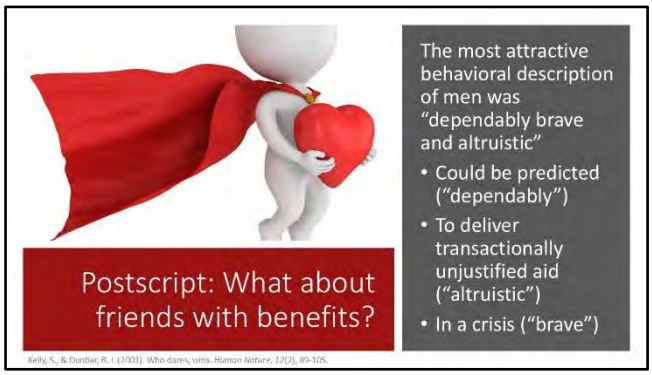


The "one big thing"

The one big thing in fundraising is still the same: Advance the donor's hero story. The natural origins of heroism, and the heroic donation, come from friendship reciprocity.

The heroic donation displays friendship insurance reliability. But this display is pointless without the right audience. It requires an audience of potentially valuable friends. It requires an audience with the ability and willingness to save in a crisis.

The charity can build this audience of reliable partners. It can also act as a reliable partner. This creates an environment that supports the heroic donation. This helps to advance the donor's hero story.



Postscript: What about friends with benefits?

A hero is a sacrificial protector. A heroic gift demonstrates sacrificial protection. This signals attractiveness as a mutual insurance partner. Does this "attractiveness" extend to romantic partnerships?

In one experiment, women rated the attractiveness of different men. But they didn't get pictures. Instead, they got only behavioral descriptions of the men.[17] The result? Women generally preferred altruists for friendships and long-term relationships. But that wasn't enough.

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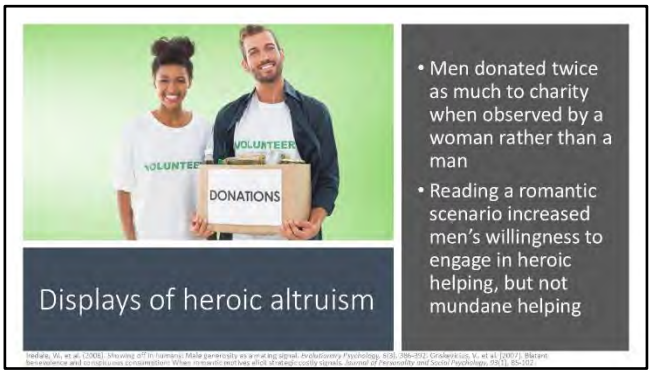
[16] *Id.*

[17] Kelly, S., & Dunbar, R. I. (2001). Who dares, wins. *Human Nature, 12*(2), 89-105.

They reserved the highest attractiveness ratings for men showing *heroic* altruism. The ideal combination was "dependably brave and altruistic."[18] Consider this in terms of mutual insurance. Such men,

- Could be predicted ("dependably")
- To deliver transactionally unjustified aid ("altruistic")
- In a crisis ("brave").

In the 80's, Bonnie Taylor sang, "I need a hero."[19] Apparently, others share her feelings!



Men also seem to respond to this. In one experiment, heterosexual men donated twice as much to charity when observed by a woman rather than by a man.[20]

Still, the best display is not just altruism but *heroic* altruism. Thus, reading a romantic scenario significantly increased men's willingness to engage in *heroic* helping. For example, they indicated greater willingness to run into a burning building to save a trapped victim.[21] But they only insignificantly increased their willingness to engage in mundane helping. For example, it had little impact on their willingness to work at a homeless shelter.

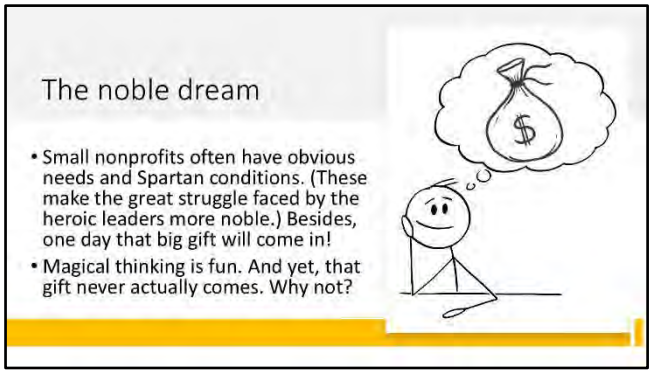
Heroism displays friendship insurance reliability. This encourages all types of friendship reciprocity relationships, even romantic ones!

[18] *Id.* p. 102.
[19] Steinman, J. (1983). Holding out for a hero [Recorded by B. Taylor]. On *Faster than the speed of night* [CD]. Columbia Records.
[20] Iredale, W., Van Vugt, M., & Dunbar, R. (2008). Showing off in humans: Male generosity as a mating signal. *Evolutionary Psychology, 6*(3), 386-392.
[21] Griskevicius, V., Tybur, J. M., Sundie, J. M., Cialdini, R. B., Miller, G. F., & Kenrick, D. T. (2007). Blatant benevolence and conspicuous consumption: When romantic motives elicit strategic costly signals. *Journal of Personality and Social Psychology, 93*(1), 85-102.



9

PRIMAL FUNDRAISING DELIVERS PRACTICAL VALUE WITH EXTERNAL IDENTITY: THIS IS TOTALLY WORTH IT!



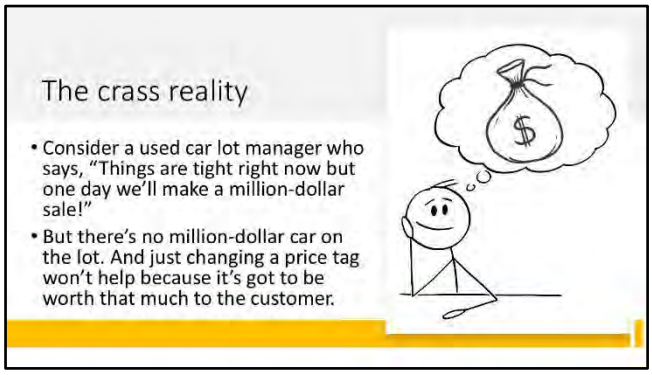
The noble dream

Small nonprofits have needs. Often, it's obvious. The furnishings are a bit ragged. The space is cramped. The conditions are spartan. But it's fine. All this just makes the great struggle faced by the heroic leaders more noble.

Besides, one day that big gift will come in. One day, a passing wealthy donor will recognize their plight and write a million-dollar check!

Look, I understand. It's fun to engage in magical thinking. People buy lottery tickets every day. And besides, the struggling nonprofit is doing good things; it *deserves* a big gift. This makes the fantasy particularly alluring. It feels almost plausible.

And yet, that gift never actually comes. Why not?



The crass reality

This administrator-hero story feels noble. But sometimes this can be a barrier to understanding. It makes it harder to see the obvious. So, let's consider something much less noble.

Suppose a friend asks for your help. Her brother runs a used car lot. But he's

struggling. Perhaps you could stop in and give him some advice? So, you visit. The furnishings are a bit ragged. The space is cramped. The conditions are spartan.

The manager says, "Things are tight right now. But one day we'll make a million-dollar sale. Then things will change around here."

You respond, "Really? Wow! So, where is this million-dollar car?"

The manager hesitates.

"Million-dollar car? Well, we don't have one of those on the lot. But, you know, when that customer walks in with a million dollars to spend, we'll figure something out. This place will really take off when that happens."

You ask, "So, you're waiting for a million-dollar sale. But you don't have a million-dollar car to sell?"

He responds, "You know, you make a good point. Here, let me fix that."

Taking a pen, he changes the sign on one of the cars to read $1,000,000.

You say, "But that's not a million-dollar car."

"It is now," laughs the manager.

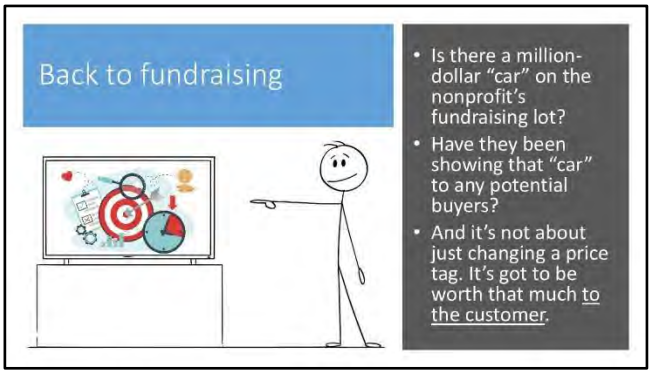
You respond, "No, I mean it's not *worth* a million dollars."

He says, "It is to me. See? I wrote it down right there."

You explain, "No, I mean it's not worth a million dollars *to the customer*."

There's a pause.

You sigh and continue, "Look, I may not know much about your business. But you can't expect a million-dollar sale if you don't have a million-dollar car on the lot. And you can't just stick that silly price tag on it. Even if *you* think it's worth that much, that doesn't help. It's got to be worth that much *to the customer*."



Back to fundraising

So, why hasn't that small nonprofit received its million-dollar gift? Consider the same questions. Is there a million-dollar "car" on the lot? Have they been showing that "car" to any potential buyers? For many small charities, the answer is, "No." Certainly, if a donor walked in with a million dollars to spend, they would figure something out. But that's not the same thing.

So, the answer is simple, right? Just slap on a different price tag. Next time, instead of asking for a thousand, just ask for a million instead. Now you are a major gifts fundraiser! Actually, no. That's not how it works.



It's fun to think, "One day that million-dollar gift will come in!" It's harder to think, "One day we'll *deliver value* to a donor *worth* a million-dollar gift." That's not fun or magical. That's hard work.



Delivering value as a goal

Charities often don't get a million-dollar gift because they aren't trying. Maybe they're trying to get that much cash. But they aren't trying to deliver that much value. They aren't trying to offer an experience worth a million dollars *to the donor.*



In fact, delivering value to the donor may not even make sense to them. It doesn't fit into the administrator-hero story. In that worldview, donors are supposed to give because "we deserve it." They're not supposed to give because "we deliver value to them."

In that worldview, here is the charity's value proposition:

Give us your money. We'll use it to accomplish our goals. Take it or leave it.



Donors, mostly, will leave it. Of course, small, social compliance gifts can still happen. A "pat-on-the-head" gift is possible. A small "isn't-that-nice-for-you?" gift still makes sense. But don't expect the transformational gift. That value proposition isn't going to compel any donor to make a major gift. It's not going to inspire sacrificial giving.

Let me be blunt. Is delivering a compelling donor experience a core competency of your charity? If not, then every other charity your donor gives to had better answer the same way. Otherwise, your organization will get left out.



Delivering value with heroism

The "one big thing" in fundraising is always the same: Advance the donor's hero story. Fundamentally, this is about delivering *value* to the donor. It is, in particular, about delivering *the kind of value* that only philanthropy can. This is the kind of value that consuming more stuff won't give. So, what does it mean to deliver value to a donor this way?

A hero story is a circular journey that results in an enhanced identity. The simplified

Original Identity → Challenge → Victory → Enhanced Identity

steps are these: [1]



Or simply,

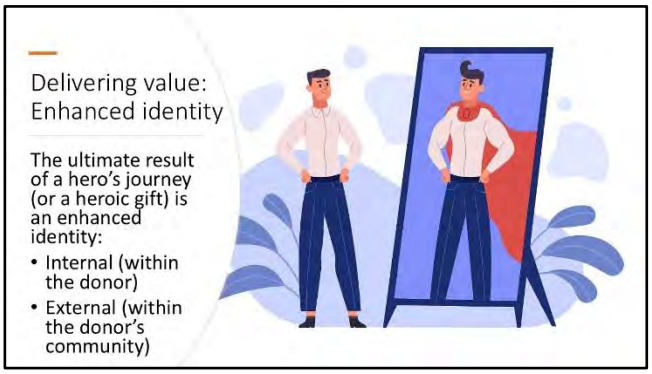
Challenge
↗ ↘
Identity ← Victory

This pattern also matches the steps for a heroic donation. A heroic donation is,

A sacrificial gift that protects the donor's people and values in a crisis

This matches the story cycle.

[a sacrificial gift] **Challenge** *[in a crisis]*
↗ ↘
[the donor's people & values] **Identity ← Victory** *[that protects]*



Delivering value: Enhanced identity

The ultimate result of a hero's journey is an enhanced identity. The ultimate result of a heroic gift is the same. This enhanced identity is both

- Internal (within the donor), and

[1] Joseph Campbell uses a three-step circular illustration with this description:

> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

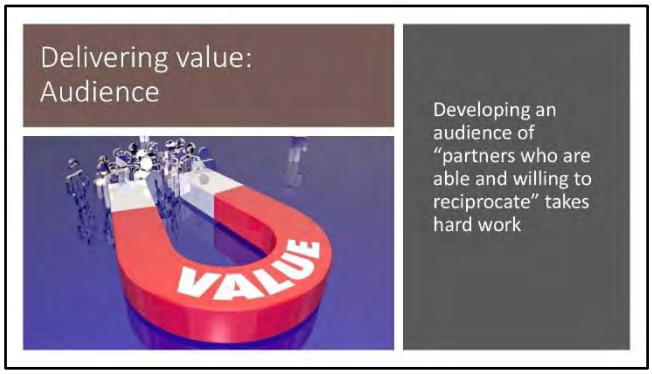
- External (within the donor's community).

Let's start with the practical side. What does it mean to deliver *external* enhanced identity? We've already seen it in the primal game. The first law of sustainable giving in nature is this:

Giving must be seen by partners who are able and willing to reciprocate.

The greater the ability and willingness of the audience to reciprocate, the more value making the gift has. This value comes from enhancing the donor's external identity.

Call it reputation. Call it prestige. Whatever you call it, an enhanced public identity can be valuable. It's valuable *if* the audience is right. A heroic gift can deliver value by enhancing external identity. But this requires a heroic gift *audience.*



Delivering value: Audience

Creating a compelling gift audience rarely happens accidentally. Developing an audience of "partners who are able and willing to reciprocate" isn't easy. It takes hard work.

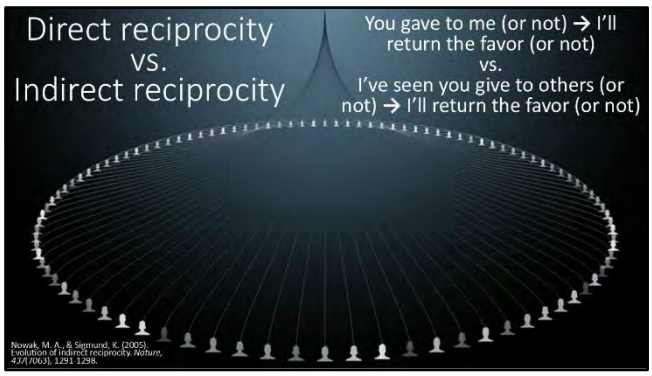
And it's hard work that happens only if the charity *wants* to deliver value to the donor. If donors are supposed to give "because we deserve it," then doing this work doesn't make sense. But if the goal is to deliver value to the donor, then it does.



How can the charity create this audience? It can start by *being* a good audience. A charity can act like a stable, reciprocal, reliable friend. It can deliver gratitude for a gift. It can confirm the donor's enhanced identity.

Even more powerful, it can *build* a compelling audience. This means building a *community* of supporters.

The potential reciprocity from a single partner can be significant. This is called direct reciprocity:



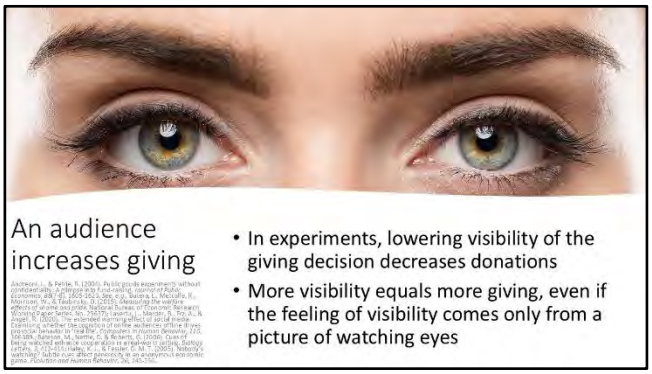
You gave to me (or not) → I'll return the favor (or not)

The potential for reciprocity becomes exponentially larger when a whole community is reciprocal. This is called indirect reciprocity:[2]

[2] Nowak, M. A., & Sigmund, K. (2005). Evolution of indirect reciprocity. *Nature, 437*(7063), 1291-1298.

I've seen you give to others (or not) → I'll return the favor (or not)







An audience increases giving

Anonymous donations can't improve the donor's *public* identity. In actual fundraising, they're also rare. Rare, as in 99% of gifts are *not* anonymous.[3]

In experiments, lowering visibility of the giving decision decreases donations.[4] More visibility equals more giving.[5] Oddly, this is true even if the feeling of visibility comes only from a picture of watching eyes.[6]

This can also happen with gifts in wills. In one historical example, testators were *actually* put on stage. Researchers compared different 17th-century Dutch towns. They explained,

"In Zwolle people approached the Bench of Aldermen, a civic institution, to make their last will, whereas in Leiden and Utrecht citizens went to private notaries."[7] In Zwolle they "were specifically asked to remember the poor."[8]

Did this public stage make a difference? In Leiden and Utrecht just over 10% of wills included charitable gifts. At the same time in Zwolle, 76% of wills did so. Making the decision visible had a huge impact.

[3] Glazer, A., & Konrad, K. A. (1996). A signaling explanation for charity. *The American Economic Review, 86*(4), 1019-1028. p. 1021. ("The data we collected show that anonymous donations are rare. … The Pittsburgh Philharmonic received 2,240 donations from individuals in 1991. Only 29 (1.29 percent) were anonymous … Of the 1,950 [donors to the Yale Law School Fund], only four are anonymous … fewer than 1 percent of donations [to Harvard Law School] were anonymous. Similarly, in 1989-1990 Carnegie Mellon University received donations from 5,462 individuals. Only 14 (0.3 percent) were anonymous. Perusal of all reports by nonprofit organizations on file at the Pittsburgh Business Library found no institution with rates of anonymous donations higher than in these examples.") Even these "anonymous" gifts are often not anonymous to the recipient organization. They are only anonymous (i.e., not published) for outside observers.

[4] Andreoni, J., & Petrie, R. (2004). Public goods experiments without confidentiality: A glimpse into fund-raising. *Journal of Public Economics, 88*(7-8), 1605-1623.

[5] *See, e.g.,* Butera, L., Metcalfe, R., Morrison, W., & Taubinsky, D. (2019). *Measuring the welfare effects of shame and pride.* National Bureau of Economic Research Working Paper Series. No. 25637. (Public recognition motivates charitable giving in experiments.); Lavertu, L., Marder, B., Erz, A., & Angell, R. (2020). The extended warming effect of social media: Examining whether the cognition of online audiences offline drives prosocial behavior in 'real life'. *Computers in Human Behavior, 110*, 106389.

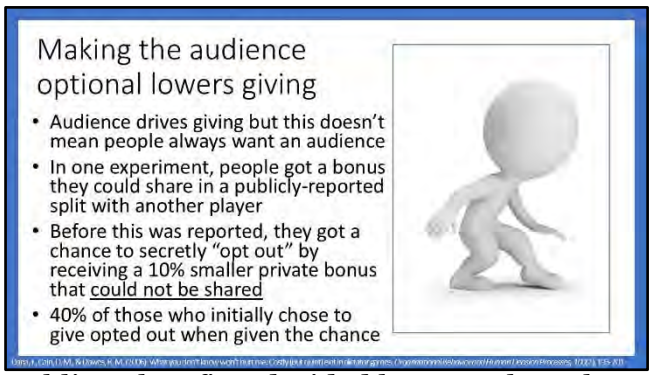
[6] Bateson, M., Nettle, D. & Roberts, G. (2006). Cues of being watched enhance cooperation in a real-world setting. *Biology Letters, 2*, 412-414; Haley, K. J., & Fessler, D. M. T. (2005). Nobody's watching? Subtle cues affect generosity in an anonymous economic game. *Evolution and Human Behavior, 26*, 245-256.

[7] Meerkerk, E. V. N. (2012). The will to give: Charitable bequests, inter vivos gifts and community building in the Dutch Republic, c. 1600–1800. *Continuity and Change, 27*(2): 241-270. p. 253.

[8] Teeuwen, D. (1985). *Generating generosity: Financing poor relief through charitable collections in Dutch towns, c. 1600-1800.* [Ph.D. Thesis]. Utrecht University. p. 61-62.



Audience matters. A supportive audience matters even more. Experiments show that encouragement from others, including other donors, increases giving.[9] Encouragement to give is even more powerful if it comes from group leaders, especially elected ones.[10] An approving audience – in particular a high-status one – leads to more giving.



Making the audience optional lowers giving

Audience drives giving. But this doesn't mean people always want an audience. In fact, the opposite may be true.

In one lab experiment,[11] people got a $10 bonus. They could share any of it with another player. This choice to share or not would be public. They first decided how much to share. Later, they got a chance to "opt out." This meant they would get only $9, not $10. But this money *could not* be shared. The choice to "opt out" was also private. Other players would never know.

The result? 40% of those who *initially* chose to give, later opted out.[12] These players initially gave, but only because their choice was public. Why would they take $9 instead of $10? Or why wouldn't they take $10, keep $9, and share $1? Because not giving, or giving only $1, looks bad. It looks selfish.

This was a problem because the giving decision would be public. If the initial decision was private, things changed. Only 4%, not 40%, opted out of their initial (private) decision. But because the initial decision was private, giving also dropped by a third.[13] Once again, having an audience led to more giving.

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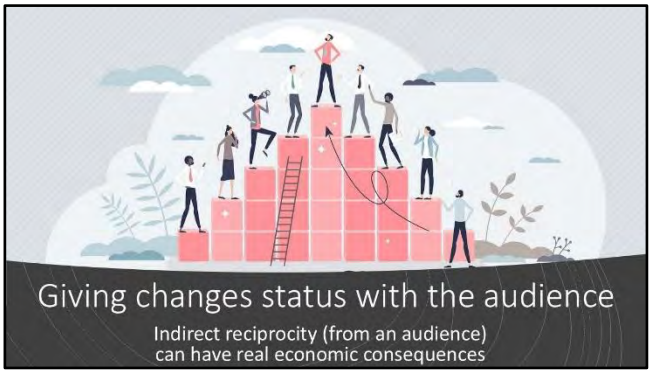
[9] Caldwell, M. (1976). Communication and sex effects in a five-person prisoner's dilemma game. *Journal of Personality and Social Psychology, 33*, 273- 280; Caporael, L. R., Dawes, R. M., Orbell, J. M., & Van De Kragt, A. J. C. (1989). Selfishness examined: Cooperation in the absence of egoistic incentives. *Behavioral and Brain Sciences, 12*, 683-739.; Chen, X. P. (1996). The group-based binding pledge as a solution to public goods problems. *Organizational Behavior and Human Decision Processes, 66*, 192-202; Dawes, R. M., Mactavish, J., & Shaklee, H. (1977). Behavior, communication, and assumptions about other people's behavior in a commons dilemma situation. *Journal of Personality and Social Psychology, 35*, 1-11; Issac, R. M., & Walker, J. (1988). Communication and free riding behavior: The voluntary contribution mechanism. *Economic Inquiry, 26*, 585-608; Ledyard, J. O. (1995). Public goods: A survey of experimental research. In J. H. Kagel & A. E. Roth (Eds.), *The handbook of experimental economics* (pp. 111-194). Princeton University Press; Liebrand, W. B. G. (1984). The effects of social motives, communication, and group size on behavior in an n-person multi-stage, mixed-motive game. *European Journal of Social Psychology, 14*, 239-264; Messick, D. M., & Brewer, M. B. (1983). Solving social dilemmas: A review. In L. Wheeler & P. Shaver (Eds.), *Review of personality and social psychology* (Vol. 4, pp. 11-44). Sage; Orbell, J. M., Van De Kragt, A. J. C., & Dawes, R. M. (1988). Explaining discussion-induced cooperation. *Journal of Personality and Social Psychology, 54*, 811-819; Parks, C. D., Henager, R. F., & Scamahorn, S. D. (1996). Trust reactions to messages of intent in social dilemmas. *Journal of Conflict Resolution, 40*, 134-151; Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society, 7*, 58-92.

[10] Levy, D. M., Padgitt, K., Peart, S. J., Houser, D., & Xiao, E. (2011). Leadership, cheap talk and really cheap talk. *Journal of Economic Behavior & Organization, 77*(1), 40-52.

[11] Dana, J., Cain, D. M., & Dawes, R. M. (2006). What you don't know won't hurt me: Costly (but quiet) exit in dictator games. *Organizational Behavior and Human Decision Processes, 100*(2), 193-201.

[12] *Id.* p. 199.

[13] *Id.* p. 198.



Giving changes status with the audience

Having an audience encourages giving. It also opens the possibility for indirect reciprocity. This can have real economic consequences. It also shows up in experiments.

One setup is this. Participants each get money. They then decide how much to share with the group.[14] Later, they pick a group member as a partner or a leader.

Who do they pick? When they pick a partner, people usually pick the most generous player.[15] When they pick a leader, the results are the same. When they predict who would earn the most money for the group, the answer is also the same. People prefer the most generous person.



In one experiment, people had to pick from two group members for a profitable venture. The researchers explained that people,

"Almost always chose to interact with the more generous member."[16]

Giving affects others' choices for partners and leaders. In the lab, a charitable reputation has economic benefits.



Status from giving can deliver cash value

Experiments in a lab are one thing. But what about the real world? Is it economically valuable to be seen as charitable? Of course.

Think about it. Why do corporations donate? These are pure profit-making machines. And yet, they donate. Why? Because it works. Even for corporations, public identity is valuable.

Research confirms this. Corporate charitable giving predicts future revenue. For consumer firms, it predicts customer satisfaction.[17] It boosts reputation for features important to

- Customers (for example, quality of products or services),

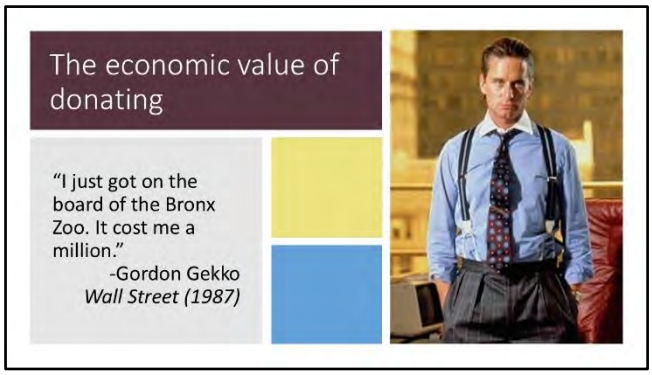
[14] This is also called a public goods game. Anything a player shares with the group is doubled. All group earnings are then divided equally among all players. Thus, with three or more players, the gift is costly, but everyone benefits if everyone gives. *See, e.g.,* Hardy, C. L., & Van Vugt, M. (2006). Nice guys finish first: The competitive altruism hypothesis. *Personality and Social Psychology Bulletin, 32*(10), 1402-1413, 1405.

[15] *Id.*

[16] Barclay, P., & Willer, R. (2007). Partner choice creates competitive altruism in humans. *Proceedings of the Royal Society B: Biological Sciences, 274*(1610), 749-753. p. 752.

[17] Lev, B., Petrovits, C., & Radhakrishnan, S. (2010). Is doing good good for you? How corporate charitable contributions enhance revenue growth. *Strategic Management Journal, 31*(2), 182-200.

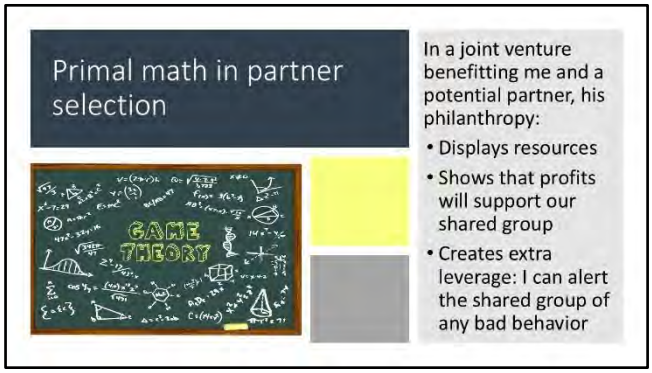
- Investors (for example, value as a long-term investment), and
- Partners (for example, capacity to innovate).[18]



Hollywood movies confirm this, too. Perhaps the most transparently self-interested character in modern film is the corporate raider, Gordon Gekko. In the 1987 film *Wall Street*, Gekko delivers his famous "Greed is good" speech. And yet, even this extreme character, says, "I just got on the board of the Bronx Zoo. It cost me a million."[19]

Why would this selfish corporate raider character give a million dollars to a charity? Because it provides access to powerful friends. Because it displays his resources. Because it signals shared values. Because membership is a greenhouse for reciprocal alliances. These all have substantial economic value.

The point isn't that your donors are soul-less corporations or greedy corporate raiders. The point is that charities *can* deliver *real value* to donors. Improving a donor's external (public) identity matters. It can have real-world, cash-money consequences.



Primal math in partner selection

Consider this strategic calculation. Suppose I have a mutually beneficial joint venture. It should benefit both me and my potential partner. Whom should I pick as a partner?

Philanthropy can help me decide. How? Consider the following. What if, through philanthropy, one potential partner displays financial strength? This might be helpful. If we get into a crisis, this partner apparently has the resources to get us out. That's a win for me.

What if his giving also supports our shared group? If he benefits, he'll probably help our shared group. I care about our group, so that's also a win for me.

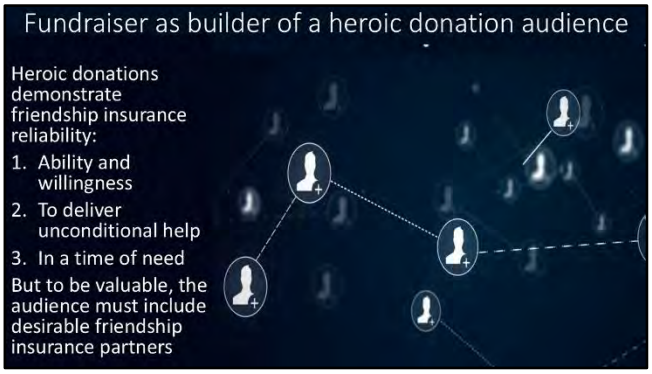
Because we share group membership, I also have extra leverage. If my partner acts badly, I can alert other group members to this. That's also a win for me. These are all reasons that make him the preferred choice. These are also reasons why *he* might prefer *me* as a partner. It's a win-win.

Fundraiser as builder of a heroic donation audience

A heroic donation is

[18] Brammer, S., & Millington, A. (2005). Corporate reputation and philanthropy: An empirical analysis. *Journal of Business Ethics, 61*(1), 29-44.

[19] Pressman, E. R. (Producer) & Stone, O. (Director). (1987). *Wall Street.* [Motion Picture]. U.S.: 20th Century Fox, at 29:26. In the original screenplay, this line was, "I just got on the Board of the Zoological Society, cost me a million." Stanley Weiser, S. & Stone, O. (1987, April 1). *Wall Street.* [Screenplay]. http://www.dailyscript.com/scripts/wall_street.html



a sacrificial gift that protects the donor's people or values in a crisis.

It shows both ability and willingness to protect in a time of need. This demonstrates friendship insurance reliability.[20] But to be valuable, this demonstration requires the right audience. The right audience must include desirable friendship insurance partners.



In the primal context, such powerful and supportive friends were critical. They meant the difference between life and death.[21] In the modern world, the result is only slightly different. In a political conflict, they might be the difference between political life and death. In a liquidity crunch, they might be the difference between economic life and death.[22]

This is where the charity can function as a major gifts "greenhouse." The charity can build the right audience and opportunities for transformational, heroic giving.



The first rule of fight club: Don't talk *about fight club*

Reputational benefits for donors are real. They are motivational. But if these benefits are seen as *the reason* for the gift, it destroys the identity enhancement.



In experiments, giving a public financial payment for a charitable act doesn't work. It actually *reduces* the charitable behavior.[23] One experiment found that direct benefits for giving did, at least, make *one* group feel better. They increased satisfaction and reduced guilt – for those who *didn't* support the charity.[24] When giving appears motivated by benefits, it loses its value as a signal.

Delivering value to donors is powerful. But it must be done in the right way. This value can

[20] *See* Chapter 7. Heroic donation displays in primal fundraising: I can be your hero, baby!
[21] Tooby, J., & Cosmides, L. (1996). Friendship and the banker's paradox: Other pathways to the evolution of adaptations for altruism. *Proceedings of the British Academy, 88*, 119-144.
[22] Note that university endowments are themselves referred to as "shadow banks" and actually acted as a source of liquidity for major donors during the late-19th century financial panics. Wray, L. R. (2016). Hyman Philip Minsky (1919–1996). In *Handbook on the History of Economic Analysis* (Volume I). Edward Elgar Publishing.
[23] Ariely, D., Bracha, A., & Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review, 99*(1), 544-555.
[24] Giebelhausen, M., Chun, H. H., Cronin Jr, J. J., & Hult, G. T. M. (2016). Adjusting the warm-glow thermostat: How incentivizing participation in voluntary green programs moderates their impact on service satisfaction. *Journal of Marketing, 80*(4), 56-71.

be real. But it must preserve the reputational benefits from making the gift. Giving can be advantageous. But it must still advance the donor's hero story.



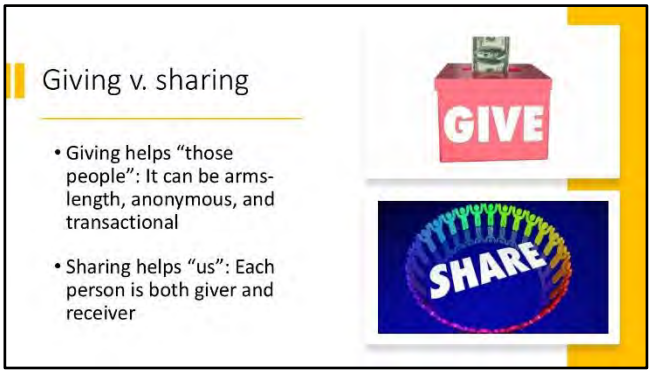
Conclusion

Delivering practical value to a donor starts by building the right audience. It starts by building a community. This begins the move from giving to sharing. In the next chapter, we'll explore this difference in detail.



10

THE POWER OF COMMUNITY IN PRIMAL FUNDRAISING: I'M NOT JUST GIVING, I'M SHARING!



Giving vs. sharing

Are we asking people to give? Or are we asking them to *share*? This might feel like a trivial choice of synonyms. It's not.

Giving can be "arms-length," anonymous, and transactional. The giver and receiver are separated. The giver is higher. The receiver is lower. Giving helps "those people."

Sharing is different. Sharing helps "us." Each person is *both* giver and receiver. It's not equal. But it is reciprocal. It is mutual.

Sharing is *communal*. It means being part of a group, a partnership, a community. We can ask an outsider to give. But we can't ask an outsider to share.



Sharing is communal. This means several things:

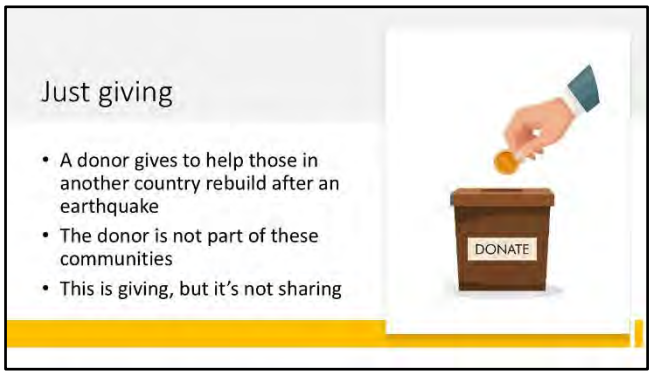
- Sharing requires membership.
- Sharing is visible to the community.
- Sharing supports community goals.
- Sharing follows community norms.



Examples of giving vs. sharing

Suppose a church member donates for their new building. He's part of a community, the congregation. By donating, he joins with his fellow donors from this community. They're working together to fund the new building. He's also part of the community of beneficiaries. The congregation will use the new building. This gift is sharing.

Next, he gives to his local art museum. He spends time with other donors and art lovers at museum events. (He is part of a community of fellow donors and other supporters.) He enjoys the exhibitions. (He is part of a community of beneficiaries.) This gift is sharing.



Now suppose he donates for another building. He receives a request in the mail. The gift helps those in another country rebuild after an earthquake. This is giving, but it's not sharing. It isn't sharing because it isn't communal. He doesn't know any other donors. He doesn't know any beneficiaries. He is an outsider. This gift will likely be much smaller.

Without membership in the supported community, things are different. The donor is an outsider. A donation is no longer sharing. It's just giving. Remove the community and donations become smaller.



Principles from primal origins

Sharing is different because it is *communal*. This is also important in natural origins. Sustainable giving to unrelated others can occur in nature. Biologists model this with a game.[1] In the simple game, two players both face these payoffs:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

Each must choose before knowing what the other will do. Giving is costly. But if both players give, the overall outcomes are better.

[1] *See, e.g.,* Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222; Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology, 46*(1), 35-57.

When players interact repeatedly, research shows the winning strategy. Lead with a gift, then act reciprocally.[2] But there's a problem. This strategy *is* a winning strategy. But it depends. It depends on the *community*.



Stable strategies

The game models nature. In nature, a winning strategy must be "evolutionarily stable."[3] In other words, if everyone follows the strategy, anyone else entering with a *different* strategy should fail.[4]

Consider how this applies in the game. Suppose everyone always gave no matter what. Everyone wins! This seems great. But it can't last. It's not "evolutionarily stable."

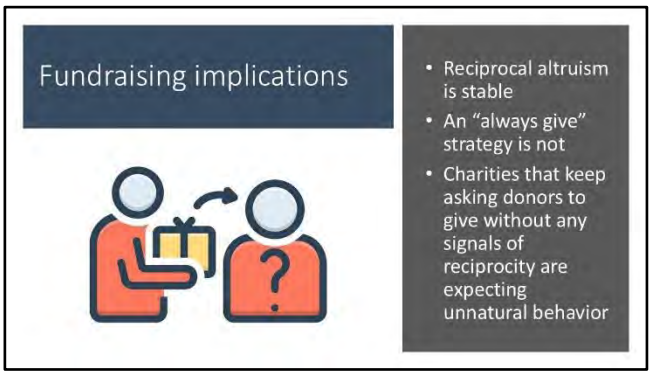


If a "never give" player entered that world, he would win every time. In natural selection, "never give" players would then replicate. They would wipe out the "always give" players. Giving *without* "tit for tat" reciprocity is not stable.



In the game, an "always give" strategy is not stable. In contrast, reciprocal altruism is stable. You give first. This is altruism. Then, you do whatever that player did to you last time. This is *reciprocal* altruism. This world can become universally altruistic. Everyone shares with everyone else, except no one shares again with the non-sharers.

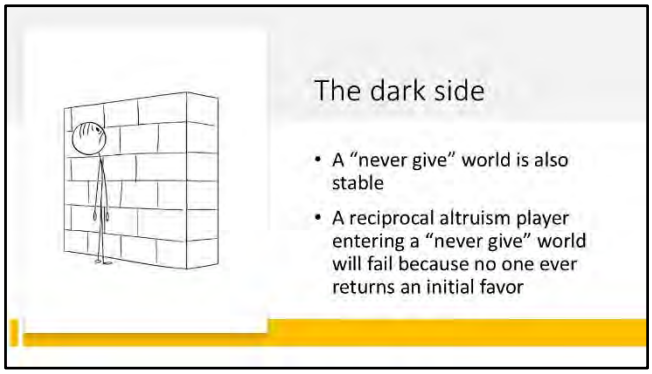
This world is stable. Suppose a "never give" player enters. That player wins round one but loses all repeated rounds. Meanwhile, the reciprocal altruism players will be sharing with *each other*. They will be getting further ahead of the "never give" player. In natural selection, the "never give" player disappears.



Reciprocal altruism is stable. An "always give" strategy is not. Oddly, charities often expect this *unnatural* "always give" behavior from donors. They keep asking donors to give without any signals of reciprocity. They never even try to deliver value to donors.

[2] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, *211*(4489), 1390-1396. p. 1393.
[3] The "evolutionarily stable strategy" concept was first presented in Smith, J. M., & Price, G. R. (1973). The logic of animal conflict. *Nature, 246*(5427), 15-18. They note that it combines game theory and earlier work by W. D. Hamilton.
[4] "Roughly, an ESS [Evolutionarily Stable Strategy] is a strategy such that, if most of the members of a population adopt it, there is no "mutant" strategy that would give higher reproductive fitness." *Id.* p. 15.

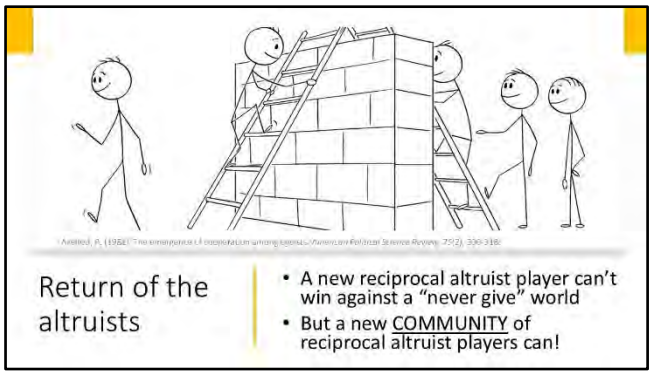
In the game, and in nature, reciprocal sharing can be stable and beneficial. Non-reciprocal giving can be deadly. Community can support mutual sharing. But this happens only if the community is reciprocal.



The dark side

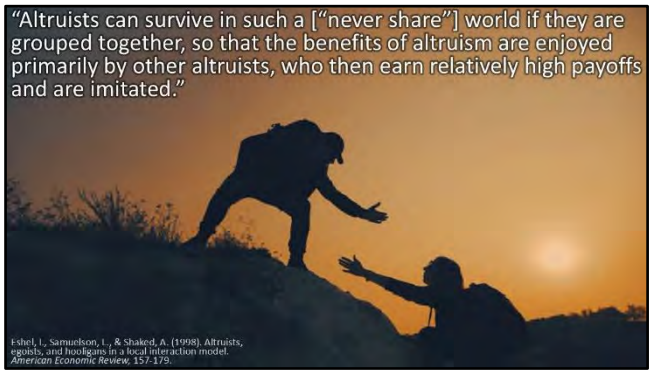
Now let's consider the dark side. Suppose the world is different. Now, it's composed entirely of "never give" players. What happens to a new reciprocal altruism player? Every time he encounters a new player, he loses. Then he stops giving to that player. But he takes many losses the other players don't. He finishes last.

This "never give" world is *also* stable. No new player can win against it.



Return of the altruists

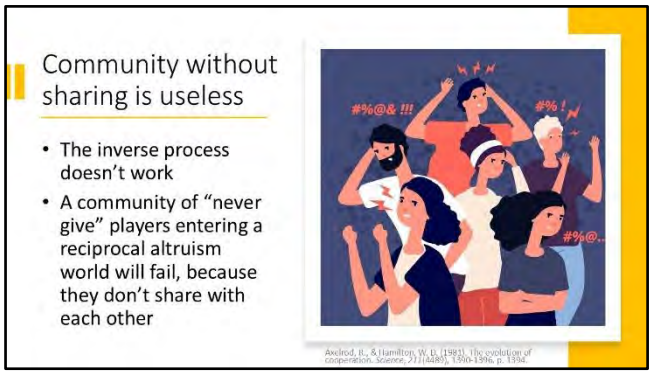
Is this "never give" world permanently stuck? Not necessarily. The "never give" world *is* stable. No new player can win against it. But a new *community* of players can.[5]



Again, suppose everyone plays "never give." Next, a new *cluster* of reciprocal altruists enters. Whenever possible, they interact with each other. Their *mutual* sharing pushes them ahead of the "never give" players.

Because they enter *as a community*, they will dominate the "never give" players. Game theory researchers explain,

"Altruists can survive in such a ['never share'] world if they are grouped together, so that the benefits of altruism are enjoyed primarily by other Altruists, who then earn relatively high payoffs and are imitated."[6]



Reciprocal altruists can win, even in a dark "never share" world. They can win, but only if they enter as a community.

The reverse process doesn't work. (Researchers explain, "The gear wheels of social evolution have a ratchet.")[7] Once

[5] Axelrod, R. (1981). The emergence of cooperation among egoists. *American Political Science Review, 75*(2), 306-318.
[6] Eshel, I., Samuelson, L., & Shaked, A. (1998). Altruists, egoists, and hooligans in a local interaction model. *American Economic Review, 88*(1), 157-179.
[7] Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science*, *211*(4489), 1390-1396. p. 1394.

reciprocal altruism becomes dominant, a cluster of "never give" players can't invade. Even if "never give" players entered as a community, it wouldn't matter. Their community isn't helpful. It's non-cooperative. Community without sharing is useless.

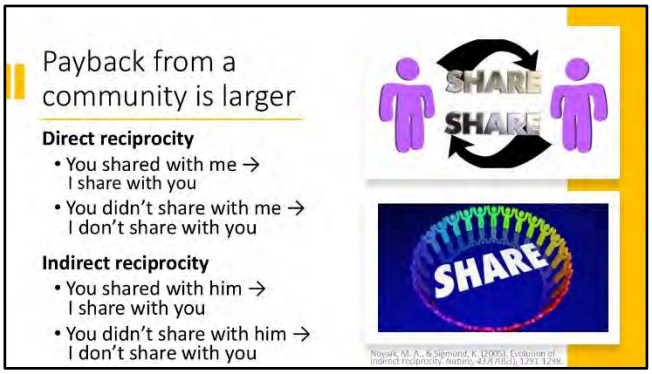


The power of community: Indirect reciprocity

In the game, sustainable giving requires community. A single altruist, even a reciprocal one, is vulnerable. But a *community* of reciprocal altruists is strong and stable.

A sharing, reciprocal community does something else. It increases the consequences of the giving decision. So far, the game has been focused only on direct interactions between two players. This is called *direct* reciprocity. Simply put, this means

- You shared with me. Therefore, I share with you.
- You didn't share with me. Therefore, I don't share with you.

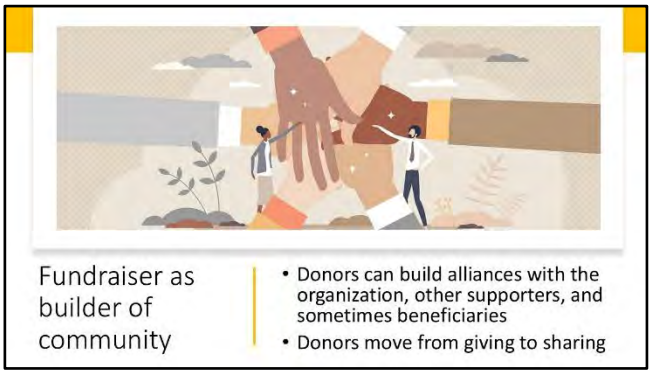


When giving is visible to a reciprocal community, this changes things. It allows *indirect* reciprocity.[8] This means,

- You shared with him. Therefore, I share with you.
- You didn't share with him. Therefore, I don't share with you.

Before, the reaction to a giving decision was limited. It was limited to one other player. That player might not be encountered again frequently. He might even leave or die.

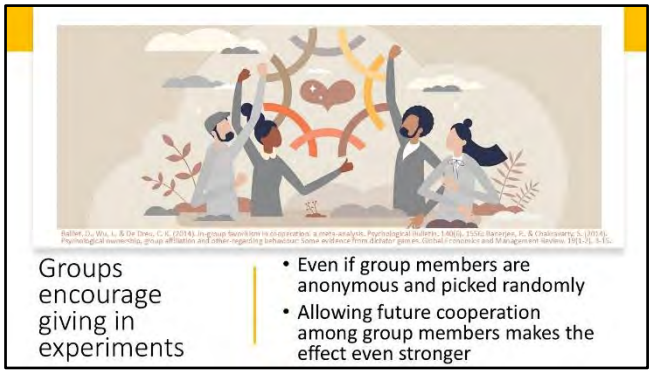
But an enduring community can last forever. The payback from one player is limited. The potential payback from an entire community is exponentially larger.

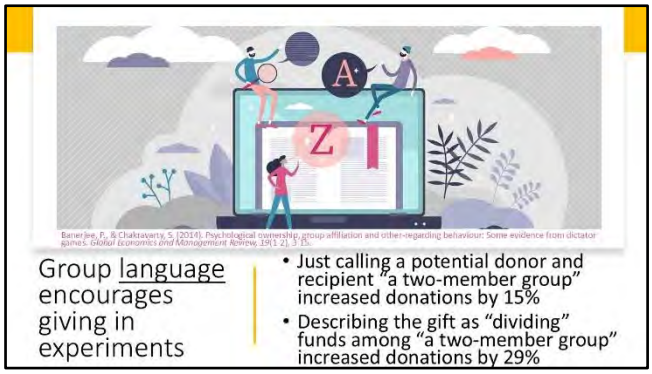


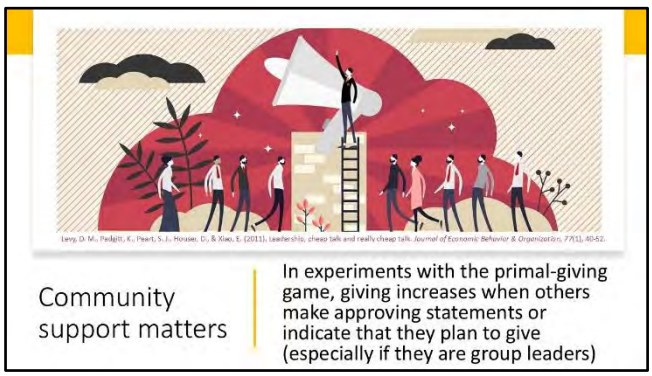
Fundraiser as builder of community

The charity can serve as a greenhouse for this community building. Donors can build alliances with the charity and its supporters. Sometimes they can do this with the charity's beneficiaries, too. As these relationships arise, donors become part of a group. They move from giving to sharing. This is valuable because group members help each other.

[8] Nowak, M. A., & Sigmund, K. (2005). Evolution of indirect reciprocity. *Nature, 437*(7063), 1291-1298.







The natural tendency to benefit group members arises repeatedly in experiments.[9] It even happens when the other group members are randomly assigned and anonymous. Allowing future cooperation among group members makes the effect even stronger.[10]

It can start simple. Just using "group" language helps. In one experiment, calling a potential donor and recipient "a two-member group" increased donations by 15%.[11] Describing the gift as "dividing" funds among "a two-member group" increased donations by 29%.[12] The language of community and sharing is powerful.

Community support matters

One signal of indirect reciprocity is audience encouragement. In experiments, encouragement from others, such as other donors, increases giving. People are more likely to give when other players make approving statements or indicate that they also plan to give.[13] This encouragement to give was even more powerful when it came from group leaders. This was especially true if the leaders were elected.[14]

[9] A review of 212 experimental studies found a consistent increase in donations whenever the donor and recipient were placed in the same group. This worked even when participants were randomly assigned and anonymous. Balliet, D., Wu, J., & De Dreu, C. K. (2014). In-group favoritism in cooperation: a meta-analysis. *Psychological Bulletin*, 140(6), 1556-1581.

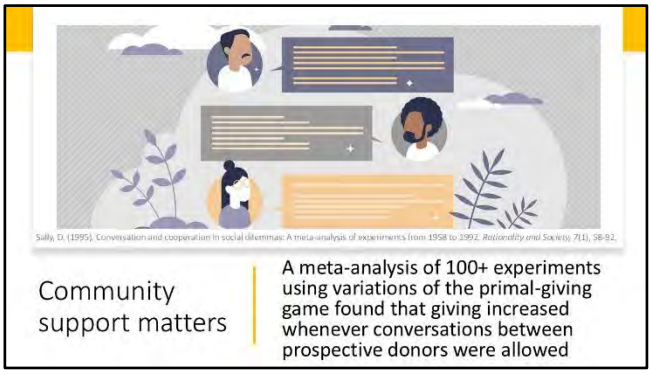
[10] *See Id.* (Allowing actual cooperation, e.g., future sharing, in experiment made group-member favoritism even stronger); Ben-Ner, A., & Kramer, A. (2011). Personality and altruism in the dictator game: Relationship to giving to kin, collaborators, competitors, and neutrals. *Personality and Individual Differences, 51*(3), 216-221. (This experiment measured willingness to donate to 74 types of recipients. The researchers classified some recipients as potential collaborators, potential competitors, or neutrals. Giving to neutrals was 50% greater than giving to potential competitors. Giving to potential collaborators was 37% higher than giving to neutrals.)

[11] Banerjee, P., & Chakravarty, S. (2014). Psychological ownership, group affiliation and other-regarding behaviour: Some evidence from dictator games. *Global Economics and Management Review, 19*(1-2), 3-15. (Giving changed from 137.3 Rupees to 157.6 Rupees.)

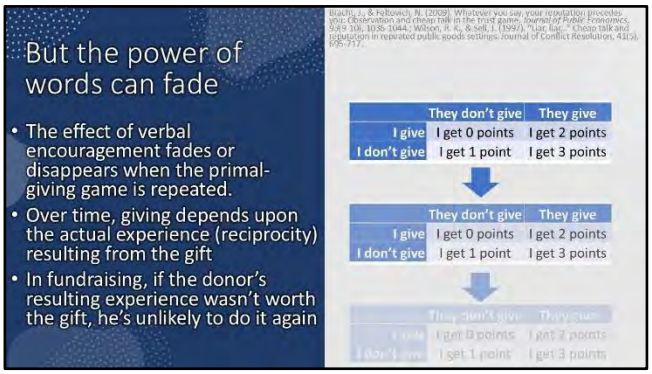
[12] *Id.* (Giving changed from 137.3 Rupees to 177.0 Rupees.)

[13] Caldwell, M. (1976). Communication and sex effects in a five-person prisoner's dilemma game. *Journal of Personality and Social Psychology, 33*, 273-280; Caporael, L. R., Dawes, R. M., Orbell, J. M., & Van De Kragt, A. J. C. (1989). Selfishness examined: Cooperation in the absence of egoistic incentives. *Behavioral and Brain Sciences, 12*, 683-739; Chen, X. P. (1996). The group-based binding pledge as a solution to public goods problems. *Organizational Behavior and Human Decision Processes, 66*, 192-202; Dawes, R. M., Mactavish, J., & Shaklee, H. (1977). Behavior, communication, and assumptions about other people's behavior in a commons dilemma situation. *Journal of Personality and Social Psychology, 35*, 1-11; Issac, R. M., & Walker, J. (1988). Communication and free riding behavior: The voluntary contribution mechanism. *Economic Inquiry, 26*, 585-608; Ledyard, J. O. (1995). Public goods: A survey of experimental research. In J. H. Kagel & A. E. Roth (Eds.), *The handbook of experimental economics* (pp. 111-194). Princeton University Press; Liebrand, W. B. G. (1984). The effects of social motives, communication, and group size on behavior in an n-person multi-stage, mixed-motive game. *European Journal of Social Psychology, 14*, 239-264; Messick, D. M., & Brewer, M. B. (1983). Solving social dilemmas: A review. In L. Wheeler & P. Shaver (Eds.), *Review of personality and social psychology* (Vol. 4, pp. 11-44). Sage. Orbell, J. M., Van De Kragt, A. J. C., & Dawes, R. M. (1988). Explaining discussion-induced cooperation. *Journal of Personality and Social Psychology, 54*, 811-819; Parks, C. D., Henager, R. F., & Scamahorn, S. D. (1996). Trust reactions to messages of intent in social dilemmas. *Journal of Conflict Resolution, 40*, 134-151; Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society, 7*, 58-92.

[14] Levy, D. M., Padgitt, K., Peart, S. J., Houser, D., & Xiao, E. (2011). Leadership, cheap talk and really cheap talk. *Journal of Economic Behavior & Organization, 77*(1), 40-52.



One meta-analysis looked at over 100 experiments using variations of the primal-giving game. It found that giving increased whenever conversations between prospective donors were allowed.[15] Even in the lab, building donor community through dialogue increases giving.

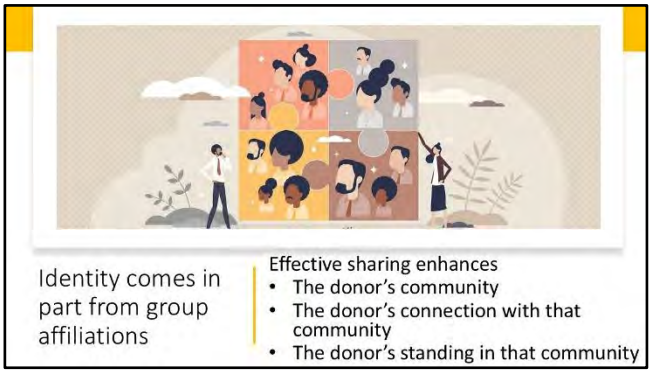


Encouragement from others works. But it is only a *signal* of future indirect reciprocity. If future behavior contradicts the signal, it becomes meaningless. Thus, in experiments, the effect of verbal encouragement fades or disappears when the primal-giving game is repeated. Over time, giving depends upon the actual experience resulting from the gift.[16] In the same way, a charity's words and phrases can encourage an initial gift. But if the donor's resulting experience wasn't worth the gift, he's unlikely to do it again.



Enhanced identity

"Sharing" delivers more value to the donor than just "giving." It delivers more indirect reciprocity. It does this through shared membership in a community. But sharing also delivers a higher level of enhanced identity.



Identity comes, at least in part, from group affiliations. It comes from communities. Effective sharing enhances

- The donor's community
- The donor's connection with that community, and
- The donor's standing in that community.

Consider these benefits in terms of the universal hero story. The story's ending is this: The hero returns to a place of beginning with a gift to improve that world. This is not merely giving. This is sharing. The hero's original world is a source of his original identity. The concluding gift enhances

- The hero's original world

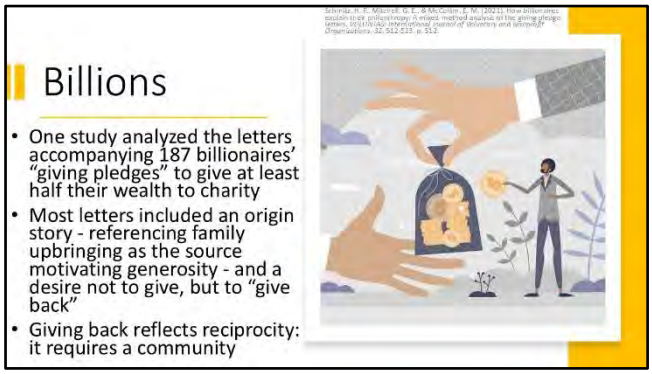
[15] Sally, D. (1995). Conversation and cooperation in social dilemmas: A meta-analysis of experiments from 1958 to 1992. *Rationality and Society, 7*(1), 58-92.

[16] *See,* Bracht, J., & Feltovich, N. (2009). Whatever you say, your reputation precedes you: Observation and cheap talk in the trust game. *Journal of Public Economics, 93*(9-10), 1036-1044; Wilson, R. K., & Sell, J. (1997). "Liar, liar ..." Cheap talk and reputation in repeated public goods settings. *Journal of Conflict Resolution, 41*(5), 695-717.



- The hero's re-connection with that original world, and
- The hero's standing in that original world.

The universal hero story (monomyth) is the story of enhanced identity. It's a story, ultimately, not just of giving, but of sharing.



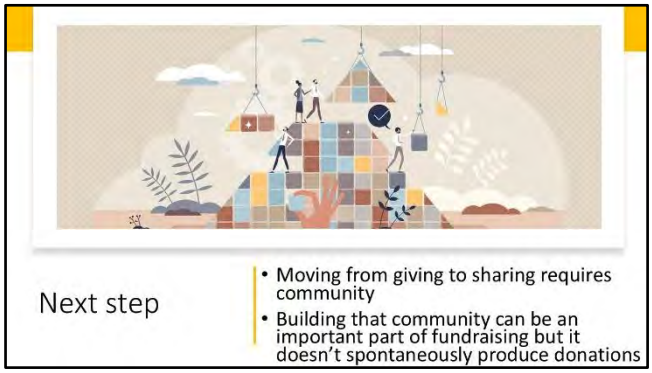
Billions

These story elements are powerful. Their power goes beyond just games and experiments. It goes beyond just small gift decisions.

One study analyzed the letters accompanying 187 billionaires' "giving pledge" commitments.[17] These were pledges to give at least half of their wealth to charity. Most letters included two elements.

First, they included an origin story. The letters referenced family upbringing as the source motivating generosity. The donors' giving stories started with their original identities. (In the monomyth, this is the original world.)

Second, they referenced a desire not to give, but to "give back." Giving back is different than giving. It is a circular process. It is a form of sharing. Giving back requires a community. (In the monomyth, the hero returns to the original world with a gift.)



The idea of sharing is powerful. It's powerful in the lab. It's powerful in gifts of small amounts. And it's powerful with gifts of billions.

Next step

Moving from giving to sharing requires community. Building that community can be an important part of fundraising. But community doesn't spontaneously produce donations.



Fundraising still requires asking. To harness the power of community, that ask must be communal. It must be visible to the

[17] Schmitz, H. P., Mitchell, G. E., & McCollim, E. M. (2021). How billionaires explain their philanthropy: A mixed-method analysis of the giving pledge letters. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, *32*, 512-523. p. 512. ("The majority of letters express a social–normative rationale, consisting of two prevailing explanations: An expressed gratitude and desire to ''give back'' (1) and references to family upbringing as a socializing force (2)")

community. It must benefit the community or the community's goals. It must follow the community's norms. The next chapter looks at this.



11

SOCIAL NORMS IN PRIMAL FUNDRAISING:
PEOPLE LIKE ME MAKE GIFTS LIKE THIS!



Verba docent, exempla trahunt.

"Words teach people, examples compel them."
- Latin proverb[1]

It's simple. We want the donor to say, "Yes." But how? How do we create the conditions that encourage that "Yes."? Let's look at theory, experiment, and practice.

Theory: The primal-giving game

The primal-giving game models the natural origins of giving.[2] In the game, sustainable giving depends on community norms.[3]

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[1] Latin proverb. It has been attributed to, among many, Right Reverend Alfred A. Curtis, D. D., in 1886 as quoted in Nuns, V., & Wilmington, D. (1913). *Life and Characteristics of Right Reverend Alfred A. Curtis, DD: Second Bishop of Wilmington*. P.J. Kenedy & Sons. p. 104

[2] This is known as the iterated prisoner's dilemma game. For example, two players both face these payoffs:

	They don't give	*They give*
I give	I get 0 points; they get 3	We each get 2 points
I don't give	We each get 1 point	I get 3 points; they get 0

where each must choose before knowing what the other will do.

See the progression of this approach to modeling the natural origins of giving in the following:
Trivers, R. L. (1971). The evolution of reciprocal altruism. *The Quarterly Review of Biology, 46*(1), 35-57;
Axelrod, R., & Hamilton, W. D. (1981). The evolution of cooperation. *Science, 211*(4489), 1390-1396.;
Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.

[3] *See* Chapter 10. The power of community in primal fundraising: I'm not just giving, I'm sharing!

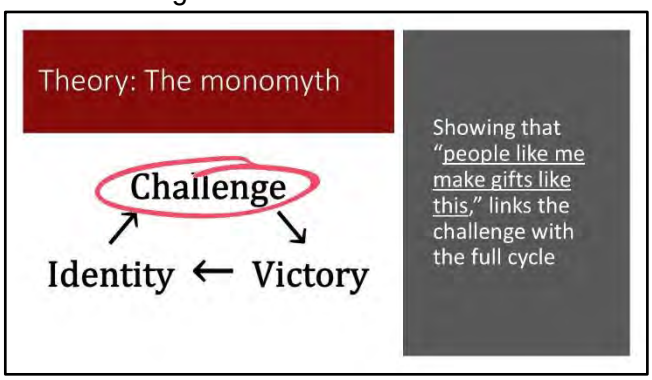




- In a reciprocal, sharing community, giving makes sense. Others become more likely to share with givers in the future. Givers benefit from their enhanced public reputation. Giving is a winning move.
- In a non-sharing or non-reciprocal community, giving does not make sense. Others do not become more likely to share. Givers get no benefit from their public reputation. Giving is a losing move.

The right move depends on which world we are in. How can we tell the difference? It's complicated. In real life, there are many possible games and communities. People may be reciprocal in some, but not in others. Some gifts may help reputation, while others won't.

We could try to test every alternative. But choosing wrong is costly. The smarter play is this: Follow the examples of others *in your community*. Examples are powerful. But examples of people *like me* are even more powerful. The key question is, "What do people *like me* do?" The answer shows the community norm. The community norm dictates the right move.



Theory: The monomyth

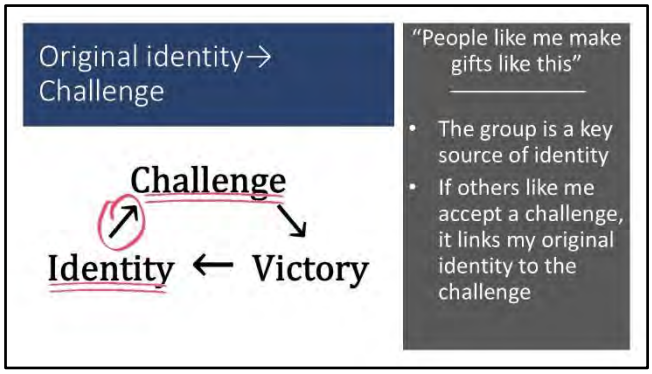
Showing that "people like me make gifts like this" matches the primal-giving game. It also matches the universal hero story (monomyth).[4] It does so by linking the challenge with the full story cycle. That cycle is,

Showing that "people like me make gifts like this" connects

Original Identity → Challenge → Victory → Enhanced Identity

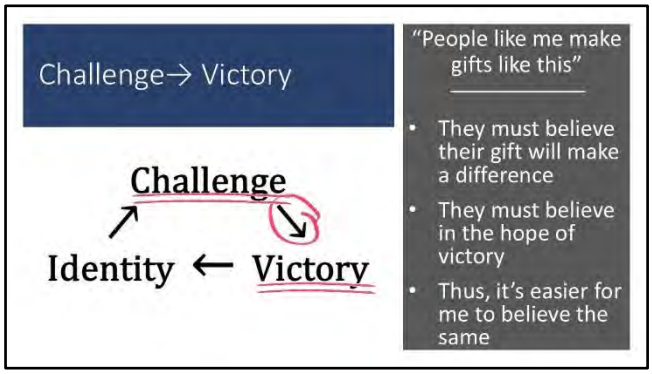
[4] These parallel conclusions are not accidental. The monomyth originates in the Jungian hero archetype. Jung explains that an archetype is "an inherited mode of functioning, corresponding to the inborn way in which the chick emerges from the egg, the bird builds its nest, a certain kind of wasp stings the motor ganglion of the caterpillar, and eels find their way to the Bermudas." Jung, C. (1953-1978). In H. Read, M. Fordham, & G. Adler (Eds.), *The collected works of C. G. Jung* (20 vols). Routledge. Volume XVIII, para. 1228.

Another commentator explains, "ethology and Jungian psychology can be viewed as two sides of the same coin: it is as if ethologists have been engaged in an extraverted exploration of the archetype." Stevens, A. (2001). *Jung: A very short introduction.* Oxford University Press. p. 52.



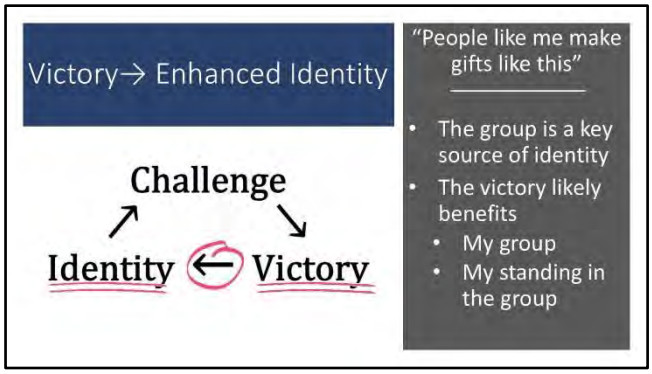
- *Original identity→Challenge*

Who is "like me?" The answer is personal. It's subjective. But whatever the answer is, it reveals my identity.[5] If others *like me* accept a challenge, it links the challenge to my identity. It shows that I am *the type of person* who accepts challenges like this. I am the type of person who makes gifts like this.



- *Challenge→Victory*

These other people also gave. They must have thought it was a good idea. They must have thought their gift would make a difference. That makes it easier for me to believe the same thing. It makes it easier to believe in the hope of victory. This helps link the challenge to a victory.



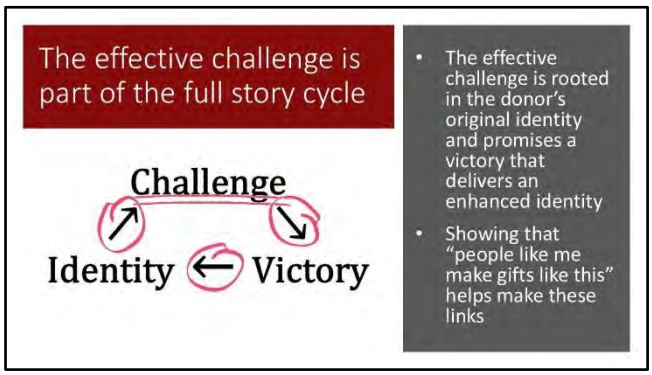
- *Victory→Enhanced Identity*

These other people gave. They must have thought that the promised victory was important. This means two things. First, the victory likely benefits our shared group. Our group is a key source of my identity. Thus, the victory enhances this source of my identity.

Second, other group members will likely appreciate my efforts to achieve this victory. (After all, it was important enough to compel them to give, too.) This appreciation for my gift solidifies my standing within the group.

The gift helps my group. And it helps my standing within the group. Both of these help link the victory to an enhanced identity.

We want the donor to say, "Yes." That "yes" comes in response to a challenge. The effective challenge is part of the full story cycle. It must be rooted in the donor's original identity. It must promise a victory that delivers an enhanced identity.



Showing that "people like me make gifts like this" helps. It helps link the challenge with the full story cycle. It helps make the challenge more compelling. It helps the donor move to a "yes." It works. It works not only in games and myth. It also works in experiments.

[5] *See* Chapter 1. Primal fundraising and subjective similarity: I'm like them!

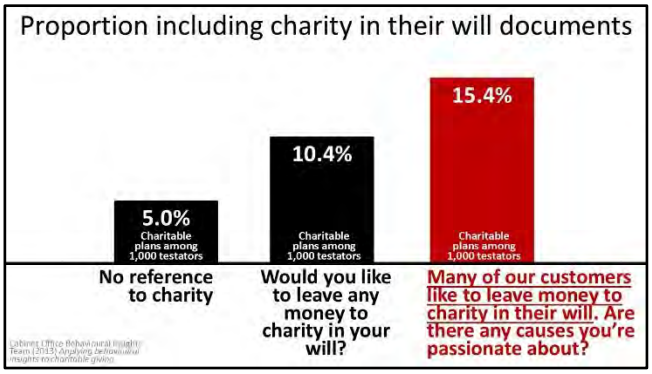


Experimental results: Other people

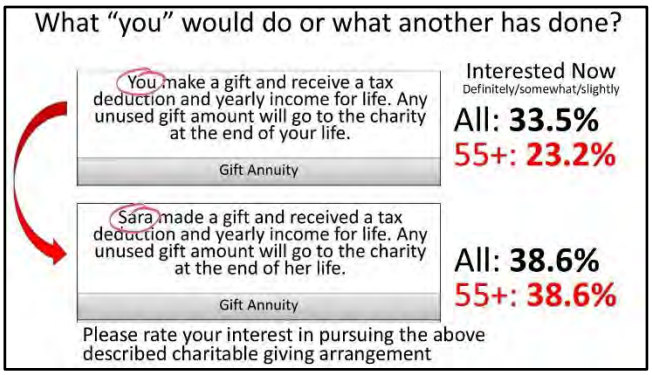
Others' examples can influence any type of helping. In experiments, they influence giving.[6] They also influence volunteering.[7] They even influence stopping to help a person with car troubles.[8]

Others' charitable examples can make donating feel like the normal, expected, or default option. Such defaults can influence behavior. For example, describing a gift as an opt-out, rather than an opt-in, increases giving.[9]

Others' examples can be powerful. But this power increases when the examples are "like me." If other people "make gifts like this," that's informative. If people *like me* "make gifts like this," that's *compelling*.



One experiment in a law firm found a dramatic result. Mentioning, "Many of our customers like to leave a gift to charity in their will," more than tripled the share of people who chose to do so themselves.[10]



The story of Sara: People like me

In one experiment, I compared the effects of two messages.[11] One described how "you" could use a charitable gift annuity. The other was identical, except it described how "Sara" had used a charitable gift annuity. This message worked better. People were more interested in making the gift after reading about Sara.

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[6] Cason, T. N., & Mui, V. L. (1998). Social influence in the sequential dictator game. *Journal of Mathematical Psychology, 42*(2-3), 248-265; Ebeling, F., Feldhaus, C., & Fendrich, J. (2017). A field experiment on the impact of a prior donor's social status on subsequent charitable giving. *Journal of Economic Psychology, 61*, 124-133; Frey, B. S., & Meier, S. (2004). Social comparisons and pro-social behavior: Testing "conditional cooperation" in a field experiment. *American Economic Review, 94*(5), 1717-1722; Herzog, P. S., & Yang, S. (2018). Social networks and charitable giving: Trusting, doing, asking, and alter primacy. *Nonprofit and Voluntary Sector Quarterly, 47*(2), 376-394; Lieber, E. M., & Skimmyhorn, W. (2018). Peer effects in financial decision-making. *Journal of Public Economics, 163*, 37-59; Sasaki, S. (2018). *Group size and conformity in charitable giving: Evidence from a donation-based crowdfunding platform in Japan.* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2972403

[7] Chen, Y., Harper, F. M., Konstan, J., & Li, S. X. (2010). Social comparisons and contributions to online communities: A field experiment on movielens. *American Economic Review, 100*(4), 1358-1398.

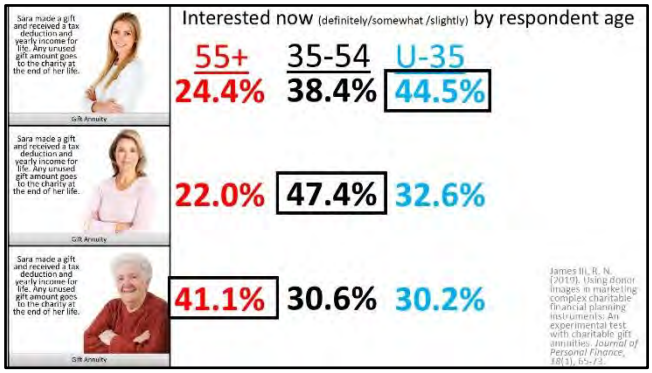
[8] Bryan, J. H., & Test, M. A. (1967). Models and helping: Naturalistic studies in aiding behavior. *Journal of Personality and Social Psychology, 6*(4), 400-407.

[9] Nelson, K. M., Partelow, S., & Schlüter, A. (2019). Nudging tourists to donate for conservation: Experimental evidence on soliciting voluntary contributions for coastal management. *Journal of Environmental Management, 237*, 30-43. (The opt-in condition was, "I agree to the $X recommended contribution to Lili Eco trust to … offset my environmental impact." Giving propensity was 55% with the lower suggested amount or 48% with the higher suggested amount. The opt-out condition was, "I do not agree to the $X recommended contribution to Lili Eco trust to … offset my environmental impact." Giving propensity was 75% with the lower suggested amount or 61% with the higher suggested amount.)

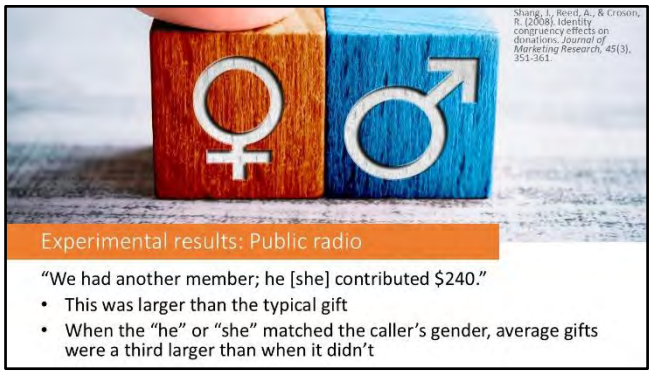
[10] Cabinet Office. (2013). *Applying behavioural insights to charitable giving*. Cabinet Office – Behavioral Insights Team, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/203286/BIT_Charitable_Giving_Paper.pdf ; For another test of this phrase component, see also, James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011.

[11] James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance, 18*(1), 65-73.









And then things got more interesting. In another test, I used identical language but also showed a picture of Sara. And the results *got worse*. The example became less persuasive. To learn more, I next tested three more pictures:

- Younger Sara
- Middle-aged Sara, and
- Older Sara.

The result? If the picture was close in age to the subject, it made the example *more* persuasive. If not, it made the example *less* persuasive.

But further analysis revealed that this result actually *wasn't* about age. It was about identity. Statistically, age mattered *only* when it changed the answer to this question:

"How much do you identify with Sara? She is [a lot / somewhat / a little bit / not really / not at all] like me."

If Sara was "like me," her example was powerful. Otherwise, it wasn't.

Experimental results: People like me

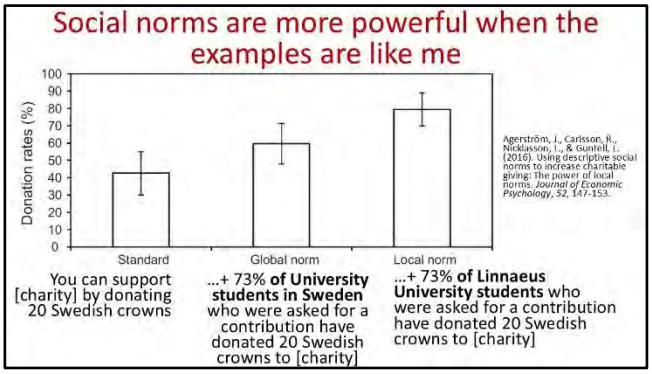
"People *like me* make gifts like this." It's a powerful fundraising message. Other experiments show this same result.

One experiment used a public radio station pledge drive.[12] New members calling in were told,

- "We had another member; he [or she] contributed $240."
- This example gift was larger than the typical gift.
- The use of "he" or "she" alternated randomly.

What happened? When the "he" or "she" matched the caller's gender, average gifts were a third larger than when it didn't. A single letter "s" made a big difference!

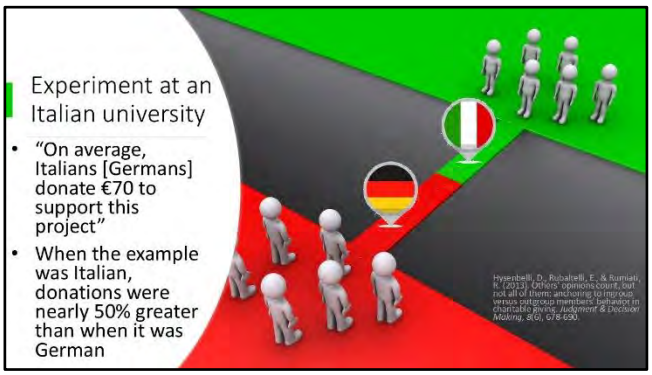
[12] Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research, 45*(3), 351-361.



In another experiment,[13] students at a Swedish university were asked for a donation. They were randomly told the following:

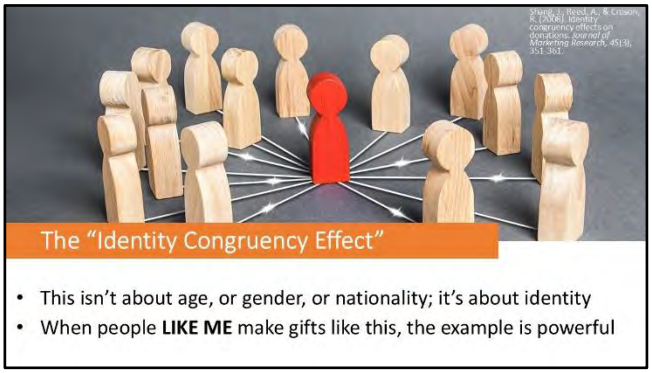
- Group 1 was told nothing else.
- Group 2 was told that 73% of university students *in Sweden* made the gift when asked.
- Group 3 was told that 73% of university students *at their university* made the gift when asked.

In the first group, 44% donated. In the second, 60% did. In the third, 79% did. As the example became more *like* the donor, giving increased.



Another experiment used students at an Italian university.[14] They were told, "On average, Italians [or Germans] donate €70 to support this project."[15] When the example was Italian, donations were nearly 50% greater than when it was German.[16] Again, giving by "people like me" was more influential.

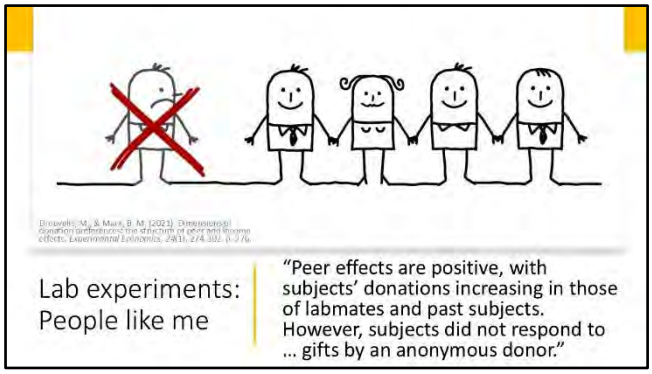
This isn't just about age, or gender, or nationality. It's about *identity*. Researchers call this the "identity congruency effect."[17] When "people *like me* make gifts like this," the examples are powerful.



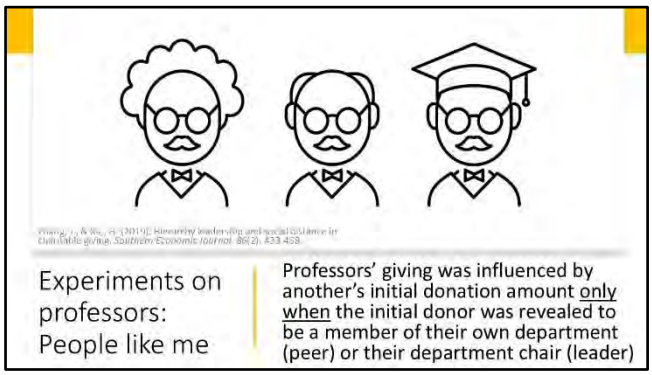
More results: People like me

These same types of results show up in many experiments with giving[18] or volunteering.[19] One lab experiment reported,

[13] Agerström, J., Carlsson, R., Nicklasson, L., & Guntell, L. (2016). Using descriptive social norms to increase charitable giving: The power of local norms. *Journal of Economic Psychology, 52*, 147-153.
[14] Hysenbelli, D., Rubaltelli, E., & Rumiati, R. (2013). Others' opinions count, but not all of them: Anchoring to ingroup versus outgroup members' behavior in charitable giving. *Judgment & Decision Making, 8*(6), 678-690. (Participants were entered into a drawing to win €100 less any amount they had chosen in advance to donate to the charitable cause if they won the drawing.)
[15] *Id*. p. 683
[16] *Id*. p. 684. Figure 3, HA condition.
[17] Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research, 45*(3), 351-361.
[18] Bennett, C. M., Kim, H., & Loken, B. (2013). Corporate sponsorships may hurt nonprofits: Understanding their effects on charitable giving. *Journal of Consumer Psychology, 23*(3), 288-300. (Learning of corporate sponsorship can reduce willingness to donate unless the donor has a high level of identification with the company. The authors write, "Therefore, unless prospective donors feel sufficiently attached to corporate donors (so as to create similarity or identification with the donor, which can instill the belief that helping is the norm), publicizing corporate sponsors can have a negative effect, resulting in decreased willingness to support a nonprofit among prospective individual donors." p. 290.); Drouvelis, M., & Marx, B. M. (2021). Dimensions of donation preferences: the structure of peer and income effects. *Experimental Economics, 24*(1), 274-302. p. 276; Herzog, P. S., Harris, C. T., Morimoto, S. A., & Peifer, J. L. (2019). Understanding the social science effect: An intervention in life course generosity. *American Behavioral Scientist, 63*(14), 1885-1909; Tian, Y., & Konrath, S. (2021). The effects of similarity on charitable giving in donor–donor dyads: A systematic literature review. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 32,* 316-339. p. 316; Zhang, J., & Xie, H. (2019). Hierarchy leadership and social distance in charitable giving. *Southern Economic Journal, 86*(2), 433-458.
[19] Fishbach, A., Henderson, M. D., & Koo, M. (2011). Pursuing goals with others: Group identification and motivation resulting from things done versus things left undone. *Journal of Experimental Psychology: General*, *140*(3), 520-534.

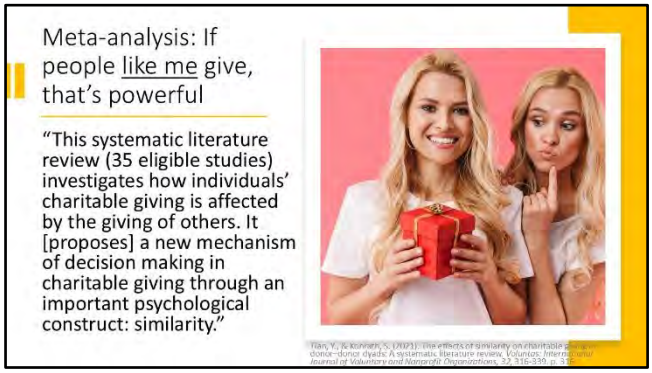


"Peer effects are positive, with subjects' donations increasing in those of labmates and past subjects. However, subjects did not respond to ... gifts by an anonymous donor."[20]



This also arose in an experiment with professors.[21] Results showed that professors' giving was influenced by another's initial donation amount. But not always. This happened only when the initial donor was revealed to be a member of their own department (peer) or their department chair (leader). Without this information, there was no significant response.

Another study found that showing people data on how their giving compared with others of their same age, education, and region increased their subsequent charitable giving.[22]



A meta-analysis found a similar result. It reported,

"This systematic literature review (35 eligible studies) investigates how individuals' charitable giving is affected by the giving of others. It [proposes] a new mechanism of decision making in charitable giving through an important psychological construct: similarity."[23]



If other people give, that's interesting. If people *like me* give, that's powerful.

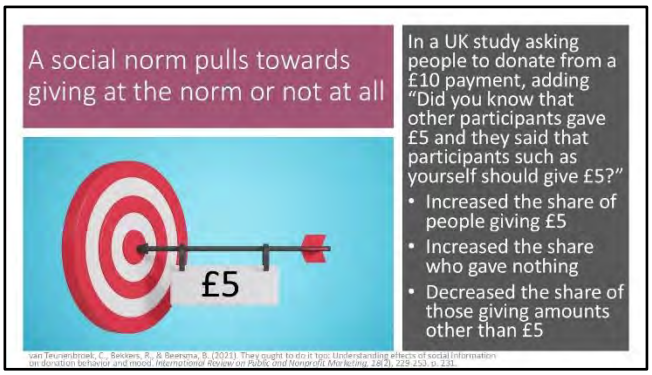
Experimental results: ... make gifts like this

A socially relevant example creates a social norm.[24] This tends to pull giving towards two points:

[20] Drouvelis, M., & Marx, B. M. (2021). Dimensions of donation preferences: the structure of peer and income effects. *Experimental Economics, 24*(1), 274-302. p. 276.
[21] Zhang, J., & Xie, H. (2019). Hierarchy leadership and social distance in charitable giving. *Southern Economic Journal, 86*(2), 433-458.
[22] Herzog, P. S., Harris, C. T., Morimoto, S. A., & Peifer, J. L. (2019). Understanding the social science effect: An intervention in life course generosity. *American Behavioral Scientist, 63*(14), 1885-1909.
[23] Tian, Y., & Konrath, S. (2021). The effects of similarity on charitable giving in donor–donor dyads: A systematic literature review. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 32,* 316-339. p. 316.
[24] In general, as people's expectations that others are giving grows, so does their own giving. For example, one study used real donation data on a large crowdfunding platform in Japan. The researchers report, "We find a donor likely imitates the donation amount that many others have selected … The likelihood increases when more of the others have given the similar amount … This result supports the notion that a donor's conformity behavior is more likely to occur when a greater proportion of other donors give a similar amount." Sasaki, S. (2019). Majority size and conformity behavior in charitable giving: Field evidence from a donation-based crowdfunding platform in Japan. *Journal of Economic Psychology, 70*, 36-51.









1. Giving at the norm.
2. Not giving at all.

Why does this happen? Giving costs. But giving *less* than the norm still violates the norm. Thus, giving too little doesn't help reputation. But it still costs something. So, it's a costly failure. It's a bad decision.

Giving *more* than the norm could be acceptable. But the extra cost might be pointless. So, the best options likely narrow to just two: giving at the norm or not giving at all.

These offsetting effects show up in experiments. For example, seeding a transparent donation box with large bills generates fewer, but larger, gifts. Seeding it with coins generates more, but smaller, gifts.[25] Mentioning a large gift by another in an appeal letter raises average gift size. But it lowers the likelihood of giving.[26]

One UK study asked people to donate from a £10 payment. Adding this phrase,

"Did you know that other participants gave £5 and they said that participants such as yourself should give £5?"[27]

had offsetting effects. It increased the share of people giving £5.[28] But it also increased the share who gave nothing.[29] The likelihood of giving amounts other than £5 fell. Again, the social norm pushed giving towards two points: Giving at the norm or not giving at all.

For fundraising, the ideal example is a stretch gift. In one experiment, a phone-a-thon for a

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Similarly, in another study, the answer to the question "How interested do you think others are in giving to women's and girls' causes?" largely predicted the person's own intentions to give to these causes. Mesch, D., Dwyer, P., Sherrin, S., Osili, U., Bergdoll, J., Pactor, A., & Ackerman, J. (2018). *Encouraging giving to women's and girls' causes: The role of social norms.* IUPUI Women's Philanthropy Institute. Figure 1. https://scholarworks.iupui.edu/handle/1805/17949

However, a social norm does not have to reflect *majority* behavior. A person can identify with a smaller group, rather than the majority. For example, in the previous study this phrase reduced giving to these causes: "Less than half of donors give to women's and girls' charities." But the negative impact disappeared when adding, "but the number of donors is getting bigger and bigger each year." This addition made the non-majority behavior more attractive.

[25] Martin, R., & Randal, J. (2008). How is donation behaviour affected by the donations of others? *Journal of Economic Behavior & Organization, 67*(1), 228-238.

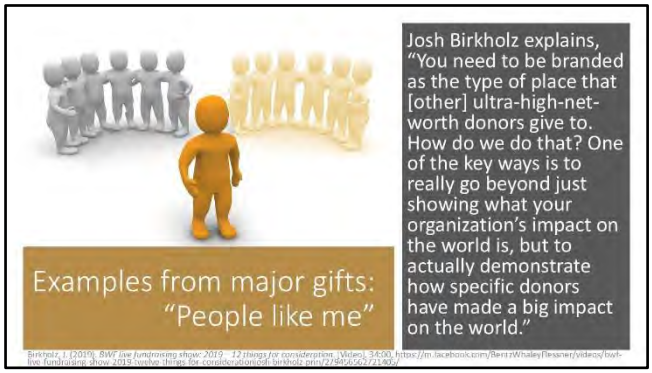
[26] Jackson, K. (2016). The effect of social information on giving from lapsed donors: Evidence from a field experiment. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 920-940.

[27] van Teunenbroek, C., Bekkers, R., & Beersma, B. (2021). They ought to do it too: Understanding effects of social information on donation behavior and mood. *International Review on Public and Nonprofit Marketing, 18*(2), 229-253. p. 231.

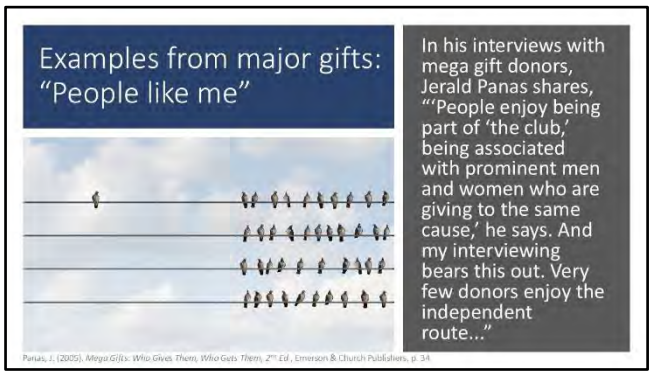
[28] *Id*. p. 240. Table 3. (The share of participants giving £5 was 26% in the control group and 37% in the group exposed to the message.)

[29] *Id.* (The share of participants giving nothing was 61% in the control group and 68% in the group exposed to the message.)

public radio station referenced another's gift. If the example was a bit larger than the donor's last gift, it tended to increase the donation. If smaller, it tended to decrease the donation.[30]







Examples from major gifts

These experiments show the power of others' examples in small gift decisions. But major gifts are rare. They're harder to test. Yet, the same answer emerges.

How can we persuade an ultra-high-net-worth donor to give? By sharing examples of other "people like me." Josh Birkholz explains,

> "You need to be branded as the type of place that [other] ultra-high-net-worth donors give to. How do we do that? One of the key ways is to really go beyond just showing what your organization's impact on the world is, but to actually demonstrate *how specific donors have made a big impact* on the world. [emphasis added]"[31]

The key information isn't just about the charity. It's about others who are like the donor. It's about showing that "people like me make gifts like this."

Similarly, a study of ultra-high-net-worth donors found, "nearly 60% report collaborating with other funders."[32] In his interviews with mega gift donors, Jerald Panas shares,

> "'People enjoy being part of 'the club,' being associated with prominent men and women who are giving to the same cause,' he says. And my interviewing bears this out. Very few donors enjoy the independent route ..."[33]

Examples from people *like me* work. But what if we don't already have mega donors to use as examples? There are still ways to provide aspirational examples.

As president of Connecticut College, Claire Gaudiani massively expanded fundraising success. (The college's endowment more than quadrupled.) Her approach? Sharing donor stories from American history. She recommends,

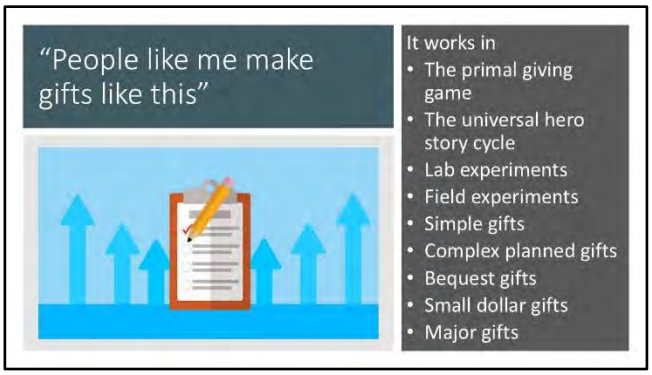
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[30] Croson, R., & Shang, J. Y. (2008). The impact of downward social information on contribution decisions. *Experimental Economics, 11*(3), 221-233.
[31] Birkholz, J. (2019). *BWF live fundraising show: 2019 – 12 things for consideration.* [Video]. 34:00, https://m.facebook.com/BentzWhaleyFlessner/videos/bwf-live-fundraising-show-2019-twelve-things-for-considerationjosh-birkholz-prin/279456562721405/
[32] Tripp, K. D. & Cardone, R. (2017). *Going beyond giving: Perspectives on the philanthropic practices of high and ultra-high net worth donors*. The Philanthropy Workshop. p. 12. https://www.ncfp.org/wp-content/uploads/2017/11/Going-Beyond-Giving.pdf
[33] Panas, J. (2005). *Mega gifts: Who gives them, who gets them* (2nd ed.). Emerson & Church Publishers. p. 34.



"Show how the vision of a major donor can transform an institution (Mary Garrett at Johns Hopkins) or an entire city (Ken Dayton in Minneapolis)."[34]

But she shares these stories in a special way. She begins them with a phrase like, "You know, you remind me of [insert historical name]." The donor responds with, "Who is that?" She then shares the story of a donor whose gifts made a major impact.[35] Because of this introduction, this isn't just an example. For the donor, it becomes an example of someone "like me."[36]



Conclusion

"People like me make gifts like this." It's a powerful message.

- It works in the primal-giving game. (It reveals a reciprocal, sharing community norm.)
- It works in the universal hero story cycle. (It connects the challenge to the donor's original identity. It validates the promise of a victory. It shows that the victory will deliver an enhanced identity.)
- It works in lab experiments.
- It works in field experiments.
- It works in simple gifts.
- It works in complex planned gifts.
- It works in bequest gifts.
- It works in small dollar gifts.
- It works in major gifts.

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[34] Gaudiani, C. (2012). *How to use the greater good.* [Website]. http://www.clairegaudiani.com/Writings/Pages/HowToUseGreaterGood.aspx now archive only at https://web.archive.org/web/20170923063952/http://www.clairegaudiani.com/Writings/Pages/HowToUseGreaterGood.aspx Her book, *The Greater Good*, is a collection of heroically-framed donor stories from American history. She recommends that fundraisers' use the book in this way:
"Need a GREAT STORY to illustrate your message about the importance of philanthropy? Tell a group of volunteers/smaller donors about the success of the Mother's March of Dimes or the creation of Provident Hospital. Show how the vision of a major donor can transform an institution (Mary Garrett at Johns Hopkins) or an entire city (Ken Dayton in Minneapolis). Demonstrate how risk-taking is essential for real social and economic progress (Guggenheim support to the aviation industry). Connect your philanthropic effort with the American entrepreneurial spirit (John Winthrop's Sermon on the "Arabella")"

[35] Author's notes from Guadiani, C. (2018, October 17). *Luncheon keynote*. [Presentation]. Charitable Gift Planners Conference, Las Vegas, NV.

[36] One study finds this identification with such "moral and civic virtue exemplars," to be a powerful predictor of pro-social action (giving and volunteering) among adolescents as well. The researchers explain, "adolescents who have made a habit of social action (having participated in the previous 12 months and intending to participate again in future) are more likely to … identify themselves more closely with moral and civic virtue exemplars, and say that other people who know them also think they are more like the moral and civic virtue exemplars". Taylor-Collins, E., Harrison, T., Thoma, S. J., & Moller, F. (2019). A habit of social action: Understanding the factors associated with adolescents who have made a habit of helping others. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(1), 98-114. p. 109.

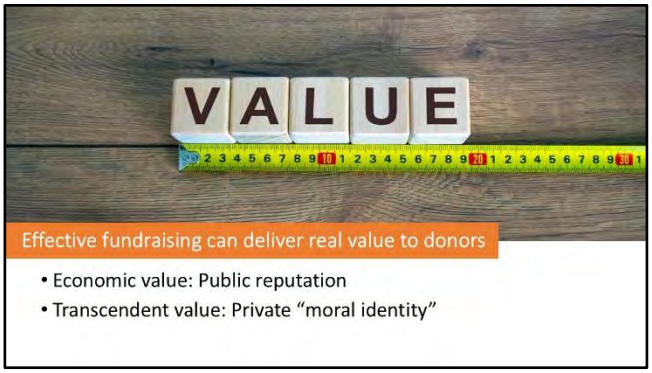


And most importantly, it works for people like you. :-)



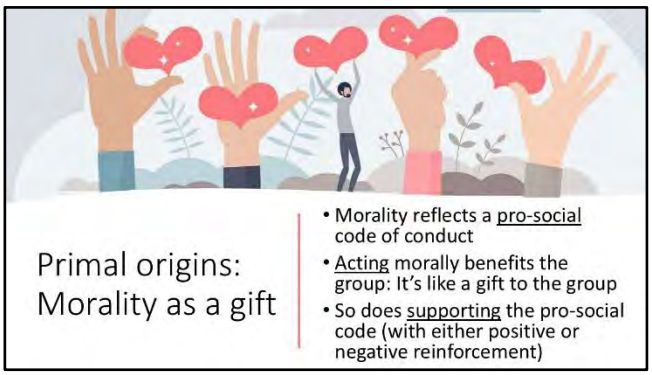
12

DELIVERING TRANSCENDENT VALUE IN PRIMAL FUNDRAISING: I BELIEVE IN THIS!



Effective fundraising can deliver real value to donors. For example, it can enhance public reputation. This external identity has tangible economic value.[1]

But fundraising can do more. It can also deliver transcendent value. This comes from a private, internal identity. It comes from a moral identity. Moral identity reflects how well one's life matches one's ideal values.[2]



Primal origins: Morality as a gift

An internal moral identity may seem intangible. It may feel far removed from the rational world of natural selection and game theory. But it does connect. How? It connects in this way. Morality is a code of conduct. More precisely, it's a pro-social code.[3] Pro-social actions benefit the group. Thus, acting morally is like a gift to the group.

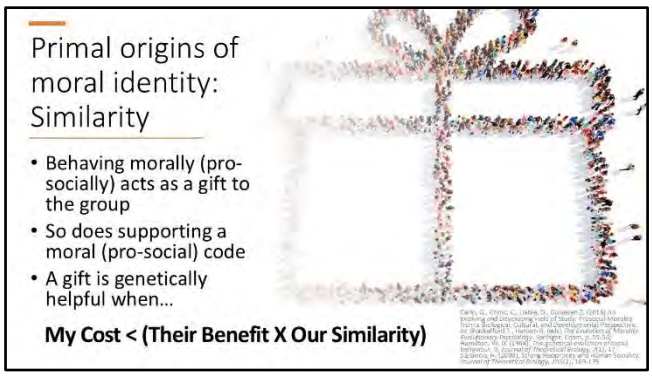
This gift may be simply an individual helpful act.

[1] *See* Chapter 9. Primal fundraising delivers practical value with external identity: This is totally worth it!
[2] For an economic model of this concept where people act as their own audience in a social-signaling model, *see* Bénabou, R., & Tirole, J. (2006). Incentives and prosocial behavior. *American Economic Review, 96*(5), 1652-1678.
[3] "Morality refers to a code of conduct that individuals and groups adopt as normative to govern themselves.... Moral behaviors can be classified into two broad categories: prosocial and antisocial. Prosocial behaviors are actions that benefit others.... Antisocial behaviors are defined as actions that contradict social norms, laws, and rules." Carlo, G., Christ, C., Liable, D., & Gulseven, Z. (2016). An evolving and developing field of study: Prosocial morality from a biological, cultural, and developmental perspective. In T. Shackelford & R. Hansen (Eds.), *Evolutionary psychology series: The evolution of morality*. Springer. p. 55-56.

But it can help the group in another way. It can support a shared pro-social code.[4] The code dictates that group members help each other. This mutual concern makes the group stronger. Thus, supporting a pro-social code makes the group stronger. It acts like a gift to the group.

This support can even include punishing code violators. The punisher incurs cost in order to enforce a code. But the code benefits the group. Thus, costly punishment can be a form of pro-social action.[5] (In the primal-giving game, this is called indirect reciprocity.[6] A world of indirect reciprocity strongly encourages sharing.)

The reinforcement may be positive or negative. But the effect is similar: Supporting a pro-social code acts like a gift to the group.

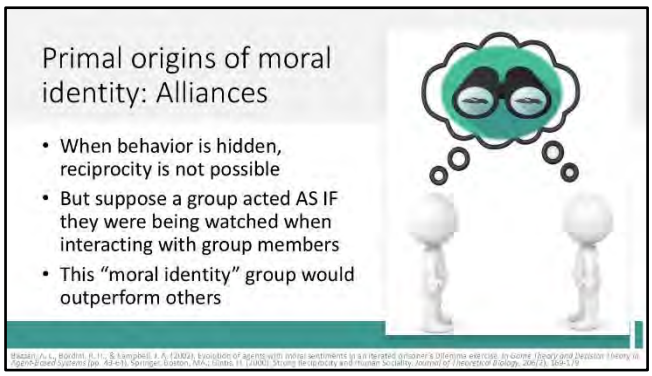


Primal origins of moral identity: Similarity

When are such gifts to the group a good idea? It might depend on one's similarity with the shared group. In Hamilton's simple math,[7] a gift is genetically helpful when

My Cost < (Their Benefit X Our Similarity).

The trade-off weighs the cost of support against the benefit to the group. The value of this group benefit depends on genetic similarity with the group members. However, the natural origins of code support go beyond this simple math.



Primal origins of moral identity: Alliances

If people aren't related, Hamilton's math doesn't work. Yet, sustainable giving is still possible. It is possible through reciprocal altruism. Biologists model this using the primal-giving game.[8] In the game, each player can give to the other. A gift helps the other player more than it costs. But both players must decide to give or not before knowing what the other will do.

When behavior is hidden, reciprocity is not possible. (We can't respond to an action that we can't see.) Without reciprocity, *not* sharing is the only logical move. That's why visibility is so important. If sharing is invisible, no one shares.

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[4] Gintis, H. (2000). Strong reciprocity and human sociality. *Journal of Theoretical Biology, 206*(2), 169-179.
[5] *See, e.g.,* Fehr, E., & Fischbacher, U. (2004). Third-party punishment and social norms. *Evolution and Human Behavior, 25*(2), 63-87; Fehr, E., & Gächter, S. (2000). Cooperation and punishment in public goods experiments. *American Economic Review, 90*(4), 980-994; Fehr, E. & Gächter, S. (2002). Altruistic punishment in humans, *Nature, 415*(6868), 137-140.
As with other types of gifts, costly punishment also increases when the act become more visible to others. *See,* Kurzban, R., DeScioli, P., & O'Brien, E. (2007). Audience effects on moralistic punishment. *Evolution and Human Behavior, 28*(2), 75-84.
[6] *See* the discussions of indirect reciprocity in chapters 9 "Primal fundraising delivers practical value with external identity: This is totally worth it!" and 10 "The power of community in primal fundraising: I'm not just giving, I'm sharing!"
[7] Hamilton, W. D. (1964). The genetical evolution of social behaviour. II. *Journal of Theoretical Biology, 7*(1), 17-52.
[8] Boyd, R. (1988). Is the repeated prisoner's dilemma a good model of reciprocal altruism? *Ethology and Sociobiology, 9*(2-4), 211-222.

This choice is individually rational. But everyone ends up worse off because no one shares. Is there a way around this problem? Is there a way that leads to reciprocal sharing even when it is invisible?

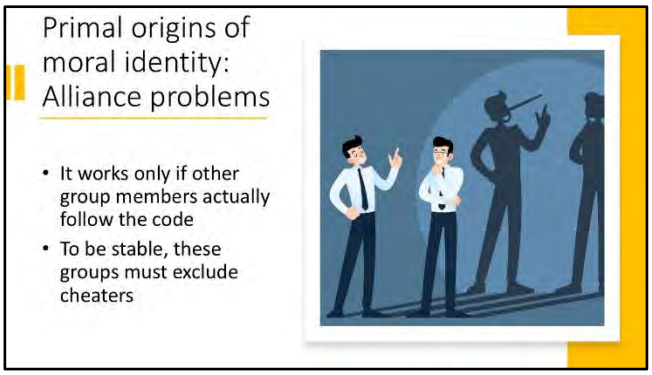
There is. Suppose a group of players adopted an internal moral code:

When playing with fellow group members, they would act *as if* they were being watched.

Each player would give up rational opportunities to cheat fellow group members. They would share with each other, even when their actions were hidden.

The result? This "moral code" group would succeed. It would outperform other groups.[9] Being part of this group would be more valuable than being part of a purely rational self-interested group. In natural selection, being part of a strong, mutually cooperative group is an ideal scenario.

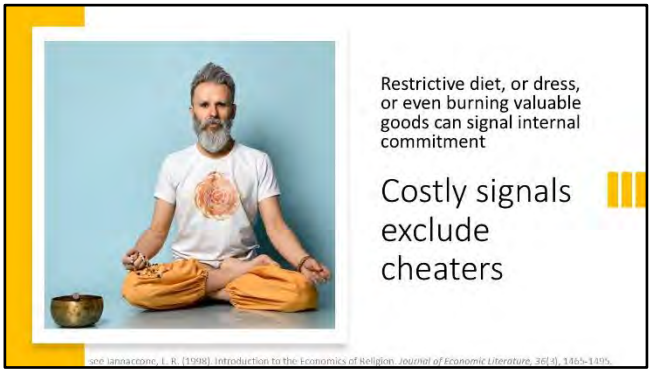
Thus, playing the game *as if* one is being watched – even when actions are hidden – can be a superior strategy for the group. This gameplay matches the desire for *internal* moral identity. It means one's private actions match one's ideal public values. It means acting the same whether the actions are hidden or not.



Primal origins of moral identity: Alliance problems

This "moral code" group would outperform others. It works. But there's a problem. It works only if other group members actually follow the code. To be stable, these groups must exclude cheaters. They must exclude those who claim they will follow the pro-social values, but then don't. But how is this possible if cheating is hidden?

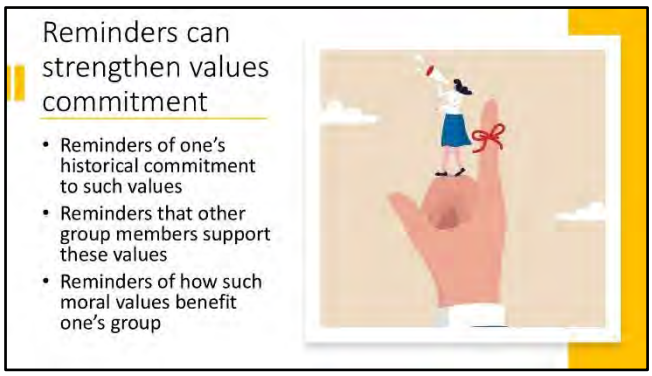
One solution is to use a visible substitute for the hidden action. Group members can express their commitment to following the pro-social code using costly signals. In religious groups, a costly signal might be a special diet or dress. It can also be a gift or sacrifice such as burning valuable goods.[10]



Increasing group member monitoring also helps. Over time, an accumulation of costly signals – including unknowingly observed behavior – means something. It predicts the person will consistently follow the moral code in the future. A group of such similarly

[9] Bazzan, A. L., Bordini, R. H., & Campbell, J. A. (2002). Evolution of agents with moral sentiments in an iterated prisoner's dilemma exercise. In S. D. Parsons, P. Gymtrasiewicz & M. Wooldridge (Eds.), *Game theory and decision theory in agent-based systems* (pp. 43-64). Springer; Gintis, H. (2000). Strong reciprocity and human sociality. *Journal of Theoretical Biology, 206*(2), 169-179.

[10] For a discussion of this game-theoretic model, see Iannaccone, L. R. (1998). Introduction to the economics of religion. *Journal of Economic Literature, 36*(3), 1465-1495.



committed people is strong. It excludes those who aren't internally committed to the group's moral code. It excludes cheaters.

These game-theory concepts lead to practical suggestions. For example, maintaining a long history of commitment to a code is a particularly valuable signal. Thus, reminders of one's historical commitment to such values encourage continued support for the values.

Following the moral code is also strategic if other group members support these values. Rejecting such values risks being subjected to costly punishment. It risks exclusion from the cooperative group. Thus, reminders that other group members support these values can also increase support for the values.

Even when hidden, supporting the moral code can still make sense. It makes sense because it helps other group members. Moral values are pro-social.

But helping the group can also help the individual. Being part of a strong, mutually cooperative group is valuable. (In natural selection, such alliances can be key to survival.) Thus, reminders of how such moral values benefit one's group can encourage support for the values.



Story origins of moral identity

Primal game theory explains the power of supporting a pro-social moral code. But what about practical reality? What about fundraising?

Fundraising can match the game. Giving can support a pro-social moral code. It can enhance the donor's internal moral identity.

How? The steps are already familiar.

The "one big thing" in fundraising is to advance the donor's hero story. The hero story (monomyth) cycle is,[11]

Original Identity → Challenge → Victory → Enhanced Identity

[11]Joseph Campbell uses a three-step circular illustration with this description:

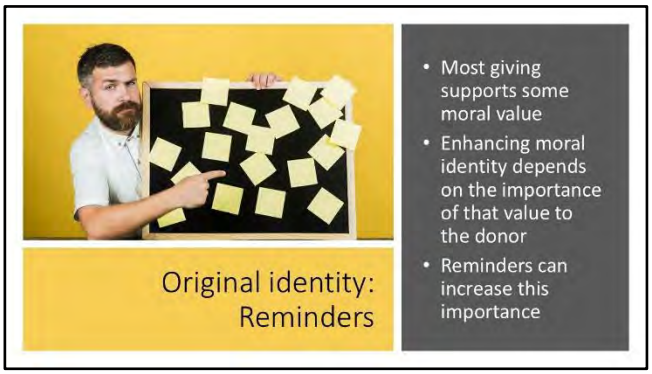
> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."

Or, as a loop,

Challenge
↗ ↘
Identity ← Victory

Previous chapters show how this cycle can enhance external, public identity.[12] These same steps can also enhance an internal, private, moral identity. They can move the donor from his original moral identity to an enhanced moral identity. In both cases, the process starts with the donor's original identity.



Original identity: Reminders

Most giving supports some moral value. It might be faith or compassion. It might be freedom or education. The options are endless. But when does such giving enhance the donor's internal moral identity? It depends.

The first question is this: How much are these values part of the donor's ideal moral identity? If the values don't matter, the gift won't help. If the values do matter, then the gift can help. It can help the donor's life match his ideal values. Thus, the value of the gift depends on the importance of the supported values.



But this importance can be fluid. Reminders can influence it. This shows up in experiments using religious reminders. In one, showing people the words

- Spirit
- Divine
- God
- Sacred, and
- Prophet

more than doubled gifts to others.[13] In another, organ donations increased if the solicitor wore a Christian cross.[14] Another found a "Sunday effect": Religious people were more likely to support charity, but only if they had visited their place of worship on that day.[15] In another,

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I apply this both to a scenario where the charitable gift serves as part of the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity.

[12] *See* Chapter 9. Primal fundraising delivers practical value with external identity: This is totally worth it!; Chapter 10. The power of community in primal fundraising: I'm not just giving, I'm sharing!; Chapter 11. Social norms in primal fundraising: People like me make gifts like this!

[13] Shariff, A. F., & Norenzayan, A. (2007). God is watching you: Priming God concepts increases prosocial behavior in an anonymous economic game. *Psychological Science, 18*(9), 803-809. Experiment 1.

[14] Guéguen, N., Bougeard-Delfosse, C., & Jacob, C. (2015). The positive effect of the mere presence of a religious symbol on compliance with an organ donation request. *Social Marketing Quarterly, 21*(2), 92-99.

[15] Malhotra, D. (2010). "Sunday Effect" on pro-social behavior. *Judgment and Decision Making, 5*(2), 138-143.

mindfulness meditation more than doubled gifts to the United Way.[16] Thus, spiritual reminders encourage donations.



But this is not just about religious values. The right setting or reminder can strengthen a connection with any values. In experiments, reminders make moral values more mentally accessible.[17] They bring the values to the top of the mind. This, in turn, increases actions that match those values.[18]

Reminders strengthen the importance of the moral value. A gift that supports that moral value then becomes more attractive.[19] The reminder helps link the gift with the donor's ideal moral identity. This connection makes the rest of the story more compelling. It makes the gift more attractive.



Original identity: Socratic inquiry

Reminding people about desired values underlying a gift works. But even more powerful is getting *them* to talk about it.

In experiments, people who first describe their connection with a value act differently. They become more likely to act according to that value.[20]

Expressing such an opinion once works. Expressing it multiple times in different ways works even better. This repetition increases commitment to the belief.[21] It increases actions that match the belief.[22]

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[16] "Subjects who underwent the meditation treatment donated at a 2.61 times higher rate than the control ($p = 0.005$), after controlling for socio-demographics." Iwamoto, S. K., Alexander, M., Torres, M., Irwin, M. R., Christakis, N. A., & Nishi, A. (2020). Mindfulness meditation activates altruism. *Scientific Reports, 10*(1), 1-7. p. 1.

[17] Glasman, L. R., & Albarracin, D. (2006). Forming attitudes that predict future behavior: A meta-analysis of the attitude-behavior relation. *Psychological Bulletin, 132*(5), 778-822.

[18] *Id.* In another example, a reminder to "be grateful for what you have" increased the tendency to make donations and increased the size of those donations. Paramita, W., Septianto, F., & Tjiptono, F. (2020). The distinct effects of gratitude and pride on donation choice and amount. *Journal of Retailing and Consumer Services, 53*, 101972, 1-10. p. 4.

[19] In one study, the reminder "Be proud of what you can do" (pride motive) increased donations only if the donations would be publicly acknowledged and recognized. Without this recognition, the highlighted value (pride) didn't match the gift. Paramita, W., Septianto, F., & Tjiptono, F. (2020). The distinct effects of gratitude and pride on donation choice and amount. *Journal of Retailing and Consumer Services, 53*, 101972, 1-10. p. 4.
Another study investigated charitable giving motivations for donors at 13 large Dutch nonprofits that account for nearly a third of total donations in the country. The researchers found that "donating to a specific nonprofit depends on the congruency between the nonprofit values of the organization and the individual donor's nonprofit values." van Dijk, M., Van Herk, H., & Prins, R. (2019). Choosing your charity: The importance of value congruence in two-stage donation choices. *Journal of Business Research, 105*, 283-292.

[20] Glasman, L. R., & Albarracin, D. (2006). Forming attitudes that predict future behavior: A meta-analysis of the attitude-behavior relation. *Psychological Bulletin, 132*(5), 778-822.

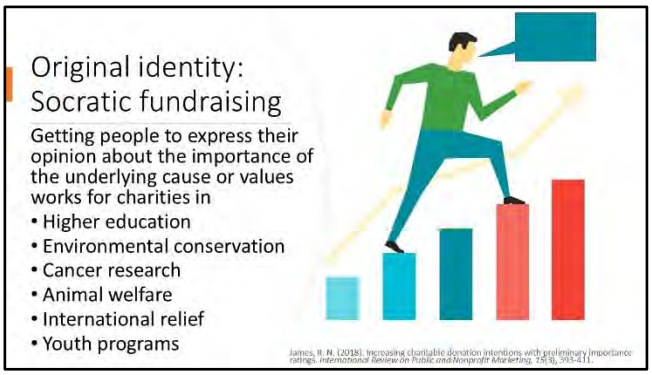
[21] Descheemaeker, M., Spruy, A., Faxio, R. H., & Hermans, D. (2017). On the generalization of attitude accessibility after repeated attitude expression. *European Journal of Social Psychology, 47*, 97-104; Holland, R. W., Verplanken, B., & van Knippenberg, A. (2003). From repetition to conviction: Attitude accessibility as a determinant of attitude certainty. *Journal of Experimental Social Psychology, 39*(6), 594-601.

[22] Downing, J. W., Judd, C. M., & Brauer, M. (1992). Effects of repeated expressions on attitude extremity. *Journal of Personality and Social Psychology, 63*(1), 17-29.



This also works in fundraising. Getting people to express their opinion about the importance of the underlying cause or values works.[23] In experiments, this increases

- Current gifts
- Future gift intentions, and
- Charitable bequest intentions.



It works in experiments for charities in

- Higher education
- Environmental conservation
- Cancer research
- Animal welfare
- International relief, and
- Youth programs.

Answering questions about the importance of underlying values or causes works. It works by highlighting the internal importance of those values. And the more times people do it, the more impact it has.[24]



Original identity: Donor's story

The right setting can provide values reminders. Socratic inquiry can do the same. Either way, focusing on values can increase giving. If.

Such reminders work only *if* the moral value is part of the donor's ideal moral identity. If it isn't, then this won't work. The gift might advance *some* moral value. But it doesn't advance *the donor's* moral value. Thus, the gift won't be compelling.

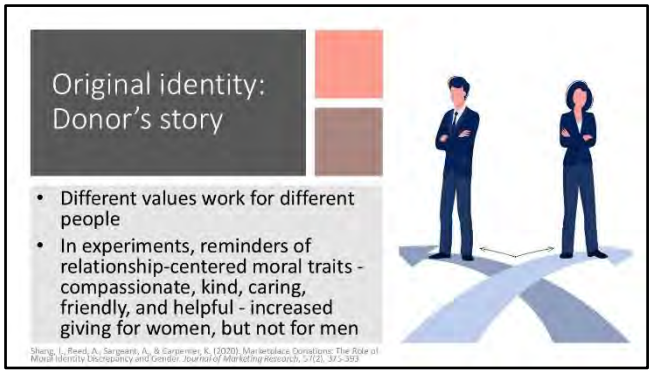
To be compelling, the challenge must be rooted in the donor's desired moral identity. Otherwise, neither meeting the challenge nor winning the victory will enhance the donor's identity. A compelling gift requires each part of the story cycle. It requires identity, challenge, and victory.

For example, suppose religious faith is *not* part of a donor's identity. Then a gift that supports that value won't help. It won't enhance the donor's internal, moral identity. It won't be compelling.

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[23] Capraro, V., Jagfeld, G., Klein, R., Mul, M., & van de Pol, I. (2019). Increasing altruistic and cooperative behaviour with simple moral nudges. *Scientific Reports, 9*(1), 1-11; James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411; Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2019). Getting the rich and powerful to give. *Management Science, 65*(9), 4049-4062.

[24] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411.



Different values work for different people. One experiment tested a gender difference.[25] It pointed to findings that women "consider relationships to be more central to their sense of self."[26] It tested reminders of five relationship-centered moral traits: compassionate, kind, caring, friendly, and helpful. These reminders increased giving for women, but not for men.[27] The researchers suggested that a different set of moral traits might work better for men.[28]



The "one big thing" in fundraising remains the same: Advance the donor's hero story. This means advancing *the donor's* story. A story about values that aren't part of the donor's identity isn't *the donor's* story. A gift that advances those values won't help. It won't advance *this* donor's story.



Challenge: External threat

A story about values central to the donor's identity is *the donor's* story. But it's not yet a hero story. The hero story cycle *starts* with original identity. It can start by connecting to values that are part of this identity. It can start by highlighting the importance of these identity connections. But to advance the story, this identity must then connect to a challenge.



A compelling challenge responds to a threat or opportunity. A threat to one's moral values can be external or internal. An external threat arises when an outside force attacks the moral value.

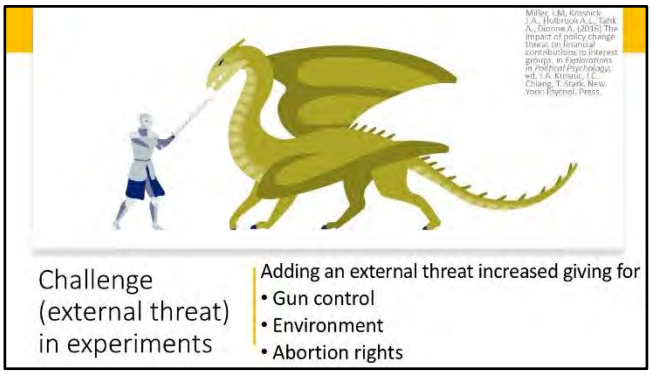
An external threat is common in political cause fundraising. One experiment added an external threat to a political appeal letter.

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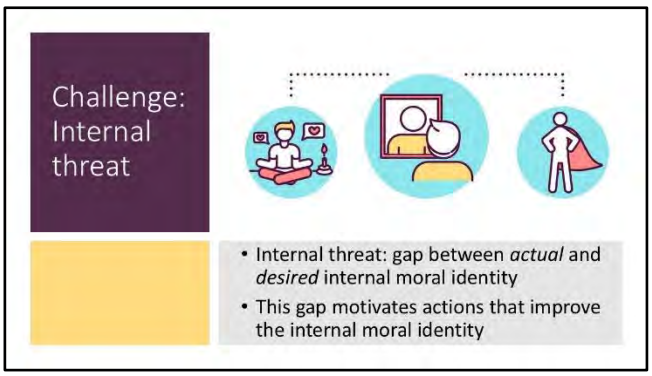
[25] Shang, J., Reed, A., Sargeant, A., & Carpenter, K. (2020). Marketplace donations: the role of moral identity discrepancy and gender. *Journal of Marketing Research, 57*(2), 375-393.
[26] *Id.* p. 377.
[27] *Id.* p. 379. (New or renewing members of a public radio station called in during a pledge drive. Before being asked, "How much would you like to pledge today?" some were told, "Thank you for becoming/being a [station name] member." Others were told "Thank you for becoming/being a [moral trait 1] and [moral trait 2] [station name] member." Using the five listed traits increased average gift size by 21.3% for women. But it made no significant impact for men.)
[28] *Id.* p. 390. ("If women's relationship concerns enabled us to shrink their moral identity discrepancy through relationship building activities, is it possible that we could shrink men's moral identity discrepancy through authority-building or fairness-restoration activities because of their need to be the agent to uphold moral values?")

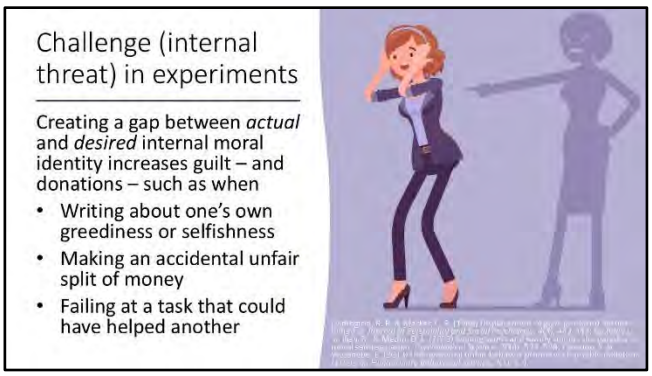
Doing so nearly doubled the share of people making gifts.[29] The added phrases included,

- "Powerful members of Congress are working hard to [take away rights from women]."
- "<u>These threats are real</u>!"[30]









Other experiments show similar results for threats related to issues in

- Gun control
- The environment, and
- Abortion.[31]

Showing that an opposing political candidate is ahead in fundraising also provides a threat. And it also increases donations.[32] In another example, online donations to the ACLU were typically about $5 million per year. Then President Trump took office. These donations shot up to over $120 million per year.[33]

Most hero stories involve responding to an external threat. In fundraising, external threats can make a huge impact. They can help create a more heroic giving opportunity.

Challenge: Internal threat

A challenge to moral values can be external. But it can also be internal. An internal threat suggests a gap between,

- *Desired* internal moral identity, and
- *Actual* internal moral identity.

This gap motivates action to fix the problem. It motivates action to improve internal moral identity. A gift can help do this. Thus, highlighting this gap can motivate a related gift.

Some experiments create this kind of internal threat. The threat highlights a gap between

[29] Miller, J. M., & Krosnick, J. A. (2004). Threat as a motivator of political activism: A field experiment. *Political Psychology, 25*(4), 507-523. p. 513. (Donation rate for direct mail appeals rose from .23% in the control letter to .43% in the threat letter.)
[30] *Id.* at p. 520.
[31] Miller, J. M., Krosnick, J. A., Holbrook A. L., Tahk, A., & Dionne, A. (2016). The impact of policy change threat on financial contributions to interest groups. In J. A. Krosnic, I. C. Chiang, & T. Stark (Eds.), *Explorations in Political Psychology*. Psychology Press.
[32] Schwam-Baird, M. (2016). *Essays on the motivations and behavior of individual political donors*. [Doctoral dissertation]. Columbia University, New York.
[33] *See* Reints, R. (2018, July 5). The ACLU's membership has surged and it's putting its new resources to use. Fortune. http://fortune.com/2018/07/05/aclu-membership-growth/

desired and actual moral identity. This increases guilt. But it also increases donations. In experiments, this happens after

- Writing about one's own greediness or selfishness,[34]
- Making an accidental unfair split of money,[35]
- Using a counterfeit luxury product,[36] or
- Failing at a task that could have helped another.[37]

These situations create a gap between desired and actual internal moral identity. A gift helps close that gap. Thus, creating the gap motivates the gift.



In another example, combining a charitable gift with a product can sometimes increases sales. But not always. It works if the product creates guilt.[38] For example, it works for a hot fudge sundae. It works for chocolate truffles. But it doesn't work for laundry detergent. It doesn't work for a spiral notebook.

Again, the concept is the same. If consuming the product creates a gap between desired and actual identity, the gap can motivate a gift. If the product doesn't create a gap, it doesn't motivate a gift.



Challenging one's loyalty to an important value can also create a threat. It implies that there is a gap between desired and actual moral identity. For example, mentioning a resented stereotype that a group is un-generous does this. In experiments, doing this causes group members to give more.[39] Highlighting the alleged gap motivates the giving.

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[34] Sachdeva, S., Iliev, R., & Medin, D. L. (2009). Sinning saints and saintly sinners the paradox of moral self-regulation. *Psychological Science, 20*(4), 523-528.

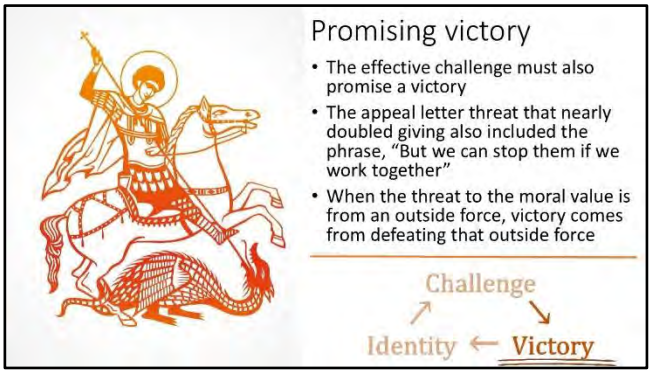
[35] Ohtsubo, Y. & Watanabe, E. (2013). Unintentional unfair behavior promotes charitable donation. *Letters on Evolutionary Behavioral Science, 4*(1), 1-4.

[36] Chen, J., John, D., Wang, Y., & Carufel, C. (2017). Prosocial consequences of counterfeits: using counterfeit luxury goods can lead to prosocial behavior.
In A. Gneezy, V. Griskevicius, and P. Williams (Eds.), *NA - Advances in Consumer Research* (Vol. 45). Association for Consumer Research. p. 68-69. https://www.acrwebsite.org/volumes/v45/acr_vol45_1024798.pdf

[37] Darlington, R. B. & Macker, C. E. (1966). Displacement of guilt-produced altruistic behavior. *Journal of Personality and Social Psychology, 4*(4), 442-443.

[38] Strahilevitz, M., & Myers, J. G. (1998). Donations to charity as purchase incentives: How well they work may depend on what you are trying to sell. *Journal of Consumer Research, 24*(4), 434-446.
In another example of a potentially "guilt-inducing" sale, Kaylen Ward, the "naked philanthropist," offered to send nude pictures of herself to anyone who donated $10 to fundraisers for Australian wildfires. She raised a reported $700,000 in four days. *See* Rosen, M. (2020, January 7). *What can you learn from "The Naked Philanthropist"?* [Blog].
https://michaelrosensays.wordpress.com/2020/01/07/what-can-you-learn-from-the-naked-philanthropist/

[39] Hopkins, N., Reicher, S., Harrison, K., Cassidy, C., Bull, R., & Levine, M. (2007). Helping to improve the group stereotype: On the strategic dimension of prosocial behavior. *Personality and Social Psychology Bulletin*, *33*(6), 776-788.



Promising victory

The effective challenge responds to a threat. But it must also promise a victory. This victory can address the threat to the donor's values. For example, the previous appeal letter threat that nearly doubled giving also included the phrase,

"But we can stop them if we work together."[40]

That threat to the moral value was external. It was from an outside force. Thus, victory comes from defeating that outside force.

A victory over an internal threat is also possible. The gift can reduce the gap between actual and desired internal moral identity.[41] Giving can fix the problem. It can prove commitment to the supported values.



Promising the donor's victory

Not all victories are compelling. The compelling victory must be tied to *the donor's* identity. It must also be *the donor's* victory.

This is where charities often go wrong. Their natural tendency is to claim the victory as theirs. The victory enhances *their own* identity. (This matches the administrator-hero story.)

But this is not as compelling for the donor. This victory is not tied to *the donor's* actions. It doesn't enhance *the donor's* identity.



In an experiment, one e-mail focused on the charity as the actor. For example, it stated,

"The fashion industry has let these women down, but [the charity] won't."[42]

Another version added the donor as an actor. It instead stated,

"The fashion industry has let these women down, but you and [the charity] won't."

The odds of people clicking on the link to learn more were 27% higher for the second message. When *the donor* delivers the victory, it enhances *the donor's* identity. This makes giving more attractive.

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[40] Miller, J. M., & Krosnick, J. A. (2004). Threat as a motivator of political activism: A field experiment. *Political Psychology, 25*(4), 507-523. p. 520.
[41] Shang, J., Reed, A., Sargeant, A., & Carpenter, K. (2020). Marketplace donations: The role of moral identity discrepancy and gender. *Journal of Marketing Research, 57*(2), 375-393.
[42] *Id.* p. 382.

The second message increased the odds of responding even more, by 40%, among women. Why? In that case, the challenge connected to both

- The donor's original identity (female), and
- The donor's enhanced identity (the hero who delivers victory).

Connecting to more of the story cycle makes the request more compelling.



Delivering victory: External threat

A challenge is more effective when it *promises* victory leading to an enhanced identity. But how does the charity actually *deliver* on this promise?

If the moral challenge is external, the goal is to resist the *external* foe. Victory comes from the *impact* of the gift. The charity can confirm this impact. It can confirm this victory. How?

- It can report the gift's impact.
- It can express gratitude for the gift's impact.
- It can encourage others to express gratitude for the gift's impact.
- It can publicize the gift's impact.

Confirming the victory makes the next challenge more compelling. The hope of "Yes, you can!" is compelling. But it fades unless followed by, "Yes, you did!"



Delivering victory: Internal threat

If the moral challenge is internal, the goal is different. The goal is to reduce the identity gap. Victory moves *actual* internal moral identity towards *desired* moral identity.[43]

Confirming the gift's impact can help here, too. It can show that the donor is an effective, successful, victorious, and valuable member of the community.

But internal victory can come even without impact. The victory comes simply from the making of the gift. It can verify that the donor is generous, faithful, committed, and sacrificial.

[43] *Id.* p. 375. (Referencing "moral identity discrepancy (i.e., the gap between actual and ideal moral identity)").

The gift itself may even be destroyed. Such offerings are described in the Iliad,[44] the Odyssey,[45] and the Pentateuch.[46] The act of giving shows allegiance to the desired values regardless of impact.

This type of victory is internal. But it can still be validated by others. The charity can confirm that the *act of giving* supports the desired values. Gift reporting, gratitude, and compatible publicity for the gift *as an expression of the moral value* provides this confirmation.



Conclusion

Enhancing the donor's internal moral identity is powerful. It can tap into the deepest sources for sacrificial motivation. But delivering this transcendent value need not be mysterious.

Enhancing either private or public identity uses the same process. Both internal moral identity and external public reputation grow through the same steps:

Original Identity → Challenge → Victory → Enhanced Identity

The process is familiar. The answer, once again, is simply this: Advance the donor's hero story.

Next up:
The Fundraising Myth & Science Series Book IV

THE SOCRATIC FUNDRAISER:
USING QUESTIONS TO ADVANCE THE DONOR'S STORY

[44] Strittmatter, E. J. (1925). Prayer in the Iliad and the Odyssey. *The Classical Weekly, 18*(11), 83-87.
[45] Petropoulou, A. (1987). The sacrifice of eumaeus reconsidered. *Greek, Roman and Byzantine Studies, 28*(2), 135-149.
[46] E.g., Genesis 35:14, Exodus 29:41, Leviticus 23:18.

The Socratic Fundraiser:
Using Questions to Advance the Donor's Story

The Fundraising Myth & Science Series: Book IV



INTRODUCTION: THE RETURN OF THE HERO

If you're starting with this as your first book in the series, Welcome! This is the most immediately practical of all the books. It's the "answer key" that gives the bottom line of "how to do it." If you've got a donor meeting tomorrow, you're in the right place.

If you've made it through the previous books in the series, Welcome back! You've been on quite a journey.

The Storytelling Fundraiser started in a relatively ordinary world. Sure, some of the evidence might have been new. But the conclusions were probably familiar. Stories work better than statistics. Character works better than calculations. But then things got weird.

The Epic Fundraiser crossed a threshold. It entered a magical new world of monomyth and archetype. Maybe you felt some resistance to leaving behind the ordinary fundraising world. But you went forward. You continued the journey.

And then things got even weirder. *The Primal Fundraiser* looked at natural origins. It explored the hero archetype's ethological mirror. It was quite a challenge. But you made it through!

And now, at the end, you return ... to the beginning. This final section returns to the ordinary world of fundraising. It's the most practical one. You've got a job to do. What exactly, should you say? How should you say it? The final section looks at these answers. But the previous parts of the journey inform these practical suggestions.

That original world of practical fundraising is now different for you. The journey has changed your understanding. You know that the goal isn't just to advance *any* story. The goal is to advance the *donor's hero story*. You understand why some messages will resonate and others won't. You've been transformed. You've won a victory.

But don't stay in that magical world of myth, theory, and academia. (Unless you want to pursue your Ph.D. with me!) Now it's time to return. It's time to take your victory and make it a "boon" for your community. It's time to finish the hero story!

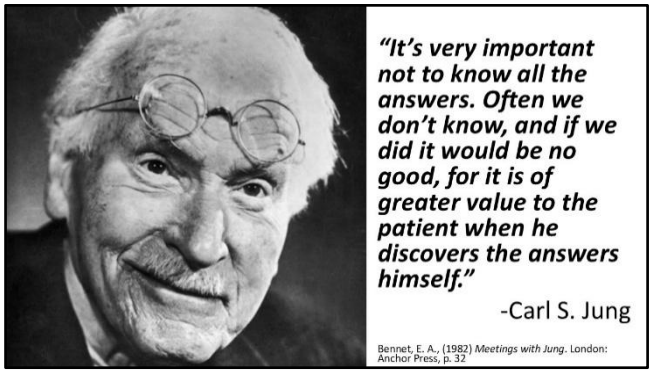
-Professor Russell James



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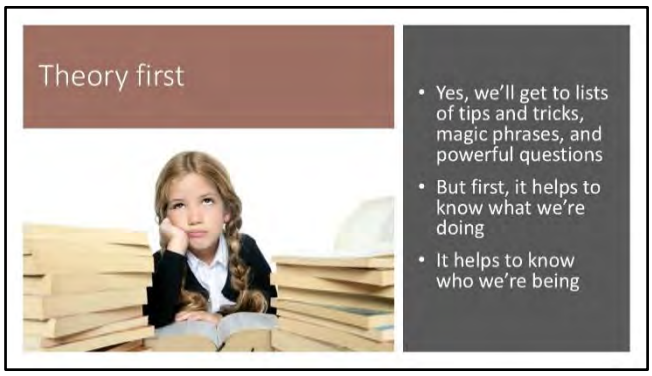
SOCRATIC FUNDRAISING THEORY:

HOW QUESTIONS ADVANCE THE DONOR'S STORY

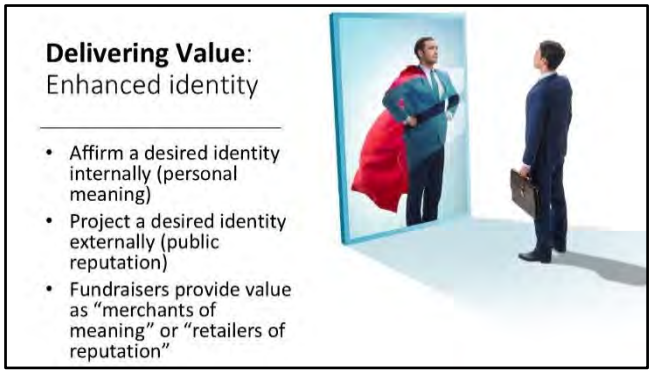


"It's very important not to know all the answers. Often we don't know, and if we did it would be no good, for it is of greater value to the patient when he discovers the answers himself."

-Carl S. Jung[1]



This is the most practical book in the series. And still, we start with theory. This isn't just a penalty for reading something written by a professor. In the end, it's quite practical. Yes, we'll get to lists of tips and tricks. We'll look at magic phrases and powerful questions. But first, it helps to know what we're doing. It helps to know *who* we're *being*. Once we get that, everything else fits. It fits the story. It fits the model. It fits the theory.



Delivering value

What does a charity offer that the donor wants? A charity can provide value to many people in many ways. But *fundraising* provides value *to the donor* in just one way – by delivering an enhanced identity.

[1] Bennet, E. A. (1982). *Meetings with Jung*. Anchor Press. p. 32.

This can be private. It can affirm a donor's desired moral identity *internally*. The audience for the gift can be simply the donor himself. The gift can enhance personal meaning.

This can also be public. The gift can project a desired moral or economic identity *externally*. The audience for the gift can include valued members of the donor's community. The gift can enhance reputation.

Fundraisers can provide value. They do so as "merchants of meaning" or "retailers of reputation."





Back to the "one big thing"

The "one big thing" in fundraising is this: *Advance the donor's hero story*. Enhanced identity is part of this story. It is the ultimate result.

The hero's journey[2] begins in the hero's original world. This defines his[3] *original identity*. He is then *challenged* to leave behind that ordinary, small, self-focused world. He is *challenged* to make an impact on the larger world. He initially refuses, but then accepts the challenge. The journey ultimately results in a decisive *victory*. The hero returns, bringing improvement to his original world. His *identity* has changed. He has become a transformed (internal) and honored (external) victorious hero.

The steps in the hero's journey (monomyth) can be simplified to

Original Identity → Challenge → Victory → Enhanced Identity

Or as a cycle

[2] Joseph Campbell uses a three step circular illustration with this description,

> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves only as the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity. In a conventional narrative arc, the steps of original identity, challenge, victory, and enhanced identity also serve as backstory, inciting incident, climax, and resolution, respectively.

[3] As a convention for clarity and variety, throughout this series the donor/hero is referred to with "he/him/his" and the fundraiser/sage is referred to with "she/her/hers." Of course, any role can be played by any gender.

Challenge
↗ ↘
Identity ← Victory

A compelling story requires each step. Each part must connect to the others. A *challenge* isn't compelling if it doesn't promise a *victory*. A *victory* isn't meaningful unless it delivers *enhanced identity*. An *enhanced identity* requires connecting with *original identity*.[4] And so on for every step in the cycle. Each step must connect to the others.



The perfect ask

What do new fundraisers really want to know? It's often something like this.

"How do I ask for money in just the right way?"

"What's the magic phrase that will make donors give?"



Focusing on the perfect ask is natural. In the monomyth cycle, the ask is the *challenge*.

Challenge
↗ ↘
Identity ← Victory

A compelling *challenge* forces a decision. But it's a *challenge* that links to the donor's *identity*.

Challenge
↗ ↘
Identity ← Victory

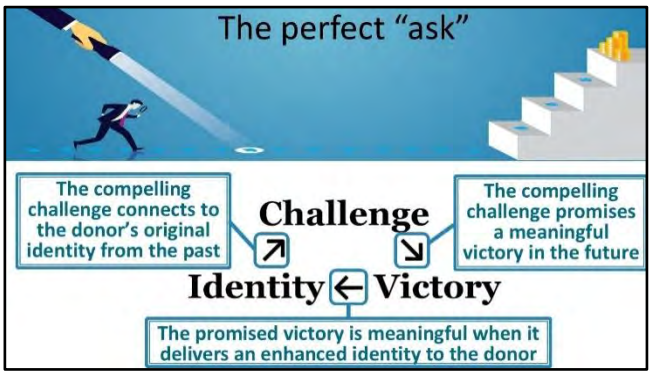
- The *challenge* responds to a threat or opportunity. But it's a threat or opportunity for the donor's people or values.

Challenge
↗ ↘
Identity ← Victory

- The *challenge* promises a *victory*. But it's a *victory* for the donor's people or values.

Challenge
↗ ↘
Identity ← Victory

[4] For elaborations of this concept, *see e.g.,* Elenbaas, J. D. (2016). *Excavating the mythic mind: Origins, collapse, and reconstruction of personal myth on the journey toward individuation.* [Ph.D. Dissertation]. Pacifica Graduate Institute; Gerhold, C. (2011). *The hero's journey through adolescence: A Jungian archetypal analysis of "Harry Potter".* [Ph.D. Dissertation]. The Chicago School of Professional Psychology.



The *challenge* isn't compelling by itself. It's compelling only as part of the full story cycle.

- The *challenge* looks backward. It connects with the donor's *original identity*. It connects with the donor's history, people, or values.

Challenge
↗ ↘
Identity ← Victory

- The *challenge* also looks forward. It promises a meaningful *victory* in the future.

Challenge
↗ ↘
Identity ← Victory

The promised *victory* is meaningful only as part of the full story cycle.

- The *victory* looks backward. It benefits the donor's source of *original identity*. It helps the donor's people or values.

Challenge
↗ ↘
Identity ← Victory

- The *victory* also looks forward. It delivers an *enhanced identity* to the donor. The donor returns as a victorious and transformed hero.

Challenge
↗ ↘
Identity ← Victory

The perfect ask cannot exist in isolation. The *challenge* is only a single step. To be compelling, it must be part of the full story cycle. It must advance the donor's hero story.



Appreciative inquiry

Advancing this story can start by asking and listening. This can uncover the donor's

- *Original identity* (related to the charity, cause, or project), and
- *Meaningful victory* (related to the charity, cause, or project).

Only then can the fundraiser find or create a relevant

- *Challenge* (related to the charity, cause, or project).

Questions can do a lot. Of course, they can uncover information. But they can do more. Empathetic listening signals a social or friendship relationship,[5] rather than a purely transactional one. This encourages sharing.[6]

Questions can also teach. Even more, questions allow people to teach themselves. Questions can change "*an* idea" into "*my* idea."

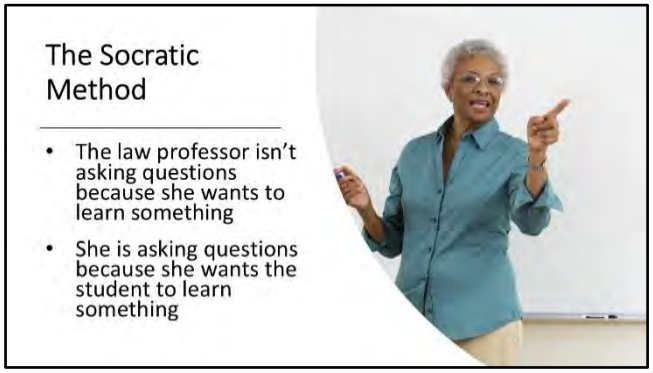


Socratic fundraising

In the donor-hero's journey, the effective fundraiser plays an essential role. The fundraiser is the guiding sage who challenges with a choice. In film, we see this character in Obi-Wan Kenobi, Minerva McGonagall, Morpheus, or Gandalf the Grey.

But the best example of the guiding sage isn't from film or fiction. The best example is from history. When questions go beyond simply eliciting facts, we enter the world of Socrates.

Socrates taught by asking questions. The purpose of his questions was not for *him* to learn something. It was for *the student* to learn something.



Law school

The Socratic method of teaching is familiar to law students. The law professor isn't asking questions because *she* wants to learn something. She is asking questions because she wants *the student* to learn something.

Isn't it easier just to tell the student the right answer? Yes. It is easier.

But if the student uncovers the answer through his own reasoning, things change. The answer isn't just the teacher's opinion. It's the student's opinion. He discovers it. He believes it. He understands why he believes it.



As Blaise Pascal wrote in 1660,

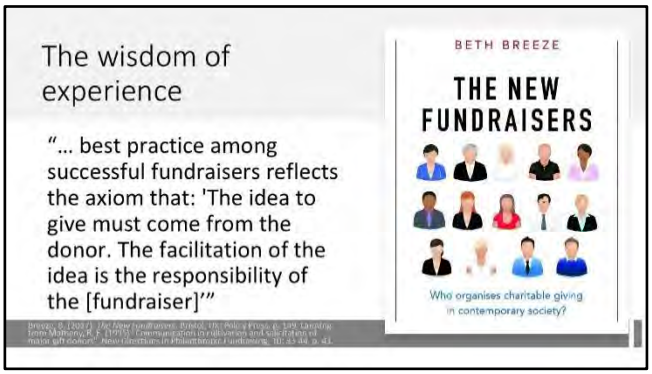
"People are generally better persuaded by the reasons which they have themselves

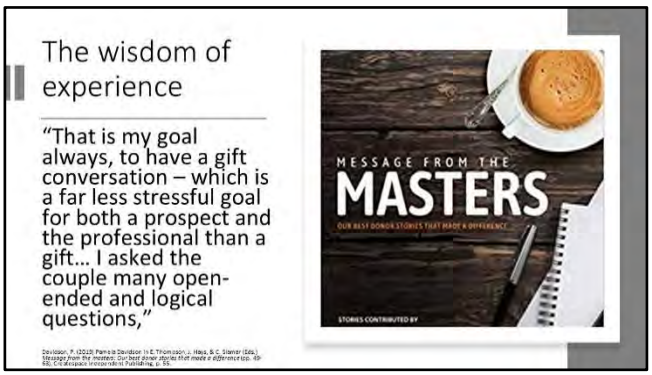
[5] In one experiment with speed daters, "one more question on each date meant that participants persuaded one additional person (over the course of 20 dates) to go out with them again." Quoted in Brooks, A. W., & John, L. K. (2018). The surprising power of questions. *Harvard Business Review, 96*(3), 60-67. Citing to Huang, K., Yeomans, M., Brooks, A. W., Minson, J., & Gino, F. (2017). It doesn't hurt to ask: Question-asking increases liking. *Journal of Personality and Social Psychology, 113*(3), 430-452.

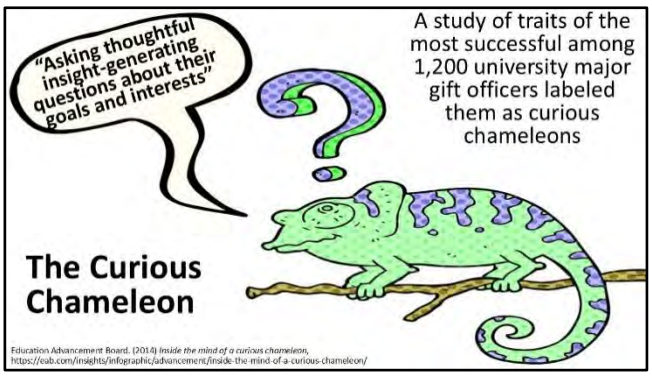
[6] *See* Book I in this series, *The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story,* Chapter 10: Using family words not formal words in fundraising story. *See also* Book III in this series, *The Primal Fundraiser: The Natural Origins of Effective Fundraising*, Chapter 4: Relationship is the foundation of primal fundraising: I'm with them because we're partners!

discovered than by those which have come into the minds of others."[7]









The wisdom of experience

This isn't just a matter of ancient history, philosophy, or fiction. It's a practical tool for transformational philanthropy.[8] As Rod Zeeb puts it,

"We ask the questions because what they say is fact; what you say is opinion. If you tell them something, it is just an opinion, even if it is totally accurate. But, if they tell you the same thing, it is a fact. We have to ask them questions so they can tell us the facts."[9]

Socratic fundraising isn't new. Successful fundraisers already know this secret. It's a common theme in fundraising advice. In a summary of dozens of fundraising advice books, Dr. Beth Breeze concludes,

"... best practice among successful fundraisers reflects the axiom that: 'The idea to give must come from the donor. The facilitation of the idea is the responsibility of the [fundraiser]'."[10]

In describing her most memorable multimillion-dollar gift, fundraiser Pamela Davidson explains,

"That is my goal always, to have a gift conversation – which is a far less stressful goal for both a prospect and the professional than a gift ... I asked the couple many open-ended and logical questions ..."[11]

One study of 1,200 university major gift officers described the special traits of the most successful. It called them "Curious Chameleons."[12] They were inquisitive and

[7] Pascal, B. (1660; 1910). *Pensées* (trans: Trotter, W. F.). Collier & Sons. p. I.10.
[8] Rod Zeeb at The Heritage Institute defines "transformational philanthropy" as "a gift that means as much to the donor as it does to the organization." Zeeb, R. (2016). *Rod Zeeb talks about transformational philanthropy.* [Video]. https://theheritageinstitute.com/speaker
[9] Zeeb, R. (2011). Multi-generational planning. (pp. 347-353). *Annual meeting proceedings of the million-dollar round table.* p. 352. http://www.imdrt.org/mentoring/2011_Zeeb.pdf
[10] Breeze, B. (2017). *The new fundraisers*. Policy Press. p. 149. Quoting from Matheny, R. E. (1995). Communication in cultivation and solicitation of major gift donors. In *New directions in philanthropic fundraising*, 10 (pp. 33-44). p. 43.
[11] Davidson, P. (2019). Pamela Davidson. In E. Thompson, J. Hays, & C. Slamar (Eds.), *Message from the masters: Our best donor stories that made a difference* (pp. 49-63). Createspace Independent Publishing. p. 55.
[12] O'Neil, M. (2014, September 24). 'Curious chameleons' make the best major-gift officers, new study says. *The Chronicle of Philanthropy.* https://www.philanthropy.com/article/Curious-Chameleons-Make/152575
Education Advancement Board. (2014). *Inside the mind of a curious chameleon*. https://eab.com/insights/infographic/advancement/inside-the-mind-of-a-curious-chameleon/

flexible. They asked prospects "thoughtful, insight-generating questions about their goals and interests."[13]

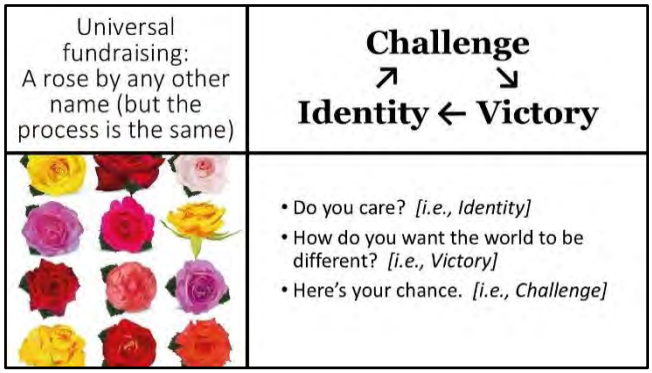
In studies, stories, theory, and experience, the answer is the same. Appreciative inquiry works. Questions work.

A rose by any other name: Universal fundraising

At its core, the cycle is universal.

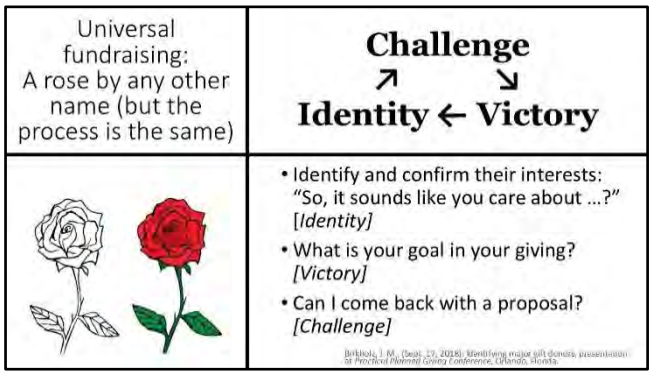
Challenge
↗ ↘
Identity ← Victory

But these labels aren't necessary for it to work. The same concepts arise in many approaches.



One describes fundraising steps as

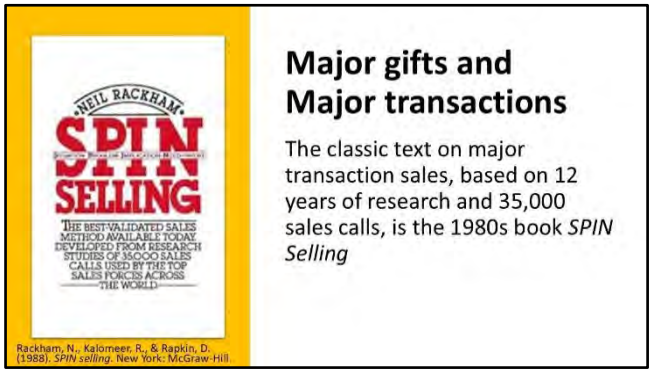
1. Do you care? *[i.e., Identity connections]*
2. How do you want the world to be different? *[i.e., Defining a victory]*
3. Here's your chance. *[i.e., Making the challenge]*



Another includes,[14]

1. Identify and confirm their interests: "So, it sounds like you care about ...?" *[i.e., Identity connections]*
2. What is your goal in your giving? *[i.e., Defining a victory]*
3. Can I come back with a proposal? *[i.e., Making the challenge]*

The language or sequence may vary, but the elements are there. Successful paths are similar. Questions are a big part of the process. This is true beyond just fundraising.



A rose by any other name: Universal sales

Major gifts fundraising is different from typical sales. But it does have more in common with major transaction sales. Such major contracts are often preceded by years of relationship building.

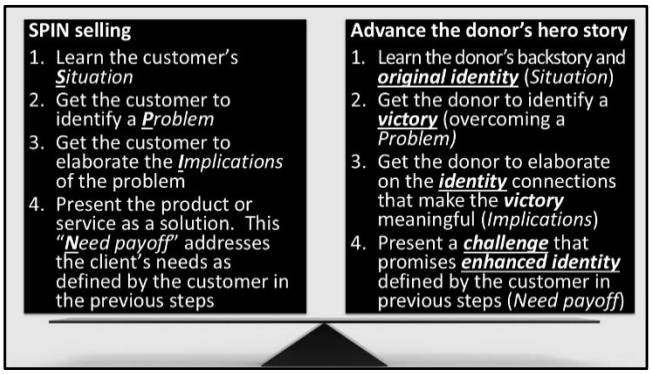
[13] *Id.*
[14] Birkholz, J. M., (2018, September 17). *Identifying major gift donors.* [Presentation]. Practical Planned Giving Conference, Orlando, Fl.



The classic text on such sales is the 1980s book *SPIN Selling*.[15] It's based on 12 years of research and 35,000 sales calls. A summary explains,

"To win larger, consultative deals ... salespeople must abandon traditional sales techniques. Rather than twisting their customers' arms, they need to build value, identify needs, and ultimately, serve as a trusted advisor."[16]

Sound familiar? It should. And not just in its conclusion.

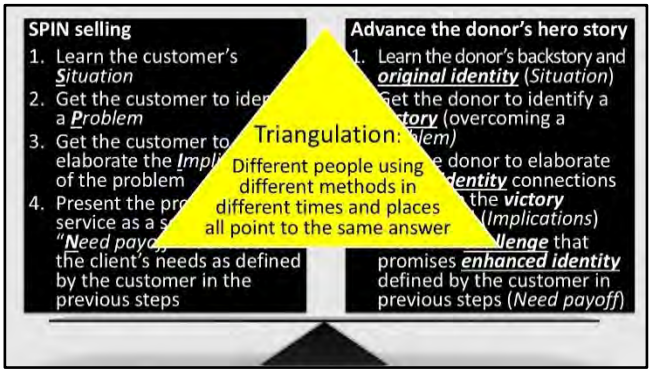


SPIN (S-P-I-N) selling is an acronym of four steps.

1. Learn the customer's *Situation*.
2. Get the customer to identify a *Problem.*
3. Get the customer to elaborate the *Implications* of the problem.
4. Present a product or service that promises a solution. This "*Need payoff*" addresses needs defined by the customer in the previous steps.

Now compare. Advancing the donor's hero story with Socratic fundraising means

1. Learn the donor's backstory and *original identity* related to the charity, cause, or project. (This is the donor's *Situation.*)
2. Get the donor to define a meaningful *victory*. (A victory overcomes a *Problem* – a threat or opportunity.)
3. Get the donor to elaborate on the *identity* connections that make the *victory* meaningful. (These are *Implications.*)
4. Present a *challenge* that promises a meaningful *victory*. A meaningful victory "pays off" in an *enhanced identity*. (This "*Need payoff*" enhances identity as defined by the customer in the previous steps.)

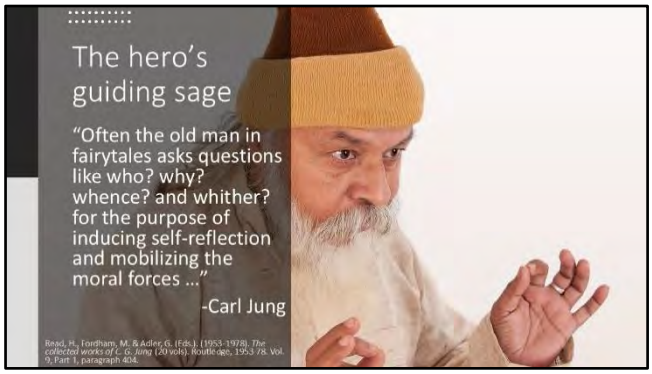


The steps match. Advancing the donor's hero story with Socratic fundraising *is* SPIN selling. It's SPIN selling of an enhanced identity. It's SPIN selling of private meaning or public reputation.

What's the point? Triangulation. Different people using different methods in different

[15] Rackham, N., Kalomeer, R., & Rapkin, D. (1988). *SPIN selling*. McGraw-Hill.
[16] Frost, A. (2018). *SPIN selling: The ultimate guide.* [Website]. https://blog.hubspot.com/sales/spin-selling-the-ultimate-guide

times and places all point to the same answer. When this happens, pay attention to that answer.



Next steps

In the donor's hero story, the fundraiser is the hero's guiding sage. For the guiding sage, questions are important. They're not just a way to discover information. They're a way to influence the hero's journey and destination.[17] Jung writes,

"Often the old man in fairytales asks questions like who? why? whence? and whither? for the purpose of inducing self-reflection and mobilizing the moral forces ..."[18]



For the fundraiser, the real goal is not to tell a story. It's to guide the donor to tell his own story. It's to guide the donor to tell his own *donor-hero* story.

Now what? How can we actually do this? What specific questions do we ask? The next chapter looks at this.

[17] "These cause the who? where? how? why? to emerge clearly and in this wise bring knowledge of the immediate situation as well as of the goal. The resultant enlightenment and untying of the fatal tangle often has something positively magical about it …" Jung, C. G. (2015). *Aspects of the masculine* (3rd ed.). Routledge. p. 405.

[18] Read, H., Fordham, M. & Adler, G. (Eds.). (1953-1978). *The collected works of C. G. Jung* (20 vols). Routledge, 1953-78. Vol. 9, Part 1, paragraph 404. Note that the "guiding sage" archetypal monomyth character referenced in this series is, in Jung's work, called the wise old man. In the same paragraph he explains, "The old man always appears when the hero is in a hopeless and desperate situation from which only profound reflection or a lucky idea, in other words, a spiritual function or an endopsychic automatism of some kind can extricate him. But since, for internal and external reasons, the hero cannot accomplish this himself, the knowledge needed to compensate the deficiency comes in the form of a personified thought, i.e., in the shape of this sagacious and helpful old man."



2

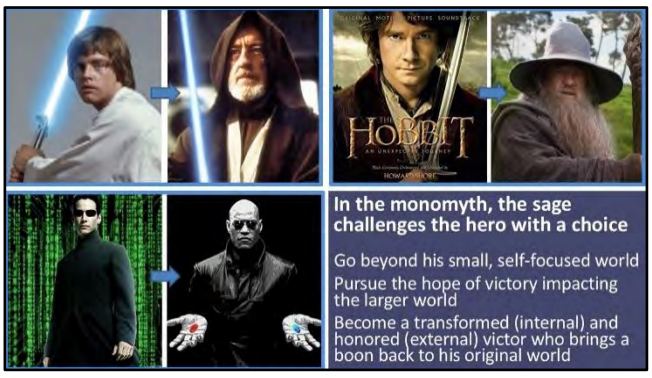
SOCRATIC FUNDRAISING OVERVIEW:
A STEP-BY-STEP MENU OF QUESTIONS



Socratic fundraising

Socratic inquiry uses questions. But just asking questions isn't enough. To be Socratic, the questions must guide toward a goal.

In fundraising, the "one big thing" is always the same: Advance the donor's hero story. Socratic fundraising can do this.



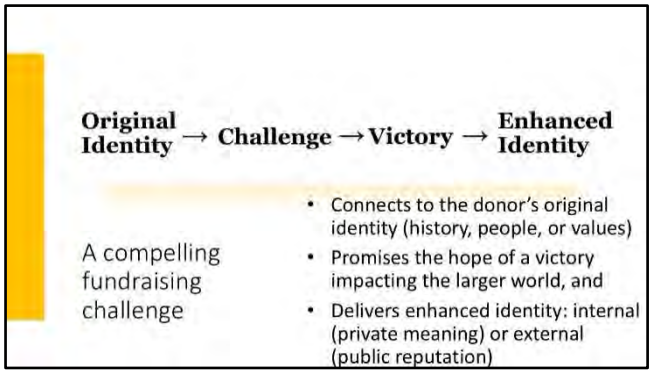
The hero story steps

In the universal hero story (monomyth), a guiding sage often kicks off the hero's journey. The sage challenges the hero with a choice. It's a challenge to

- Go beyond his small, self-focused original world,
- Pursue the hope of victory impacting the larger world, and
- Become a transformed (internal) and honored (external) victor who brings a boon back to his original world.



In the *donor's* hero story, the *fundraiser* is the guiding sage. This guiding sage challenges with a choice. This happens at the ask. A compelling fundraising *challenge*



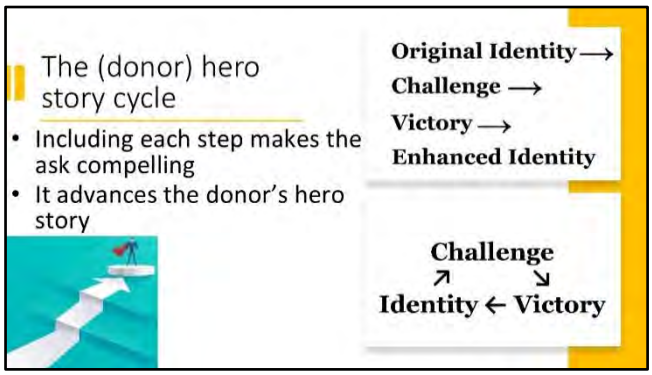
- Connects to the donor's *original identity* (history, people, or values),
- Promises the hope of a *victory* impacting the larger world, and
- Delivers *enhanced identity*: internal (private meaning) or external (public reputation).

The hero story cycle

The hero story progresses through

Original Identity → Challenge → Victory → Enhanced Identity

In three words, this is: *identity, challenge,* and *victory*.



Challenge
↗ ↘
Identity ← Victory

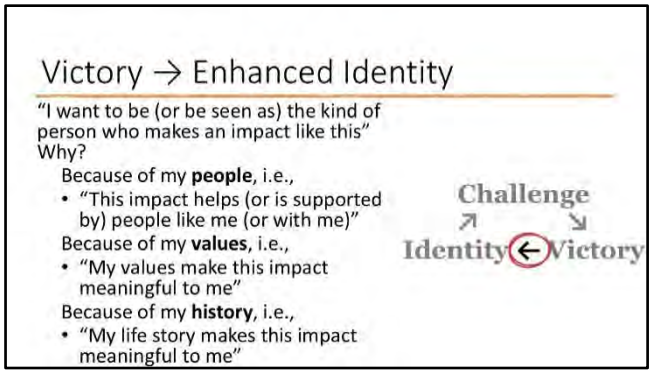
In fundraising, including each step makes the ask compelling. Completing the cycle advances the donor's hero story. Let's look at the ideas underlying each step.



Original Identity → Challenge

In other words, "I am the kind of person who makes gifts like this." Why?

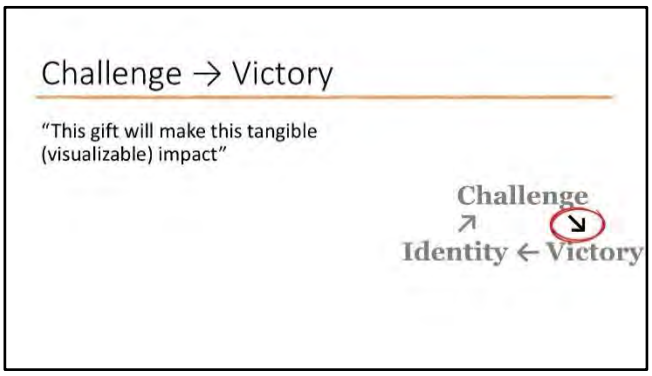
- Because of my people, i.e., "People like me make gifts like this."
- Because of my values, i.e., "Giving to this cause or charity fits my values."
- Because of my history, i.e., "Giving to this cause or charity fits my life story."



Victory → Enhanced Identity

In other words, "I want to be (or be seen as) the kind of person who makes an impact like this." Why?

- Because of my people, i.e., "This impact helps (or is supported by) people like me (or with me)."
- Because of my values,



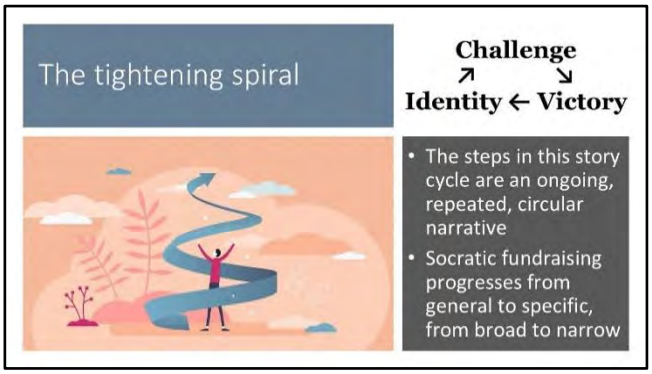
i.e., "My values make this impact meaningful to me."

- Because of my history,

i.e., "My life story makes this impact meaningful to me."

Challenge → Victory

In other words, "The gift will make this tangible (visualizable) impact."



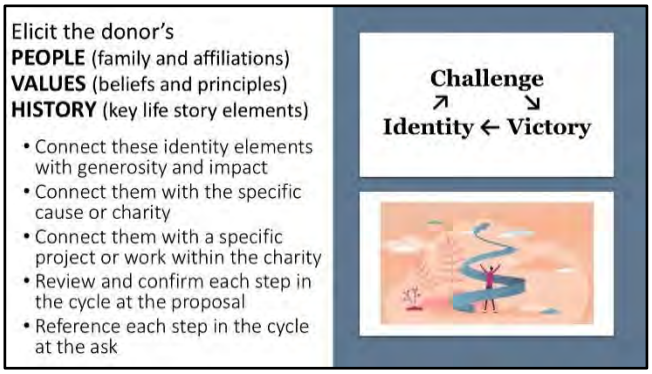
The tightening spiral

In Socratic fundraising, the donor tells his story. But the goal is to get the donor to tell his story about these steps: *identity, challenge,* and *victory*. The steps in this story cycle aren't just a one-time process. They're an ongoing, repeated, circular narrative.[1]

Socratic fundraising progresses from general to specific. The circle becomes a spiral. It moves from broad to narrow. The process can start with wide-open, sweeping cycles.

This might first elicit the donor's identity elements. This includes

- People: The donor's family and affiliations
- Values: The donor's beliefs and principles, and
- History: The donor's key life story elements.



Questions can connect these *identity* elements to giving (i.e., the *challenge*) and to impact (i.e., the *victory*). This completes the circle. It connects *identity*, *challenge*, and *victory*.

Then the circle becomes smaller.

It connects these *identity* elements with a specific cause or charity.

Then the circle becomes smaller.

It connects these *identity* elements with a specific project or work within the charity.

Then the circle becomes smaller.

Just before the ask, the proposal reviews and confirms each step in the cycle.

[1] In his book describing the universal hero story (monomyth), Joseph Campbell writes, "Many tales isolate and greatly enlarge upon one or two of the typical elements of the full cycle (test motif, flight motif, abduction of the bride), others string a number of independent cycles into a single series (as in the Odyssey). Differing characters or episodes can become fused, or a single element can reduplicate itself and reappear under many changes."
Campbell, J. (2004/1949). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 228.

Finally, the smallest circle is the challenge phrase itself.

The ask itself references each step in the cycle.

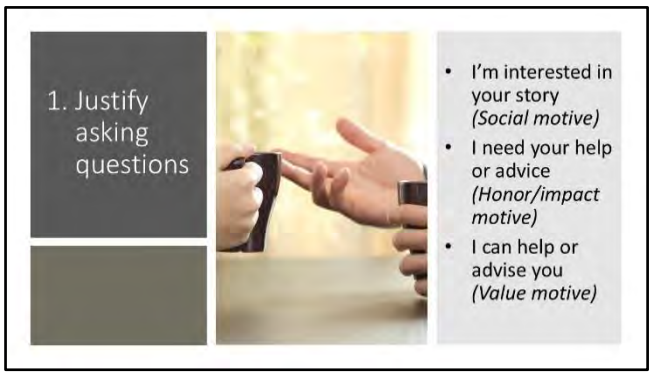
The process is like a tightening spiral or mandala. The three-step cycle is our guide: *identity, challenge,* and *victory*. If our questions are building these three connections, they're advancing the story. Otherwise, we're just making conversation.



Step-by-step

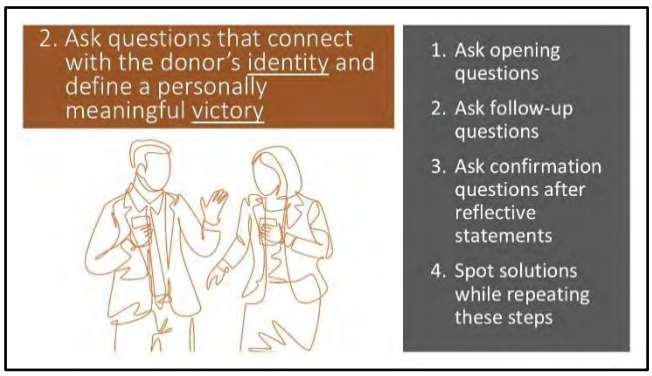
The compelling challenge requires these three links. Socratic fundraising can help. It can build these links through the following steps.

1. Justify asking questions.
2. Ask questions that
   - Connect with the donor's identity (*Original Identity → Challenge*), and
   - Define a personally meaningful victory (*Victory → Enhanced Identity*).
3. Ask questions that make the challenge.



The first step is to justify asking questions. For example,

- I'm interested in your story.
- I need your help or advice.
- I can help or advise you.



The next step is to ask questions that connect with the donor's identity and define a personally meaningful victory. This includes

1. Ask opening questions.
2. Ask follow-up questions.
3. Ask confirmation questions after reflective statements.
4. Spot solutions while repeating these steps.



The final step is to ask questions that make the *Challenge*. This includes

1. Ask for permission to ask.
2. Connect the gift with the full story cycle.

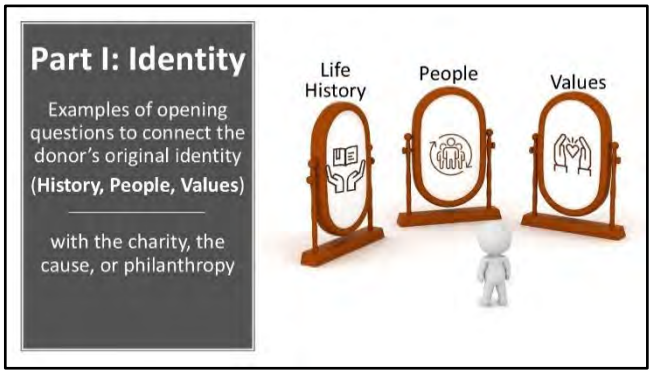
Restate and confirm the identity connections. (*Original Identity → Challenge; Victory → Enhanced Identity*). Make the case for support. (*Challenge → Victory*).

3. Ask for the gift.



These theory concepts show up in real-world practice. They match the questions that the best fundraisers often ask. Next are about two hundred examples quoted from top fundraisers. Use them verbatim or create your own. But the key is to understand the cycle.

There isn't just one "magic" question. Different questions work for different people at different times. Questions become powerful when they're part of the full story cycle. They're not just random conversation. They move towards a destination. They advance a story. They advance the donor's hero story.



Part I: Identity

The following are examples of opening questions and phrases. These connect the donor's original identity (history, people, or values) with the charity, the cause, or philanthropy.



Identity: Life history

Cause or charity origin story

"When did you first get interested in [this cause]?"[2] "Would you mind telling me how you became connected to the organization?"[3] "How did you first find out about us?"[4] "What first brought your attention to our organization?"[5] "How did you first get involved with the organization?"[6] "How did you get connected

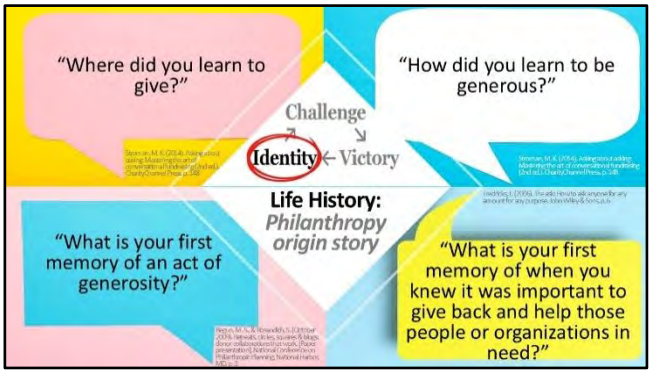




to this organization?"[7] "Can you tell me what brought you to [this charity] in the first place?"[8] "How did you get [or come to be] involved with our organization?"[9] "How did you decide to first start supporting ABC Charity?"[10] "What first made you interested in supporting this hospital?"[11] "What got you started as a donor to this organization?"[12] "What led you to make your first gift to the organization?"[13]

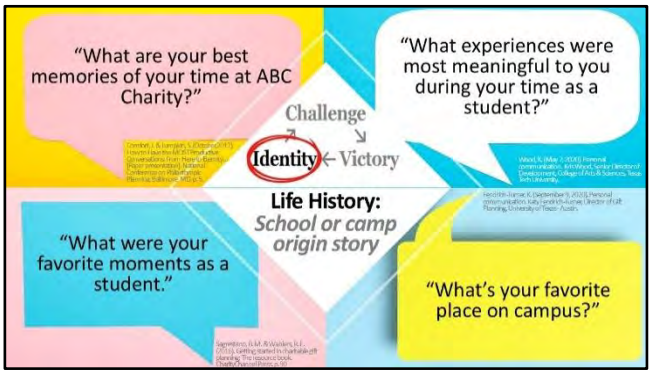
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[2] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 15.
[3] Sheffield, C. (2020, October). *Discovery: How to learn about a donor's assets*. [Presentation]. Emerging Philanthropy Conference, Western PA Chapter Association of Fundraising Professionals and the Pittsburgh Planned Giving Council. Pittsburgh, PA [online]. *See also,* Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6. ("How did you get connected with ABC Charity?")
[4] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 14.
[5] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts*. [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.
[6] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 61; *See also,* Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book*. Nashville, TN: CharityChannel Press. p. 89.
[7] Kihlstedt, A. (2013). *Asking styles: Harness your personal fundraising power.* CharityChannel Press. p. 22.
[8] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 40.
[9] Wilson, T. C. (2008). *Winning gifts: Make your donors feel like winners.* John Wiley & Sons. p. 115 ("get involved"); Klein, K. (2009). *Reliable fundraising in unreliable times: What good causes need to know to survive and thrive.* Jossey-Bass, p. 32 ("come to be involved")
[10] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.
[11] Janey, S. (2012, October). *Start with their dreams: Let major and planned giving techniques follow.* [Paper presentation]. National Conference on Planned Giving, New Orleans, LA. p. 6.
[12] Kihlstedt, A. (2013). *Asking styles: Harness your personal fundraising power.* CharityChannel Press. p. 22.
[13] Fridman, N. (2021, May 26). *Why now is the perfect time to have a conversation about values, giving and your family's legacy* [PowerPoint slides]. Life and Legacy Annual Gathering, online. p. 18.



Philanthropy origin story

"Where did you learn to give?"[14] "How did you learn to be generous?"[15] "What is your first memory of when you knew it was important to give back and help those people or organizations in need?"[16] "What is your first memory of an act of generosity?"[17]





School or camp origin story

"What are your best memories of your time at ABC Charity?"[18] "What experiences were most meaningful to you during your time as a student?"[19] "What were your favorite moments as a student."[20] "What's your favorite place on campus?"[21] "What was the best thing about your experience at our school?"[22] "Did you participate in any activities while a student?"[23] "Tell me about your favorite faculty member."[24]



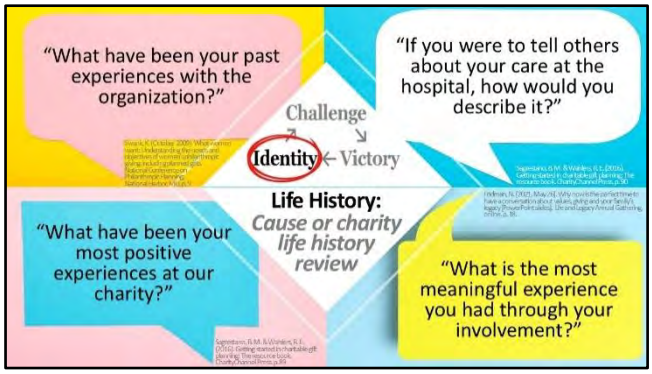
Post-origin story journey

"Tell me about your journey since you graduated from the university."[25] "Tell me about your journey since you were first diagnosed." "Tell me about your journey since you first became involved in [this cause]."

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[14] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 148.
[15] *Id.*
[16] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 6.
[17] Begun, M. S., & Rosandich, S. (2009, October). *Retreats, circles, squares & blogs: donor collaborations that work.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 3.
[18] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 5.
[19] Wood, K. (2020, May 7). Personal communication. Kris Wood, Senior Director of Development, College of Arts & Sciences, Texas Tech University.
[20] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 90.
[21] Fendrich-Turner, K. (2020, September 9). Personal communication. Katy Fendrich-Turner, Director of Gift Planning, University of Texas - Austin.
[22] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference, Las Vegas, NV. p. 5.
[23] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 90.
[24] *Id.*
[25] Vidmar, T. (2020, May 1). Personal communication. Tony Vidmar, VP University Advancement and Public Affairs, Midwestern State University.







Cause or charity life history review

"How has [this cause or charity] been important in your life?"[26] "Tell me your ABC Charity story."[27] "How has [this cause or charity] impacted your life?"[28] "How has the organization's work affected you personally?"[29] "What have been your past experiences with the organization?"[30] "If you were to tell others about your care at the hospital, how would you describe it?"[31] "What have been your most positive experiences at our charity?"[32] "What is the most meaningful experience you had through your involvement?"[33]

Identity: People

Cause or charity people connections

"Have others in your life been affected by [this cause]?" "Is there anyone in your family who also cared about [this cause]?" "How has [this charity] impacted your family or loved ones?"[34] "Have any of your family members or close friends been involved with our charity?"[35] "Is your giving your decision or do you decide together with someone else? What is their connection to [this charity or cause]?"[36] "Do you have a favorite doctor or staff person at the hospital?"[37] "Do you know any of our leaders, board/committee



[26] *See* James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011. (Showing the impact of adding the phrase "to support causes that have been important in your life" on interest in making a legacy gift)

[27] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.

[28] *Id.*

[29] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work.* Jones & Bartlett Publishers. p. 61.

[30] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.

[31] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book*. CharityChannel Press. p. 90.

[32] *Id.* at p. 89.

[33] Fridman, N. (2021, May 26). *Why now is the perfect time to have a conversation about values, giving and your family's legacy* [PowerPoint slides]. Life and Legacy Annual Gathering, online. p. 18.

[34] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6. (Modified from original "How has ABC Charity impacted your life? Your family or loved ones?")

[35] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book*. CharityChannel Press. p. 89.

[36] *See* similar concept in Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors.* Aspen Publishers, Inc. p. 58.

[37] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 90.

members, staff, volunteers, or other supporters?"[38]



Philanthropy people connections

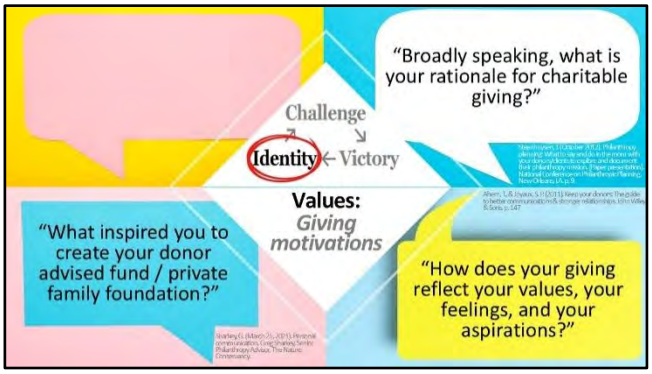
"Did your parents or other family members support any charitable causes?" "Can you tell me a bit more about who taught you to be generous or where your generous spirit comes from?"[39] "When you were young, was there anyone whom you considered a role model for giving?"[40] "Who are your philanthropic role models?"[41]



Identity: Values

Values underlying giving motivations

"What inspires you to give?"[42] "What inspired you to make this gift?"[43] "What inspired your first gift?"[44] "Broadly speaking, what is your rationale for charitable giving?"[45] "What inspired you to create your donor advised fund / private family foundation?"[46] "How does your giving reflect your values, your feelings, and your aspirations?"[47]



Values underlying causes supported

"Tell me about a few other causes you support: why do you support them?"[48] "Would you mind telling me about the causes that are most important to you?"[49] "Do you typically give to the same nonprofits each year?"[50]

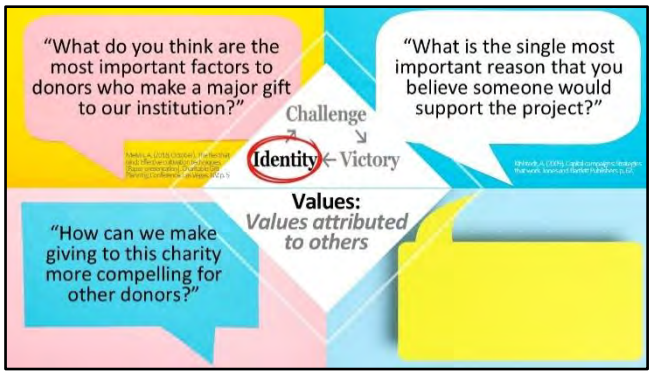
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[38] Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors.* Aspen Publishers, Inc. p. 59.
[39] Green, F., Wagg, H. & Field, C. (2019). *You can't take it with you: The art and science of legacy fundraising*. Independently published. p. 106.
[40] Steenhuysen, J. (2012, October). *Philanthropy planning: What to say and do in the room with your donors/clients to explore and document their philanthropy mission*. [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 7.
[41] Eskin, J. (2019). *10 Simple Fundraising Lessons: A common sense guide to overcoming your fear of asking for gifts*. Eskin Fundraising Training, LLC. p. 39.
[42] Modified from Cadogan, E. & Skinner, K. (2016, October). *Transformational blended gifts: Shifting the organizational culture.* [Paper presentation]. National Conference on Philanthropic Planning, Dallas, TX, p. 9. ("What motivates/inspires you to make a charitable gift?")
[43] Brovey, A. (2019). *Zen and the art of fundraising: The pillars in practice.* CharityChannel Press. p. 10.
[44] Muir, R. (2016, March 18). 21 discovery questions to ask now. [Blog]. https://www.rachelmuir.com/blog/2016/03/18/21-discovery-questions-to-ask-now
[45] Steenhuysen, J. (2012, October). *Philanthropy planning: What to say and do in the room with your donors/clients to explore and document their philanthropy mission*. [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 9.
[46] Sharkey, G. (2021, March 25). Personal communication. Greg Sharkey, Senior Philanthropy Advisor, The Nature Conservancy.
[47] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 147.
[48] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV. p. 5.
[49] Muir, R. (2015, November 17). 21 discovery questions to ask now. [Blog]. https://trust.guidestar.org/blog/2015/11/17/21-discovery-questions-to-ask-now/
[50] Sheffield, C. R. (2019, August 14). Discovery: How to learn about a donor's assets. [Webinar slides]. https://www.stelter.com/Documents/pdf/webinars/Stelter%20Discovery%20August-2pp.pdf





"Why do you support them?"[51] "Where else do you give, and why?"[52] "Where does [this charity] fit in your overall philanthropic priorities?"[53] "Where does our charity fall on your list of charitable priorities?"[54]



Values attributed to others

"What do you think are the most important factors to donors who make a major gift to our institution?"[55] "What is the single most important reason that you believe someone would support the project?"[56] "How can we make giving to this charity more compelling for other donors?"



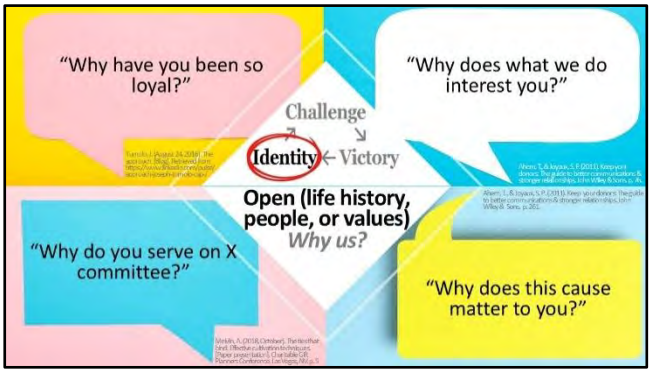
Identity: Open-ended (history, people, or values)

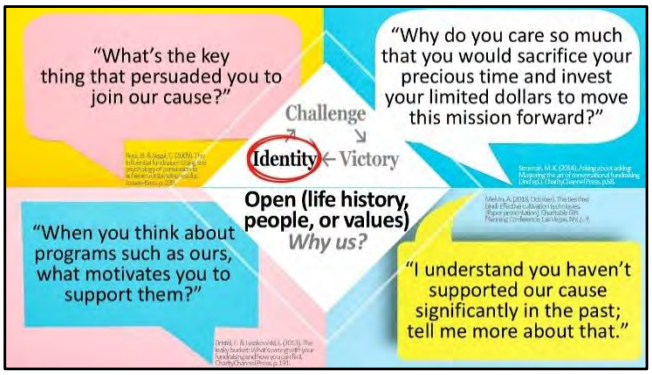
Connections

"Do you mind if I ask, what is your connection to our mission [or organization]?"[57] "How could we connect with you better?"[58] "How would you like to be more involved?"[59] "Is there any area within the organization where you could see yourself becoming more involved?"[60]

[51] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV. p. 4.
[52] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 262.
[53] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.
[54] B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 90.
[55] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV. p. 5.
[56] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 62.
[57] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts*. [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.
[58] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planners Conference. Las Vegas, NV. p. 5.
[59] Kihlstedt, A. (2013). *Asking styles: Harness your personal fundraising power*. CharityChannel Press. p. 22.
[60] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts*. [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.









Why us?

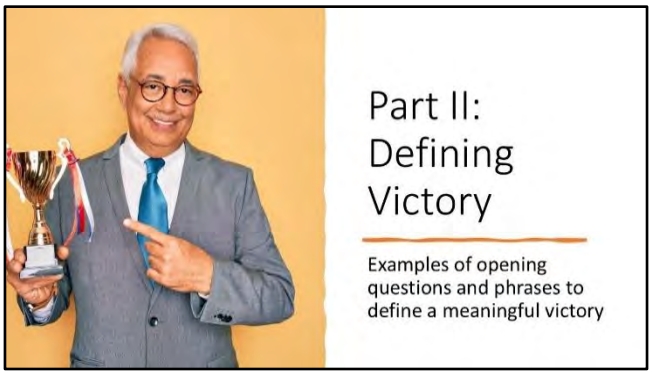
"Why do you give to this organization?"[61] "Why do you support us?"[62] "What's motivated you to be such a consistent supporter [of this charity]?"[63] "Why have you been such a loyal donor?"[64] "Why have you been so loyal?"[65] "Why does what we do interest you?"[66] "Why do you serve on X committee?"[67] "Why does this cause matter to you?"[68] "What's the key thing that persuaded you to join our cause?"[69] "Why do you care so much that you would sacrifice your precious time and invest your limited dollars to move this mission forward?"[70] "When you think about programs such as ours, what motivates you to support them?"[71] "I understand you haven't supported our cause significantly in the past; tell me more about that."[72] "Of all the charities you could support, why do you support us?"[73]

[61] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 261.
[62] Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors*. Aspen Publishers, Inc. p. 59. (Note the emphasis here, "Remember, if you only have time to ask your prospect one question, make sure it's 'why do you support us?'")
[63] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.
[64] Fridman, N. (2021, May 26). *Why now is the perfect time to have a conversation about values, giving and your family's legacy* [PowerPoint slides]. Life and Legacy Annual Gathering, online. p. 18.
[65] Tumolo, J. (2016, August 24). *The approach.* [Blog]. Retrieved from https://www.linkedin.com/pulse/approach-joseph-tumolo-cap-/
[66] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 76.
[67] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planners Conference. Las Vegas, NV. p. 5.
[68] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 261.
[69] Ross, B. & Segal, C. (2009). *The influential fundraiser: Using the psychology of persuasion to achieve outstanding results*. Jossey-Bass. p. 239.
[70] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p.58.
[71] Bristol, E. & Lysakowski, L. (2013). *The leaky bucket: What's wrong with your fundraising and how you can fix it.* CharityChannel Press. p. 191.
[72] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV, p. 4.
[73] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose.* John Wiley & Sons. p. 11. (Also phrased as "Out of all the organizations you could support, what motivates you to give now or to continue to give?" at p. 227.)



Sidenote: A caution about "Why?"

In the previous questions, we often want to learn "why?" But using this word is risky. "Why?" or "Why did you do that?" can feel like an attack.[74] It's what we say when a person has done something stupid. It can cause defensiveness. So, be careful with this word. Where possible, consider a substitute.



Part II: Victory





The following are examples of opening questions and phrases to define a meaningful victory.

Victory: Defining the broadest victory

Global victory

"What changes do you believe would make the world a better place?"[75] "If you could change the world, what would you do?"[76] "How would you like to make a difference in this community? In this world?"[77]

Legacy victory

"What would you like to pass on to future generations?"[78] "As you look out to the future, what is the legacy you would like to leave?"[79] "What positive difference do you want to make?"[80]

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[74] Wise, W. & Littlefield, C. (2017). *Ask powerful questions: Create conversations that matter.* [Audiobook. Radin, D. Narrator, publisher: Podcraft] at 3:41:19 ("I'm asking you to cross off the 'why' because 'why' may lead to feelings of being attacked or defensiveness.")
[75] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 262.
[76] *Id. at* 147
[77] *Id. at 262*.
[78] *Id.*
[79] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders*. Chimayo Press. p. 76.
[80] Gragg, A. (2019, December 1). *20 questions to ignite meaningful conversations*. [Website]. https://www.decideyourlegacy.com/20-questions-to-ignite-meaningful-conversations/







Victory: Defining a giving victory

No limits victory

"If there were no restrictions on you, what would you like to do philanthropically?"[81] "In the best of all possible worlds, what would you do to support our charity?"[82] "If you could do anything for [this charity], if the sky was the limit, what would that look like to you?"[83] "If money were no object, what would you like to see happen with our program?"[84] "If money were no object, what would we be doing that we're not now doing?"[85] "If money were no object, what kind of an impact would you like your giving to have?" "What would be your dream gift?"[86]

Overall victory

"What change do you want to see because of your giving?"[87] "What do you want to achieve with your charitable donations?"[88] "What do you hope to achieve with your philanthropy?"[89] "What would you ultimately like to accomplish with your philanthropy at our charity?"[90] "What are your goals for your Donor Advised Fund / Private Family Foundation? How long do you want it to last?"[91] "What are you trying to accomplish with your philanthropy and how might we help?"[92] "As you think about making a difference with your philanthropy, what appeals to you most?"[93] "What kind of impact would you like to have on [this cause / these beneficiaries]?"[94]

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[81] Lydenberg, J. (2007, October 13). *Identifying planned gift donors.* [Paper presentation]. National Conference on Planned Giving, Grapevine, TX. p. 4.
[82] *Id.*
[83] O'Neil, K. (2020, May 6). Personal communication. Kim O'Neil Associate Vice President, Institutional Advancement, Texas Tech University.
[84] Tumolo, J. (2016). *Simplify: A simple approach to building a sustainable planned giving program.* Independently published. p. 77.
[85] Davidson, P. J. (2012). *A planned giving plan of action: A three-year plan.* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 1.
[86] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV, p. 4.
[87] Fridman, N. (2021, May 26). *Why now is the perfect time to have a conversation about values, giving and your family's legacy* [PowerPoint slides]. Life and Legacy Annual Gathering, online. p. 17.
[88] Bristol, E. & Lysakowski, L. (2013). *The leaky bucket: What's wrong with your fundraising and how you can fix it.* CharityChannel Press. p. 186.
[89] Lewzey, E. (2019). *4 powerful questions to ask your donors*. [Website]. https://www.blueskyphilanthropy.com/single-post/2019/05/15/4-powerful-questions-to-ask-your-donors
[90] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV, p. 4.
[91] Sharkey, G. (2021, March 25). Personal communication. Greg Sharkey, Senior Philanthropy Advisor, The Nature Conservancy.
[92] Schiller, R. (2017, October). *What are donors telling us?* [Powerpoint slides]. National Conference on Philanthropic Planning, Baltimore, MD. p. 34.
[93] Muir, R. (2016, August). *The art of discovery and making the ask*. [Powerpoint slides]. Presented at Fundraising Day Wisconsin.
[94] *E.g.,* Fendrich-Turner, K. (2020, September 9). Personal communication from Katy Fendrich-Turner, Director of Gift Planning, UT-Austin. ("What kind of impact would you like to have on UT Austin students? Can you tell me more about that?").





"Do you have any lifetime charitable goals? Tell me about those."[95] "What would you like to accomplish with your money / giving / philanthropy in this cause or at this charity that would be meaningful to you?"[96]





Single gift victory

"What are your goals for this gift?"[97] "What kind of impact do you want to make with your gift?"[98] "[If the donor has a current scholarship, endowment, etc., ask] what kind of impact do you ultimately want it to have?"[99] "Have you thought about how you would like your planned bequest gift to be used?"[100] "A year from now, how would you know that you made a wise move with your philanthropic investment in us?"[101] "If you were going to make a significant investment in the hospital, a gift in the million-dollar range, what would you like to accomplish with that gift?"[102]

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[95] Steenhuysen, J. (2012, October). *Philanthropy planning: What to say and do in the room with your donors/clients to explore and document their philanthropy mission*. [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 9.
[96] *See,* Chapter 5 "Socratic fundraising foreshadowing: Questions that uncover a meaningful victory"; *See also*, Begun, M. S., & Rosandich, S. (2009, October). *Retreats, circles, squares & blogs: donor collaborations that work.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 2. ("What do you want to accomplish with your philanthropy?"); Advancement Resources. (2017, November 15). *The power of the pause: Using silence in donor conversations*. [Web page] https://advancementresources.org/the-power-of-the-pause-using-silence-in-donor-conversations/ ; Shaw-Hardy, S., Taylor, M. A., & Beaudoin-Schwartz, B. (2010). *Women and philanthropy: Boldly shaping a better world*. John Wiley & Sons. p. 115. Quoting from Advancement Resources. (2006). *The art and science of donor development workbook*. Advancement Resources, LLC. ("What would you want to do with your money that is meaningful to you?")
[97] Rice, N. (2020, May 4). Personal communication from Nathan Rice, Senior Director of Gift Planning for Institutional Advancement, Texas Tech University.
[98] Wilkes, C. (2020, May 2). Personal communication from Cliff Wilkes, Major Gift Officer, School of Medicine, Texas Tech University Health Sciences Center.
[99] *Id.*
[100] Lumpkin, S. & Comfort, J. (2018, August 23). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. Colorado Planned Giving Roundtable, 30th Annual Summer Symposium, Denver, CO. This suggestion originated from Jeff Comfort, Vice President, Principal Gifts and Gift Planning, Oregon State University. He labels this, "She came in through the bathroom window," referencing the Beatles song because it is an *indirect* approach that eventually leads to the ultimate issue of revealing the amount of the planned gift.
[101] Eskin, J. (2019). *10 Simple Fundraising Lessons: A common sense guide to overcoming your fear of asking for gifts*. Eskin Fundraising Training, LLC. p. 39.
[102] Janney, S. (2013, October). *The meaning of money.* [Paper presentation]. National Conference on Philanthropic Planning. Minneapolis, MN. p. 2.



Victory: Defining an organizational victory

Organizational change victory

"If you could change anything to better [this charity], what would it be?"[103] "You've been such a loyal member of the ABC Charity family, and have supported ABC Charity's mission for so many years, what are your dreams for where you'd like to see ABC Charity go in the future?"[104] "What are your long-term hopes for our charity and its mission?"[105] "If you had the ability to enhance or expand ABC Charity's mission in a specific way, what would it be? What could we do to be more effective in the future?"[106] "Where do you think we could improve our services or programs?"[107] "Are there any thoughts you'd like me to take back to share with our CEO/ president/ executive director?"[108] "What are the most critical results you expect our organization to produce?"[109] "What could we do better in your opinion?"[110] "If you could change anything about [this organization, issue or project], what would it be?"[111] "If there was one thing you could change about our charity today, what would it be?"[112]

Organizational interest victory

"What areas of [this charity] are you most interested in?"[113] "What interests you personally about the problem we are addressing?"[114] "What excites you the most about our organization's work in the world?"[115] "What means the most to you personally about what

[103] De Luca, C. C. (2020, May 4). Personal communication. Carolina Camargo De Luca, Discovery Officer, Texas Tech University Health Sciences Center El Paso.
[104] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6. (Notice how this phrase includes both the Original Identity → Challenge link ("You've been… and supported…") and the Victory → Enhanced Identity link ("What are your dreams…")
[105] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book*. CharityChannel Press. p. 90.
[106] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity...* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.
[107] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.
[108] *Id.*
[109] Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships*. John Wiley & Sons. p. 261.
[110] *Id. at* p. 11.
[111] McLeod, L. (2013). *Selling with noble purpose: How to drive revenue and do work that makes you proud.* Wiley. p. 120.
[112] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 9.
[113] Modified from Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose.* John Wiley & Sons. p. 14. ("what are you most interested in about our organization?")
[114] Perry, G. (2007). *Fired-up fundraising: Turning board passion into action*. John Wiley & Sons., p. 122.
[115] *Id.* at p. 42; *See also* Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 46. ("Of the things you … know about us, what most excites you?"); Eisenstein, A. (2014). *Major gift fundraising for small shops: How to leverage your annual fund in only five hours per week*. CharityChannel Press. p. 65. ("What's the one thing about our work that excites you most?")





ABC Charity does?"[116] "What were your impressions of the tour? ... What intrigued you most?"[117] "Is there a particular program, project, or area of outreach [scholarship fund, award, etc.] that interests you most?"[118]

"If you were to make a significant commitment, is there a particular area you would want your gift to support?"[119] "Based on what you have told me about your experiences, memories, wishes, etc., if I can help you find a way, *what* at our nonprofit would you most like to support financially?"[120]



Organizational strengths victory

"What do you think we do best?"[121] "What do you think is the best thing about what our non-profit does?"[122] "What contributions to the community does the organization make that are important to you?"[123] "What's the most exciting thing you've heard about our institution recently?"[124]



Victory: Defining a victory with gift options

Victory with a single gift option

"What do you think about this opportunity?" "What is most compelling to you about the project?"[125] "Could you ever see yourself being involved in a project like this?"[126] [After an

[116] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 6.
[117] Perry, G. (2007). *Fired-up fundraising: Turning board passion into action*. John Wiley & Sons. p. 135.
[118] Fredricks, L. (2001). *Developing major gifts: turning small donors into big contributors*. Aspen Publishers, Inc. p. 59.
[119] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 79.
[120] Smith, C. (2017). *Extend your reach: How major gift officers become active partners in gift planning efforts*. [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 19.
[121] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 9.
[122] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV. p. 5.
[123] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 61.
[124] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques*. Charitable Gift Planning Conference. Las Vegas, NV, p. 5.
[125] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 62.
[126] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 174.

event describing a project ask] "What were your impressions of the event?"[127]



Victory with a menu of gift options

"Which of these projects would be most meaningful or important to you?" "If you had to choose between making a gift toward the new building, the scholarship fund, or our endowment, which would you select? Why?"[128] "If you could have your family's name on something like a building, scholarship, lectureship, what would be most meaningful to you?"[129] "After outlining the various projects to be funded by a campaign, ask, 'If you had the money to fully fund any one aspect of the project, what would it be?'"[130]





Victory: Defining a victory with gift implications

Personal implications

"What if [this goal was accomplished]? What would that mean to you?" "What would it mean for you to make a personal impact in saving, or extending, the lives of women living with breast cancer?"[131] "What would it mean for you and your family to have an enduring impact in improving cancer therapies while assuring your own family's financial future?"[132] "What are your thoughts about naming facilities or programs after benefactors? ... But what about you? How would you feel about associating your name with this project?"[133] "Does your philanthropy give you joy?"[134] "What philanthropic gift has given you the greatest joy? How?"[135] "What makes giving a rewarding experience?"[136]

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[127] Perry, G. (2007). *Fired-up fundraising: Turning board passion into action*. John Wiley & Sons. p. 125.
[128] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 158.
[129] Modified from De Luca, C. C. (2020, May 4). Personal communication. Carolina Camargo De Luca, Discovery Officer, Texas Tech University Health Sciences Center El Paso.
[130] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 157.
[131] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 14.
[132] *Id*. at p. 15.
[133] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. pp. 189-190.
[134] Rothey, R. (2017, October). *Bankers and lawyers and CPAs--Oh my! Collaborating with advisers.* [Paper presentation]. National Conference on Philanthropic Planning. Baltimore, MD. p. 6.
[135] Muir, R. (2016, August). *The art of discovery and making the ask*. [Powerpoint slides]. Presented at Fundraising Day Wisconsin.
[136] Eskin, J. (2019). *10 Simple Fundraising Lessons: A common sense guide to overcoming your fear of asking for gifts*. Eskin Fundraising Training, LLC. p. 39.



Community implications

"Why do you think this project is important to the community?"[137] "What would the world look like in ten years, if the women who died of breast cancer last year, hadn't? How would families and communities be different because of the accomplishments those women would have made?"[138]



Victory: Defining a victory that would overcome a barrier

"What would have to happen for you to say yes [to a gift request, invitation to serve, etc.]?"[139] "So [, yes,] I do understand why you stopped supporting us. What can we do to bring you back into the fold?"[140] "What would motivate you or your business to invest in a nonprofit organization?"[141]



Victory: Defining a victory with past giving

"Tell me about some meaningful gifts that you have made."[142] "How do you know when you have made a 'good gift?' Share a couple of examples of 'good gifts' with me. Why did you feel they were good?"[143] "I understand you made a significant gift to X at our institution a while back; How do you feel about how we used your funds?"[144] "When you look at all of your giving, be it time or money, what captures your heart and your attention?"[145]

Part III: After the opening

Follow-up questions

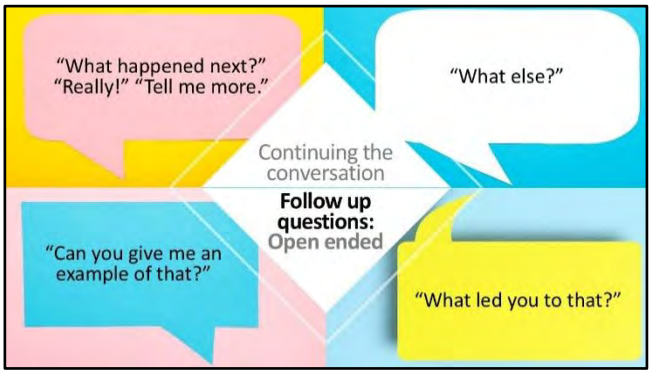
Opening questions start the conversation. But the conversation needs to continue. Follow-up questions can help. These can be open-ended. For example,

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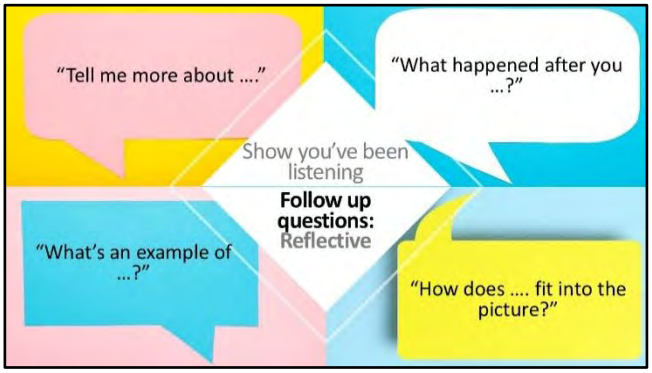
[137] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 61.
[138] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 14.
[139] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 104.
[140] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 53.
[141] Bristol, E. & Lysakowski, L. (2013). *The leaky bucket: What's wrong with your fundraising and how you can fix it.* CharityChannel Press. p. 198.
[142] Steenhuysen, J. (2012, October). *Philanthropy planning: What to say and do in the room with your donors/clients to explore and document their philanthropy mission*. [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 8.
[143] *Id.*
[144] Melvin, A. (2018, October). *The ties that bind: Effective cultivation techniques.* [Paper presentation]. Charitable Gift Planning Conference. Las Vegas, NV. p. 5.
[145] Perry, R. & Schreifels, J. (2014). *It's not just about the money: How to build authentic major donor relationships.* Veritus Group. p. 135.







"Would you tell me more about that?" "How do you mean?" "How so?" "How did you feel about that?" "How did you feel when that happened?" "What happened next?" "Really! Tell me more." "What else?" "Can you give me an example of that?" "What led you to that?"[146]



Even better is when the questions are reflective. This shows you've been listening. Reflective follow-up questions include,

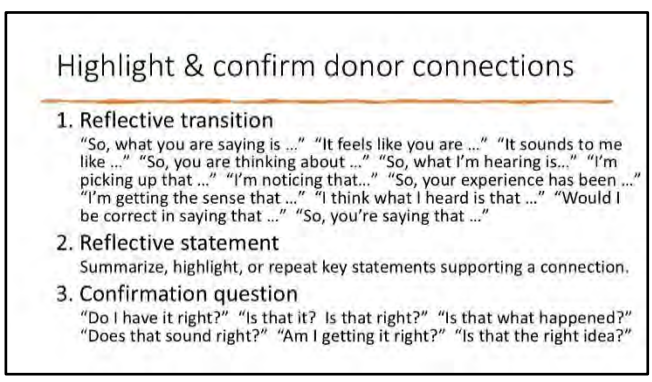
"Tell me more about ...." "What happened after you ...?" "What's an example of ...?" "How does ... fit into the picture?"



Reflective summary and confirmation question

The donor has been talking. Hopefully, we've been listening. We've been listening for links that connect to a challenge. We've been listening for identity connections. We've been listening for victory connections. In the next step, we summarize and confirm the donor's connections.

The goal isn't just to show we've been listening. It's to highlight these connections for the donor. This happens in three steps.[147]



1. Reflective transition

"So, what you are saying is ..." "It feels like you are ..." "It sounds to me like ..." "So, you are thinking about ..." "So, what I'm hearing is ..." "I'm picking up that ..." "I'm noticing that ..." "So, your experience has been ..." "I'm getting the sense that ..." "I think what I

[146] See examples in Wise, W. & Littlefield, C. (2017). *Ask powerful questions: Create conversations that matter.* CreateSpace.
[147] *Id.*

heard is that ..." "Would I be correct in saying that ..." "So, you're saying that ..."

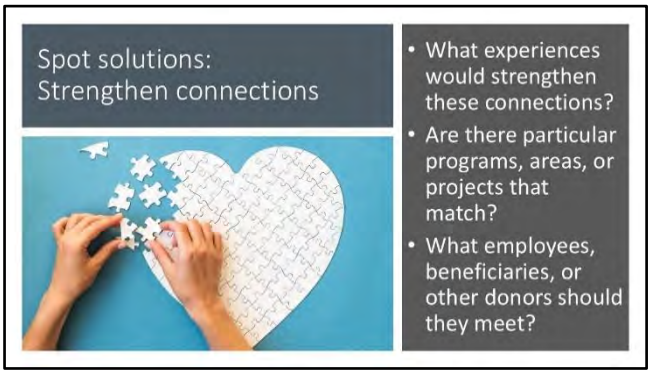
2. *Reflective statement*

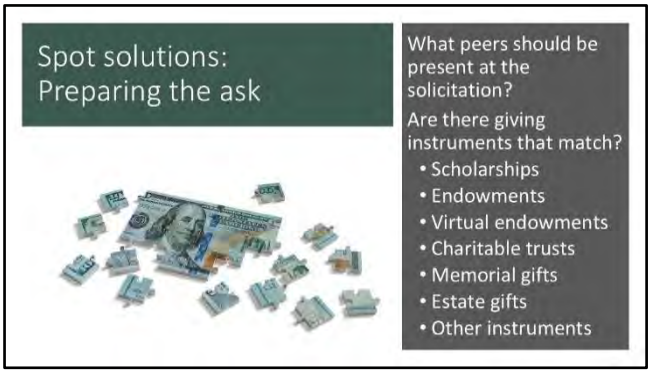
   Summarize, highlight, or repeat key statements that support a connection.

3. *Confirmation question*

   "Do I have it right?" "Is that it? Is that right?" "Is that what happened?" "Does that sound right?" "Am I getting it right?" "Is the right idea?"







Spot solutions

We've been listening. We've been identifying connections. We've been confirming those connections. Now we match these with donor experiences or gift options.

Consider possible experiences. What experiences would strengthen these connections? Are there particular programs, areas, or projects that match? What employees, beneficiaries, or other donors should they meet?

Consider possible gift options. What peers should be present at the solicitation? Are there giving instruments that match? These might be

- Scholarships
- Endowments
- Virtual endowments
- Charitable trusts
- Memorial gifts
- Estate gifts, or
- Other complex instruments.



Ask for the next step

Typically, initial conversations don't end with a donation request. But they do end with a request. This might simply be a request to share the next experience. For example,

"Can we set a time so I could show you one of our facilities?"[148] "Do you think you have time for a tour sometime in the next two weeks?"[149] "Would you be interested in attending [this event]?" "I think you would be a fantastic addition to our [board, committee, or group]. What are your thoughts on that?"



Part IV: Challenge

The final step moves towards and then makes a compelling ask. The following are examples of questions and phrases that do this.



Ask for permission to ask

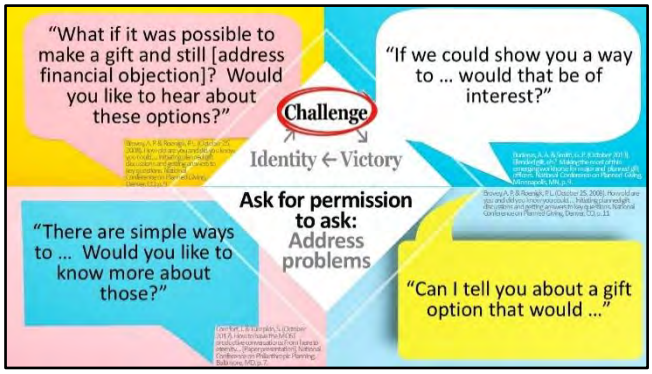
At some point, things progress to a fundraising ask. But the ask shouldn't be a surprise. (At least not for any significant request.) This isn't an ambush. Instead, we want permission. We want permission to present an ask.

The ask, however, is described in terms that highlight *value*. We don't just want to ask for money. We want to share helpful options. Example phrases include,

"Would you be open to exploring ideas to ..."[150] "Would you be interested to hear more about how you could ..."[151] "Would you like to hear about some possible ways to ..."[152] "We would like to show you some ways that you can ... Would you be open to hearing some of these ideas?"[153] "My job is to put together personalized options for you to consider. Would you mind if we set a time to look over some of those ideas together?"

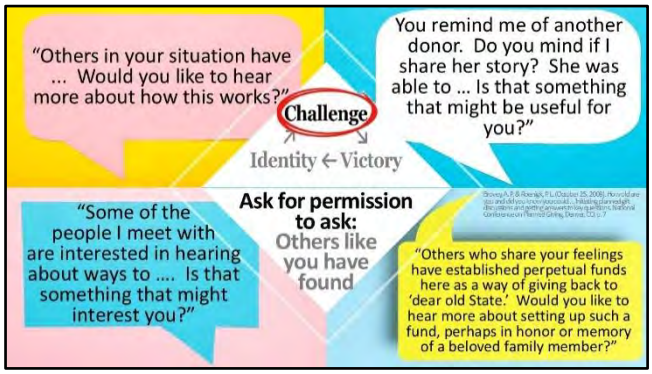
The options we want to share are valuable. They might address problems or barriers for the donor. Example phrases include,

[148] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders.* Chimayo Press. p. 25.
[149] *Id.* at p. 7.
[150] Buderus, A. A. & Smith, G. P. (2013, October). *Blended gift, eh? Making the most of this emerging workhorse for major and planned gift officers.* [Paper presentation]. National Conference on Planned Giving, Minneapolis, MN, p. 9.
[151] *Id.*
[152] Brovey, A. P. & Roenigk, P. L. (2008, October 25). *How old are you and did you know you could…. Initiating planned gift discussions and getting answers to key questions.* [Paper presentation]. National Conference on Planned Giving, Denver, CO, p. 12.
[153] Buderus, A. A. & Smith, G. P. (2013, October). *Blended gift, eh? Making the most of this emerging workhorse for major and planned gift officers.* [Paper presentation]. National Conference on Planned Giving, Minneapolis, MN, p. 9.



"What if it was possible to make a gift and still [address financial objection]? Would you like to hear about these options?"[154] "If we could show you a way to … would that be of interest?"[155] "There are simple ways to … Would you like to know more about those?"[156] "Can I tell you about a gift option that would …"[157]

The options we want to share are useful. Other people like the donor agree. Example phrases include,



"Others in your situation have … Would you like to hear more about how this works?" "You remind me of another donor. Do you mind if I share her story? She was able to … Is that something that might be useful for you?" "Some of the people I meet with are interested in hearing about ways to … Is that something that might interest you?" "Others who share your feelings have established perpetual funds here as a way of giving back to 'dear old State.' Would you like to hear more about setting up such a fund, perhaps in honor or memory of a beloved family member?"[158]

Once we get a yes, we just need a date. Example phrases include,

"Would your calendar allow us to meet this Thursday or next Tuesday?"[159] "How does next Tuesday work for you to meet?"[160]



The ask meeting

Fundraising needs an ask. But the fundraising ask shouldn't be just a "naked" challenge. It should be part of the full story cycle.

Challenge
↗ ↘
Identity ← Victory

[154] Brovey, A. P. & Roenigk, P. L. (2008, October 25). *How old are you and did you know you could…. Initiating planned gift discussions and getting answers to key questions.* [Paper presentation]. National Conference on Planned Giving, Denver, CO. p. 9.
[155] Buderus, A. A. & Smith, G. P. (2013, October). *Blended gift, eh? Making the most of this emerging workhorse for major and planned gift officers.* [Paper presentation]. National Conference on Planned Giving, Minneapolis, MN, p. 9.
[156] Comfort, J. & Lumpkin, S. (2017, October). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 7.
[157] Brovey, A. P. & Roenigk, P. L. (2008, October 25). *How old are you and did you know you could…. Initiating planned gift discussions and getting answers to key questions.* [Paper presentation]. National Conference on Planned Giving, Denver, CO. p. 11.
[158] *Id.* at p. 7.
[159] Pitman, M. A. (2008). *Ask without fear! A simple guide to connecting donors with what matters to them most.* Tremendous Life Books. p. 38.
[160] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 103.



The challenge comes from the donor's identity. It leads to a meaningful victory. The victory is meaningful because it connects with the donor's identity.

This ask or proposal meeting presents this full cycle. It will describe and confirm the donor's identity connections:

- *Identity → Challenge*
- *Victory → Identity*



The "case for support" then shows

- *Challenge → Victory*

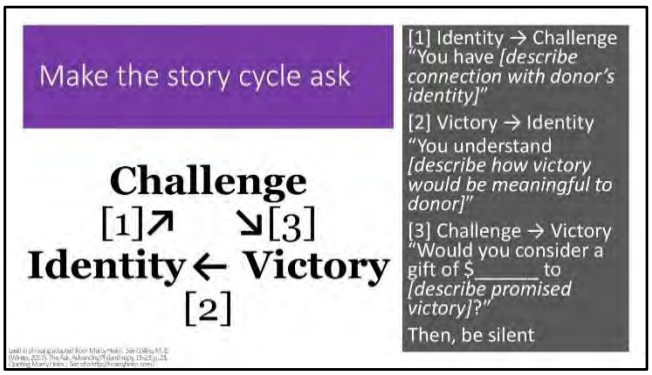
This step may use a formal proposal document. It will answer,

Why is the project needed?
[It will define a victory.]

Why now?
[It will show the challenge comes from a threat or opportunity that forces a choice.]

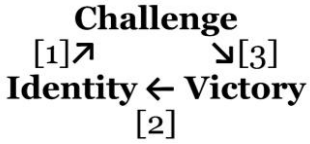
How exactly will it work?
[It will show how Challenge → Victory.]

What's it going to cost?[161]
[It will define the challenge.]



Make the story cycle ask

Finally, the ask itself can present the story cycle one last time.



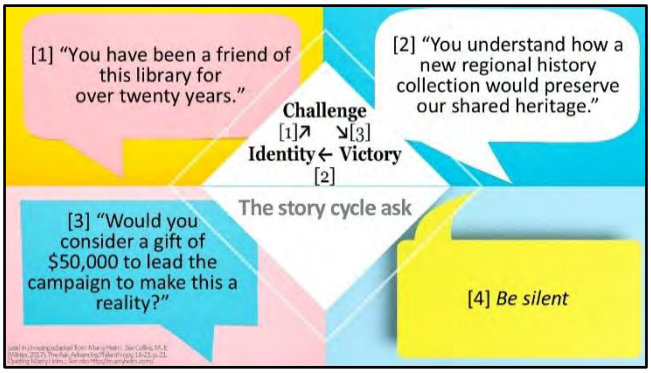
[1] *Identity → Challenge* sentence
"You have ... [here describe a connection with the donor's identity]."

[2] *Victory → Identity* sentence
"You understand ... [here describe how the victory would be meaningful to the donor]."

[3] *Challenge → Victory* sentence
"Would you consider a gift of $_____ to ... [here describe the promised victory]?"[162]

Then, be silent. An ask might sound like this:

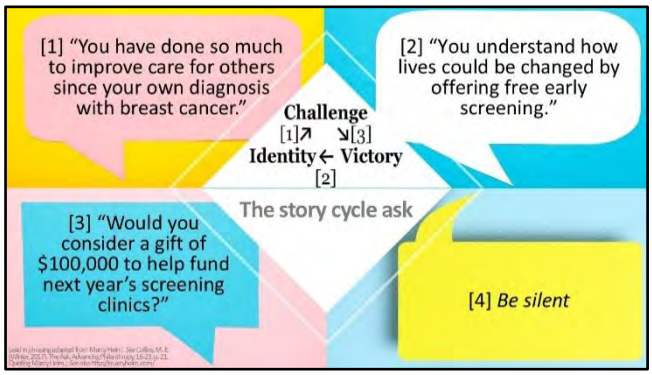
[161] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 60. (referencing these four questions to answer in the case for support).
[162] Three sentences adapted from Collins, M. E. (2017, Winter). The Ask. *Advancing Philanthropy*, 16-23, p. 21. Quoting Marcy Heim. *See also,* Heim, M. (2018, August 22). *Wanna Do EVERYTHING Better?* [Website] http://marcyheim.com/wanna-do-everything-better



- [1] "You have been a friend of this library for over twenty years." *Identity → Challenge.*

[2] "You understand how a new regional history collection would preserve our shared heritage." *Victory → Identity.*

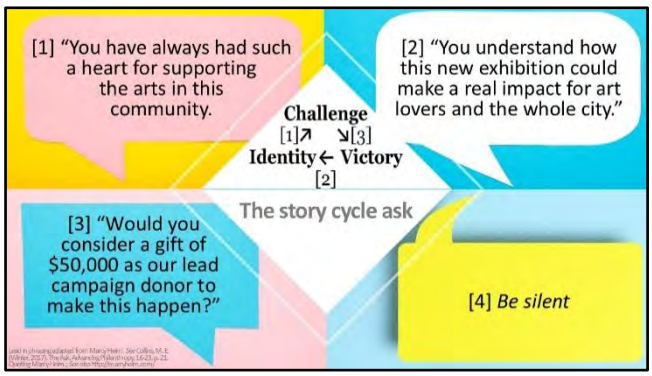
[3] "Would you consider a gift of $50,000 to lead the campaign to make this a reality?" *Challenge → Victory.*



- [1] "You have done so much to improve care for others since your own diagnosis with breast cancer." *Identity → Challenge.*

[2] "You understand more than anyone how lives can be changed by offering free early screening." *Victory → Identity.*

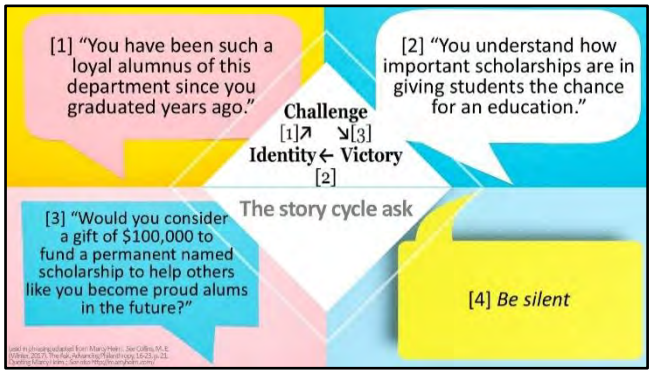
[3] "Would you consider a gift of $100,000 to help fund next year's screening clinics?" *Challenge → Victory.*



- [1] "You have always had such a heart for supporting the arts in our community." *Identity → Challenge.*

[2] "You understand how this new exhibition could make a real impact for other art lovers like you and our whole city." *Victory → Identity.*

[3] "Would you consider a gift of $50,000 as our lead campaign donor to make this happen?" *Challenge → Victory.*



- [1] "You have been such a loyal alumnus of this department since you graduated years ago." *Identity → Challenge.*

[2] "You understand how important scholarships are in helping others like you become proud alums of the future." *Victory → Identity.*

[3] "Would you consider a gift of $100,000 to fund a permanent named scholarship giving students the chance for an education?" *Challenge → Victory.*



Conclusion

There may not be one magic question. Use whatever works for you. But there is a magic journey. It connects,

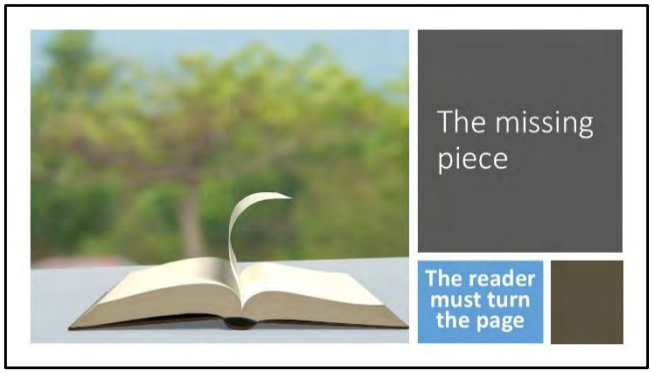
- Original *identity* to a *challenge,*
- The *challenge* to a *victory,* and
- The *victory* to an enhanced *identity*

The magic journey is the hero's journey. It's also the donor's journey. Questions can help advance that donor-hero's journey.

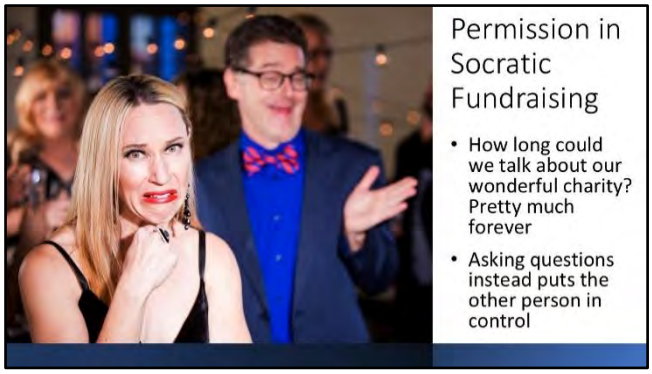


3

SOCRATIC FUNDRAISING PERMISSION:
CAN I ASK YOU A QUESTION?







The missing piece in the story

A novel can have a perfect story. But it will still fail without one thing. The reader must turn the page. It's easy to miss this small act of permission. But without it, the story stops.

Traditional "interruption marketing" overlooks this step. Instead, the view is, "We've got a great story. All we need is to get it out there!"

In this approach, advancing a story is measured in "impressions," "ad buys," or "reach." That can work. But even more powerful is "permission marketing."[1]

Permission in Socratic fundraising

Suppose we're at a social event. We start talking about our great charity. How long can we do that? Pretty much forever. We can just keep talking and talking.

What if instead, we ask a question? How long can we do that? That's up to the other person.

[1] Godin, S. (1999). *Permission marketing: Turning strangers into friends and friends into customers*. Simon and Schuster.

After we ask a question, we stop talking. The next step is theirs.



Socratic fundraising requires permission. The donor must participate. He must agree to answer our questions. This is true in all types of long-term relationship sales. The classic text on these sales, *SPIN Selling*, explains,

"there are many ways to open a call, but the common factor of most good openings is that they lead the customer to agree that *you* should ask questions ... you want to establish your role as the seeker of information and the buyer's role as the giver." [2]

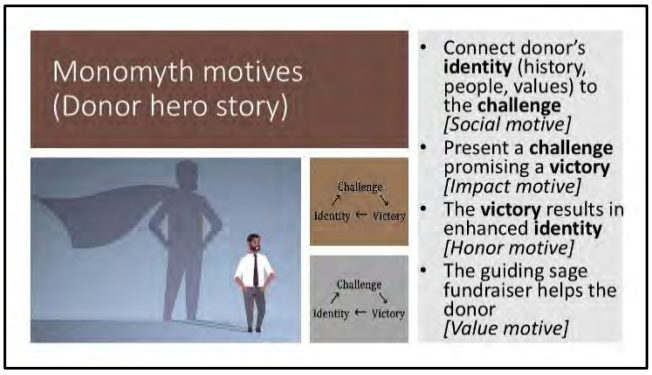


Permission before Socratic fundraising

Often, we need permission even before this. Asking questions works great if we're already having conversations with donors. (Events, meetings, and tours can be great openings to talk.) But what if we aren't having those meetings? In that case, we've got to get permission for a meeting.

This isn't a proposal meeting. We aren't asking for a gift. (And make sure the donor knows that!) This is a discovery meeting. We want to ask questions.

We want donors to say "yes" to a meeting. We want them to say "yes" to answering our questions. How do we get there?



Monomyth motives

The one big thing in fundraising is always the same: Advance the donor's hero story. In the donor's hero story, the fundraiser is the guiding sage. She helps the donor complete the hero's journey.

- She connects the donor's original identity with the cause, organization, or project. *[Original Identity → Challenge]*
- She presents a challenge that promises a victory. *[Challenge → Victory]*
- The victory results in an enhanced identity. This is external (reputation) or internal (meaning). *[Victory → Enhanced Identity]*

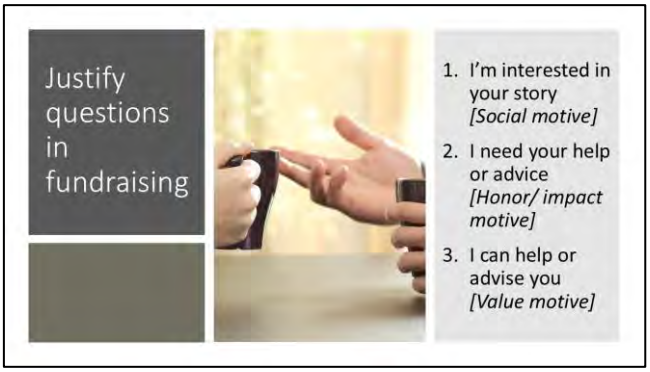
The motives can be different for each of the three steps. The first uses a *social* motive. The donor's life story, people, and values link to the cause. *[Original Identity → Challenge].*

[2] Rackham, N., Kalomeer, R., & Rapkin, D. (1988). *SPIN selling*. McGraw-Hill.

The second uses an *impact* motive. The challenge promises a victory. *[Challenge → Victory].*

The third uses an *honor* motive. The victory brings the hero external and internal honor. *[Victory → Enhanced Identity].*

At each step, the fundraiser helps the donor. She helps the donor complete the journey. She provides value as a guiding sage. This uses a *value* motive.



How can we justify asking questions? How can we get the meeting? Using these same motives can work. For example,

1. I'm interested in your story.

- This uncovers original identity. It uses a *social* motive.

2. I need your help or advice.

- This reflects a prestige identity. It uses an *honor* motive.
- This also promises a victory. It uses an *impact* motive.

3. I can help or advise you.

- The fundraiser acts as the helpful guiding sage. This uses a *value* motive.

Let's look at each of these approaches in detail.



Approach 1: I'm interested in your story



"So, tell me about yourself!" This is natural for a social setting. I share a bit about my story. I ask about their story. This approach says, "I'm interested in you. Tell me more." This "appreciative inquiry" makes conversations fun. It's what friends do.

But this can also focus on fundraising topics. It can ask how their story connects with the

charity or cause.[3] But it doesn't have to start there. General questions about a person's life can help, too.[4] Such rapport-building questions can help show interest. They can help build relationship. This opens the door for later fundraising questions.

This can also be a reason to meet. It might be general. For example,

- "I'm in your area and want to get better acquainted." [5]



Or it can be fundraising specific. For example,

- "Every donor has a story to tell about how they got connected with [this organization]. I want to hear yours."[6]
- "I'd love to sit down with you to learn more about you and how helping our furry friends became a priority for you."[7]
- "Our ____ anniversary is coming up. We're putting together a collection of stories from donors about how [this charity] has been important in their lives. We've found these stories often inspire others to support the cause. I'd love meet with you and hear about your experiences."

In each case, the motive is social. (That's why it's a visit, not an appointment!)[8] The purpose is, "I'm interested in your story!"

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[3] See Chapter 4 "Socratic fundraising backstory: Questions that connect with the donor's identity"

[4] This can start with easy questions about family, pets, hobbies, or entertainment. It might be simple like,

So, what do you do when you're not eating lunch at this restaurant (or whatever activity you're both doing at the time)?
Can you tell me more about your work/your career?

It might involve deeper questions such as

Who has had a deep impact on you personally or professionally?
Is there a question you wish people would ask you?
What are some of your hopes for our world right now?
When you're not working, what do you spend time doing?
What's the most important thing to you?
What has been your life's passion?
What mistake or failure in your life taught you the most?
If you could pick one – would you have more time or money? What would you do with it if you got it?
What makes you happy despite anything else happening around you?
What do you love about what you do?
What keeps you up at night?

It might involve questions that subtly point to connections with the charity

"Have you lived here a long time?" can be preceded by "Many of our donors come from this area," or "I really like working for this charity because I grew up in this area. Over the years, I've seen what a tremendous difference it has made for [cause] in the area." *See* Fredricks, L. (2001). *Developing major gifts: turning small donors into big contributors.* Aspen Publishers, Inc. p. 60.

Examples above from,

Lydenberg, J. (2007, October 13). *Identifying planned gift donors.* [Paper presentation]. The National Conference on Planned Giving, Grapevine, Texas.

Muir, R. (2018, January 30). *3 secrets of great fundraisers.* [Blog]. https://www.rachelmuir.com/blog

Sheffield, C. (2020, October 6). *Discovery: How to learn about a donor's assets.* [Powerpoint slides]. Emerging Philanthropy Conference, Western Pennsylvania Chapter Association of Fundraising Professionals and the Pittsburgh Planned Giving Council. Pittsburgh, PA [online]

Pitman, M. A. (2008). *Ask without fear! A simple guide to connecting donors with what matters to them most.* Tremendous Life Books. p 29.

[5] Muir, R. (2017, April 10). Secrets to think like a donor & boost revenue. [Powerpoint slides]. https://www.rachelmuir.com/

[6] *Id.*

[7] Muir, R. (2018). *Get the visit, nail the ask! 10 ways to get the visit*. [Blog]. https://www.rachelmuir.com/ask

[8] Panas, J. (2020). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. pp. 24-25. ("I don't call this an appointment…. An appointment has a negative connotation. If you need to have a root canal, you call your dentist for an appointment…. But a visit, that's quite different, quite pleasant.")



Barriers to appreciative inquiry

This approach isn't just a trick. To work, our interest must be real. There's a reason why successful fundraisers are called "*curious* chameleons."[9] For questions to work, they must reflect real curiosity. The must express genuine interest.

That means a question isn't simply,

- A launching point for a sales pitch
- A way to force agreement, or
- An excuse to immediately ask for money.



The "sales pitch" problem

We've all had conversations like this. The other person asks a question. But he isn't really interested in the answer. He just wants to talk about … what he wants to talk about. The question is just a pretext. It's an excuse.

That's bad. What's worse is when the question is a launching point for a long sales pitch. It's like the cliché Amway sales guy. He might ask a question. But he's not actually being social. He doesn't care about your answer. He just wants an excuse to launch into a block of "interruption marketing."



The "forced agreement" problem

Sometimes ignoring the answer starts even before the sales pitch. It starts with a question that forces agreement. For example,

- "Do you want a peaceful and prosperous town?"
- "Should people care about the destruction of our natural environment?"
- "Do you want to make $300 a day online by clicking a button?"

These are "questions." But they aren't legitimate. There's no sense of *actually* being interested in the other person or their response. This is like giving a prepared line, then saying, "Right?"

[9] O'Neil, M. (2014, September 24). 'Curious chameleons' make the best major-gift officers, new study says. *The Chronicle of Philanthropy,* https://www.philanthropy.com/article/Curious-Chameleons-Make/152575
Education Advancement Board. (2014) *Inside the mind of a curious chameleon.* https://eab.com/insights/infographic/advancement/inside-the-mind-of-a-curious-chameleon/



The "fast money" problem

Even a good question feels bogus if it's *immediately* followed by a financial ask. This timing ruins the question. It feels like a "setup," not an expression of authentic interest.

This is why charities should never ask for money in a donor survey. Some charities struggle with the idea of *any* mailing that doesn't ask for cash. But in this case, it's a bad idea. The immediate ask de-legitimizes the questions.[10] It creates the feeling, "You didn't actually care what I thought. You just wanted money."

Conversations can *eventually* lead to a challenge. But it's important not to jump to the end of the journey. The goal of each step is only to get to *the next* step.



Approach 2: I need your help or advice



I need your advice (student version)

Over the years, I've taught thousands of university students. For most, the scariest challenge is getting their first real job. I encourage students to go to professional conferences and "network." But how do they turn "networking" into a J-O-B? I start with the adage,

"If you want advice, ask for a job. If you want a job, ask for advice."

Why does this work? Because when a student asks for advice about entering a field,

- It gives honor. (It says, "You know something important.")
- It promises impact. (It says, "You can change my life.")
- It shows what's important to the employer. (It asks, "How do I become your ideal candidate?")

[10] It's fine to ask for opinions or preferences about different forms of giving, but it's not OK to ask for a check.



I need your advice (fundraiser version)

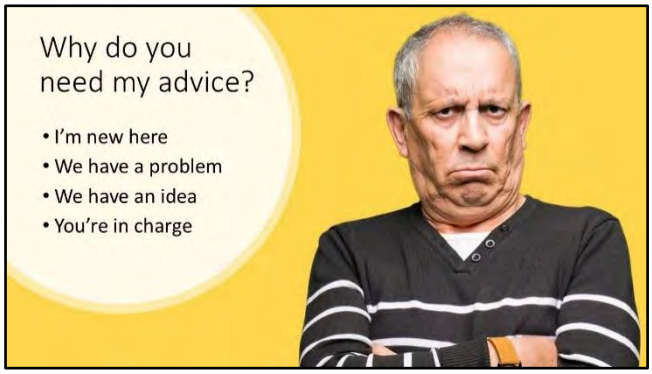
This approach can also work for fundraising. Asking for advice can be powerful. It gives honor. It promises impact. It gets the donor to define what *they* think is important.

Asking for advice gives honor. It says,

- "You are important."
- "I care about your opinion."
- "You know important things that I don't."

Asking for advice also promises impact. The question implies a need – a gap in knowledge. By filling this gap with wisdom, the donor can make a difference.

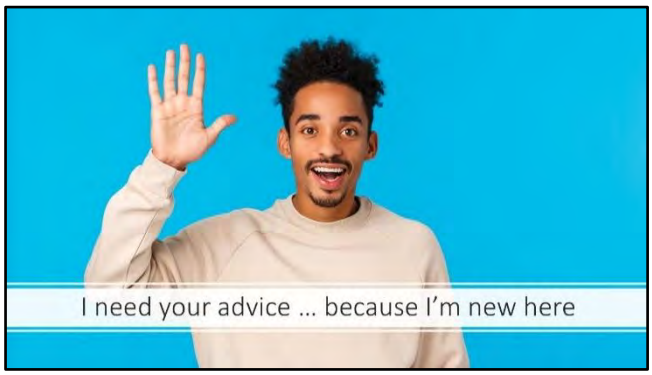
Finally, asking for advice shows what's important to the donor. He will happily describe how his ideal charity ought to behave. Following up later with a challenge that matches this vision can be powerful.



Why do you need my help or advice?

Asking for advice can be powerful. But the desire for advice must be real. It's important to answer the question, "Why?" "Why do you need my advice?" Some reasons are

- I'm new here.
- We have a problem.
- We have an idea.
- You're in charge.



I need your advice... because I'm new here

One of the easiest ways to get donors to answer questions is when the person asking is new. Got a new dean? A new executive director? A new development director? A new fundraiser? It's time for a "listening tour."



Go see donors. Ask for advice. The "new guy" justification is obvious. It's compelling. It provides honor. It promises impact. And it allows the donor to explain what's important to him.



I need your advice... because we have a problem

Nothing motivates advice-giving better than a good problem. There are many problems donors can give advice about.

Maybe budget constraints mean only one of three projects can be funded this year. That's a good reason to ask donors about the importance to them of each project.



Maybe the number of new people joining the legacy society has dropped. That's a reason to ask for donor opinions about helping in this way.[11]

One of my favorite stories from planned giving marketing illustrates this. A charity's attempts at planned giving seminars had all failed. Finally, in frustration, they decided to ... ask their donors for advice.

They held a donor focus group about the problem. Why won't anyone come to our seminars? The donors gave advice. But along the way,

> "The participants, in order to give advice about workshops on planned giving, had to ask questions about CRTs and CGAs, and, as they listened to our explanations, they learned what these acronyms stood for and how they could, indeed, benefit the charity as well as themselves and their families."[12]

What happened? The charity got planned gifts *the next day* from donors in the focus group. The fundraisers explained,

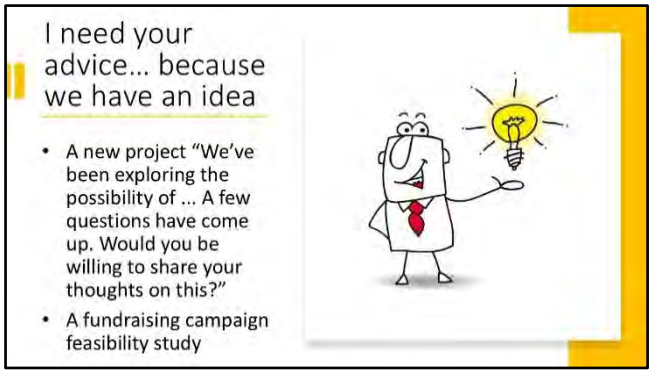


"Thus, like a scientist who discovers a cure unexpectedly, we had inadvertently found our answer where we least expected it: the best venue to teach people about planned giving was not a workshop or a seminar but a focus group... [on] why no one seems willing to learn about planned giving by attending the workshops ..."[13]

Success came when they stopped lecturing and started asking. Asking was justified by a real problem.

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[11] Concept from Sargeant, A. & Stergiou, C. (2019, January 10). Personal communication. Message from Christiana Stergiou, Co-Founder of Moceanic, referencing text copy originating from Adrian Sargeant, Co-Founder of Institute for Sustainable Philanthropy.
[12] Bigelow, Bruce E. & Kolmerten, Carol A. (2008, April) Focusing on planned giving: Using focus groups to find new donors. *Journal of Gift Planning, 12*(2), 18-21, 44-45. http://charitabledevelopmentconsulting.com/s/Focusing-on-Planned-Giving-Using-Focus-Groups-to-Find-New-Donors.pdf
[13] *Id.*



I need your advice... because we have an idea

Instead of a problem, the justification might be an opportunity. We have an idea. We need your advice. For example,

"We've been exploring the possibility of opening a new center near you. A few questions have come up. Would you be willing to share your thoughts on this?"

This also justifies questions in a campaign "feasibility study."[14] This says,

> "We have a plan. But it depends on donors like you. So, we need to know your thoughts about the plan and your interest in supporting it."



I need your advice... because you're in charge

Some donors might be able to fund an entire project. But every donor is part of the group that controls the charity's donations. That makes their voice important.[15]

Beyond this, donors might have formal authority. They might be trustees. They might be in advisory groups. In any case, treating them *as if* they're in charge permits questions. It justifies asking for advice.



As before, these also work as reasons to ask for a meeting. For example,

- We need "to get your take on something."[16]
- We need "to get feedback on an upcoming project."[17]
- We need "to tell you about the project and get your good counsel and advice as to what steps might be taken next to move the project forward."[18]
- We need "to get your feedback on a recent study related to (this organization)."[19]

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[14] A great example is provide on page 63 of Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. (In preparing the preliminary case for support, the consultant asked, "Where is your DRAFT stamp?" She explained, "so we can stamp the copies of the case document we're preparing. If we don't leave opportunities for the members of the committee to add their ideas, they'll feel they've been presented with a *fait accompli*, and we will have lost a great chance to build ownership in this project.")

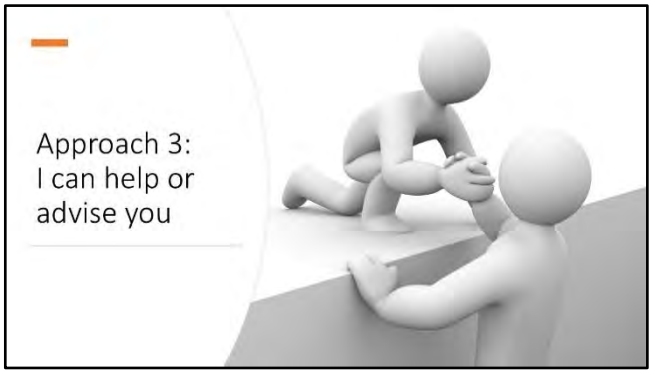
[15] Of course, asking for advice may not fit the administrator-hero story. In that view, the administrators are the experts and the heroes. Donors are supposed to give and get out of the way. Beyond their wallet, they have nothing useful to add.

[16] Muir, R. (2018). *Get the visit, nail the ask! 10 ways to get the visit*. [Blog]. https://www.rachelmuir.com/ask

[17] Miree, K. (2009, October). *Critical donor messages in a difficult environment.* [Paper presentation]. National Conference on Philanthropic Planning. p. 18.

[18] Panas, J. (2020). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. p. 96.

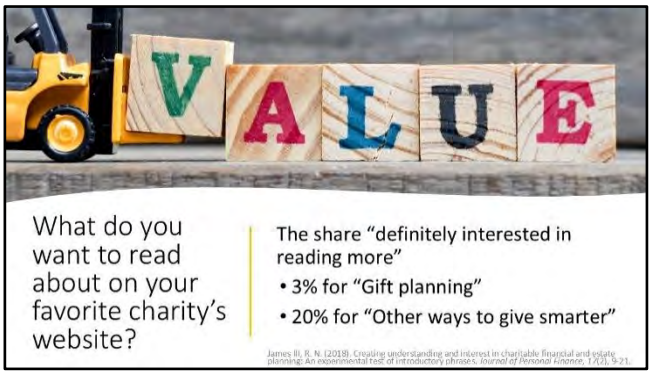
[19] Gillespie, J. E. (2005, September 29). *Hello... are you there? Good phone Karma.* [Paper presentation]. National Conference on Planned Giving.



Approach 3: I can help or advise you







The third approach leads with value. One definition of permission marketing is when

"Customers agree (opt-in) to be involved in an organization's marketing activities … in return for value offered."[20]

Why should they meet with us? Why should they answer our questions? Because we provide benefit. We can help them. In the donor's hero story, this is the role of the guiding sage. The guiding sage

- Provides wisdom and advice
- Delivers magical instruments to help in the hero's journey
- Introduces the hero to friends and allies who can also help.

Leading with value is powerful. One study asked nearly 3,000 people what they most wanted to read about on their favorite charity's website.[21] The share "definitely interested in reading more" was

- 3% for "Gift planning," but
- 20% for "Other ways to give smarter."

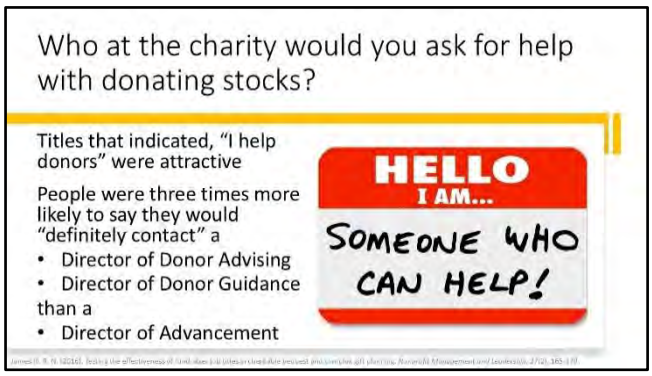
What did they expect to see when clicking on each phrase? The answers were nearly identical for both. The expected information *was the same*.

[20] Chaffey, D. & Bosomworth, D. (2012). *Digital marketing strategy guide*. https://www.academia.edu/8960572/DIGITAL_MARKETING_STRATEGY_GUIDE_Your_companion_to_creating_or_updating_your_online_channel_strategy_Authors_Dr_Dave_Chaffey_and_Danyl_Bosomworth

[21] James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21. (The experiment asked, "Suppose you are viewing the website of a charity representing a cause that is important in your life. In addition to a "Donate Now" button, the following buttons appear on the website. Please rate your level of interest in clicking on the button to read the corresponding information. Note: after answering this set of questions, you will be asked to read information about one of these topics. Please rate the ones you are actually interested in more highly than those you are less interested in.")

So, why was interest six times greater for the second phrase? Because it led with value. It was about helping the donor.

Who at a charity would people ask for help with donating stocks?[22] One study asked over 3,000 people this question. Job titles indicating, "I help donors" were attractive. People were three times more likely to say they would "definitely contact" a



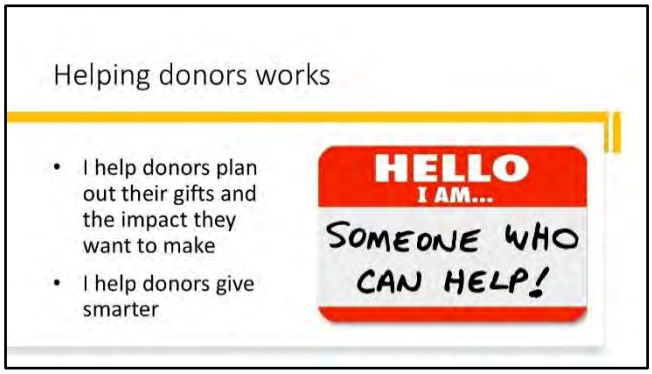
- "Director of Donor Advising," or
- "Director of Donor Guidance"

than a

- "Director of Advancement."

Helping donors isn't limited to technical advice. Maybe it's,

- "I help people plan out their gifts and the impact they want to make."[23] Or,
- "I help donors give smarter."



A job description can provide yet another reason to meet. If my job is to meet with donors, this also implies, "I need your help." If donors won't agree to meet with me, I can't do my job![24]

Leading with value works. "I can help" works. It justifies the fundraiser asking questions. It justifies the donor answering those questions.



Blending reasons to meet

Meeting just to "update" the donor might not promise value. But the right phrasing can build this impression. For example,

- "I want to update you on the many exciting things happening at the

[22] James, R. N., III. (2016). Testing the effectiveness of fundraiser job titles in charitable bequest and complex gift planning. *Nonprofit Management and Leadership, 27*(2), 165-179.

[23] *See also,* "What I do for [organization] is help people uncover their philanthropic goals and help structure their gifts to meet those goals. I'm not going to ask you for a gift today, but I do want to ask if it is alright if I start working with you?" from De Luca, C. C. (2020, May 4). Personal communication. Carolina Camargo De Luca, Discovery Officer, Texas Tech University Health Sciences Center – El Paso

[24] Or, for a volunteer, "I promised I'd call on all of those I was assigned to. I made that commitment. And you're one of the important ones I feel I really must see." Panas, J. (2020). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. p. 35.
Or, in another example, "Our bylaws require us to report personally to at least 20% of our top donors. You've been such a loyal friend to the organization. I would love to update you about the latest happenings at [the charity]. Would it a problem for us to have a brief visit sometime next week?"

[organization]. I think you'll be amazed and impressed at the impact"[25] of your gifts.



- "The truth is, I couldn't do it justice on the phone. I have a feeling this is something you're going to be interested in, and I have some photographs and material I want to share with you. You're going to find this important."[26]

Or the update might be just one of many reasons to meet. For example,



- "You've already been generous to [this charity], and I want to thank you and learn more about your connection to our ... services. We have some long-term plans for the [new project], and I'm thinking you might appreciate a preview."[27]



- "I want to thank you in person for your past support and better understand your experience working with our organization ... and I'd like to share some aspects of our work that you might not be aware of."[28]



- "I'm calling to thank you for your recent gift. You've been a long-time supporter of our organization, and we're reaching out to women like you to ask your opinion of some of our future plans. I'd like to take the opportunity to say "thank you" in person and to fill you in on what's happening here. Would you be available to meet with me for lunch next week?"[29]

Of course, many reasons to meet can be blended even without an "update." These next approaches by Katherine Swank stack reasons together.

- "I am calling to introduce myself. My role here is to get to know our donors and personally thank them for their support of our work. You have been very generous to us and our work; I would like to have the opportunity to find out more about why you give and get your opinion on how we are

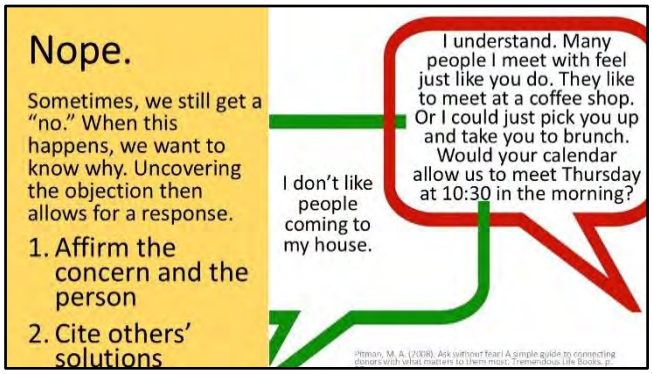
[25] Makous, B. B. (2009, October 16). *The art of the ask.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, Maryland. p.8
[26] Panas, J. (2020). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. p. 33.
[27] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 22.
[28] *Id.* at 10-11.
[29] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 8.





doing in your eyes. Would it be possible for me to set up a time to meet with you for 30 minutes or so?"[30]

- "I am new to the organization and to the area and hope to meet as many loyal donors as is possible in the next few weeks. The president has suggested that you would be a very important person for me to meet. I'm hopeful that you might have 30 minutes in the next two weeks to meet me for breakfast, lunch, or another convenient time."[31]



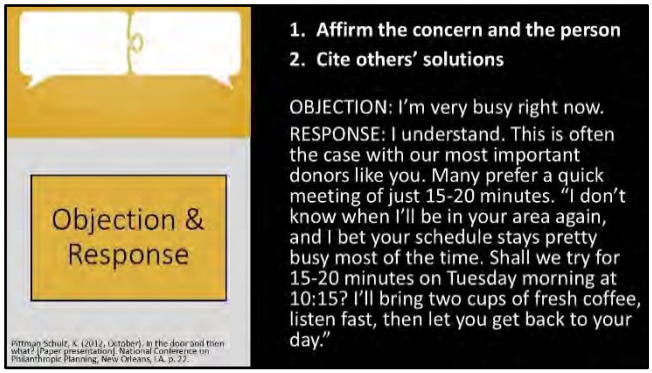
Nope…

Sometimes, we still get a "no." When this happens, we want to know why. Uncovering the objection then allows for a response. The response should

1. Affirm the concern and the person, then
2. Cite others' solutions.

Examples might sound like this.

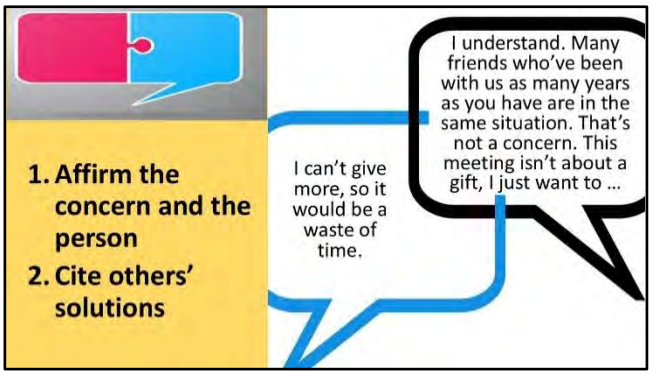
- OBJECTION: I don't like people coming to my house.
- RESPONSE: I understand. Many people I meet with feel just like you do. They like to meet at a coffee shop. Or I could just pick you up and take you to brunch. Would your calendar allow us to meet Thursday at 10:30 in the morning?[32]



- OBJECTION: I'm very busy right now.
- RESPONSE: I understand. This is often the case with our most important donors like you. Many prefer a quick meeting of just 15-20 minutes. "I don't know when I'll be in your area again, and I bet your schedule stays pretty busy most of the time. Shall we try for 15-20 minutes on Tuesday morning at 10:15?

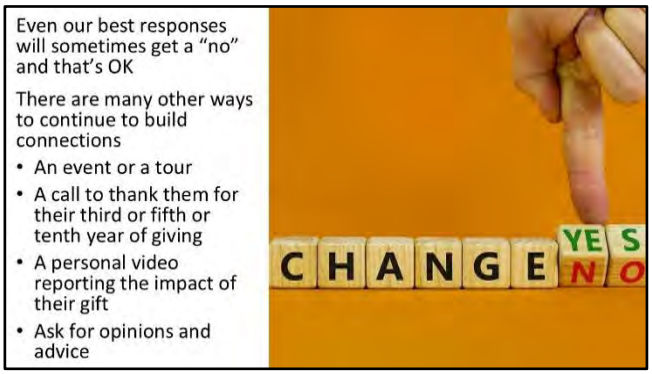
[30] *Id.*
[31] *Id.*
[32] Pitman, M. A. (2008). *Ask without fear! A simple guide to connecting donors with what matters to them most.* Tremendous Life Books. p. 35. ("When setting up appointments, I like asking if their "calendar would allow" us to meet at such-and-such a time… I find that wording makes the process of setting up an appointment less confrontational.")

I'll bring two cups of fresh coffee, listen fast, then let you get back to your day."[33]



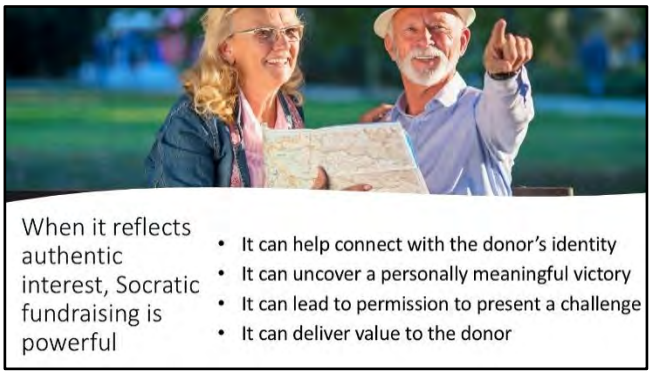
- OBJECTION: I can't give more, so it would be a waste of time.
- RESPONSE: I understand. Many friends who've been with us as many years as you have are in the same situation. That's not a concern. This meeting isn't about a gift, I just want to ...

But even our best responses will sometimes get a "no." And that's OK. There are many ways to continue to build connections.



We can invite them to an event or a tour. We can call to thank them for their third or fifth or tenth year of giving. We can make a personal video with a phone reporting the impact of their gift. We can call to ask for opinions and advice.

These lead to conversations. Conversations lead to relationships. Relationships change yesterday's "no" into tomorrow's "yes."



Conclusion

When it reflects authentic interest, Socratic fundraising is powerful. It can connect the donor's identity with the cause or charity. It can uncover a personally meaningful victory. Ultimately, it can deliver value to the donor. But it starts with permission. It starts with, "Can I ask you a question?"

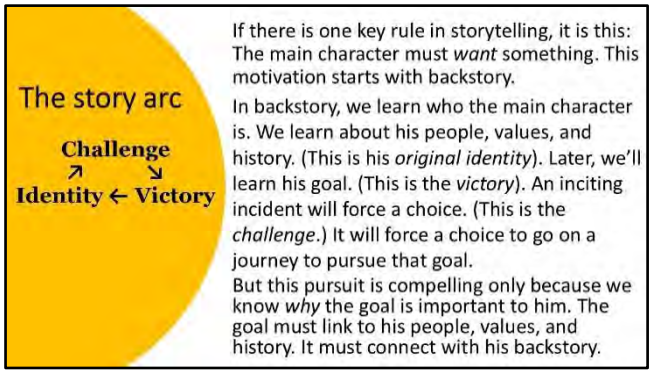
[33] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 22.



4

SOCRATIC FUNDRAISING BACKSTORY:

QUESTIONS THAT CONNECT WITH THE DONOR'S IDENTITY

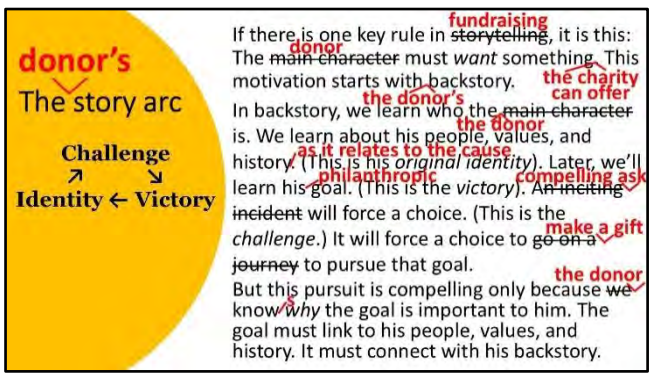


Beginning the narrative arc

If there is one key rule in storytelling, it is this: The main character must *want* something. This motivation starts with backstory.

In backstory, we learn who the main character is. We learn about his people, values, and history. (This is his *original identity*). Later, we'll learn his goal. (This is the *victory*). An inciting incident will force a choice. (This is the *challenge*.) It will force a choice to go on a journey to pursue that goal.

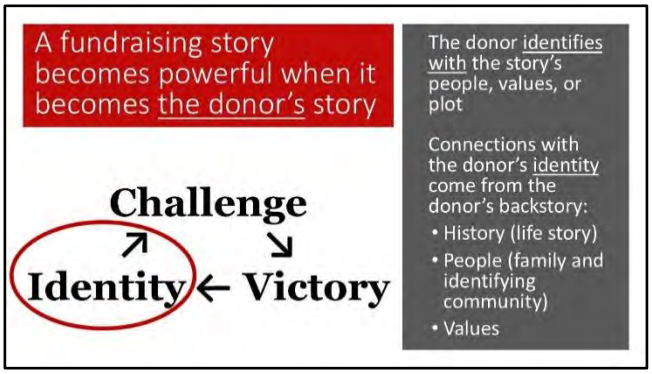
But this pursuit is compelling only because we know *why* the goal is important to him. The goal must link to his people, values, and history. It must connect with his backstory.



If there is one key rule in fundraising, it is this: The donor must *want* something the charity can offer. This motivation starts with the donor's backstory.

In backstory, we learn who the donor is. We learn about his people, values, and history as it relates to the cause. (This is his *original identity*.) Later, we'll learn his philanthropic goal. (This is the *victory*.) A compelling ask will force a choice. (This is the *challenge.*) It will force a choice to make a gift to pursue that goal.

But this pursuit is compelling only because the donor knows *why* the goal is important to him. The goal must link to his people, values, and history. It must connect with his backstory.



Openings

No story can be a powerful fundraising story until it becomes *the donor's* story. This happens when the donor *identifies with* the story's people, values, or plot. Questions can help. Questions can uncover connections with the donor's identity.

The donor's identity comes from the donor's backstory. It comes from the donor's

- History (life story),
- People (family and identifying community), and
- Values.



Questions or prompts can link the charity or cause with this identity. For example,

- "Tell me about your connection to [this charity]."
- "How has [this cause] been important in your life?"
- "Have others in your life been affected by [this cause]?"

Questions can explicitly connect with origins. For example,

- "When did you first get interested in [this cause]?"
- "Is there anyone in your family history who also cared about [this cause]?"



This can even inspire monomyth framing. The origin connections become the starting point in the donor-hero's journey. For example,

- "Tell me about your journey since you graduated from the university."[1]
- "Tell me about your journey since you were first diagnosed."

[1] Vidmar, T. (2020, May 1). Personal communication. Tony Vidmar, VP University Advancement and Public Affairs, Midwestern State University. (Tony adds this important comment on the phrasing, "I specifically say the name of the institution and usually in the informal vernacular—i.e. "Tech" for Texas Tech University or "Ohio State" for The Ohio State University or "Midwestern" (or MSU Texas) for Midwestern State University. By doing so, I convey hopefully a commonality that we have as both being "intimate" enough with the institution and it's culture to be comfortable enough and "cool enough" to use the informal vernacular."

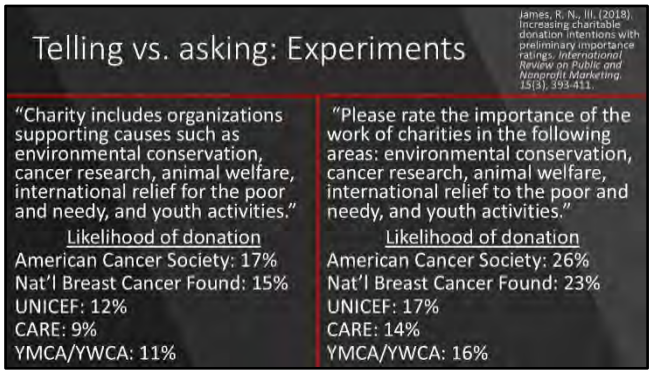
- "Tell me about your journey since you first became involved in [this cause]."



This might look like simple information gathering. And, yes, that does happen. But the questions are important even if we already know the answer.

The questions are powerful because *the donor* is answering them. Restating a connection or belief strengthens it.[2] This encourages actions that match. In fundraising, this encourages donations.

Does it work? Let's look at some experimental results.



Experiment 1

In one experiment[3] some people were simply told about causes. They read,

"Charity includes organizations supporting causes such as environmental conservation, cancer research, animal welfare, international relief for the poor and needy, and youth activities."

Others were instead asked questions. They were asked to rate the importance of the causes. They read,

> "Please rate the importance of the work of charities in the following areas: environmental conservation, cancer research, animal welfare, international relief to the poor and needy, and youth activities." [The response scale was from "0=absolutely no importance" to "100=absolutely the greatest importance"]

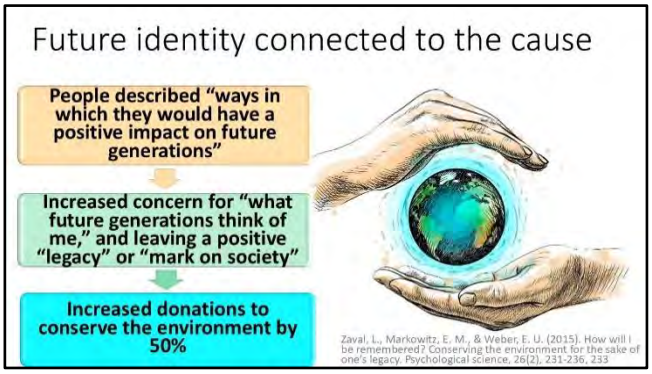
Did asking questions make a difference? Yes. The likelihood of donating to the American Cancer Society was 17% for the first group. It was 26% for the second. For the National Breast Cancer Foundation, the increase was from 15% to 23%. For UNICEF, it went from 12% to 17%. For CARE, it went from 9% to 14%. For YMCA/YWCA it went from 11% to 16%. For all ten charities tested across all five cause types, the outcome was the same. The likelihood of donating always went up. Questions worked.

Experiment 2

In another experiment, people were asked to donate to conserve the environment. But some were first asked an identity question. They were asked to describe "ways in which they

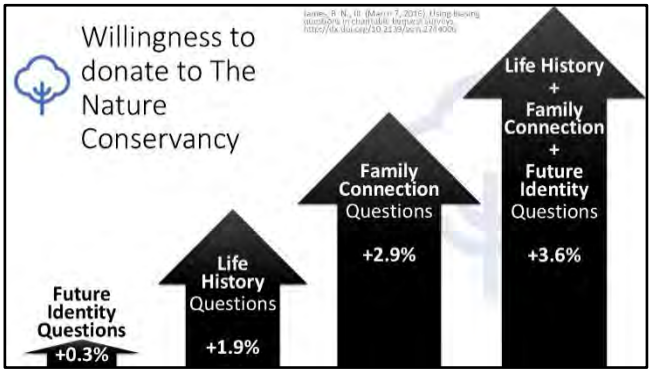
[2] Fazio, R. H., Chen, J. M., McDonel, E. C., & Sherman, S. J. (1982). Attitude accessibility, attitude-behavior consistency, and the strength of the object-evaluation association. *Journal of Experimental Social Psychology, 18*(4), 339-357; Glasman, L. R., & Albarracín, D. (2006). Forming attitudes that predict future behavior: A meta-analysis of the attitude-behavior relation. *Psychological Bulletin, 132*(5), 778–822.

[3] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing. 15*(3), 393-411.



would have a positive impact on future generations."[4] Those people donated nearly 50% more.

Why? Further analysis gave the answer. This question increased concern for "what future generations think of me."[5] It increased interest in leaving a positive "legacy" or "mark on society." The question highlighted the importance of one aspect of the donor's identity. That aspect connected to the charitable cause. (Environmental conservation has a "positive impact on future generations.") As a result, donations increased.



Experiment 3

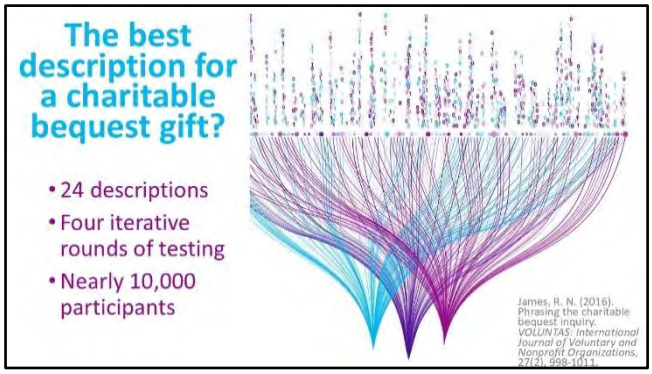
A later experiment[6] tested willingness to donate to The Nature Conservancy. Some were first asked about their desired future identity. (This was like the prior experiment.[7]) Others were asked about their life history with conservation.[8] Still others were asked about family connections to conservation.[9]

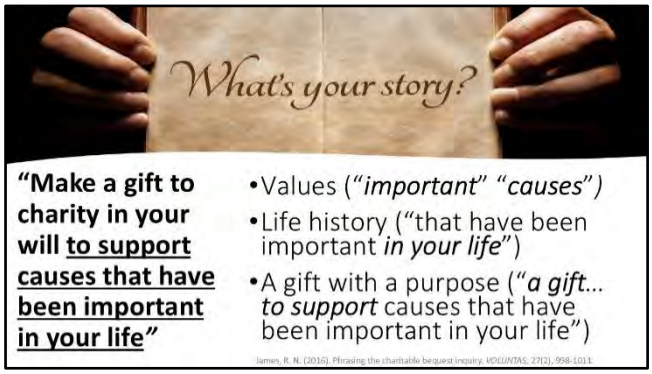
Donation likelihood went up

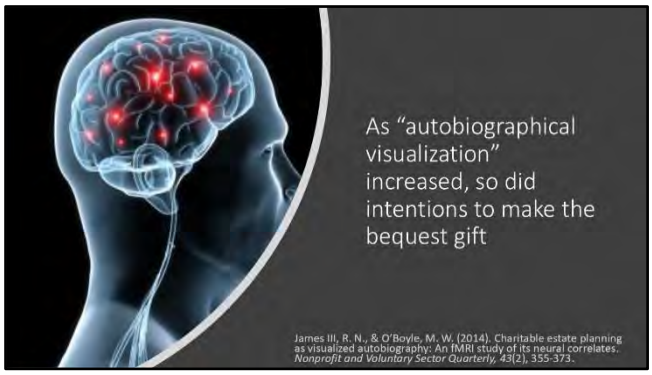
- Slightly for the future identity questions,
- More for the life history questions, and
- Even more for the family connection questions.

However, it went up the most for those who were asked *all three* sets of questions. Each type of identity connection helped encourage the gift. Questions worked. More questions worked better.

[4] Zaval, L., Markowitz, E. M., & Weber, E. U. (2015). How will I be remembered? Conserving the environment for the sake of one's legacy. *Psychological Science, 26*(2), 231-236, 233.
[5] *Id.* at 233.
[6] James, R. N., III. (2016, March 7). *Using biasing questions in charitable bequest surveys.* Available at SSRN: https://ssrn.com/abstract=2744006 or http://dx.doi.org/10.2139/ssrn.2744006
[7] "Please rate the importance to you of the following" regarding (1) "Being a good example for the next generation," (2) "Making a lasting impact in the world," and (3) "Insuring that your values will be remembered by future generations." The available ratings were "None," "Slightly important,"
"Somewhat important," "Important," and "Highly important."
[8] "At what age did you first begin to think about the importance of conserving the natural environment?" with the available answers of "In childhood," "In high school," "In my 20s," "In my 30s or later," and "I have never thought
about the importance of conserving the natural environment." Followed by, "Which of the following have been important in your life? (check any that apply)," with the available options of "Time I have spent outdoors," "Time I have spent on a river," "Time I have spent in a forest," "Time I have spent on a lake," "My life experiences with wildlife," "My life experiences with wild birds," and "My life experiences with trees and plants."
[9] "Do you have more or less than two family members who consider conserving the natural environment to be important?" with the available options of "About 2," "More than 2," and "Less than 2." Followed by, "Were there any family members in your life who were particularly influential in shaping your views on the importance of nature conservation? (Check any that apply)" with the available options of "Grandmother," "Grandfather," "Aunt," "Uncle," "Mother," "Father," "Sibling," and "Other family member."









Bequest experiments

Linking with the donor's identity can also work with bequest gifts. One experiment searched for the best description of a charitable bequest gift. It tested 24 different descriptions in four iterative rounds. Nearly 10,000 people responded.[10] The description most likely to trigger giving was

"Make a gift to charity in your will to support causes that have been important in your life."

This description links

- Values ("*important*"),
- Life history ("important *in your life*"),
- A cause ("*causes that have been* important in your life"), and
- A gift ("*a gift... to support* causes that have been important in your life").

A neuroimaging study found similar results.[11] People were asked about making bequest gifts to different charities. As "autobiographical visualization" increased, so did intentions to make the gift. The neural signature for life story connections predicted bequest giving intentions.

A qualitative study found similar results.[12] It interviewed people with charitable bequest plans. It asked them why they picked those charities. The answer? These charities linked with their life stories.

Life story reminiscence can be powerful. But it's most powerful during older ages.[13] This is

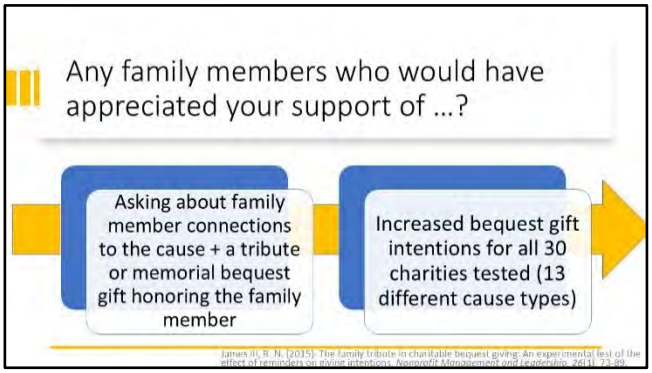
[10] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

[11] James, R. N., III., & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373.

[12] "Indeed, when discussing which charities they had chosen to remember, there was a clear link with the life narratives of many respondents." Routley, C. J. (2011). *Leaving a charitable legacy: Social influence, the self and symbolic immortality* [Ph.D. dissertation]. University of the West of England, Bristol, UK, p. 220.

[13] Reminiscing about the distant past is also a particularly effective way to communicate with older adults or those with diminished capacity to generate new memories. *See* Hyppa-Martin, J. & Hofmann, R. (2018, October). *Stewarding donors with dementia*. [Paper presentation]. National Association of Charitable Gift Planners Conference, Las Vegas, NV; Bohling, H. R. (1991). Communication with AD patients: An analysis of caregiver listening patterns. *International Journal of Aging and Human Development, 33*(4), 249-267, 252. Ripich, D. N., Wykle, M., & Niles, S. (1995). Alzheimer's disease caregivers: The FOCUSED program: A communication skills training program helps nursing assistants to give better care to patients with alzheimer's disease. *Geriatric Nursing, 16*(1), 15-19.

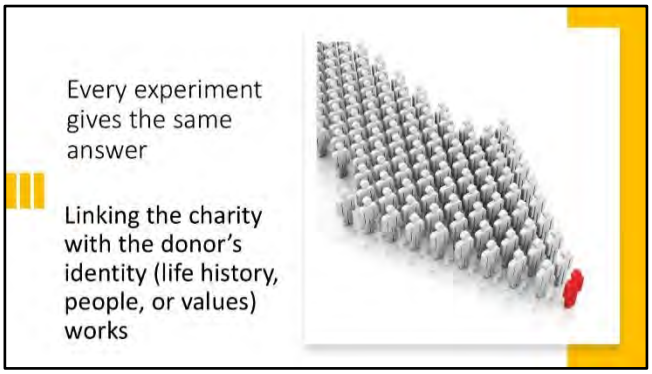
when major lifetime or legacy gift decisions are often made.[14]



In another experiment[15] people increased bequest gift intentions when asked about

- Family member connections to the cause, and
- A tribute or memorial bequest gift honoring the family member.

This worked for all 30 charities tested.[16] These came from 13 different cause types.



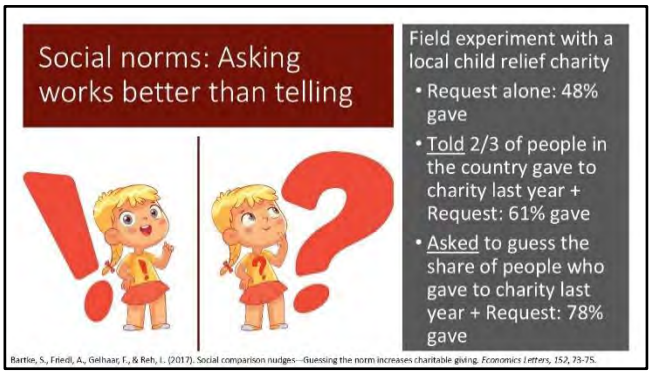
In all these experiments, the answer was the same. Linking the charity or cause with the donor's identity (history, people, or values) worked. A compelling story starts with backstory. It starts with identity.



Social norms experiments

One of the most powerful messages in giving experiments is the social norm. This is the message that "people like me do things like this." It shows that the donor's community supports the values, the charity, and the donation. It connects the gift with standing in the community. It connects the gift with a source of the donor's identity.

The social norm works. But experiments show one thing works even better. *Asking questions* about the social norm.



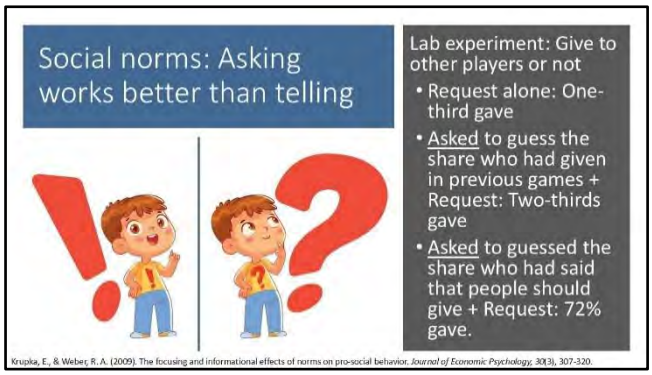
One field experiment asked people to give to a local child relief charity. With just this request, 48% gave. Others were first told that 2/3 of people in the country gave to charity last year. In this group, 61% gave. (This is the social norm effect.) Before being told this, another group first answered a question. They

[14] James, R. N., III. III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431

[15] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89.

[16] UNICEF; CARE; The American Diabetes Association; The Joslin Diabetes Center; World Wildlife Fund; Wildlife Conservation Society; National Breast Cancer Foundation; Breast Cancer Research Foundation; Susan G. Komen Breast Cancer Foundation; The Alzheimer's Association; The Alzheimer's Foundation of America; The American Humane Association; The American Society for the Prevention of Cruelty to Animals; The Big Brothers/Big Sisters of America; Boys and Girls Clubs of America; YMCA; YWCA; Girl Scouts; or Boy Scouts; Prevent Blindness America or Foundation Fighting Blindness; National Cancer Coalition; the American Cancer Society; The MD Anderson Cancer Center; or the Dana Farber Cancer Institute); United Negro College Fund; American Indian College Fund; Ducks Unlimited or The National Audubon Society; AIDS Project Los Angeles or San Francisco AIDS Foundation; Canine Companions for Independence; Guide Dogs for the Blind.

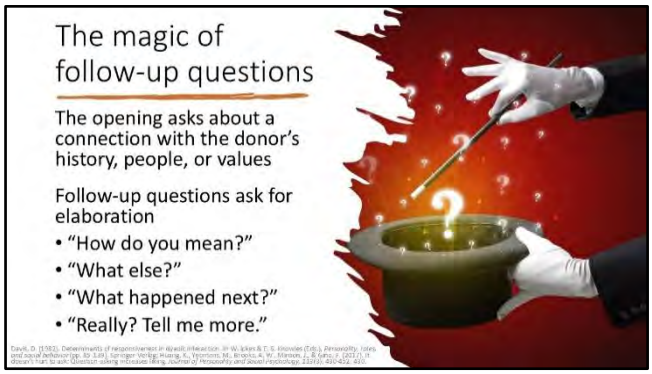
guessed the share of people who gave to charity last year. In this group, 78% gave.[17] Asking worked better than just telling.



In one lab experiment, people could choose to give to other players or not.[18] There were three groups.

- In the normal group, one-third chose to give.
- In a second group, people first answered a question. They guessed the share of others who had given in previous games. In this group, two-thirds gave. Asking about others' giving actions doubled giving.
- In a third group, people first answered a different question. They guessed the share of others who had said that people *should* give. In this group, 72% gave. Asking about others' giving *beliefs* more than doubled giving.

Another lab experiment found the same effect for donations to charity.[19] In giving decisions, social norms are powerful. But, here too, the same rule applies. Asking works better than telling.





The magic of follow-up questions

The opening starts the conversation. It asks about a connection with the donor's history, people, or values. But the real power comes in the follow-up questions.

Follow-up questions ask the speaker to elaborate.[20] Generic versions include,

- "How do you mean?"
- "What else?"
- "What happened next?"
- "Really? Tell me more."

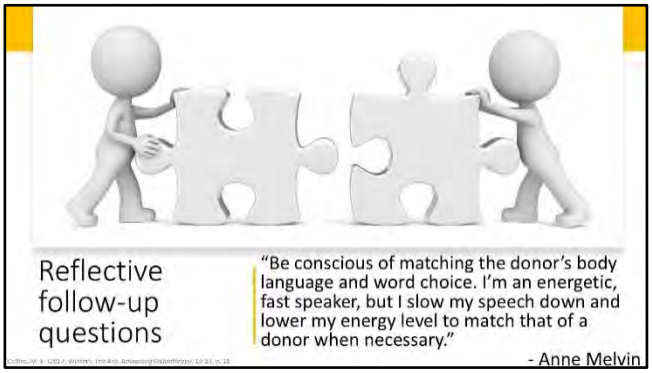
Even better is the two-part follow-up question. The first part asks for elaboration.

[17] Bartke, S., Friedl, A., Gelhaar, F., & Reh, L. (2017). Social comparison nudges—Guessing the norm increases charitable giving. *Economics Letters, 152*, 73-75.
[18] Krupka, E., & Weber, R. A. (2009). The focusing and informational effects of norms on pro-social behavior. *Journal of Economic Psychology, 30*(3), 307-320.
[19] Asking participants to guess the share of people who had given in previous games significantly increased charitable giving. This worked both when people's decisions were private [labeled SelfSig BE] and when they were being watched by others [labeled SocSig BE]. Bolton, G., Dimant, E., & Schmidt, U. (2020). *When a Nudge Backfires: Combining (Im)Plausible Deniability with Social and Economic Incentives to Promote Behavioral Change*. CESinfo Working Paper No. 8070, Available at SSRN: https://ssrn.com/abstract=3531419
[20] Davis, D. (1982). Determinants of responsiveness in dyadic interaction. In W. Ickes & E. S. Knowles (Eds.), *Personality, roles, and social behavior* (pp. 85-139). Springer-Verlag; Huang, K., Yeomans, M., Brooks, A. W., Minson, J., & Gino, F. (2017). It doesn't hurt to ask: Question-asking increases liking. *Journal of Personality and Social Psychology, 113*(3), 430-452, 430.

The second part reflects something the speaker just said. This shows interest *and* active listening.

- "Tell me more about …."
- "What happened after you …?"
- "What's an example of …?"
- "How does … fit into the picture?"







Reflective communication isn't just about words. James Gillespie explains,

"It often helps to match or mirror your pitch, inflection, and rate of speech with your prospect's voice patterns."[21]

Anne Melvin adds,

"Be conscious of matching the donor's body language and word choice. I'm an energetic, fast speaker, but I slow my speech down and lower my energy level to match that of a donor when necessary."[22]

Follow-up questions and reflective communication work. They elicit information. But they do more. They show we care.

Follow-up questions in research

Many experienced fundraisers will say, "It's all about relationships." And that's often true. But how can we make this happen? Research provides some insights.

Questions can help. People who elicit personal information are better liked. This is particularly true in long-term relationships.[23] Several experiments showed

"people who ask more questions, particularly follow-up questions, are better liked by their conversation partners …"[24]

This even works for dating. One experiment found

[21] Gillespie, J. E. (2005, September 29). *Hello... are you there? Good phone Karma*. [Paper presentation]. National Conference on Planned Giving.
[22] Collins, M. E. (2017, Winter). The Ask. *Advancing Philanthropy*, 16-23, p. 18. Quoting Anne T. Melvin, J.D., Director of training and education, Alumni affairs and development at Harvard University.
[23] Miller, L. C., Berg, J. H., & Archer, R. L. (1983). Openers: Individuals who elicit intimate self-disclosure. *Journal of Personality and Social Psychology, 44*, 1234-1244.
[24] Huang, K., Yeomans, M., Brooks, A. W., Minson, J., & Gino, F. (2017). It doesn't hurt to ask: Question-asking increases liking. *Journal of Personality and Social Psychology, 113*(3), 430-452, 430. *See also*, Yeomans, M., Brooks, A., Huang, K., Minson, J., & Gino, F. (2019). It helps to ask: The cumulative benefits of asking follow-up questions. *Journal of Personality and Social Psychology, 117*(6), 1139-1144.



"speed daters who ask more follow-up questions during their dates are more likely to elicit agreement for second dates ..." [25]

Questions can help. But in experiments, not all questions worked. Introductory questions didn't do much. These were questions like,

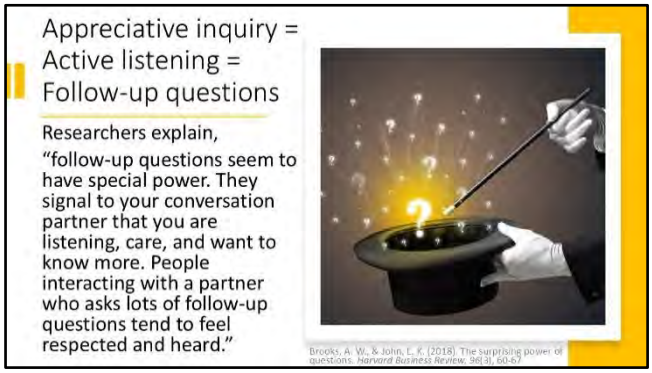
"Hey, how's it going?"



Questions that switched topics could actually hurt. These were questions like,

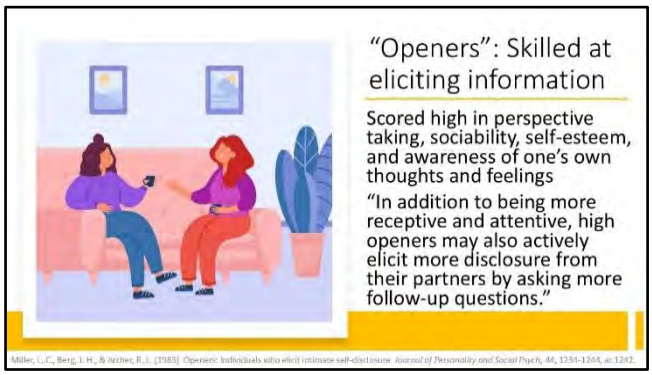
Person A: "I am working at a dry cleaners."

Person B: "What do you like doing for fun?"[26]



Socratic fundraising involves questions. But these are questions from active listening.[27] They are questions of appreciative inquiry. They are follow-up questions. Researchers explain,

"follow-up questions seem to have special power. They signal to your conversation partner that you are listening, care, and want to know more. People interacting with a partner who asks lots of follow-up questions tend to feel respected and heard."[28]



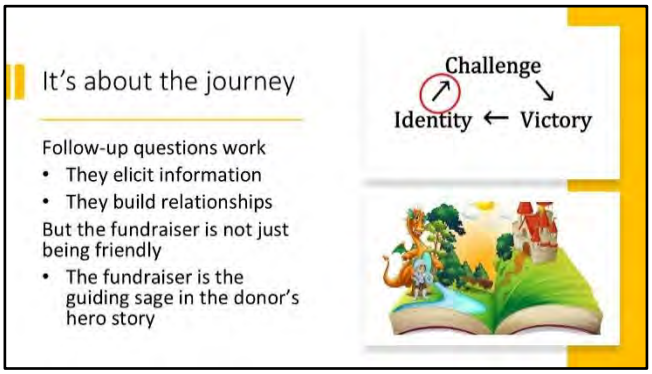
One early study called those skilled at eliciting information, "Openers."[29] How were such people different? On personality scales, they scored high[30] in

- Perspective taking
- Sociability
- Self-esteem, and
- Awareness of one's own thoughts and feelings.

In conversation experiments, these "Openers" behaved differently. Researchers found,

[25] Huang, K., Yeomans, M., Brooks, A. W., Minson, J., & Gino, F. (2017). It doesn't hurt to ask: Question-asking increases liking. *Journal of Personality and Social Psychology, 113*(3), 430-452, 430.
[26] *Id.* at Tables 2 & 3, p. 439.
[27] Weger, H., Jr., Bell, G. R. C., Minei, E. M., & Robinson, M. C. (2014). The relative effectiveness of active listening in initial interactions. *International Journal of Listening, 28*, 13-31.
[28] Brooks, A. W., & John, L. K. (2018). The surprising power of questions. *Harvard Business Review, 96*(3), 60-67
[29] Miller, L. C., Berg, J. H., & Archer, R. L. (1983). Openers: Individuals who elicit intimate self-disclosure. *Journal of Personality and Social Psychology, 44*, 1234-1244.
[30] *Id.* at p. 1237, Table 3.

"In addition to being more receptive and attentive, high openers may also actively elicit more disclosure from their partners by asking more follow-up questions."[31]



Follow-up questions work. They elicit information. They build relationships. But the fundraiser is not just being friendly. The fundraiser is the guiding sage in the donor's hero story.

The questions have a point. The point is to connect the donor's original identity with the cause or the charity. This is the first step in the donor-hero's journey.



Why the first step isn't enough

This first step reminds donors of their connections to the charity. This encourages support. But this, by itself, will never motivate a major gift. Why not?

Consider this. Suppose a donor loves our charity. So, he donates $100. Great! But how can we motivate a gift of $1,000? Can we make the donor love our charity *ten times more* than he already does? Probably not.

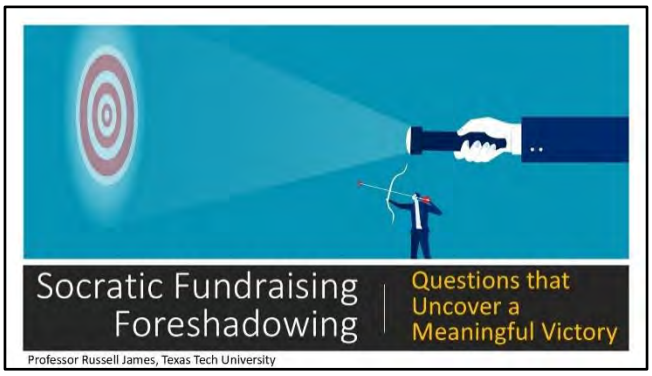


Instead, we need to move beyond just connecting the donor to the charity. To get the rest of the gift, we need the rest of the story. We need to uncover a personally meaningful victory. We need to find a victory that is *worth* ten times more *to the donor*.

How? By asking questions.



[31] *Id.* at p. 1242.



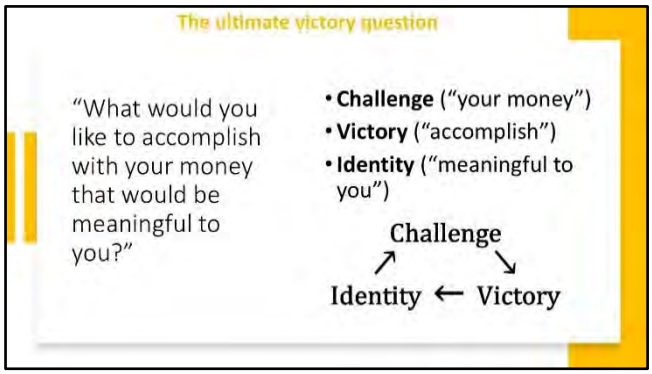
5

SOCRATIC FUNDRAISING FORESHADOWING:
QUESTIONS THAT UNCOVER A MEANINGFUL VICTORY



A compelling fundraising challenge will connect with the donor's identity. This begins with backstory. Backstory connects the cause, charity, or project with the donor's history, people, or values. This encourages giving.

But for larger gifts we need more. We need a challenge that promises a victory. And not just any victory. We need a victory that is personally meaningful for the donor. We need a victory that delivers an enhanced identity. And how do we discover this? Socratic fundraising can help.



The ultimate victory question

There are many "victory" questions. An open-ended one is this:

"What would you like to accomplish with your money that would be meaningful to you?"[1]

This question is powerful. It connects

- Challenge ("your money"),
- Victory ("accomplish"), and

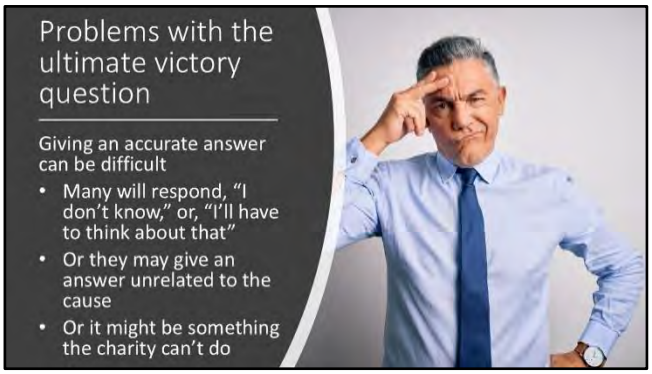
[1] Advancement Resources. (2017, November 15). *The power of the pause: Using silence in donor conversations* [blog]. https://advancementresources.org/the-power-of-the-pause-using-silence-in-donor-conversations/
See also, "What would you want to do with your money that is meaningful to you?" in Shaw-Hardy, S., Taylor, M. A., & Beaudoin-Schwartz, B. (2010). *Women and philanthropy: Boldly shaping a better world*. John Wiley & Sons. p. 115, quoting from Advancement Resources. (2006). *The art and science of donor development workbook*. Advancement Resources, LLC.

- Identity ("meaningful to you").

This one question contains the full story cycle. It really says,

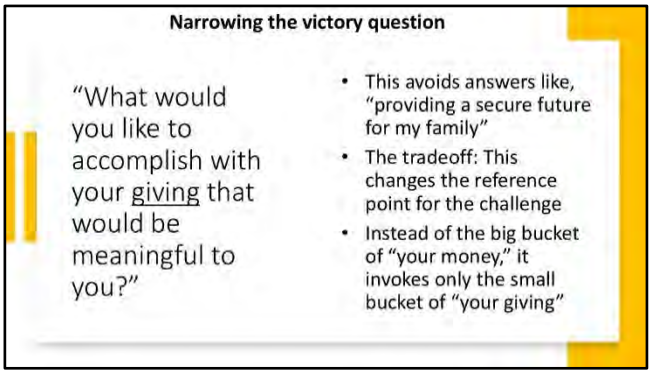
"Tell me your ideal donor-hero story."

Asking this victory question can be powerful. When it works, it quickly identifies a compelling outcome for the donor. It gives the fundraiser the precise parameters for the perfect ask.



But it doesn't always work. Giving an accurate answer can be difficult. Many will respond, "I don't know." Others might say, "I'll have to think about that." Or the answer might be something the charity can't do.

Other types of "victory questions" can address these issues.



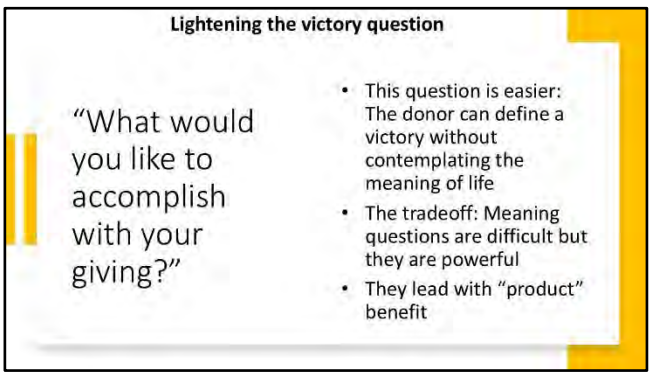
Narrowing the victory question to giving

Another version restricts the answer to philanthropy. It asks,

"What would you like to accomplish *with your giving* that would be meaningful to you?"

This question avoids answers like, "providing a secure future for my family." That *is* a meaningful thing a person can do with money. But it's not usually something the charity can offer.[2]

The tradeoff is this: This version changes the financial reference point for the challenge. It doesn't bring to mind the *big* bucket of "your money." It references only the *small* bucket of "your giving."



Another version lightens the question. It asks,

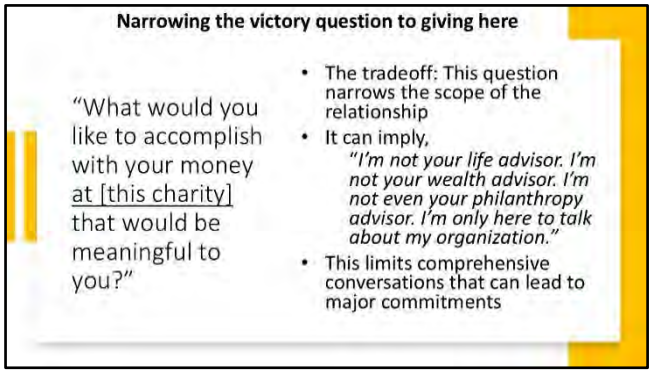
"What would you like to accomplish with your giving?"

This question is easier. The donor can define a victory without contemplating the meaning of life.

The tradeoff is this: Meaning questions are hard questions. But they're powerful questions. The ultimate benefit from donating is enhanced identity. This is meaning

[2] The exception here would be for those trained in sophisticated planned giving in the U.S. where many instrument combinations actually can provide this outcome along with charitable giving.

(private) or reputation (public). The typical use for more money – more consumption (houses, cars, holidays) – can't deliver meaning. In sales terms, meaning questions lead with "product" benefit.



Narrowing the victory question to giving here

Other versions restrict the story to one cause or charity. For example,

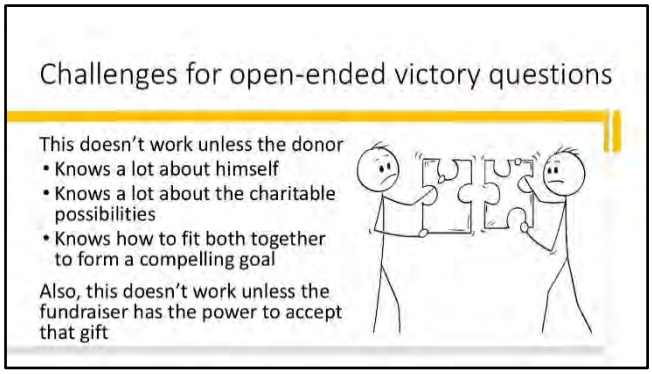
- "What would you like to accomplish with your giving in [this cause]?"
- "What would you like to accomplish with your money at [this charity] that would be meaningful to you?"

The original question fits broad-mission charities. A community foundation can accommodate most any cause. So can a large research university. But many charities represent a narrow cause. Triggering a conversation about an unrelated charitable passion might not be helpful.

The tradeoff is this: The question narrows the scope of the relationship. It can imply,

> "I'm not your life advisor. I'm not your wealth advisor. I'm not even your philanthropy advisor. I'm only here to talk about my organization."

This may feel more efficient. But it also limits the possibility for a broader conversation. These more comprehensive discussions are powerful. They can lead to larger gifts.



Challenges for open-ended victory questions

Open-ended victory questions can be powerful. But they require a lot from the donor. He must know a lot about himself. He must know a lot about possible projects. And he must fit both together to form a compelling goal.

But even if the donor identifies his ideal victory, there's another problem. This doesn't work unless the fundraiser has the power to ask for that gift. In many charities, that's just not reality. Getting such a proposal approved wouldn't be merely difficult. It would border on offensive. Charity managers can think,

> "Why isn't this fundraiser out getting unrestricted cash? Doesn't she understand *we* are supposed to make the decisions? Doesn't she know *we* are the experts. [Doesn't she realize *we* are the heroes here?]"

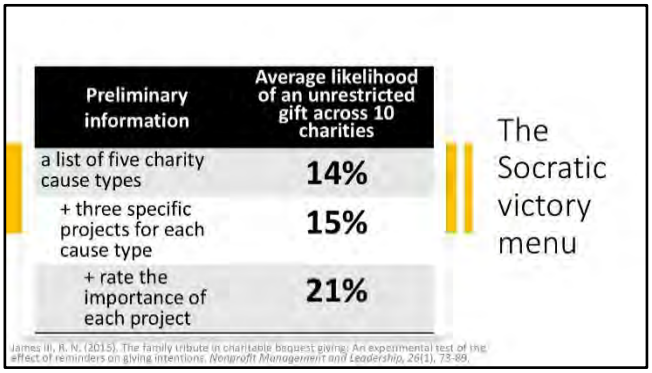
Now what? What if the fundraiser doesn't have this kind of freedom? What if the donor doesn't have this kind of insight?



Moving to the victory menu

Menus can be powerful in fundraising. They provide clear, simple, attractive options. Each option has a specific price. Making an ask becomes less risky. If it doesn't match, it's right next to other options.

Menus make decisions easier. They make the outcomes obvious and visualizable. They're powerful. They're easier for the fundraiser. Menus contain pre-approved options. Although ordering "off-menu" may be possible, it's rare.



A victory menu is narrower than an open-ended victory question. But Socratic fundraising is still possible. One experiment showed this.[3] People read about fifteen charity projects across five causes.[4] (This is like an example menu.) Half were also asked to rate the importance of each project.[5] (This is like a "Socratic" menu.)

Everyone was then asked about making *unrestricted* gifts. Across ten charities tested, the likelihood of giving averaged

- 15% for the simple menu group, and
- 21% for the "Socratic" menu group.

Asking preliminary questions made the menu more powerful.

[3] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89.

[4] The Nature Conservancy
- preserve wetlands for wild ducks and other migrating birds,
- protect and restore ancient sequoia and redwood forests in the U.S.,
- protect sensitive coral reefs around the globe

The American Cancer Society
- research for cures to the most deadly cancers,
- provide treatment to patients in need,
- provide public education on reducing the risk of cancer

Your local animal shelter
- provide veterinary care for animals in need,
- increase adoption of shelter pets needing a home,
- investigate and stop animal cruelty in your area

UNICEF
- provide clean water to impoverished children in need,
- provide immunizations to children around the world,
- provide emergency relief to victims of a natural disaster

The Boys and Girls Clubs of America
- provide youth education programs helping with success in school,
- provide youth sports and recreation programs,
- provide youth arts and creativity programs

[5] "On a scale from 0=Absolutely No Importance to 100 = Absolutely The Greatest Importance; please rate the importance of the work of [organization] in the following areas ..."



Defining victory after the legacy gift

Socratic fundraising leads up to a challenge. But what if the donor has already decided on a gift amount? What if he's already made the gift? Is it too late? Not necessarily.

This is a common issue in legacy fundraising. Often, the charity learns of the gift only *after* it's planned. A donor joins the legacy society. Or he fills out a survey revealing the charity is in his will. That's great! But what if we want to know



- How much is it?
- Can it be more?

These are relevant fundraising questions. But they're also potentially offensive.

Imagine a family reunion. Great Aunt Rose mentions to her nephew,

"I just want you to know, I've included you in my will."

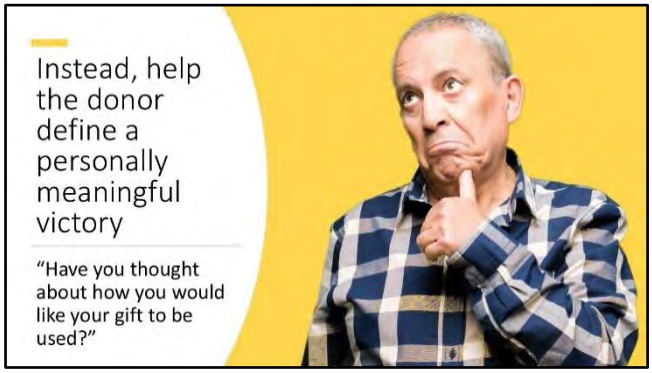
The nephew responds,

"That's great Aunt Rose! Thank you…. Umm, just so I can plan out my future budgets, could you tell me how much I'm getting? And would you consider increasing the amount?"



That feels a little uncomfortable, right? Yet this is the position of many legacy fundraisers. They want to get credit for the gift amount. They want to make it bigger.

The "planning for the future" excuse is common. But it's a little odd. The charity doesn't know when the donor will die. By then the estate or the gift may have changed. Sometimes the excuse is about reaching campaign goals. Still, even this may leave some donors unmoved.



Socratic fundraising suggests another approach. Help the donor define a personally meaningful victory. After thanking the donor for the gift, this can start with a question. For example,

"Have you thought about how you would like your gift to be used?"[6]

[6] Lumpkin, S. & Comfort, J. (2018, August 23). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. Colorado Planned Giving Roundtable, 30th Annual Summer Symposium, Denver, CO.

This can lead to conversations about the impact of different gifts. The fundraiser might even share a story about another donor. For example,

> "The reason I ask is that you remind me of another donor. He was also … [*reference personal similarity*]. He also cared about … [*reference shared values*]. He set up a gift in his will to create a permanent endowment. He named it after his mother. The endowment … [*describe the impact and the cost*]."

The donor learns about gift options. Of course, options have prices. The prices justify talking about the planned gift amount. The prices can also lead to an increase in the gift. Now, there is a reason to give more.

Starting with a larger example gift can help. The donor's reactions will reveal details about the planned amount. If the price is too high, follow up with less costly options.



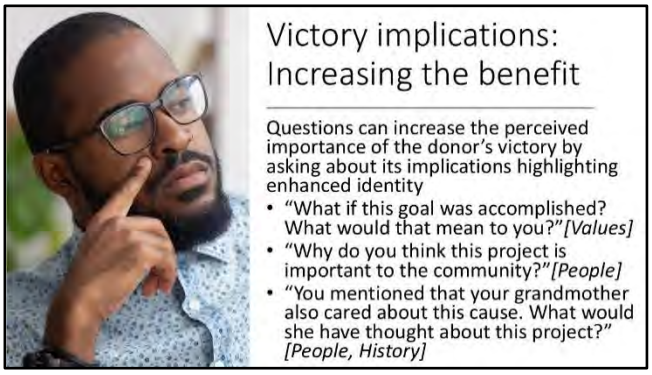
Defining victory after the current gift

This approach isn't limited to legacy fundraising. Cliff Wilkes explains,

"If they have a current endowment or gift, I'll ask, 'what kind of impact do you ultimately want to have with your scholarship, endowment, etc.?'
This has,

- Opened the door to some meaningful conversations on ways to give,
- Led to larger gifts than what was originally discussed,
- Increased giving to current funds, and
- Led to several planned gifts."[7]

Helping the donor to define a meaningful victory is powerful. This is true *before* the gift decision. But it can also be true *after* the (initial) gift decision.



Victory implications: Increasing the benefit

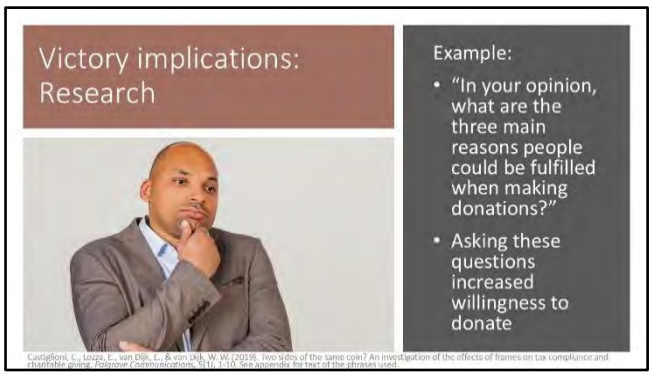
Questions can uncover a meaningful victory. This makes for a compelling gift. But they can do even more. They can increase the importance of that victory. How? By asking questions about the victory's implications. For example,

- "What if this goal was accomplished? What would that mean to you?" *[This references values.]*

[7] Wilkes, C. (2020, May 2). Personal communication. Clifford Wilkes, Major Gift Officer, School of Medicine, Texas Tech University Health Sciences Center

- "Why do you think this project is important to the community?"[8] *[This reference people.]*
- "You mentioned that your grandmother also cared about this cause. What would she have thought about this project?" *[This references people and life story.]*

The questions get the donor to describe the victory's results and meaning. They help the donor connect the results to his people, values, and life story. This highlights the *enhanced identity* benefits from donating.



Victory implications: Research

A meaningful victory delivers donor benefit. Implication questions can remind donors of these benefits. They can get the donor to confirm and restate them.

One experiment tested the effects of doing this.[9] It first asked some people about these personal benefits. It asked,

> "In your opinion, to what extent can making monetary donations give a sense of fulfillment and personal gratification? (1 = Not at all, 9 = Very much)"

It then asked,

> "According to some, making charitable donations can give a sense of fulfillment and personal gratification. Several reasons can be found for this feeling: being aware of providing for the community, having a clear conscience, being on the right side, doing a good deed, resting peacefully, not feeling guilty, etc.
> In your opinion, what are the three main reasons people could be fulfilled when making donations?"

These questions worked. Asking them increased willingness to donate. The questions highlighted positive implications from giving. This increases giving.



Conclusion

The universal hero story begins in the main character's original, small world. This is the source of his original identity. He is then faced with a call to adventure. It promises the hope of a victory. He eventually accepts the challenge and wins the victory. He returns as a transformed (internal) and honored (external) hero.

[8] Kihlstedt, A. (2009). *Capital campaigns: Strategies that work*. Jones & Bartlett Publishers. p. 61.
[9] Castiglioni, C., Lozza, E., van Dijk, E., & van Dijk, W. W. (2019). Two sides of the same coin? An investigation of the effects of frames on tax compliance and charitable giving. *Palgrave Communications, 5*(1), 1-10. See appendix for text of the phrases used.

Original Identity → Challenge → Victory → Enhanced Identity

Powerful fundraising includes the same elements. The compelling fundraising challenge links back to the donor's original identity. It promises the hope of a personally meaningful victory. It moves the donor through the hero's journey.

Questions can help. They can help connect the challenge to the donor's original identity. They can help uncover a personally meaningful victory. They can highlight the enhanced identity resulting from the victory. They can advance the donor's hero story.

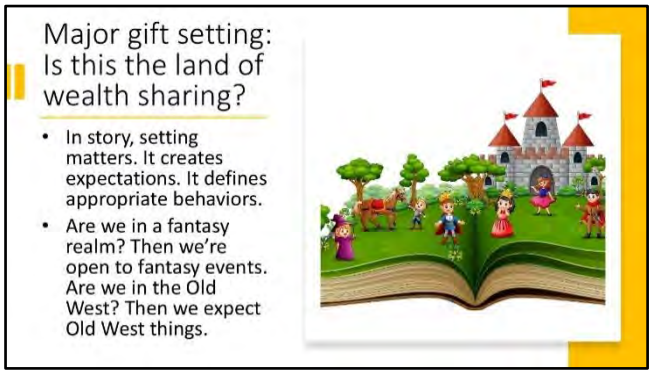


6

Socratic Fundraising Setting:
Is This The Land of Wealth Sharing?



The "one big thing" in fundraising is always the same: Advance the donor's hero story. That's the right story. But for major gifts, we need one more element. We need the right setting.



Major gift setting: Is this the land of wealth sharing?

In a story, setting matters. Setting creates expectations. It defines appropriate behaviors. Are we in a fantasy realm? Then we're open to fantasy events. Are we in the Old West? Then we expect Old West things. The story should match the setting. A John Grisham legal thriller won't include zombies. A Zane Grey western won't have a magical elf.



In fundraising, setting matters. Typical gifts come from disposable income. They're in the category of regular daily or weekly expenditures. This is a small reference point. This creates small comparisons and small gifts. A story in that setting will never lead to a major gift. A major gift doesn't fit the setting. It's like a space alien landing in a Danielle Steele romance.

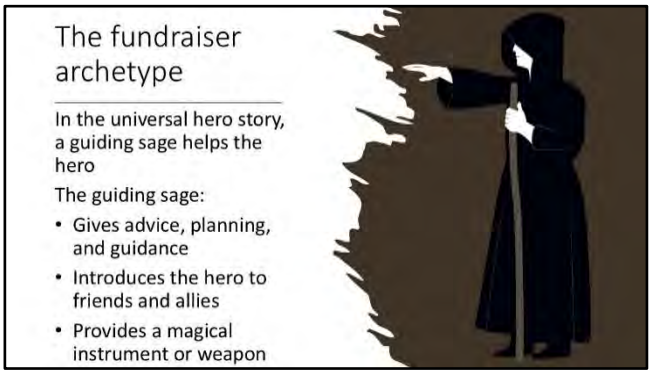
Major gifts are different. Of course, they're larger. But they're also different in type. Major gifts are not gifts from disposable income. Major gifts are gifts of wealth. To advance a major gift story, we need the right setting. We need to be in the right world. We need to answer the question, "Is this the land of wealth sharing?"



Establish the setting

The major gifts story is set in the land of wealth sharing. How can a fundraiser establish that setting? It starts by talking about wealth. But this is Socratic fundraising. So, this means getting *donors* to talk about *their* wealth. It means getting them to talk about their businesses or investments.

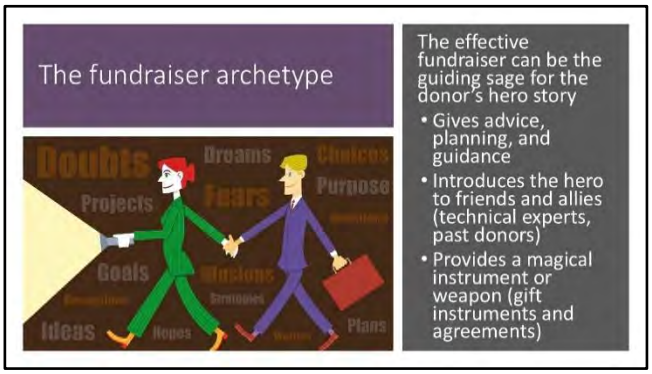
How does talking help? First, just reminding people of their wealth is powerful.[1] This, by itself, encourages sharing. Second, it can reveal capacity. It can uncover assets. Third, it can reveal plans. It can show plans to buy or sell, acquire, or retire.



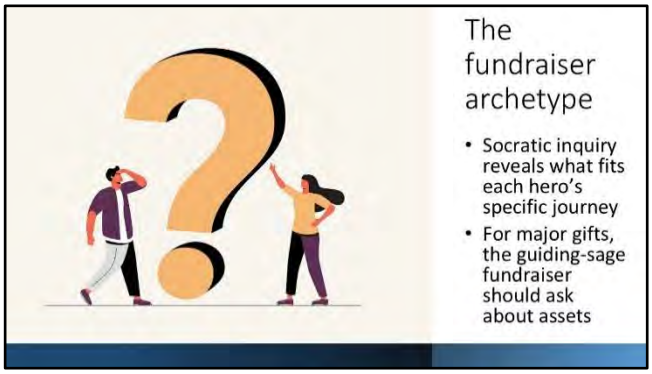
These assets and plans create opportunities. The fundraiser can share stories of what others like the donor have done before. She can provide creative solutions. She can deliver value.

The fundraiser archetype

In the universal hero story, a guiding sage helps the hero. The sage gives advice, planning, and guidance. The sage introduces the hero to friends and allies. The sage provides a magical instrument or weapon. These help the hero complete the journey.



The effective fundraiser can be the guiding sage for the donor's hero story. She knows wise friends and allies. (She knows technical experts. She knows donors who have made complex gifts before.) She has "magical" instruments that can help with the journey. (She knows about gift instruments and agreements.)



But not every instrument works for every journey. Not every ally is helpful for every hero. Socratic inquiry reveals what fits each hero's specific journey. The guiding sage asks questions in order to help. Major gifts are set

[1] Morewedge, C. K., Holtzman, L., & Epley, N. (2007). Unfixed resources: Perceived costs, consumption, and the accessible account effect. *Journal of Consumer Research, 34*(4), 459-467.

in the land of wealth sharing. For major gifts, the guiding-sage fundraiser should ask about assets.



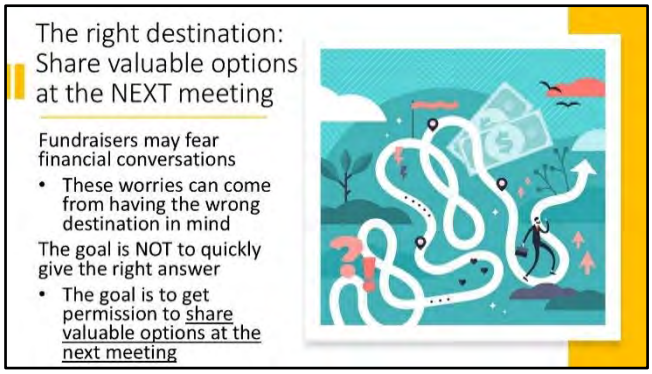
But it's uncomfortable!

These conversations require talking about wealth. But many fundraisers are uncomfortable with this. They aren't wealthy themselves. Often, they aren't wealth experts. So, the topic can feel a little scary.

How can you overcome this? First, think of the goal as social, not financial. Suppose your job was to build relationships at a Star Trek convention. How would you prepare? You might want to learn a little about Star Trek. Why? Because it's what the other person cares about. It makes conversations easier.

Wealthy people are interested in wealth. Building and managing wealth is a big part of their lives. You might want to learn a little about the topic. Why? Because it's what the other person cares about.

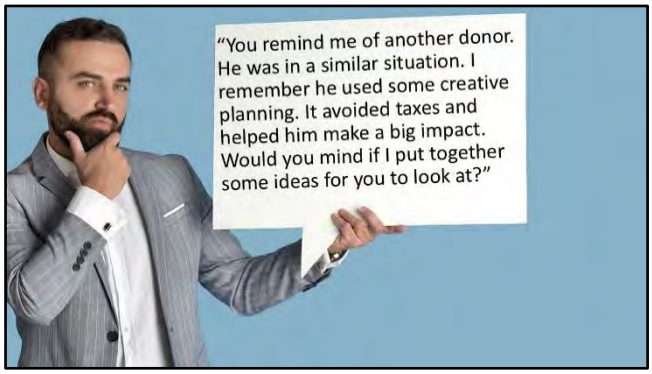
Maybe you think tax law sounds like Klingon. But you can still learn a little.[2] You don't have to become a leading expert. The point is just to make conversations easier.



The right destination: A request to share options

Fundraisers may fear financial conversations. What if you say the wrong thing? What if you give bad advice? A conversation can feel like a scary pop quiz! These worries come from an underlying error. They come from having the wrong *destination* in mind.

We want to ask wealth and asset questions. We want to have wealth and asset conversations. We want to spot solutions where some option might be helpful. But the goal is *not* to quickly give the right answer. The goal is this. Get permission to share options at *the next* meeting.

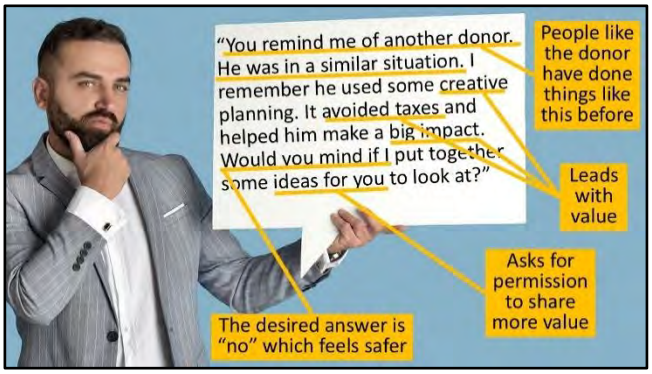


Phrasing the request to share options

It might sound like this:

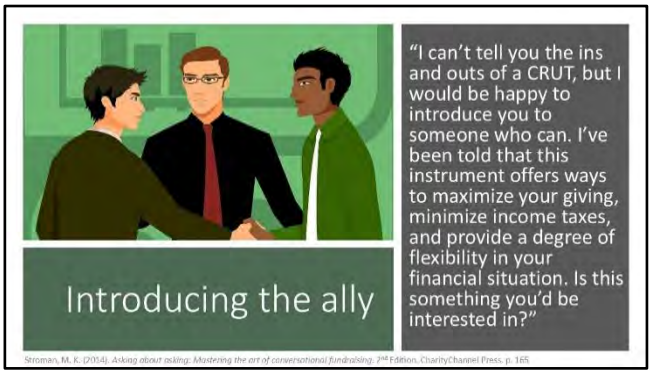
[2] For 65 free animated videos on charitable gift planning, see http://bit.ly/TexasTechProfessor

"You remind me of another donor.[3] He was in a similar situation. I remember he[4] used some creative planning. It avoided taxes and helped him make a big impact.[5] Would you mind[6] if I put together some ideas for you to look at?"



This phrasing can be powerful.

- It shows that people *like the donor* have done things like this before. ("You remind me of," "similar situation")
- It leads with value. ("creative planning," "avoiding taxes," "big impact")
- It asks for permission to share more value. ("put together some ideas")
- It asks in a way where the desired answer is "no." Saying "no" feels safer. It's usually the less risky, status quo response. ("Would you mind if I")





Introducing the ally

If the fundraiser isn't comfortable presenting a proposal, that's OK. The guiding-sage fundraiser introduces the donor hero to a friend and ally. This ally helps advance the donor's journey. One fundraiser shares this phrasing,

"I can't tell you the ins and outs of a CRUT, but I would be happy to introduce you to someone who can. I've been told that this instrument offers ways to maximize your giving, minimize income taxes, and provide a degree of flexibility in your financial situation. Is this something you'd be interested in?"[7]

Others suggest,

"You mentioned that you are going to pass the business to your kids. Did you know there are

[3] The goal is to communicate that "people like me do things like this." "You remind me of" implies that this is a story of a person who is like your listener. If you have a particular donor example in mind and can think of a way in which this person is like the example, then point this out. For example, this might be a second sentence such as:
"He was in your same line of business." "He graduated about the same time you did." "He was about your age." These are all forms of attempting to connect the listener's identity to the forthcoming challenge.
For experimental results showing the importance of age matching in examples of other donations in a complex giving scenario see James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance, 18*(1), 65-73.

[4] Gender match the pronoun here if possible. If gender matching isn't possible, try to avoid a gender reference. Again, the idea is to communicate that the story is about a person *like* the donor. For experimental results showing the importance of gender matching pronouns in fundraising see Shang, J., Reed, A., & Croson, R. (2008). Identity congruency effects on donations. *Journal of Marketing Research, 45*(3), 351-361.

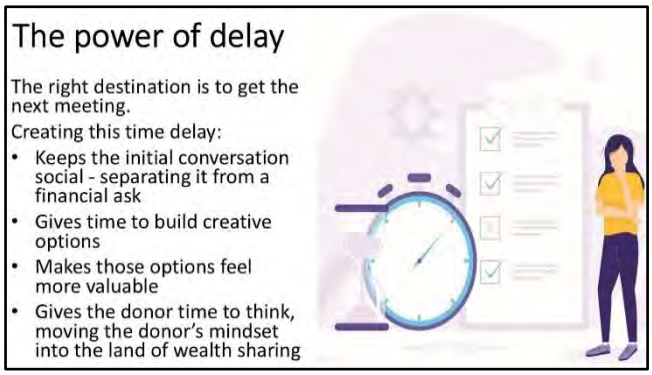
[5] The goal here is to lead with benefit. For experimental results showing that people are more interested in learning more about a gift of assets when the phrase "avoid taxes" is part of the description see, James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21.

[6] This sets the desired response as being a "No." People tend to feel safer when responding with a "No," as it is usually the less risky, status quo response.

[7] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 165.

some ways you can do that that will actually save you money on the transaction by being charitable? On my next visit, I'll bring our specialist in that area so we can talk about it in more detail."[8]

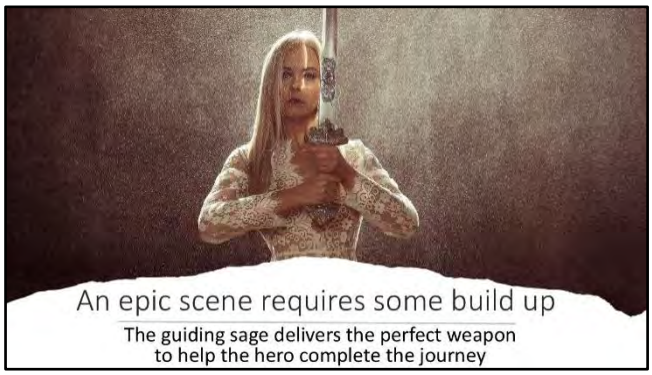
In either case, the goal is not to be quick with a solution. The goal is to spot an issue and get the next meeting. Only then does the fundraiser (or an ally) present valuable options.



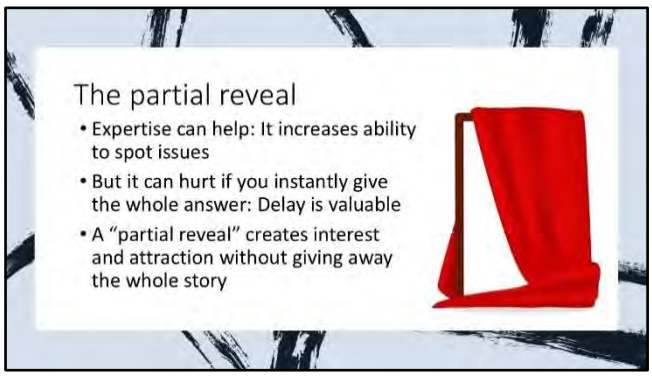
The power of delay

The right destination is to get the *next* meeting. Creating this time delay is important. It keeps the initial conversation social. It separates the conversation from any financial ask. It gives time to build creative options. It makes those options *feel* more valuable. An "off the cuff" answer is more easily dismissed, even if it's right.

This delay also gives the donor time to think. The donor knows the meeting will show asset giving options. This moves the donor's mindset into the land of wealth sharing. The more time the donor spends in this setting, the more likely a major gift becomes.



In story terms, the goal is to create an epic scene. The guiding sage delivers the perfect weapon. The weapon gives the hero confidence to take the journey. A great scene requires some build up. It requires some anticipation. In practical terms, it requires *the next* meeting.



The partial reveal

Having expertise can help. As knowledge increases, the ability to spot issues also increases. But expertise can also hurt. Instantly give the whole answer short circuits the process. Delay is valuable.



If we know the solution, a "partial reveal" is fine. It can create interest and attraction. (This is also true in seduction. A "partial reveal" works better than just walking around naked!) But make clear there is more to the story. If pressed, try to defer. For example,

"I want to talk with some of my technical folks first. That way you'll get all the best options.

[8] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book*. CharityChannel Press. p. 91.

But I know there are some attractive possibilities here."

Having the right destination changes things. It reduces fundraiser stress. It gives time to consult experts and build solutions. With this goal, even "failures" can be valuable.



Failing forward

Suppose we make an error. We think we spot an issue. We think we see an opportunity. But we later find there isn't a solution. If we get the next meeting, we can still win. We can still present other powerful options to the donor.

Suppose we present options, and the donor says, "No." This "failed" meeting can still lead to great success. We've shared useful options. We've provided value to the donor as a guiding sage. We've established our role in the donor's story. The donor may say, "No." The hero may at first reject the call to adventure. That's OK. That's part of the story. But in the hero story, and in life, things change.



Setting is a place and a time

Setting is a place. For the major gift, that place is the land of wealth sharing. But setting is also a time. The time for wealth sharing may not be today. It may be when an investment or business is about to be sold. It may be at the end of life. It may be when a new project arises at the charity.

The road to a major gift is often long. Major donors tend to plan their finances well in advance.[9] But asking about gifts of assets lays the groundwork. It prevents lost opportunities. (After a sale, many options are lost forever.) It prepares for moments of windfall gains when generosity is easiest.[10] It prepares for life events that trigger estate planning.[11] It keeps the donor thinking of assets as *donation relevant*.

Maybe we didn't get the gift today. But the donor learned about new options. He saw what others like him have done before. He started a journey – a journey in a new land. He spent time in the land of wealth sharing.

[9] Liu, Z., James, R. N., III, & Aboohamidi, A. (2020). Finding the next major donor: The relationship between financial planning horizon and charitable giving. *Journal of Personal Finance, 19*(2), 47-64.

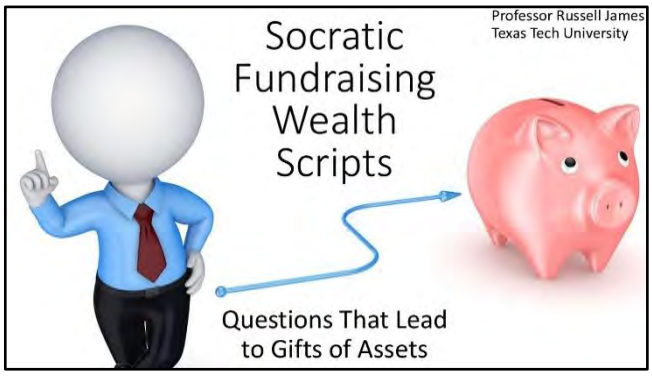
[10] Arkes, H. R., Joyner, C. A., Pezzo, M. V., Nash, J. G., Siegel-Jacobs, K., & Stone, E. (1994). The psychology of windfall gains. *Organizational Behavior and Human Decision Processes, 59*(3), 331-347; Konow, J. (2010). Mixed feelings: Theories of and evidence on giving. *Journal of Public Economics, 94*(3-4), 279-297; Li, H., Liang, J., Xu, H., & Liu, Y. (2019). Does windfall money encourage charitable giving? An experimental study. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 30*(4), 841-848; Reinstein, D., & Riener, G. (2012). Decomposing desert and tangibility effects in a charitable giving experiment. *Experimental Economics, 15*(1), 229–240.

[11] James, R. N., III. III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431.



Let's get started

We know the destination. We know the reasons why. But how do we get there? How do we even get started? What are the words and phrases? The next chapter looks at this.



7

SOCRATIC FUNDRAISING WEALTH SCRIPTS:
QUESTIONS THAT LEAD TO GIFTS OF ASSETS





Let's talk about wealth

We want the donor to talk about assets. Why? Because

1. It creates a setting of wealth sharing.
2. It uncovers capacity for a major gift.
3. It reveals opportunities for creative solutions. For example, a donor

- Is planning to sell an appreciated asset[1]
- Is *not* planning to sell appreciated stocks[2]
- Is getting ready to retire[3]
- Is taking retirement account distributions[4]
- Has a big income spike[5]
- Can't use tax deductions[6]

[1] Selling appreciated assets means paying taxes. Any part that is donated before the sale avoids those taxes. Complex plans allow a sale with no taxes where the donor keeps the right to payments from the asset. For details of all of the options listed here see James, R. N., III. (2020). *Visual planned giving: An introduction to the law and taxation of charitable gift planning*. http://www.encouragegenerosity.com/VPG.pdf

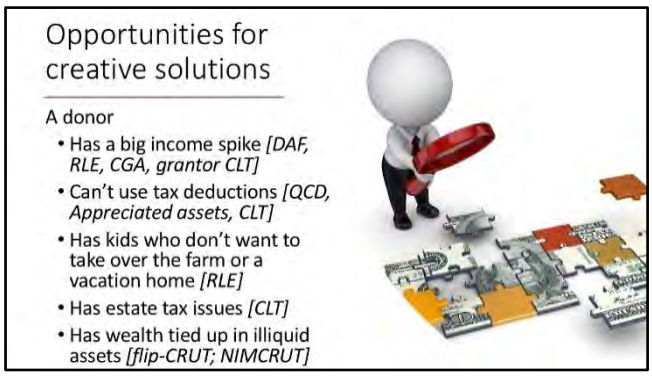
[2] The donor can get tax benefits without changing the portfolio. They donate the old (appreciated) shares. They instantly purchase identical replacement shares. The portfolio doesn't change. But the taxable gain disappears.

[3] A charitable remainder trust or charitable gift annuity can provide lifetime income and tax benefits.

[4] A "qualified charitable distribution" can address this issue.

[5] Special instruments can "pull forward" deductions for gifts that will not be paid out to the charity until future years such as the donor advised fund, retained life estate deed for homes or farmland, grantor charitable lead trust, or charitable remainder trust.

[6] Some tax advantages don't require using deductions. Avoiding capital gains taxes and reducing "required minimum distributions" from retirement accounts fit into this category. On the other hand, if the donor is itemizing but is over the income limitations due to past







- Has kids who don't want to take over the farm or a vacation home[7]
- Has estate tax issues[8]
- Has wealth tied up in illiquid assets[9]

4. It leads to the next meeting that shares these creative options.

Major gifts are gifts of wealth, not disposable income. To encourage these gifts, we need to have wealth conversations.[10] How do we do this? How do we talk about wealth? More importantly, how do we get *the donor* to talk about *their* wealth?

Strategies from research

For some, their wealth is a sensitive topic. How do we get people to open up about a sensitive topic? Research suggests two useful approaches.

1. Start social then follow up. (This says, "I'm interested in your story.")

2. Make questions part of another task. (This says, "I can help you" or "I need your help.")

Start social then follow up

Starting with simple, social language often works best. Social, emotional language encourages sharing. Formal, transactional language does not.[11]

Social phrasing also tends to elicit more information.[12] Researchers tested different methods of asking sensitive questions. They found that

giving and can't use additional deductions, he can place an income producing asset into a non-grantor charitable lead trust which is it's own tax paying entity that can use the deductions up to 100% of income.

[7] A retained life estate deed can create an immediate income tax deduction when irrevocably donating the inheritance rights to a personal residence or farmland to charity.

[8] Estate gifts to charity are tax deductible. Transfers to non-grantor charitable lead trusts can expand these benefits by allowing tax free transfers to heirs of any growth above the section 7520 interest rate.

[9] Illiquid assets may be excellent candidates for a "flip" or "net income makeup" charitable remainder unitrust as no sale is required for many years.

[10] A great example of the importance of this comes from Bidwell, D. & Magnuson, C. (2012, October). *How to pursue and accept the right real estate gifts*. [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA, p. 7. ("I'm skeptical about the whole real estate gift thing. We've received only three calls in the last two years." To which we often respond: "Have you given your alums/members/donors any reason to think that you are interested in receiving real estate gifts? Do you mention it on your website? Do you include it in your mailings? Do you highlight it at reunions?" Most often the answer to these questions is: "Well, no, not really." To which we respond: "They are not going to give you a call unless you give them some reason to call.")

[11] James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management & Leadership. 28*(4), 437-452. For other explorations *see* Roberts, J. A., & Roberts, C. R. (2012). Money matters: Does the symbolic presence of money affect charitable giving and attitudes among adolescents? *Young Consumers, 13*(4), 329-336; Vohs, K. D., Mead, N. L., & Goode, M. R. (2008). Merely activating the concept of money changes personal and interpersonal behavior. *Current Directions in Psychological Science, 17*(3), 208-212.

[12] John, L. K., Acquisti, A., & Loewenstein, G. (2011). Strangers on a plane: Context-dependent willingness to divulge sensitive information. *Journal of Consumer Research, 37*(5), 858-873. In this experiment, identical sets of sensitive questions were given different



"People are more forthcoming when you ask questions in a casual way, rather than in a buttoned-up, official tone."[13]

A social conversation about the donor's wealth might start simple:

- "How's business?"
- "How's the market been treating you?"[14]



The magic comes from the follow-up questions. These show we care. We care about the things the other person cares about. Most wealthy people care about their wealth. They care about their business or investments. Showing a shared interest through follow-up questions helps build relationships.[15] It can also reveal opportunities where the fundraiser's expertise provides value.



Tell me a story: Past, present, and future

Assets have stories. Questions can lead the donor through their asset story. The asset story progresses through

- Past (origins of the asset)
- Present (what's happening now)
- Future (future plans for the asset).

This progression helps the donor to talk about their assets. But it also leads to fundraising conversations. Suppose the future plan is to sell. Giving before the sale can create tax and even income benefits.[16] Suppose the future plan is never to sell. Charitable estate planning then becomes key.

A sequence of questions might include

website headers. The informal header ("How BAD Are U???" in red font and included a cartoon devil logo") worked better than a neutral header ("Survey of Student Behaviors") which worked better than a formal header ("Carnegie Mellon University Executive Council Survey on Ethical Behaviors").

[13] Brooks, A. W., & John, L. K. (2018). The surprising power of questions. *Harvard Business Review, 96*(3), 60-67.

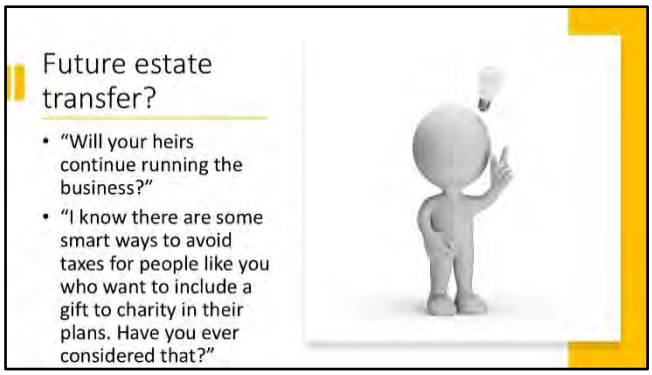
[14] *See also* Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 90. ("What do you think the market is going to do in the next year?")

[15] Huang, K., Yeomans, M., Brooks, A. W., Minson, J., & Gino, F. (2017). It doesn't hurt to ask: Question-asking increases liking. *Journal of Personality and Social Psychology, 113*(3), 430-452, 430. *See also*, Yeomans, M., Brooks, A., Huang, K., Minson, J., & Gino, F. (2019). It helps to ask: The cumulative benefits of asking follow-up questions. *Journal of Personality and Social Psychology, 117*(6), 1139-1144.

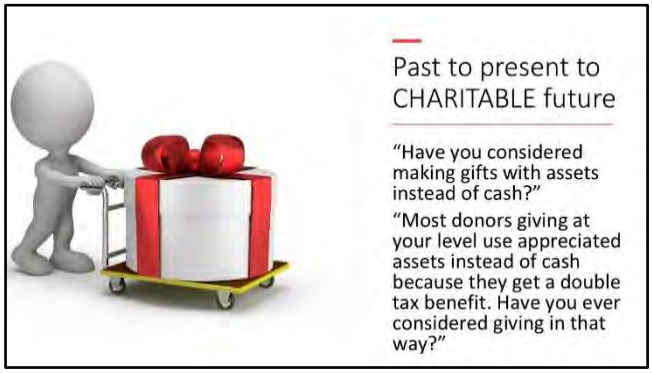
[16] Giving an appreciated asset prior to sale avoids capital gains taxes. Giving through a charitable remainder trust allows a sale without initial capital gains taxes while retaining the right to payments from the proceeds resulting in higher annual income. Purchasing a charitable gift annuity with appreciated assets delays the payment of capital gains taxes.











- Past

"What's the story of your business? How did you get started?"[17]

- Present

"What are you proudest of?" "What are you most excited about at the current time?"

- Future

"What are your future plans for your business?"

- Future sale / transition

"What will that mean to you?" "Have you thought about using the sale or transition of your business as an opportunity to achieve some of your charitable goals in addition to financial goals?"

- Future estate transfer

"Will your heirs continue running the business?" "I know there are some smart ways to avoid taxes for people like you who want to include a gift to charity in their plans. Have you ever considered that?"

The asset need not be a business. For example, the conversation might begin,

- "Are you a collector (art, stamps, coins, etc.)?" "What is the story? How did you get started?"
- "Do you invest in Real Estate?" "How did you get started?"
- "Where do you vacation?" "Do you own a home there?"
- "How has the market been treating you?" "What is your investment philosophy?" "What's the best investment you ever made? Tell me that story."

The questions advance the story from past to present to future. The punchline is the future. The future conversation can lead to questions about giving. This might include,

- "Have you considered making gifts with assets instead of cash?"

[17] All questions in this "Tell me a story: past, present, future" section (except for estate phrasing) are from Greg Sharkey. Sharkey, G. (2021, March 25). Personal communication. Greg Sharkey, Senior Philanthropy Advisor, The Nature Conservancy.

- "Most donors giving at your level use appreciated assets instead of cash because they get a double tax benefit. Have you ever considered giving in that way?"



"How?" questions

In Socratic fundraising, we often want to know the "Why?" We want to uncover connections to the donor's people, values, and history. But in the wealth conversation, we instead want to know the "How?" We might ask,

"You've done so much for [this charity]. What allows you to be so generous?"

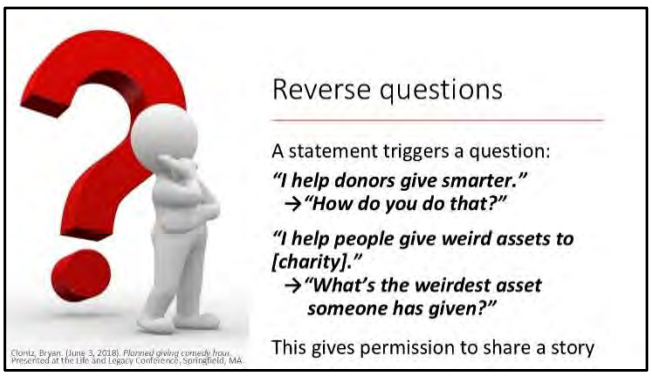
Dan Rice explains,

> "Usually, we stop at asking the donor what motivated them to make the gift. We want to ask a very different question: 'How were you able to make this wonderful gift?'"[18]



Such conversations can transition to a discussion of wealth and assets. For example, Jay Steenhuysen suggests,

1. "What makes it possible for you to make this generous cash gift?
2. Have you ever given something other than cash to a charitable organization?
3. Are you planning to sell something this year that is worth more than you paid for it?"[19]



Reverse questions

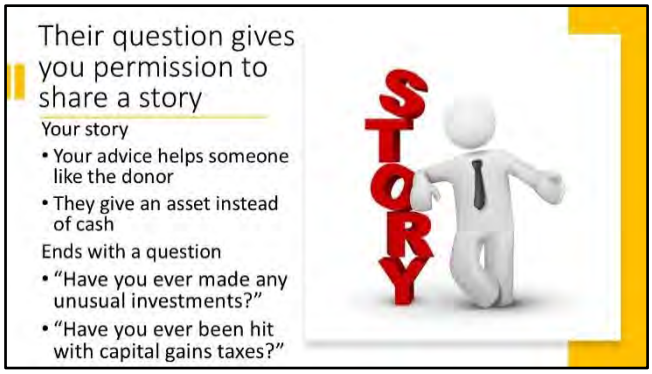
Another Socratic opening doesn't *start* with a question. It starts with a statement *that triggers* a question. For example, a common social question is "What do you do?" Suppose we answer,

- "I help people give weird assets to [charity]."[20]
- "I help donors give smarter."

The statement triggers a question.

- "What's the weirdest asset someone has given?"
- "How do you help donors give smarter?"

[18] Rice, D. (2009, October). *Asking for principal gifts – 5 approaches*. [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 2.
[19] Steenhuysen, J. (2015, October 23). *A future for gift planning.* [Paper presentation]. National Conference on Philanthropic Planning.
[20] Clontz, B. (2018, June 3). *Planned giving comedy hour*. [Presentation]. Life and Legacy Conference, Springfield, MA.



This gives permission for us to share a story. In the story, our advice helps someone *like* the donor. They benefit by giving an asset instead of cash.[21] The story establishes our credibility as a guiding sage. The story ends with a question about the donor's wealth. For example,

- "Have you ever made any unusual investments?"
- "Have you ever been hit with capital gains taxes?"

These questions open the wealth conversation. It continues through follow-up questions.



Follow-up questions

There are many ways to start a wealth conversation. But the real power comes from the follow-up questions. As the conversation continues, planning opportunities emerge. For example,

"Have you ever made any unusual investments?"



- Yes? Ask about it. "Has it gone up in value?" The capital gains taxes for collectibles are high. This makes charitable options more attractive.
- No? Ask about it. "So, do you like stocks or bonds or something else?"

"Have you ever been hit with capital gains taxes?"

- Yes? Ask about it. "That must mean you were good at investing! Tell me what happened!"

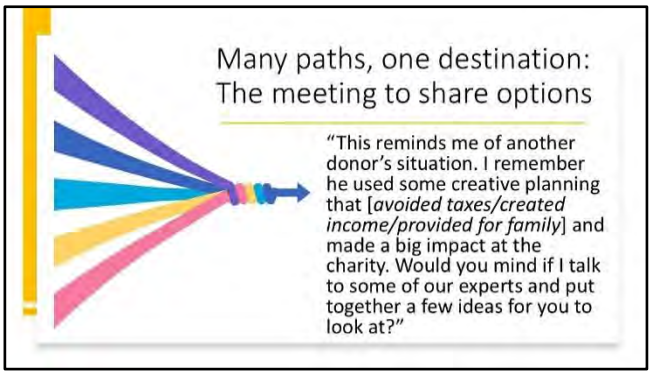


- No? Ask about it. "That's smart. It's good to avoid those as long as you can. Do you think that might be a problem in the future?"

Notice, a person can also signal they don't own any appreciated assets. This is useful information. Wealth is held in appreciated assets. It's not held in cash. It's not held in

[21] For an extended story example, see Book II from this series, *The Epic Fundraiser: Myth, Psychology, and the Universal Hero Story*, Chapter 9 "Introducing the epic fundraiser to the public: What's your job?"

checking accounts.[22] Usually, those without appreciated assets aren't wealth holders. They aren't likely to be major gifts prospects. Learning this is helpful.



Many paths, one destination

The conversation can take many directions. But the goal is to spot opportunities. Appreciated assets are ideal. Income goals can be important. Estate planning concerns create opportunities. Tax issues are perfect openings.

All of these can emerge from the follow-up questions. They can all lead to the same destination: Asking for the meeting to share options. For example,

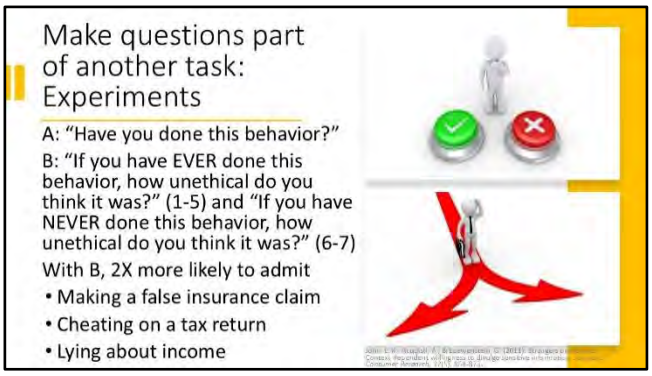
> "This reminds me of another donor's situation. I remember he used some creative planning that [avoided taxes/created income/provided for family] and made a big impact at the charity. Would you mind if I talk to some of our experts and put together a few ideas for you to look at?"



Make questions part of another task

Sometimes, we can be blunt. As an estate planning attorney, I ask blunt questions to clients. What real estate do you own? Who's on the title? What's it worth? Stocks? Bonds? Bank accounts? Any children? Any by a prior marriage?

The questions aren't clever. They aren't social or "story-fied." Yet, people answer them. If even a close friend asked the same questions, it probably wouldn't have a good outcome. But here, it works. Why? Because we are there to get a job done. The questions are secondary to the task.



Making questions secondary to a task works. It works especially well for sensitive information. In one experiment,[23] some people were asked directly,

> "Have you done this behavior?"

Others were instead given two sets of options:

"If you have EVER done this behavior, how unethical do you think it was?"

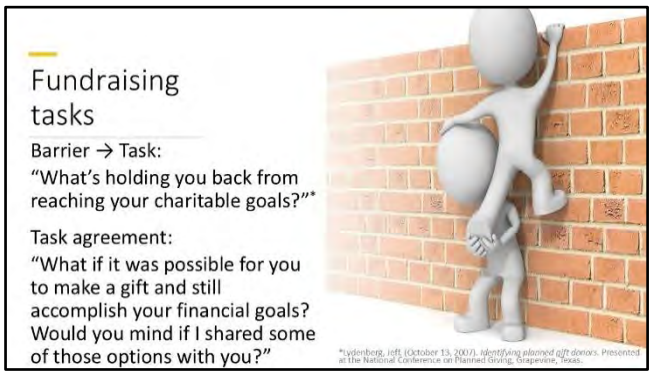
[22] Less than 3% of household financial wealth (excluding real estate) is held in cash or checking accounts. For example, in 2018, $113,094.2 Billion in Total Assets were held by households and $1,375.9 Billion were held in checkable deposits and currency held by households. Thus, 1.2% of total financial wealth is held in "cash" by that definition. Adding money market fund shares adds another $1,701.4 Billion. Combined, this adds to 2.7% of household wealth. Board of Governors of the Federal Reserve System. (2019, June 6). *Financial Accounts of the United States - Z.1,* https://www.federalreserve.gov/releases/z1/20190606/html/b101h.htm

[23] John, L. K., Acquisti, A., & Loewenstein, G. (2011). Strangers on a plane: Context-dependent willingness to divulge sensitive information. *Journal of Consumer Research, 37*(5), 858-873, 860, Table 1.

"If you have NEVER done this behavior, how unethical do you think it was?"

The "task" was collecting opinions about ethics. Admitting the behavior was secondary. In this "secondary" approach, people were almost twice as likely to admit

- Making a false insurance claim
- Cheating on a tax return, or
- Lying about income.



Fundraising tasks

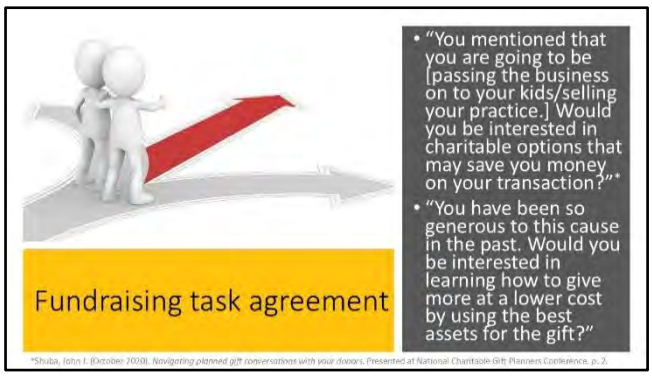
In fundraising, we aren't trying to get people to admit improper acts. But we may want them to tell us about their assets. And for some, that's also sensitive information. But we can also make these issues secondary to another task.

The task may relate to a philanthropic barrier. These conversations can start with a question like,

"What's holding you back from reaching your charitable goals?"[24]

Financial solutions might vary. They might include a multi-year pledge, an estate gift, or a complex trust. But first, we want to get agreement on the task. This might come from a question like,

"What if it was possible for you to make a gift and still accomplish your financial goals? Would you mind if I shared some of those options with you?"



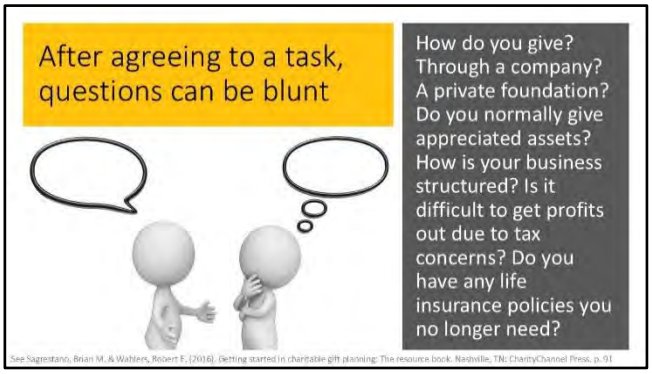
Other tasks can also start such conversations. The first goal is still to get agreement on a task. For example,

- "You mentioned that you are going to be [passing the business on to your kids / selling your practice]. Would you be interested in charitable options that may save you money on your transaction?"[25]
- "You have been so generous to this cause in the past. Would you be interested in learning how to give more at a lower cost by using the best assets for the gift?"

After agreeing to a task, things change. Now, questions can be blunt.[26] For example,

- "How do you give? Through a company? A private foundation?"

[24] Lydenberg, J. (2007, October 13). *Identifying planned gift donors.* [Paper presentation]. National Conference on Planned Giving, Grapevine, Texas.
[25] Shuba, J. J. (2020, October). *Navigating planned gift conversations with your donors.* [Paper presentation]. National Charitable Gift Planners Conference. p. 2.
[26] See examples in Sagrestano, Brian M. & Wahlers, Robert E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 91.



- "Do you normally give appreciated assets?"
- "How is your business structured?"
- "Is it difficult to get profits out due to tax concerns?"
- "Do you have any life insurance policies you no longer need?"

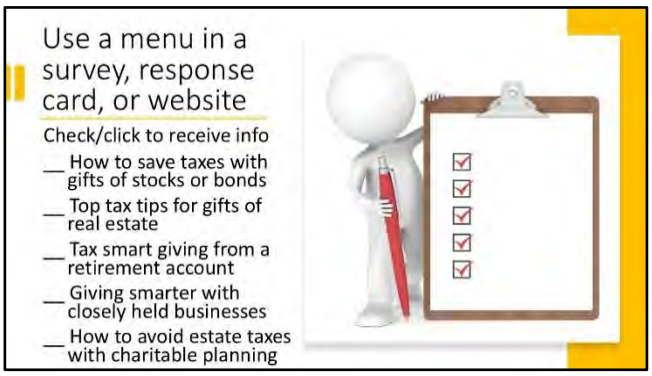
The fundraiser becomes a helpful advisor for an important task. Information sharing then comes naturally.



Use a menu

Another approach asks for reactions to a menu of asset giving options. In conversation, this might sound like the following.

- "I help donors like you to give smarter. Usually this involves gifts of stocks, real estate, businesses, life insurance, or retirement accounts. The tax benefits can be much larger. Have you ever considered giving something other than cash?"
- "What's your favorite form of giving?" "Have you ever considered other types of gifts like … [menu]?"[27] "What options would you be interested in knowing more about?"



A survey, response card, or website might do the same. Donors could check (or click) to receive information. For example,

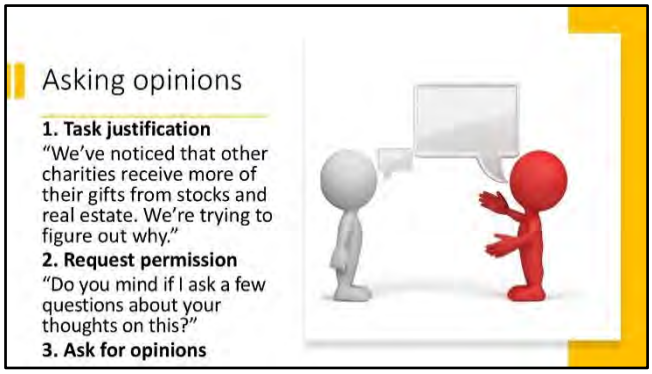
- ☐ How to save taxes with gifts of stocks or bonds
- ☐ Top tax tips for gifts of real estate
- ☐ Tax smart giving from a retirement account
- ☐ Giving smarter with closely held businesses
- ☐ How to avoid estate taxes with charitable planning

Requesting the information reveals the assets. It also creates opportunity for further conversations.

We can ask donor opinions in person or in a survey. First, we justify the questions. Maybe we need help with a problem. For example,

- "We've noticed that other charities receive more of their gifts from stocks, bonds, and real estate.[28] We're trying to figure out why."

[27] Modified from Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 164.
[28] In the U.S., such information is publicly available online for all charities on IRS Form 990, Schedule M.



- "We've recently seen a drop in people saying that they've included us in their will documents. We're trying to figure out why."

Next, we ask for permission.

"Would you mind if I ask a few questions about your thoughts on this?"

Then, we ask for opinions.



- "What's the likelihood you would ever consider making
  - A gift of stocks or bonds?
  - A gift of real estate?
  - A gift in a will?
  - A gift of cryptocurrency, artwork, or oil rights?"
- "What have you heard about the extra tax benefits from donating assets instead of cash? What about leaving estate gifts from an IRA or 401K?"



Change the setting after the decision

The right setting for major gifts is the land of wealth sharing. Sometimes we can establish that setting shortly before a gift. Sometimes we establish it years before. But what if we're too late? Even then, there are options.

Cherian Koshy shared this story.[29]

"I had a donor on the phone. He said, 'I'm going to send you a check for $2,000.'

I said 'Jim, is there any chance that you have stock that is worth $2,000?'

He said, 'Yes, absolutely. But I don't want to sell that stock.'

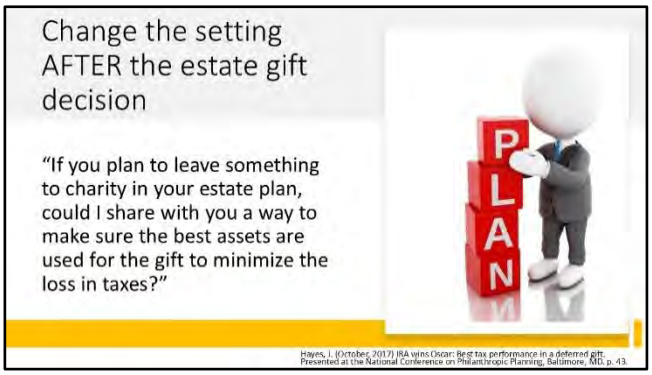
I said, 'Take the cash. Go buy that exact same stock. Then send us the old shares worth $2,000. Now you have stepped up basis. That highly appreciated stock now starts at zero for capital gains tax purposes. And you get a charitable deduction as well.'

He asked, 'I can do that?'

I said, 'Yeah.'

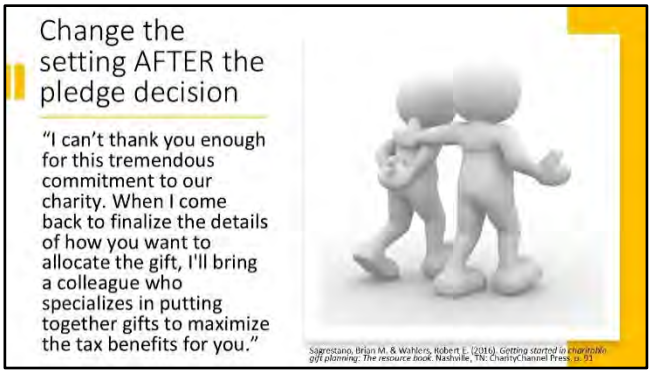
[29] Koshy, C. (2020, August 12). *Data dive 'Why cash is not king in fundraising'*. [Webinar recording]. Endowment Partners. Las Vegas, NV https://share.vidyard.com/watch/tvdptudNMESa1DhDayV2HZ?
This "charitable swap" approach might be particularly powerful in certain markets. One study found that when investors believe the stock market will be rising, they become less likely to donate stock. [Amin, K., & Harris, E. (2020). The effect of investor sentiment on nonprofit donations. *Journal of Business Ethics*, 1-24.] The charitable swap can sidestep this by emphasizing that the donor's portfolio doesn't change.

The next day we received a stock gift … of $10,000 from the donor."



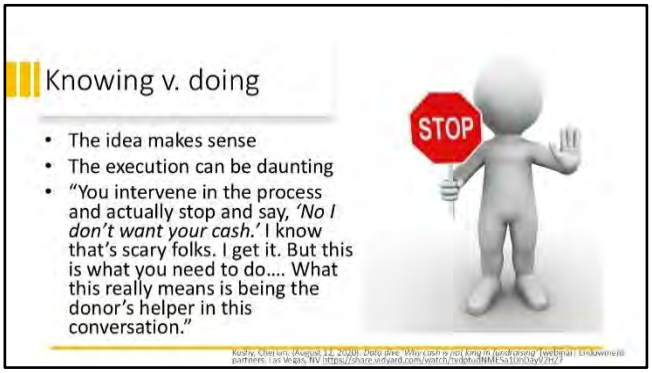
Maybe the donor mentions he has included a gift in a will. Johni Hays suggests this question:

"If you plan to leave something to charity in your estate plan, could I share with you a way to make sure the best assets are used for the gift to minimize the loss in taxes?" [30]



Maybe a donor has already made a pledge. Appreciated assets are an ideal way to fulfill it.[31] This conversation can even be scheduled right after the commitment. For example,

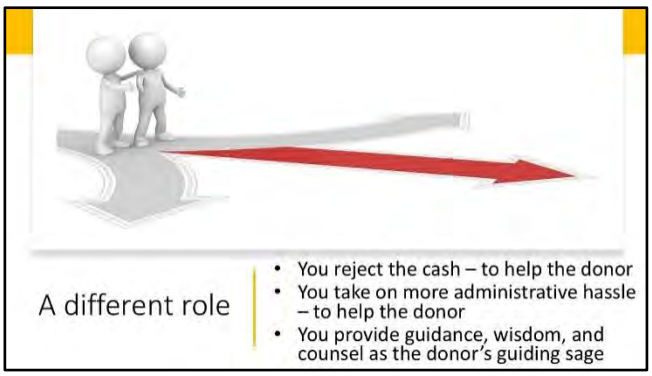
"I can't thank you enough for this tremendous commitment to our charity. When I come back to finalize the details of how you want to allocate the gift, I'll bring a colleague who specializes in putting together gifts to maximize the tax benefits for you."[32]



Knowing v. doing

It is easy to understand the idea. We want donors to make gifts of wealth, not disposable income. This changes the setting. It changes the reference points. It transforms giving. But actually doing it? That can be daunting. Cherian Koshy explains,

"You intervene in the process and actually stop and say, 'No, I don't want your cash.' I know that's scary folks. I get it. But this is what you need to do.... What this really means is being the donor's helper in this conversation."[33]



The gift or pledge was already secured. And we interrupt that process. That's not what salespeople do!

And that's the point. We reject the cash – to help the donor. We take on more administrative hassle – to help the donor. We provide guidance, wisdom, and counsel. We serve as the donor's guiding sage. We advance

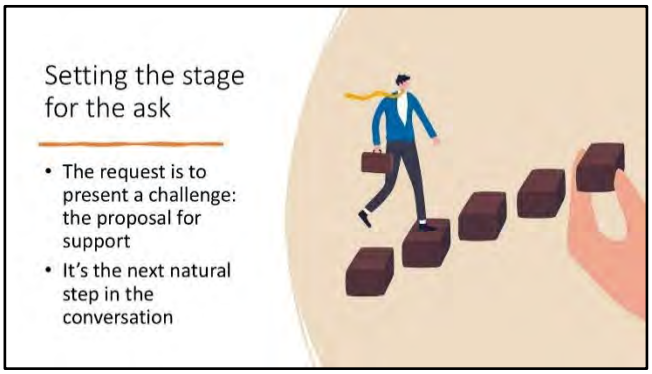
[30] Hayes, J. (2017, October). *IRA wins Oscar: Best tax performance in a deferred gift.* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 43.
[31] Clark, M. (2020, October 7). Personal communication. Matthew Clark, Director of Planned Giving, West Virginia University.
[32] Sagrestano, B. M. & Wahlers, R. E. (2016). *Getting started in charitable gift planning: The resource book.* CharityChannel Press. p. 91.
[33] Koshy, C. (2020, August 12). *Data dive 'Why cash is not king in fundraising'.* [Webinar recording]. Endowment partners. Las Vegas, NV https://share.vidyard.com/watch/tvdptudNMESa1DhDayV2HZ?

the donor's hero story. We guide them in a journey. But it's a journey set in the land of *wealth* sharing.



8

ASKING TO ASK IN SOCRATIC FUNDRAISING: CAN I SHOW YOU SOME OPTIONS?



Before the ask, one step remains. Asking for permission to ask. The request is to present a challenge. This is the proposal for support.[1] Getting permission first is important. It puts the donor in control.[2] It sets the stage for the ask.



The phrasing should present this as the next natural step in the conversation. For example,

- "I'd like to work with a few others at [the charity] to put together some options that match what we've been discussing. I think you'll be interested. I'd love to get your thoughts on what we come up with. Would you be open to that?"
- "I've been thinking about our past conversation, and I want to share with you in person some gift opportunities that are right in sync with what we have been discussing. How does next Tuesday work for you to meet?"[3] Or "Would you be open to that type of conversation?"[4]

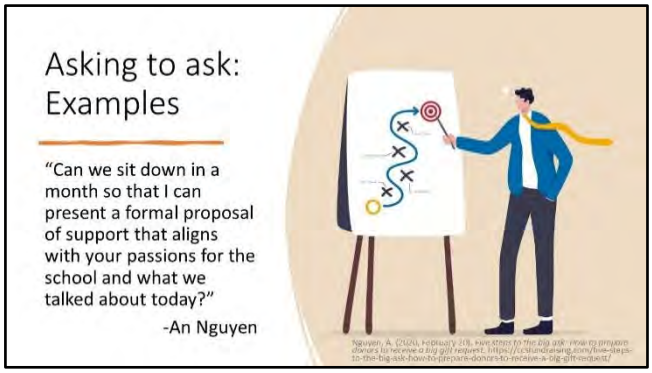
[1] An Nguyen calls this the "Pre-Request." It is "setting the stage for the request, i.e., asking permission to present a proposal for support." Nguyen, A. (2020, February 20). *Five steps to the big ask: How to prepare donors to receive a big gift request* [Website]. https://ccsfundraising.com/five-steps-to-the-big-ask-how-to-prepare-donors-to-receive-a-big-gift-request/

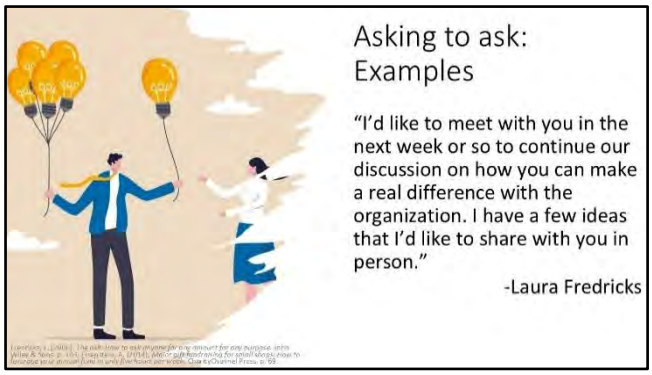
[2] Amy Eisenstein explains, "By skiing for permission, you give them control over the topic." Quoted in Verma, N. (2020, June 26). *Virtual solicitation: Best ways to make a fundraising ask to get a YES!* [Website]. https://callhub.io/fundraising-ask/

[3] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose.* John Wiley & Sons. p. 103.

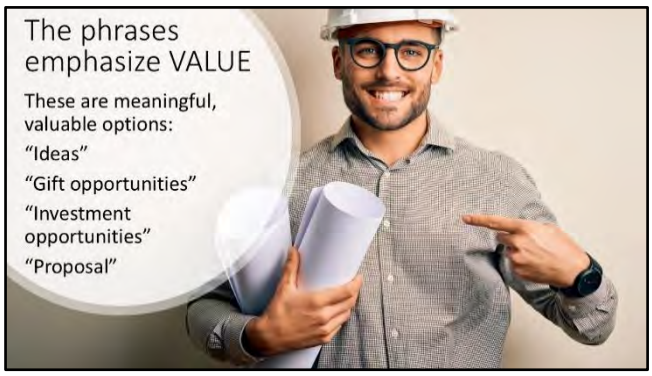
[4] Eisenstein, A. (2014). *Major gift fundraising for small shops: How to leverage your annual fund in only five hours per week*. CharityChannel Press. p. 69.







- "Can we sit down in a month so that I can present a formal proposal of support that aligns with your passions for the school and what we talked about today?"[5]
- "I'd like to meet with you in the next week or so to continue our discussion on how you can make a real difference with the organization. I have a few ideas that I'd like to share with you in person."[6]



Providing value

This phrasing emphasizes value. These value words include,

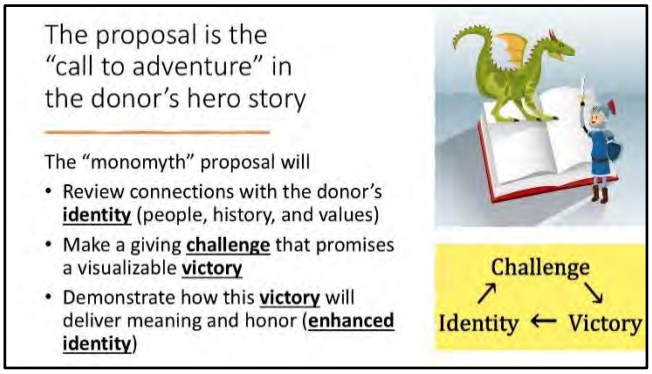
- "Ideas"
- "Gift opportunities"
- "Investment opportunities"
- "Conversation," and
- "Proposal."



The request is to present a proposal. But these are meaningful, valuable options. This isn't leading to just, "Can I have some money, please?" (That's an experience people prefer to avoid.)[7] Sharing personalized, thoughtful, detailed opportunities is different. It can provide real value.

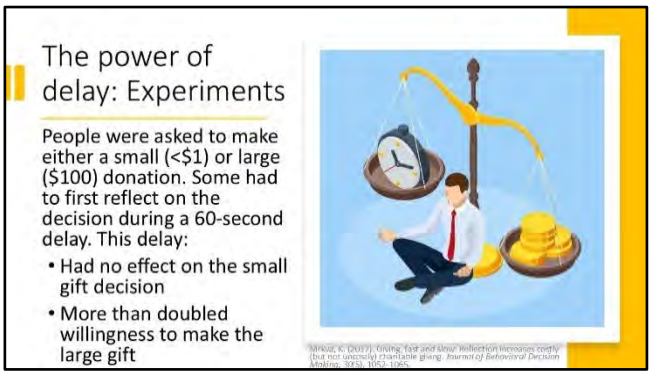
In the donor's hero story, the proposal is the "call to adventure." This "monomyth" proposal will

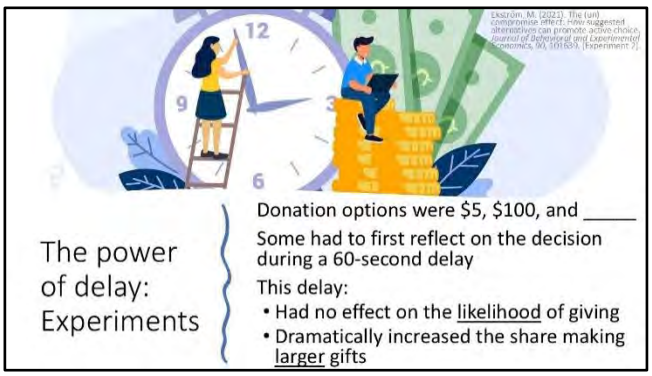
[5] Nguyen, A. (2020, February 20). *Five steps to the big ask: How to prepare donors to receive a big gift request.* https://ccsfundraising.com/five-steps-to-the-big-ask-how-to-prepare-donors-to-receive-a-big-gift-request/
[6] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose.* John Wiley & Sons. p. 103.
[7] *See,* Trachtman, H., Steinkruger, A., Wood, M., Wooster, A., Andreoni, J., Murphy, J. J., & Rao, J. M. (2015). Fair weather avoidance: unpacking the costs and benefits of "avoiding the ask". *Journal of the Economic Science Association, 1*(1), 8-14.; DellaVigna, S., List, J. A., & Malmendier, U. (2012). Testing for altruism and social pressure in charitable giving. *The Quarterly Journal of Economics, 127*(1), 1-56; Dana, J., Cain, D. M., & Dawes, R. M. (2006). What you don't know won't hurt me: Costly (but quiet) exit in dictator games. *Organizational Behavior and Human Decision Processes, 100*(2), 193-201.











- Review connections with the donor's *identity* (people, history, and values)
- Make a giving *challenge* that promises a visualizable *victory*, and
- Demonstrate how this *victory* will deliver meaning and honor.

This proposal is valuable. It presents a compelling option. It promises a meaningful victory. It advances the hero's journey. Completing the hero's journey delivers an enhanced identity. It delivers meaning and honor.

Using "value" words for the proposal isn't just a trick. It can match the donor's actual experience. It can match the donor's story.

The power of delay

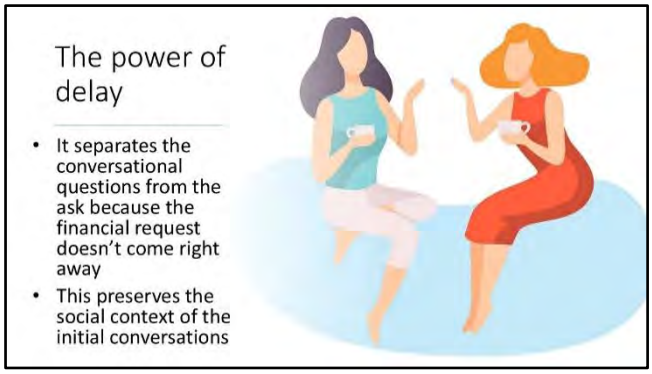
Asking for permission to ask does something else. It creates a scheduled delay. This delay accomplishes several things.

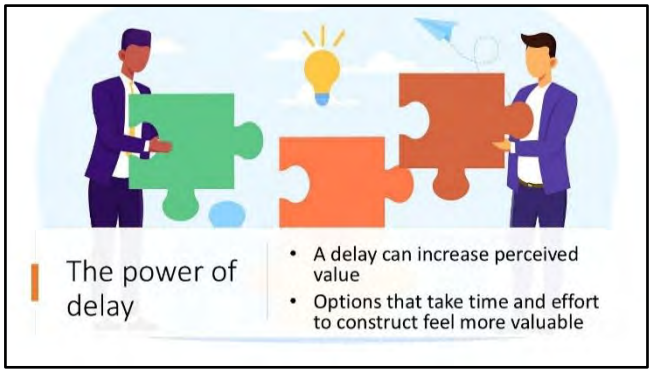
First, it allows more time for donors to think. The identity and meaningful victory questions are deep issues. More time can help. Larger financial decisions aren't just instant impulse choices. They can require more thought. More time can help.

In one experiment, people were asked to make either a small (<$1) or large ($100) donation.[8] Some were asked to first reflect on the decision during a 60-second delay. (Others could answer right away.) Adding the delay had no effect on the small gift decision. But it more than doubled willingness to make the large gift. Adding time for contemplation was critical for larger gift decisions.

Another experiment showed this in a different way. Donation options were $5, $100, and an open-ended blank. Some had to respond quickly. Others had to reflect during a 60-second delay. The delay had no effect on the likelihood of giving. But it dramatically

[8] Mrkva, K. (2017). Giving, fast and slow: Reflection increases costly (but not uncostly) charitable giving. *Journal of Behavioral Decision Making, 30*(5), 1052-1065.



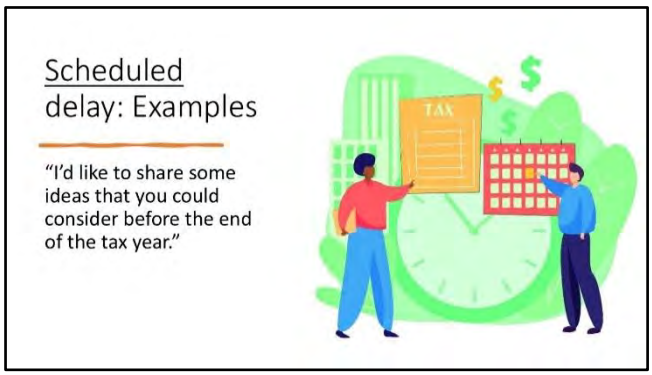


increased the share of people who made larger gifts.[9] Adding time for contemplation was critical for larger gift decisions.

A delay accomplishes something else. It separates the conversational questions from the ask. The financial request doesn't come right away. This preserves the social context of the initial conversations.







Finally, a delay can increase perceived value. Options that take time and effort to construct feel more valuable.

Scheduled delay

Introducing a delay can be powerful. But we don't want to just indefinitely postpone a decision. We want to schedule it. Time is still critical. Deadlines are still motivational. For example,

- "We've already received financial commitments from 100% of the board. But before launching our public campaign in three months, we need to work with our leading supporters like you. Your decision will be critical in convincing others to join the campaign after we go public."
- "I'd like to share some ideas that you could consider before the end of the tax year."

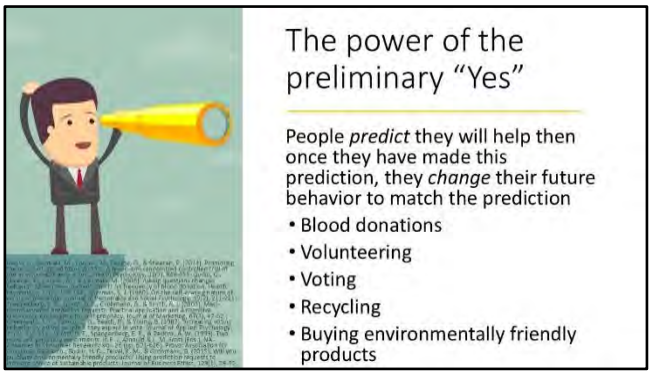
The power of the preliminary "yes"

Asking for permission with a delay triggers another behavioral reaction. People tend to *predict* they will help. This prediction is *higher* than the actual help they would have

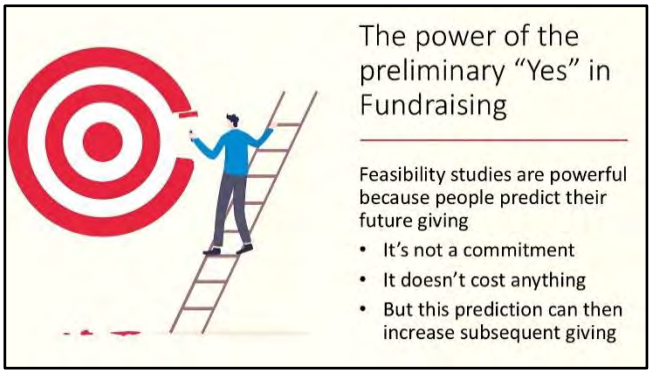
[9] Ekström, M. (2021). The (un) compromise effect: How suggested alternatives can promote active choice. *Journal of Behavioral and Experimental Economics, 90*, 101639. [Experiment 2].

given if asked immediately. This is no surprise. A prediction doesn't cost anything. And we all like to view ourselves positively.[10]

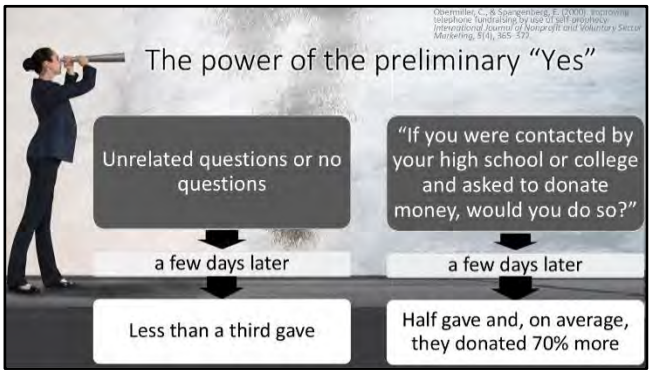
But here's where it gets weird. Once people make this prediction, they then *change* their future behavior to match their prediction. Getting people to first *predict* their actions increases helping. This happens in experiments with



- Blood donations[11]
- Volunteering[12]
- Voting[13]
- Recycling,[14] and
- Buying environmentally friendly products.[15]



This also happens in fundraising. It helps explain the power of feasibility studies. These ask people to *predict* their future giving. The initial prediction is not a commitment. It doesn't cost anything. It's just a conversation to help with planning. But the future prediction can then influence actual giving.



In one experiment,[16] some university alumni were called and asked questions, including

"If you were contacted by your high school or college and asked to donate money, would you do so?"

Others were asked only unrelated questions or no questions at all. A few days later, the

[10] "… people are generally more accurate in their predictions of what others will do than in their (morally rosier) predictions about what they themselves will do." Haidt, J. (2007). The new synthesis in moral psychology. *Science, 316* (5827), 998-1002.
"Researchers have repeatedly demonstrated that people on average tend to think they are more charitable, cooperative, considerate, fair, kind, loyal, and sincere than the typical person but less belligerent, deceitful, gullible, lazy, impolite, mean, and unethical---just to name a few." Epley, N., & Dunning, D. (2000). Feeling" holier than thou": are self-serving assessments produced by errors in self-or social prediction? *Journal of Personality and Social Psychology, 79*(6), 861-875.
For the problems this causes in survey research, see Nederhof, A. J. (1985). Methods of coping with social desirability bias: A review. *European Journal of Social Psychology, 15*(3), 263-280.

[11] Godin, G., Germain, M., Conner, M., Delage, G., & Sheeran, P. (2014). Promoting the return of lapsed blood donors: A seven-arm randomized controlled trial of the question–behavior effect. *Health Psychology, 33*(7), 646-655; Godin, G., Sheeran, P., Conner, M., & Germain, M. (2008). Asking questions changes behavior: Mere measurement effects on frequency of blood donation. *Health Psychology, 27*(2), 179-184.

[12] Sherman, S. J. (1980). On the self-erasing nature of errors of prediction. *Journal of Personality and Social Psychology, 39*(2), 211-221; Spangenberg, E. R., Sprott, D. E., Grohmann, B., & Smith, R. J. (2003). Mass-communicated prediction requests: Practical application and a cognitive dissonance explanation for self-prophecy. *Journal of Marketing, 67*(3), 47-62.

[13] Greenwald, A. G., Carnot, C. G., Beach, R., & Young, B. (1987). Increasing voting behavior by asking people if they expect to vote. *Journal of Applied Psychology, 72*(2), 315-318.

[14] Sprott, D. E., Spangenberg, E. R., & Perkins, A. W. (1999). Two more self-prophecy experiments. In E. J. Arnould & L. M. Scott (Eds.), *NA - Advances in Consumer Research: Vol. 26* (pp. 621-626). Association for Consumer Research.

[15] Bodur, H. O., Duval, K. M., & Grohmann, B. (2015). Will you purchase environmentally friendly products? Using prediction requests to increase choice of sustainable products. *Journal of Business Ethics, 129*(1), 59-75.

[16] Obermiller, C., & Spangenberg, E. (2000). Improving telephone fundraising by use of self-prophecy. *International Journal of Nonprofit and Voluntary Sector Marketing, 5*(4), 365-372.

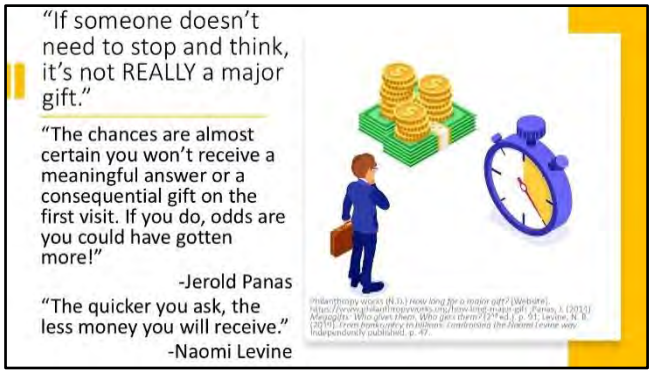
university's fundraising phone campaign contacted everyone. Among those who were *not* asked to predict their giving, less than a third gave. Among those who were asked for a prediction, half gave. And, on average, they donated 70% more than those who weren't asked for a prediction.

Getting permission to make the ask does the same thing. It makes the donor consider what they might do in the future. They consider this prior to an actual commitment. When they're later asked to actually give, the gift becomes more likely. And it becomes larger.



Major gifts require time

We don't have to ask for permission. We could just ask for the gift. If the request is minor, there's no need to wait. People will make these small "social compliance" gifts if asked. But they also tend to avoid these requests.[17] The donor might disappear. If we're asking small, we should do it now. We might not get another chance!



But that's not how major gifts work. Major gifts are not an impulse purchase.[18] Major gifts require thought. They require planning. They require time. One fundraiser shares,

"If someone doesn't need to stop and think, it's not REALLY a major gift."[19]

Jerold Panas adds,

"The chances are almost certain you won't receive a meaningful answer or a consequential gift on the first visit. If you do, odds are you could have gotten more!"[20]

Naomi Levine shares,

"The quicker you ask, the less money you will receive."[21]

How long is the process for a major gift? Experienced fundraisers typically say about one to three years.[22] This will include four to six meetings or "moves."

[17] *See,* Dana, J., Cain, D. M., & Dawes, R. M. (2006). What you don't know won't hurt me: Costly (but quiet) exit in dictator games. *Organizational Behavior and Human Decision Processes, 100*(2), 193-201; DellaVigna, S., List, J. A., & Malmendier, U. (2012). Testing for altruism and social pressure in charitable giving. *The Quarterly Journal of Economics, 127*(1), 1-56; Trachtman, H., Steinkruger, A., Wood, M., Wooster, A., Andreoni, J., Murphy, J. J., & Rao, J. M. (2015). Fair weather avoidance: unpacking the costs and benefits of "avoiding the ask". *Journal of the Economic Science Association, 1*(1), 8-14

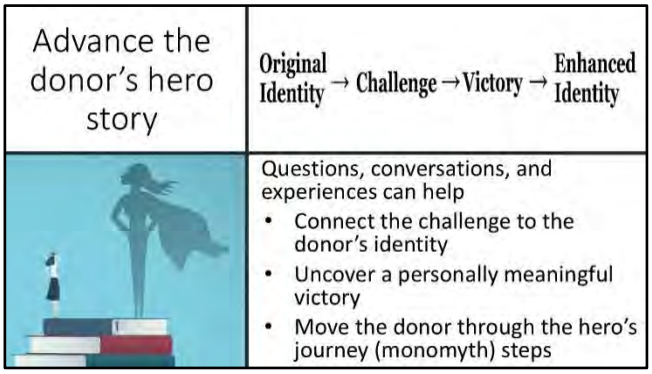
[18] Axelrad, C. (2019, April 23). *How not to ask for a major gift* [Blog]. NonprofitPRO. https://www.nonprofitpro.com/post/how-not-to-ask-for-a-major-gift/

[19] Philanthropy works (N.D.) *How long for a major gift?* [Website]. https://www.philanthropyworks.org/how-long-major-gift

[20] Panas, J. (2014). *Megagifts: Who gives them, Who gets them?* (2nd ed.). p. 91.

[21] Levine, N. B. (2019). *From bankruptcy to billions: Fundraising the Naomi Levine way*. Independently published. p. 47.

[22] Philanthropy works (N.D.) *How long for a major gift?* [Website]. https://www.philanthropyworks.org/how-long-major-gift

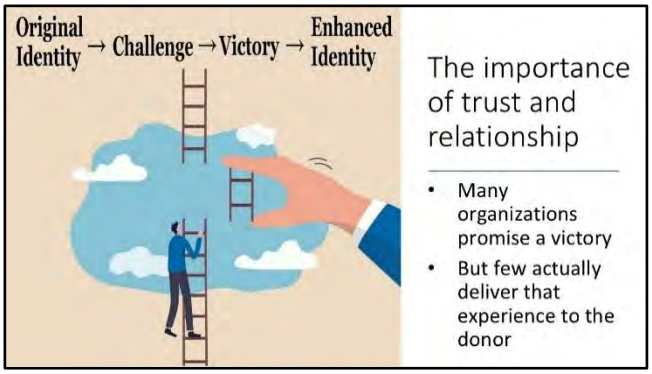


Time for story

But just waiting for time to pass won't lead to a major gift. Meetings and donor experiences can help. But they must *advance* the story. These "moves" must *lead to* a compelling fundraising challenge.

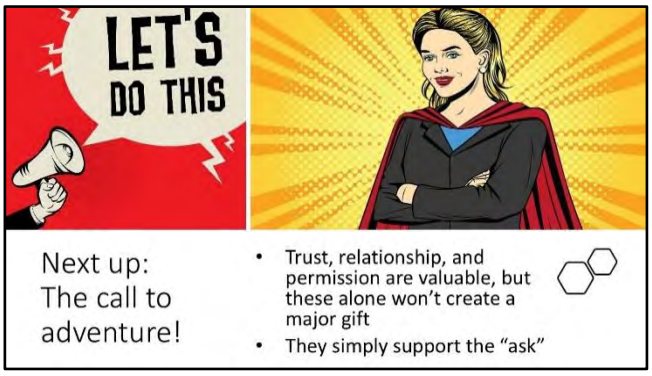
They can connect the organization, cause, or project with the donor's history, people, or values. They can demonstrate the organization's ability to deliver impact, meaning, and recognition. They can support the full donor-hero story process.

Original Identity → Challenge → Victory → Enhanced Identity



Fundraisers often describe the process in terms of building "trust" or "relationship."[23] A compelling challenge does require trust. Many organizations *promise* a victory. But few actually *deliver* that experience to the donor. Fewer still deliver a donor experience that enhances meaning or reputation.

A guiding sage can help in the donor's journey. But there is always a risk that the guide is a counterfeit. She may abandon the donor before the hero's journey is complete. She may simply be a jester who quits at the punchline. Relationship can increase trust against such donor abandonment.



Next step

Trust, relationship, and permission are valuable. But these alone won't create a major gift. They simply support the "ask."

In a narrative arc, the ask is the "inciting incident." In the hero's journey, it's the "call to adventure." This is the critical story point where the main character must choose. It's the point in the donor's hero story that we'll look at next.

[23] *Id.*



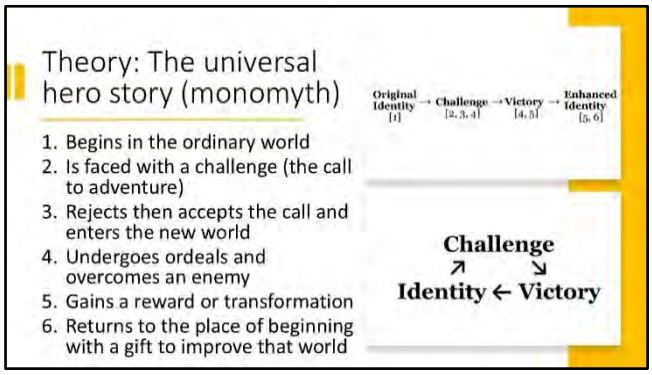
9

SOCRATIC FUNDRAISING'S "CALL TO ADVENTURE": MAKING A COMPELLING ASK



Making the ask can be the scariest part of fundraising. Setting up social events is great fun. Being friendly with others is enjoyable. Talking about their interests is comfortable. But asking for money? That's hard! Many fail simply by avoiding this critical step.

So how do we do this? What are the magic words? Let's start at the beginning.



Theory

The "one big thing" in fundraising is always the same: Advance the donor's hero story. The universal hero story, called the monomyth, includes specific steps. The hero,

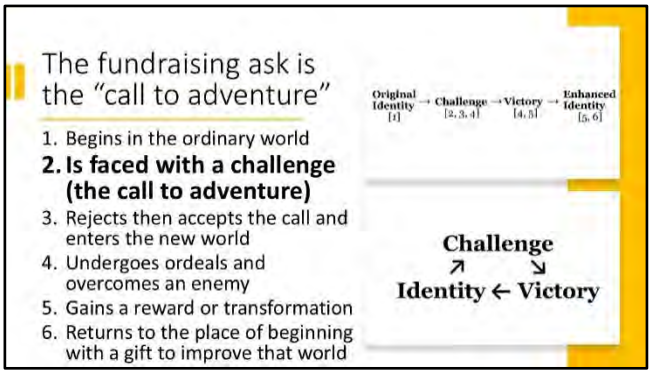
1. Begins in the ordinary world
2. Is faced with a challenge (the call to adventure)
3. Rejects then accepts the call and enters the new world
4. Undergoes ordeals and overcomes an enemy
5. Gains a reward or transformation
6. Returns to the place of beginning with a gift to improve that world

This hero story progresses through

Original Identity [1] → **Challenge** [2, 3, 4] → **Victory** [4, 5] → **Enhanced Identity** [5, 6]

In three words, the monomyth cycle is[1]

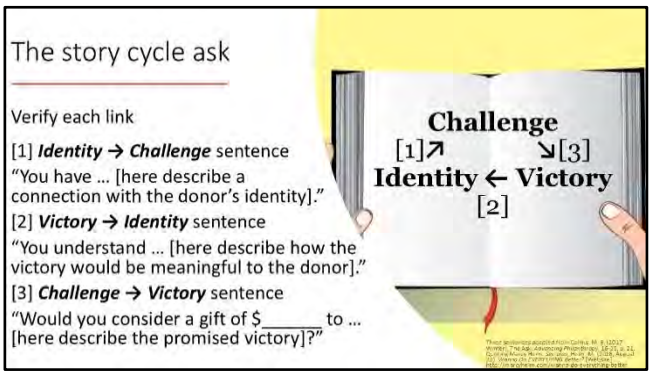
Challenge
↗ ↘
Identity ← Victory



The fundraising ask is the "call to adventure." It presents the challenge. It's the point where the prospective hero is given a choice. Stay in the ordinary, small, self-focused world. (Reject the challenge.) Or go on an adventure to make an impact on the larger world. (Accept the challenge.)



What is the secret to a compelling fundraising ask? It's this. The challenge must be part of the full story cycle. It must link to the donor's original identity. (This comes from the donor's history, people, or values.) It must promise a victory. (This is a specific, visualizable impact from the gift.) The promised victory must enhance the donor's identity. (Externally, this is public reputation. Internally, this is private meaning.)



The story cycle ask

Theory is nice. But let's get practical. How do we ask for money?

The compelling ask must be part of the full story cycle. To confirm this, the ask should verify each link.

Challenge
[1]↗ ↘[3]
Identity ← Victory
[2]

[1] Campbell uses a three step circular illustration with this description,

> "A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man."

Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28.
I label these steps as follows:
The beginning point of "the world of common day" is "**original identity**."
"Venturing forth into a region of supernatural wonder" is "**challenge**."
"Fabulous forces are there encountered and a decisive victory is won" is "**victory**."
"The hero comes back from this mysterious adventure with the power to bestow boons on his fellow man" is "**enhanced identity**."
I apply this both to a scenario where the charitable gift serves only as the final step in the heroic life story and where the gift request itself constitutes the challenge that promises a victory delivering enhanced identity. In a conventional narrative arc, the steps of original identity, challenge, victory, and enhanced identity also serve as backstory, inciting incident, climax, and resolution, respectively.

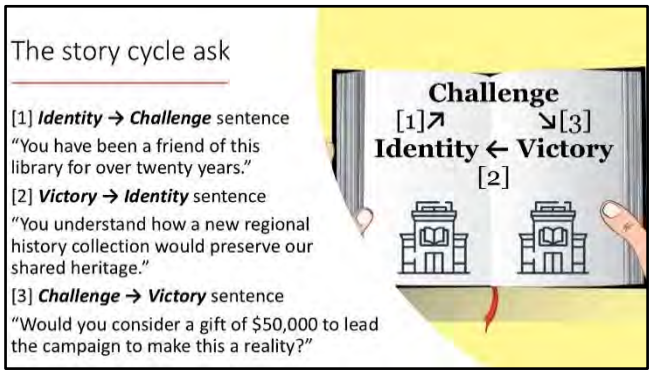
The story cycle ask is as simple as 1-2-3.

[1] *Identity → Challenge* sentence
"You have … [here describe a connection with the donor's identity]."

[2] *Victory → Identity* sentence
"You understand … [here describe how the victory would be meaningful to the donor]."

[3] *Challenge → Victory* sentence
"Would you consider a gift of $_____ to … [here describe the promised victory]?"[2]

This might sound like,



- [1] "You have been a friend of this library for over twenty years." *Identity → Challenge.*

[2] "You understand how a new regional history collection would preserve our shared heritage." *Victory → Identity.*

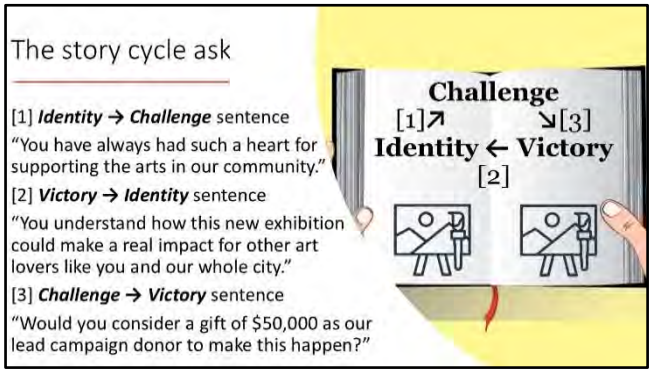
[3] "Would you consider a gift of $50,000 to lead the campaign to make this a reality?" *Challenge → Victory.*



- [1] "You have done so much to improve care for others since your own diagnosis with breast cancer." *Identity → Challenge.*

[2] "You understand more than anyone how lives can be changed by offering free early screening." *Victory → Identity.*

[3] "Would you consider a gift of $100,000 to help fund next year's screening clinics?" *Challenge → Victory.*

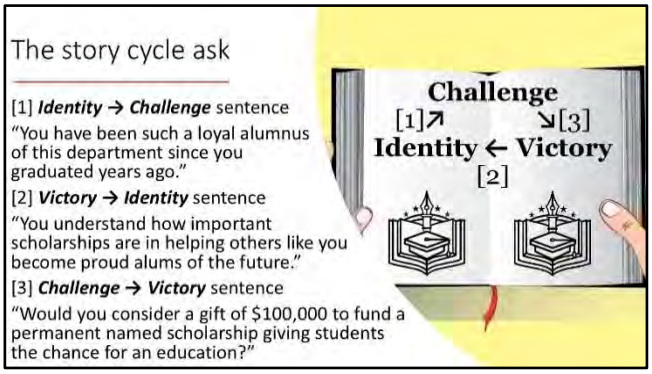


- [1] "You have always had such a heart for supporting the arts in our community." *Identity → Challenge.*

[2] "You understand how this new exhibition could make a real impact for other art lovers like you and our whole city." *Victory → Identity.*

[3] "Would you consider a gift of $50,000 as our lead campaign donor to make this happen?" *Challenge → Victory.*

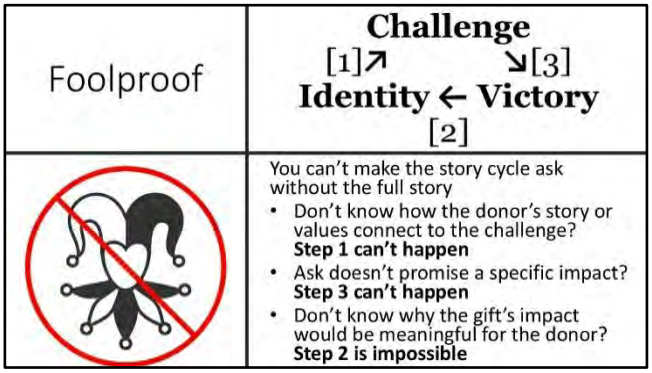
[2] Three sentences adapted from Collins, M. E. (2017, Winter). The Ask. *Advancing Philanthropy*, 16-23, p. 21. Quoting Marcy Heim. *See also,* Heim, M. (2018, August 22). *Wanna Do EVERYTHING Better?* [Website] http://marcyheim.com/wanna-do-everything-better



- [1] "You have been such a loyal alumnus of this department since you graduated years ago." *Identity → Challenge.*

[2] "You understand how important scholarships are in helping others like you become proud alums of the future." *Victory → Identity.*

[3] "Would you consider a gift of $100,000 to fund a permanent named scholarship giving students the chance for an education?" *Challenge → Victory.*



Foolproof

Making this story cycle ask is foolproof. Why? Because we can't do it without the full story. It makes the missing pieces obvious.

Suppose we don't know how the donor's story or values connect to the challenge. Step 1 can't happen. Suppose the ask doesn't promise a specific impact. Step 3 can't happen. Suppose we don't know why the gift's impact would be meaningful for the donor. Step 2 is impossible.

We can't make this story cycle ask without each part. It's foolproof because it prevents a "foolish" ask. Of course, the stronger each step is, the more compelling the ask will be.



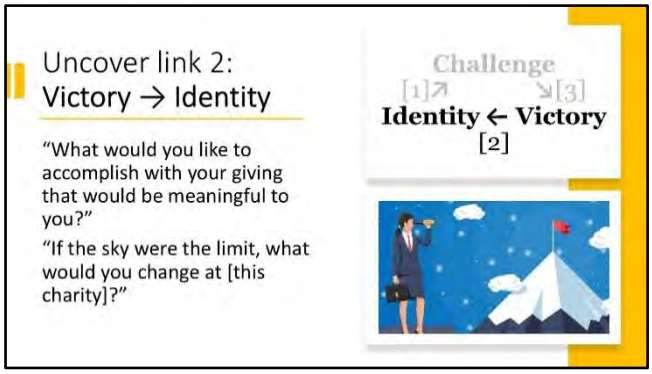
Wheel within a wheel

The hero's journey isn't a one-shot story. It's a continuing, repeated cycle. It arises again and again. Effective fundraising uses the identity-challenge-victory cycle. It uses this cycle again and again. Like a spiral or mandala, the circle starts wide. Gradually, it narrows. It gets smaller, clearer, and more precise.



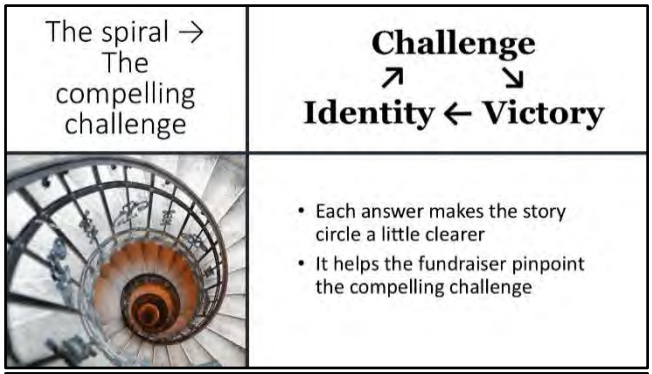
The early stages reveal the broad strokes of the circle. Questions can uncover link 1: *Identity → Challenge.* For example,

- "Tell me about your connection to [this charity]."
- "How has [this cause] been important in your life?"
- "Have others in your life been affected by [this cause]?"

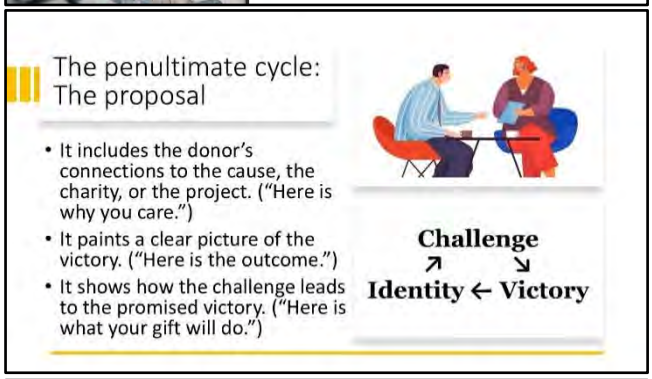


Questions can uncover link 2: *Victory → Identity*. For example,

- "What would you like to accomplish with your giving that would be meaningful to you?"
- "If the sky were the limit, what would you change at [this charity]?"

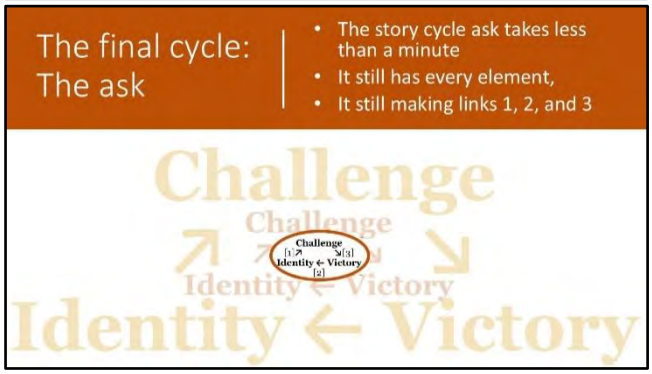


Each answer makes the story circle a little clearer. It helps the fundraiser pinpoint the compelling challenge. Gradually, the circle takes shape. Cultivation leads to solicitation. This can take place over days or months.



The ask is preceded by the proposal. The proposal walks through each step of the circle.

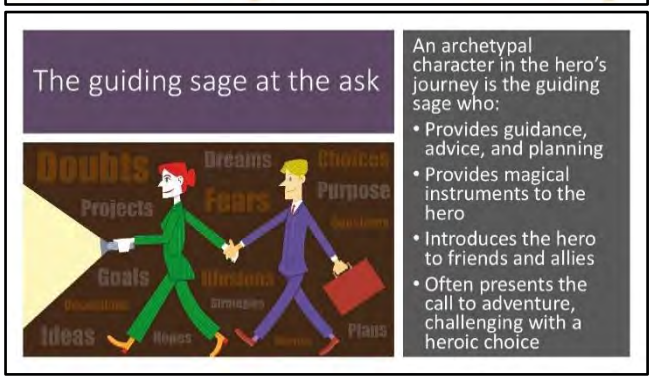
- It includes the donor's connections to the cause, the charity, or the project. ("Here is why you care.")
- It paints a clear picture of the victory. ("Here is the outcome.")
- It shows how the challenge leads to the promised victory. ("Here is what your gift will do.")



This circle is smaller. It takes less than an hour.

The ask is the final circle. It takes less than a minute. But it still has every element. It makes links 1, 2, and 3. It contains the entire story circle.

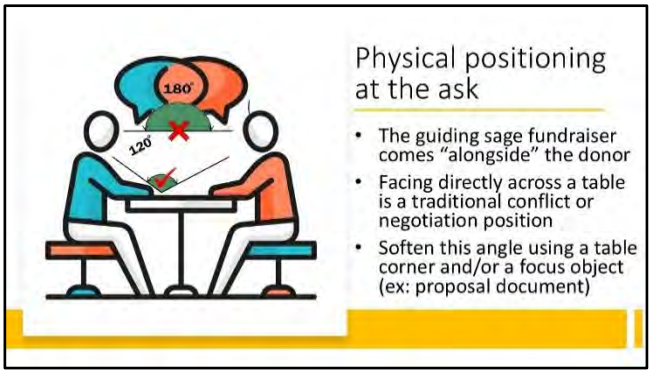
The guiding sage at the ask

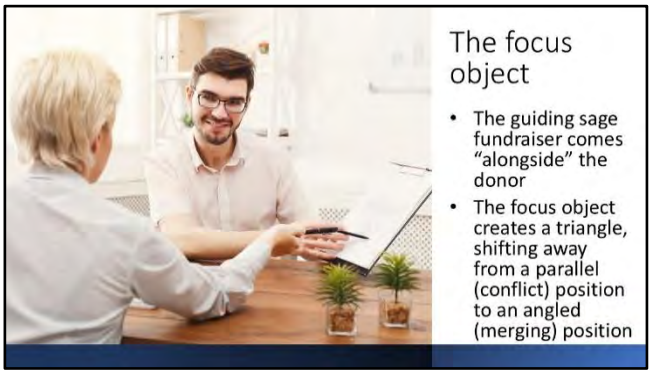


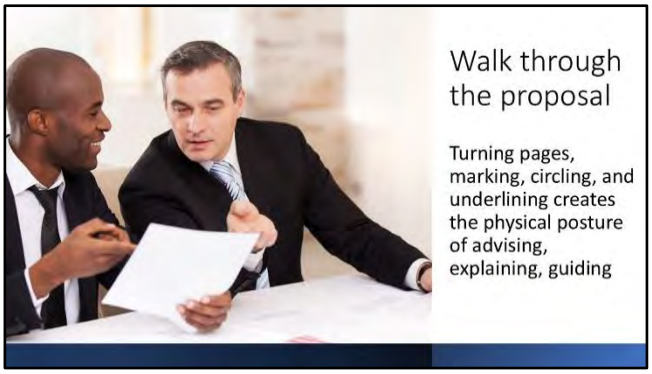
An archetypal character in the hero's journey is the guiding sage. This wise guide helps the hero. She provides guidance, advice, and planning. She provides magical instruments to the hero. She introduces the hero to friends and allies. Often it is this guiding sage who presents the call to adventure. The sage challenges the hero with a heroic choice.

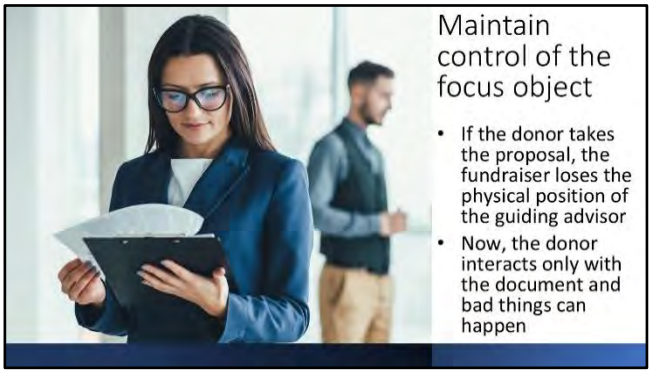
This is the role of the fundraiser. By embodying this primal role, the fundraiser can guide the donor. The nonprofit is the donor's magical instrument. The donor uses it to achieve a compelling victory. At the ask, the guiding sage challenges with a heroic choice.











But even at the ask, the fundraiser stays in character. The fundraiser is a guiding sage. The ask is not an argument. It's not a fight. The fundraiser provides guidance, advice, and planning. She comes *alongside* the donor.

Physical positioning at the ask

Even the fundraiser's physical position can match this role. Facing directly across a table is a traditional conflict or negotiation position. A 90-degree angle, such as across a table corner, softens this. The fundraiser can improve either angle by using a focus object. This can be the proposal document.

The focus object changes the positioning. It creates a triangle. Even if the fundraiser and donor are directly across from each other, they're both above the proposal. Focusing on the object shifts away from a parallel (conflict) position: II. It shifts to an angled (merging) position: V.

The fundraiser will walk through the proposal. She will turn the pages. She will mark on the proposal, circling and underlining. This places the fundraiser in the physical posture of advising. She is explaining. She is guiding.

The fundraiser should maintain control of the focus object. If the donor takes the proposal, the fundraiser loses control. The fundraiser loses the physical position of the guiding advisor. Now, the donor interacts only with the document. The triangle is broken. The fundraiser becomes an outsider. The donor can quickly flip through, merely glancing at the pages. He can skip to the dollar ask, bereft of the full story. Bad things happen when the fundraiser loses the focus object before the ask.

In a less formal setting, a fundraiser might physically walk alongside a donor. She can point to where a project might take place. The focus object might be a room, a field, or a building.



There isn't just one magic position. There is instead a magic story. The story is the donor's hero story. Within that story, the fundraiser has a magic role. The fundraiser is the guiding sage. The effective fundraiser fills this role in every way possible.

Lead up to the ask



Many experiences leading up to the ask can make it more compelling. They do so by confirming each link in the cycle.

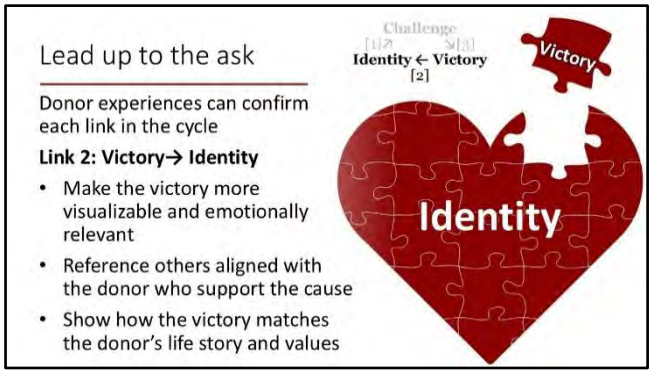
These lead-up steps can strengthen connections between the donor's identity and the challenge. This is link 1: *Identity→ Challenge.* These lead-up steps can:

- Increase donor involvement with the charity's work and people.
- Express gratitude for and remind donors of their past support.
- Reference others like the donor who have made this commitment.



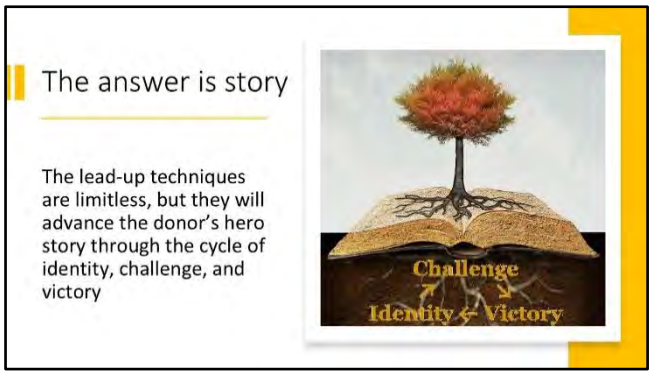
The lead-up steps can strengthen connections between the challenge and the victory. This is link 3: *Challenge→ Victory.* They can:

- Demonstrate the donor's past impact.
- Make the next gift's impact clearer.



The lead-up steps can strengthen connections between the victory and an enhanced identity (public or private). This is link 2: *Challenge→ Victory.* They can:

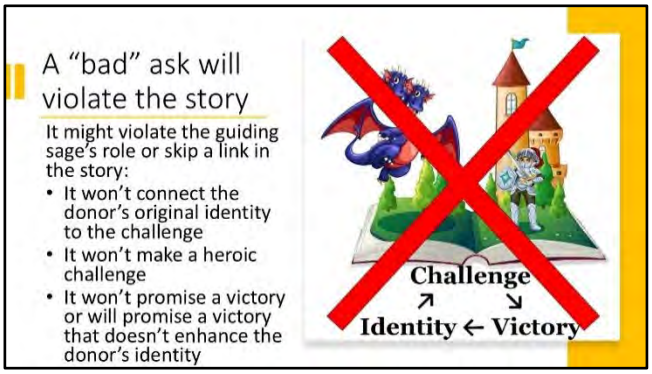
- Make the victory more visualizable and emotionally relevant.
- Reference others aligned with the donor who support the cause.
- Show how the victory matches the donor's life story and values.



The answer is story

The lead-up techniques can be almost limitless. But the strategy starts with story. It

starts with plot and character. It allows the fundraiser to be the donor-hero's guiding sage. It advances the donor's hero story. It moves the donor through the cycle of identity, challenge, and victory.



A bad fundraising ask won't do this. It might violate the guiding sage's role. Or it might skip a link in the story. For example,

- It won't connect the donor's original identity to the challenge, or
- It won't make a heroic challenge, or
- It won't promise a victory, or
- It will promise a victory that doesn't enhance the donor's identity.

Powerful story makes powerful fundraising. The most powerful fundraising story is the donor's hero story. When the ask tells that story, the ask becomes powerful.



10

SOCRATIC FUNDRAISING AFTER THE ASK:
CONGRATULATIONS! YOU GOT A "NO."





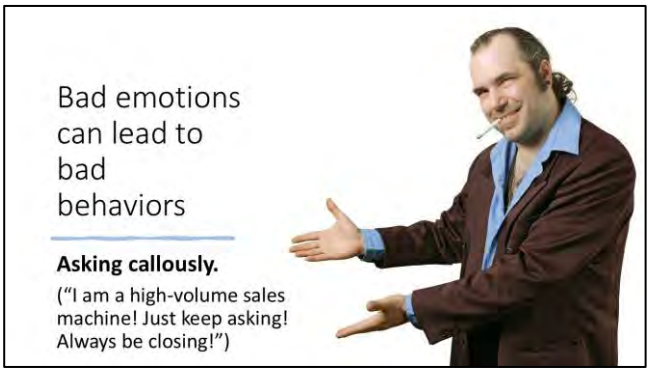
Disaster!

We put in the work. We put in the planning. We carefully execute each step in the cultivation process. We thoughtfully craft and stage the fundraising ask. And, finally, we get the answer. And the answer is … "No."

What do we feel? Disappointment? Devastation? Self-doubt? This emotional experience is all too common for fundraisers. And it's bad. These bad emotions can lead to bad behaviors.



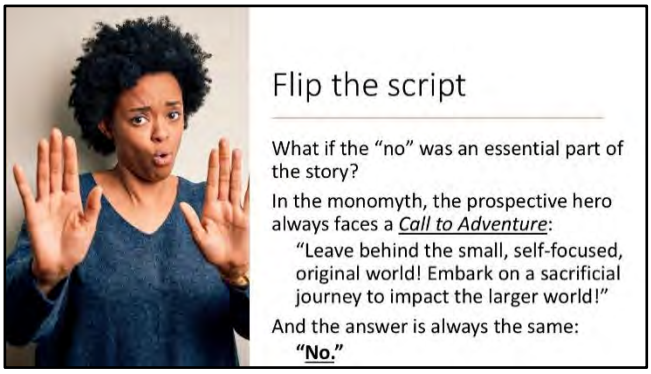
- It can make fundraisers avoid asking. ("Maybe I'll stay in the office today. Someone's got to choose the fonts for that new 'branding' effort.")
- When they do bring themselves to ask, it can make them ask small and safe. ("What amount would be easy for this donor?")



- Or it can make them callous. ("Cranking through enough 'no's' just gets me closer to the next 'yes.' I am a high-volume sales machine! Just keep asking! Always be closing!")

Flip the script

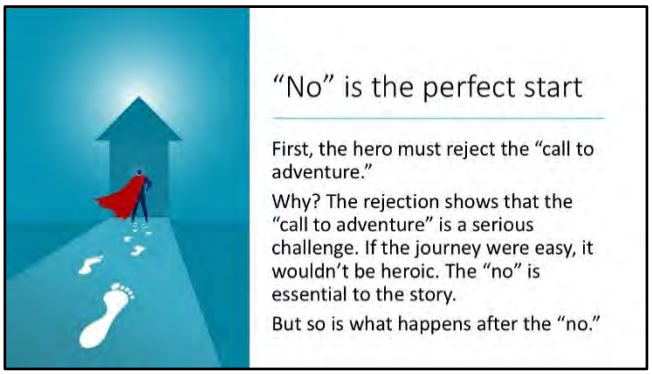
But what if the story was different? What if the "no" wasn't the end of the story? What if the "no" was an *essential part* of the story?



The universal hero story contains several core elements. The prospective hero always faces a "call to adventure."[1] This call says,

"Leave behind the small, self-focused, original world! Embark on a sacrificial journey to impact the larger world!"

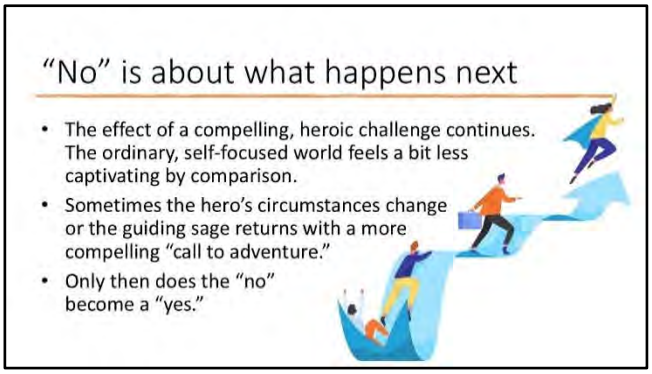
And in that universal hero story, the answer to this call is always the same. It's always "no."[2]



"No" is the perfect start

Wait. What? How can that be? If the hero says, "No," the story ends, right? Wrong. The hero eventually does accept the challenge. But this comes only later. First, the hero must reject the "call to adventure."

Why? The rejection shows that the "call to adventure" is a serious challenge. It's difficult. The "no" is essential to the story. But so is what happens *after* the "no."



"No" is about what happens next

After the "no," the effect of a compelling, heroic challenge continues. The ordinary, self-focused world feels a bit less captivating by comparison. Sometimes the hero's circumstances change. Sometimes the guiding sage returns with a more compelling "call to adventure." Only *then* does the "no" become a "yes."

[1] *See* Chapter I, Section 1, "The Call to Adventure" in Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. pp. 45-54

[2] *See* Chapter I, Section 2, "Refusal of the Call" in Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. pp. 54-63.



The hero's guiding sage might be impressive like Obi-Wan, Morpheus, or Gandalf. Still, the initial "call to adventure" is met with a "no." But the guiding sage does not disappear. The sage continues to play the role. The sage persists in advancing the hero's journey.

In the hero story, the "no" is not the end. It's just another step. Afterwards, the guiding sage's role continues. The story cycle continues.

That's fine for stories. But what does this look like in real-world fundraising?



Next steps in the real world

The donor says, "No." Or "Maybe." Or "I don't know." Now what?

The fundraiser's role doesn't change. The fundraiser is the donor-hero's guiding sage. She helps the donor along the hero's journey.

The fundraiser's goal doesn't change, either. The fundraiser advances the donor's hero story. She continues the story cycle.

The next steps continue the role and the story. So, they'll sound familiar. They'll sound like the previous steps. The donor says, "No." What's next?

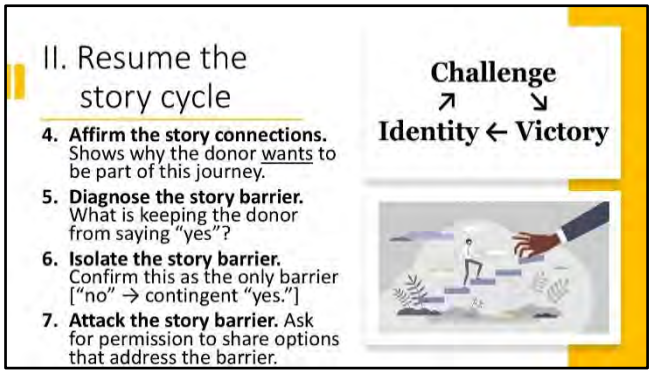


We begin by resuming the guiding-sage role.

1. *Be silent.*
Silence creates space for a donor to explain. It implies, "I am listening to you."

2. *Make a reflective statement.*
This implies, "I hear you."

3. *Ask for permission.*
Asking, "Can I ask you a question?" puts the donor in charge. Permission allows the fundraiser to resume the Socratic, guiding-sage role.



Next, we resume the story cycle.

4. *Affirm the story connections.*
This continues the story. It connects *Identity → Challenge → Victory → Identity*. It shows why the donor wants to be part of this journey.

5. *Diagnose the story barrier.*
What is keeping the donor from saying "yes"?

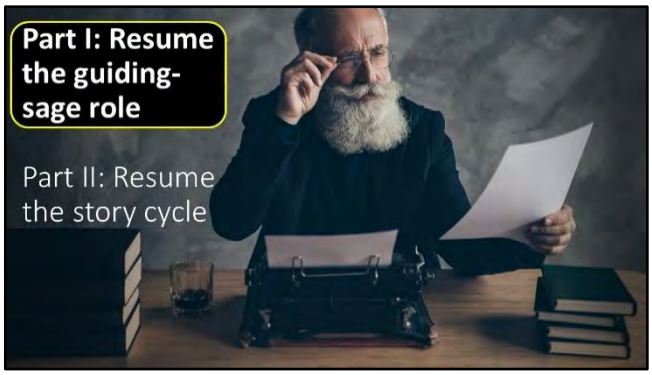
6. *Isolate the story barrier.*
   Confirm that this is the only barrier. This turns the "no" into a contingent "yes."
7. *Attack the story barrier.*
   Ask for permission to share some options. The options provide alternatives that address the barrier.



This isn't a fundraiser-donor conflict. It's not a dispute. It's appreciative inquiry. It's conversation. It's sharing ideas about an external obstacle standing in the way of the donor's hero story.

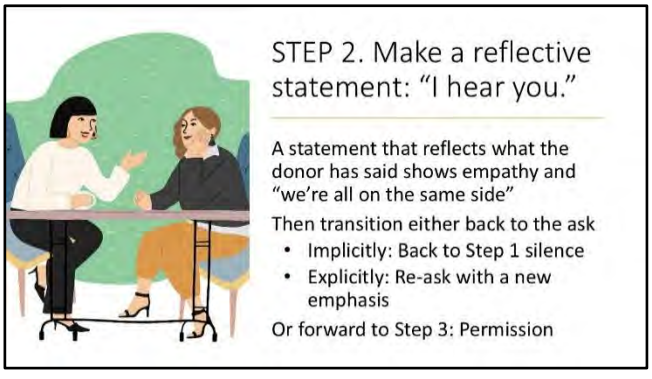
The guiding sage helps. She offers advice. She provides magical instruments. She helps the donor complete the hero's journey.

The actual conversation may skip steps or change the order. But the goal is the same. Resume the role and resume the story. Let's look at some example phrases for each step.



Part I: Resume the guiding-sage role





1. Be silent: ***"I am listening to you."***

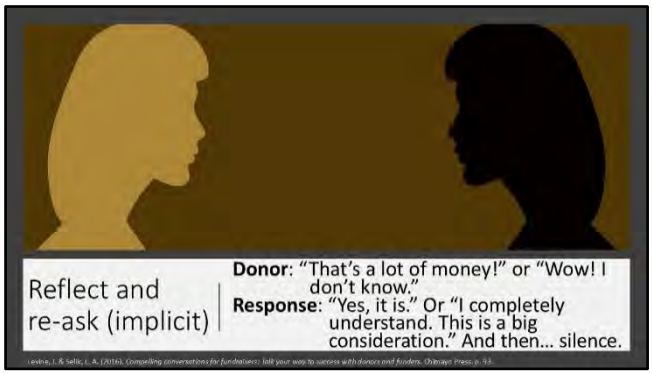
After the ask the fundraiser must be silent. Everyone knows that. But silence also helps after the negative response. A donor says, "No," or "I don't know." Don't immediately start talking. Don't fill the void. Just wait and listen. This silence can pull the donor to explain further. Remember, Socratic fundraising requires *the donor* to speak.

2. Make a reflective statement: ***"I hear you."***

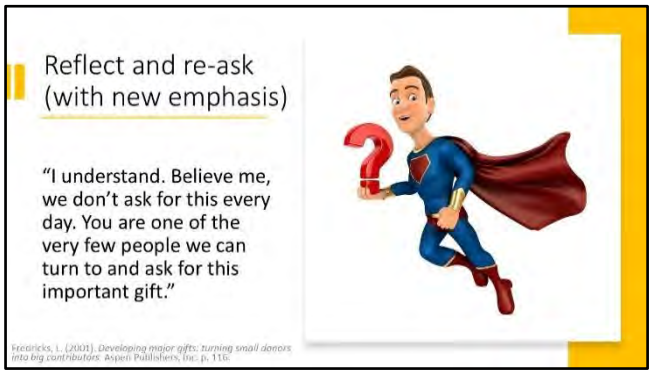
The donor has spoken. We want to show that we have heard. We do that with a statement that reflects what the donor has said. It shows

agreement, or at least empathy. Remember, this is not a dispute. We're all on the same side.

The reflective statement is a transition. It can transition back to the ask. It can do this implicitly by going back to Step 1: Silence. It can do this explicitly by returning to make the ask again, this time with some added emphasis. Or, if the "no" is final, it can move forward to Step 3: Permission. These might sound like the following.









Suppose a donor says, "That's a lot of money!" or "Wow! I don't know." Returning to Step 1 means making a reflective statement and then … silence. The statement might be simply,

- "Yes, it is." Or,
- "I completely understand. This is a big consideration."[3]

Or we can make a reflective statement and then re-ask. This time the ask should add some new emphasis. For example,

- "I know this is a big challenge. I wouldn't ask except we need a strong female leader for this project."[4]
- "I understand. Believe me, we don't ask for this every day. You are one of the very few people we can turn to and ask for this important gift."[5]
- "Perhaps they'll say, 'That's more than anyone is this community has ever given.' And you'll tell the truth, replying, 'That's true, but then, this is the most important, largest campaign in our community's history and a lot of people have given the largest gifts of their lives – I know I did.'"[6]

Each response begins with agreement. This resumes an advising role, not an arguing one. Agreeing that the request is large also matches the story. It highlights the heroic nature of the challenge.

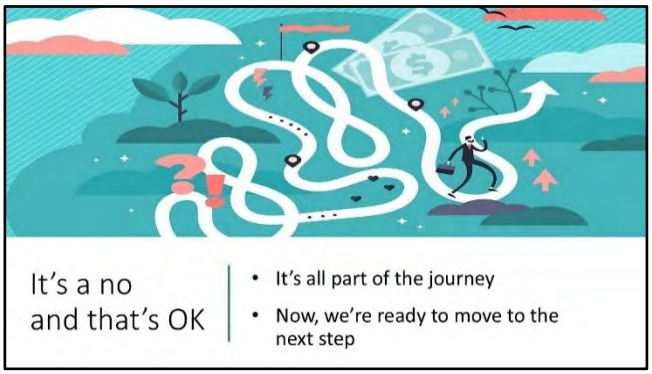
[3] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders*. Chimayo Press. p. 93.
[4] Melvin, A. (2020, October 7-9). *Solicitation preparation: The keys to a successful ask.* [Paper presentation]. Charitable Gift Planning Conference, online. p. 10.
[5] Fredricks, L. (2001). *Developing major gifts: turning small donors into big contributors.* Aspen Publishers, Inc. p. 116.
[6] Grover, S. R. (2006). *Capital campaigns: A guide for board members and others who aren't professional fundraisers but who will be the heroes who create a better community.* iUniverse. p. 105.





Each response is followed by silence. The silence is powerful. It gets the donor to talk. Marc Pitman writes,

> "You might respond with a phrase like, 'I can appreciate that …' and let the silence fill the air. Watch what happens. Sometimes people just need to hear themselves explain why a gift is so important. It's hard to be quiet at times like this but it's crucial."[7]



Ultimately, the answer may be a definite no. That's OK. (It's all part of the journey.) Once the donor is done talking, we're ready to move to the next step. Once again, a reflective statement can start this transition. Socratic fundraising isn't just about asking. It's about asking, listening, and hearing. The reflective statement shows we've heard the donor.



3. *Ask for* ***permission: "Can I ask you a question?"***

The next step justifies asking questions. It might sound like this:

- "I really appreciate you considering this. I want to learn a bit more about your feelings on this project. Do you mind if I ask you a question?"
- "Thanks for responding so clearly to my request. And I did hear what you said. I don't mean to press you on the matter … but I feel I must ask you a question. Do bear with me …"[8]

As with other steps, this can be skipped. But asking for permission is powerful. It makes the donor feel in charge.[9] It gets them used to saying, "Yes."[10] It creates acceptance for the questions to follow.

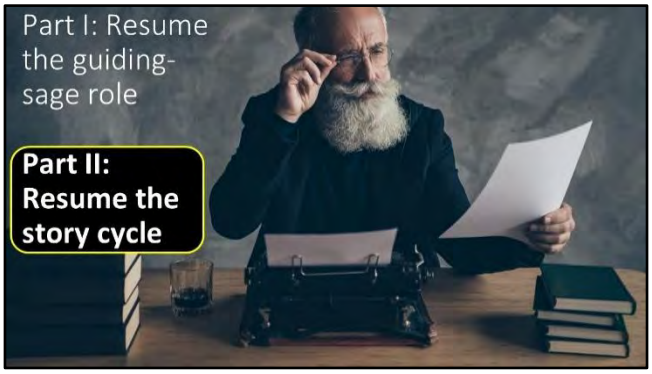
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[7] Pitman, M. A. (2008). *Ask without fear! A simple guide to connecting donors with what matters to them most.* Tremendous Life Books. p. 43.

[8] Panas, J. (2007, March 1). *Fundraising's four magic questions: Answer these and the gift is yours.* Guidestar. [Blog]. https://trust.guidestar.org/fundraisings-four-magic-questions-answer-these-and-the-gift-is-yours

[9] Experimental research shows that increasing donors' feelings of agency results in a greater willingness to donate. *See,* e.g., Xu, Q., Kwan, C. M., & Zhou, X. (2020). Helping yourself before helping others: How sense of control promotes charitable behaviors. *Journal of Consumer Psychology, 30*(3), 486-505. *See also*, Heist, H. D., & Cnaan, R. A. (2018). Price and agency effects on charitable giving behavior. *Journal of Behavioral and Experimental Economics, 77*, 129-138.

[10] For a discussion of the positive effects of such repeated requests in pro-social decision making see Fennis, B. M., & Janssen, L. (2010). Mindlessness revisited: Sequential request techniques foster compliance by draining self-control resources. *Current Psychology, 29*(3),



Part II: Resume the story cycle



After the "no," we've resumed the Socratic role. We've listened. We've heard. We've justified asking questions.

Now it's time to resume the story cycle. The story is the donor's hero story. The hero story cycle progresses through[11]

Original Identity → Challenge → Victory → Enhanced Identity

Or simply,

Challenge
↗ ↘
Identity ← Victory

We resume the story by reaffirming the story links.



4. Affirm the story connections

We begin the conversation with likely points of *agreement*. Our goal is to elicit the donor's confirmation of giving motivations. We are coming alongside the donor. We are here to help the donor accomplish something meaningful to him.

235-246. Note that the current structure is combining an overall DITF sequence (large request is rejected followed by more attractive counter-offers) with this FITD step asking for permission to ask a question (easy initial request followed by more substantial request). For an example of FITD with charitable decisions see Bell, R. A., Cholerton, M., Fraczek, K. E., Rohlfs, G. S., & Smith, B. A. (1994). Encouraging donations to charity: A field study of competing and complementary factors in tactic sequencing. *Western Journal of Communication*, 58(2), 98-115.

[11] For a description connecting these steps to Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28, *see* footnote 3 in Chapter 1. Socratic fundraising theory: How questions advance the story.



We might start by confirming the identity connections with the cause or organization. This supports the link of *Original Identity → Challenge.* It might sound like this:

"You've been a supporter for so long and have done so much, I was certain you felt positive about our work and our vision. Do you still feel that same friendship and support?"[12]



We might confirm that the gift would make an impact. This supports the link of *Challenge → Victory.* For example,

"Are you concerned that the organization wouldn't be effective at using this gift to make a difference in the lives of these students?"



We might confirm the meaningfulness of the gift's impact. This supports the link of *Victory → Enhanced Identity.* For example,

"I remember the last time we met, you said that it was very important to you that ... [insert the "victory" the gift accomplishes]. Has that changed for you?"[13]

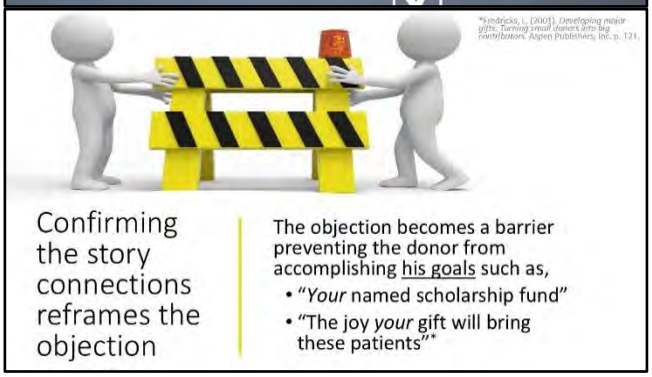


Ultimately, we will get to the objection. This may be the price, timing, project, organization, or something else. But first we want to "clarify" what the objection is *not*. This re-establishes the donor's motivation for the gift.

This also reframes the objection. The objection then becomes a barrier preventing the donor from accomplishing *his* goals. The goal might be

- "*Your* named scholarship fund," or
- "The joy *your* gift will bring these patients."[14]

The key idea is this. The goal is *the donor's* goal.



[12] Panas, J. (2007, March 1). *Fundraising's four magic questions: Answer these and the gift is yours.* Guidestar. [Blog]. https://trust.guidestar.org/fundraisings-four-magic-questions-answer-these-and-the-gift-is-yours
[13] Wohlman, J. (2020). *Practice the ask and negotiation (part 3).* [Video transcript]. Major and principal gifts course. University of California, Davis. https://www.coursera.org/lecture/major-principal-gifts/practice-the-ask-and-negotiation-part-3-bxhL5
[14] Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors.* Aspen Publishers, Inc. p. 121.

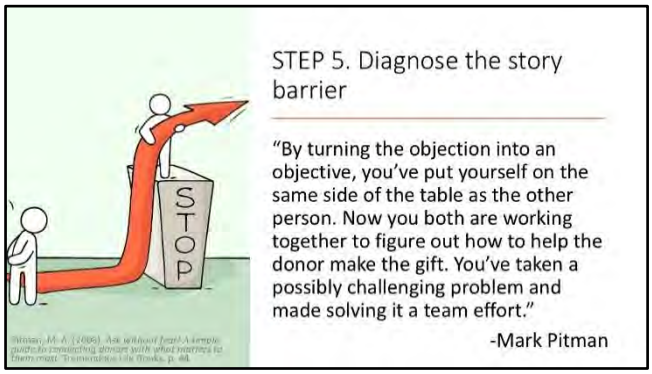
The questions re-affirm the donor's connections with the goal. They remind the donor why this goal is important *to him*. They remind him why this goal is part of *his story*.



5. *Diagnose the story barrier*

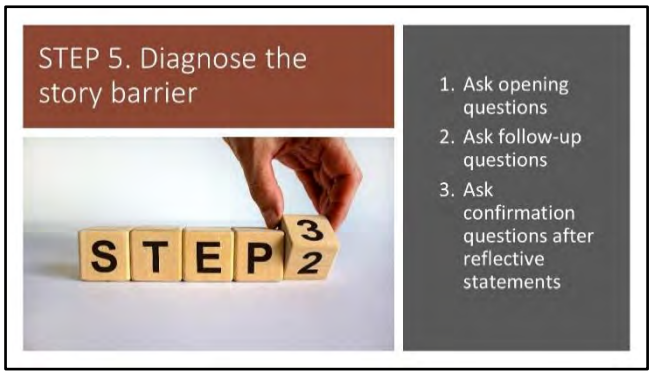
Next, we want to learn the details about the barrier. What's the issue? Is it the cause? The organization? The project? The amount? The timing? We ask questions to learn.

But even if we already know, we still ask. We ask because getting *the donor* to state the barrier helps. It causes the donor to attach the "no" to the external issue. It's no longer the donor's "no." It's the obstacle's "no."



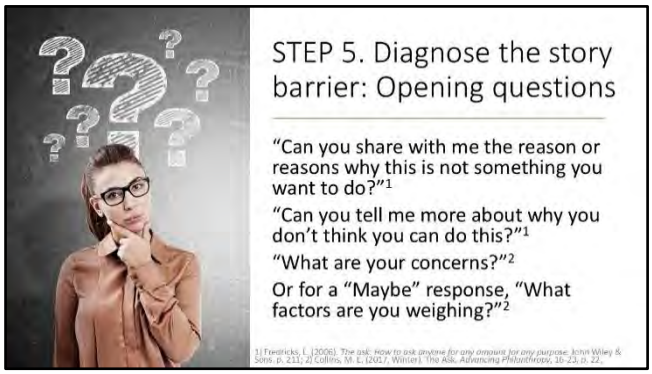
The guiding-sage fundraiser can then come alongside the donor to help. The two can work on this external problem together. As one fundraiser explains,

"By turning the objection into an objective, you've put yourself on the same side of the table as the other person. Now you both are working together to figure out how to help the donor make the gift. You've taken a possibly challenging problem and made solving it a team effort."[15]



The questions can follow the familiar pattern. This starts with opening questions. These lead to follow-up questions. Finally, these end with reflective confirmation questions.

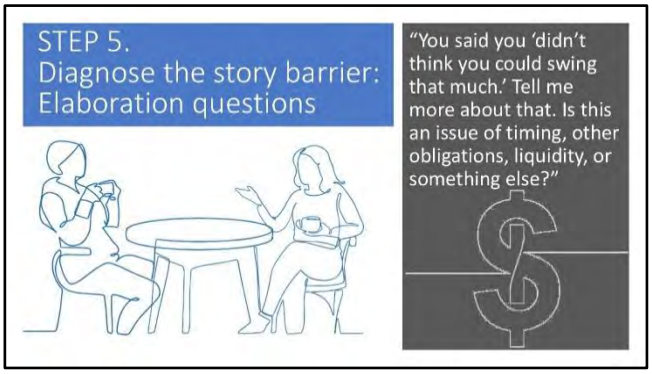
1. Ask opening questions.
2. Ask follow-up questions.
3. Ask confirmation questions after reflective statements.



If the objection isn't known, the initial questions might sound like this:

- "Can you share with me the reason or reasons why this is not something you want to do?"[16]
- "Can you tell me more about why you don't think you can do this?"[17]

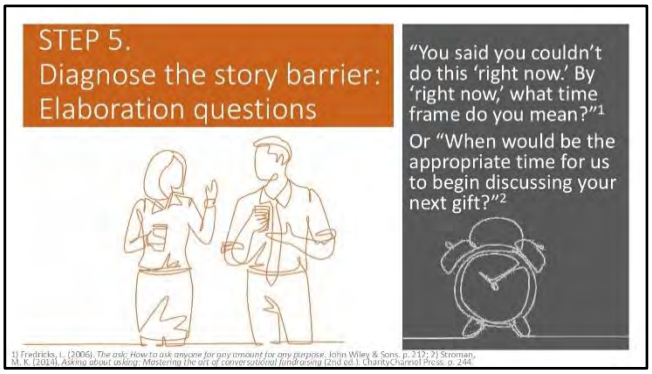
[15] Pitman, M. A. (2008). *Ask without fear! A simple guide to connecting donors with what matters to them most.* Tremendous Life Books. p. 44.
[16] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 211.
[17] *Id.*

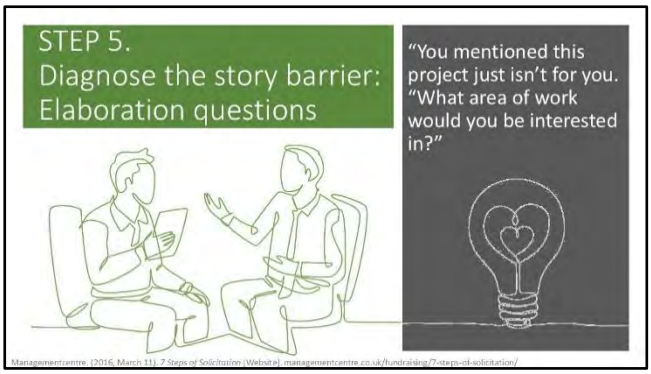


- "What are your concerns?"[18]
- Or for a "Maybe" response, "What factors are you weighing?"[19]

Once the reason is known, ask for elaboration. For example,

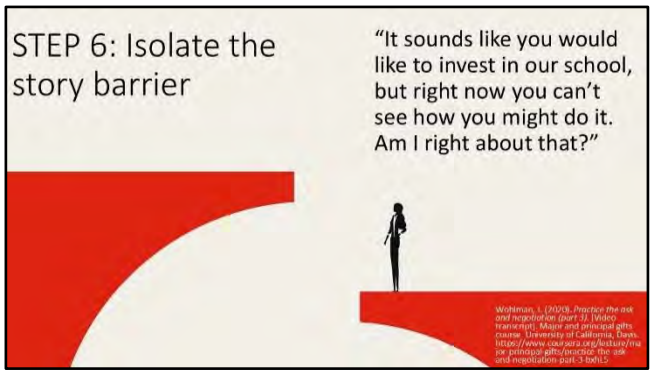
- "You said you 'didn't think you could swing that much.' Tell me more about that. Is this an issue of timing, other obligations, liquidity, or something else?"





- "You said you couldn't do this 'right now.' By 'right now,' what time frame do you mean?"[20] Or, "When would be the appropriate time for us to begin discussing your next gift?"[21]
- "You mentioned this project just isn't for you. "What area of work would you be interested in?"[22]





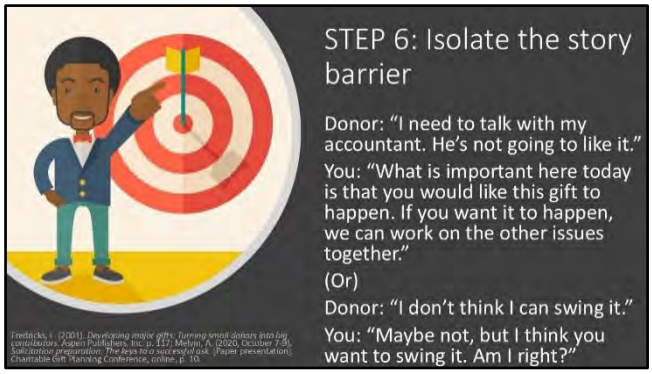
6. *Isolate the story barrier*

We get the donor to state the objection. We ask for elaboration. We make a reflective statement. Then we request confirmation that we got it right.

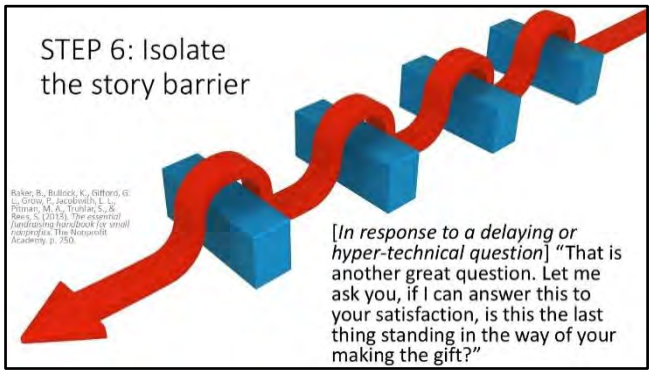
But here's the secret. We want a special kind of confirmation. We want a confirmation that this is the *only* barrier. This confirmation is powerful. It turns the "no" into a *contingent* "yes." For example,

- "It sounds like you would like to invest in our school, but right now you can't see how you might do it. Am I right about that?"[23]

[18] Collins, M. E. (2017, Winter). The Ask. *Advancing Philanthropy*, 16-23, p. 22.
[19] *Id.*
[20] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 212.
[21] Stroman, M. K. (2014). *Asking about asking: Mastering the art of conversational fundraising* (2nd ed.). CharityChannel Press. p. 244.
[22] Managementcentre. (2016, March 11). *7 Steps of Solicitation* [Website]. managementcentre.co.uk/fundraising/7-steps-of-solicitation/
[23] Wohlman, J. (2020). *Practice the ask and negotiation (part 3).* [Video transcript]. Major and principal gifts course. University of California, Davis. https://www.coursera.org/lecture/major-principal-gifts/practice-the-ask-and-negotiation-part-3-bxhL5



- Donor: "I need to talk with my accountant. He's not going to like it." You: "What is important here today is that you would like this gift to happen.[24] If you want it to happen, we can work on the other issues together."



- Donor: "I don't think I can swing it." You: "Maybe not, but I think you want to swing it. Am I right?"[25]

- [In response to a delaying or hyper-technical question] "That is another great question. Let me ask you, if I can answer this to your satisfaction, is this the last thing standing in the way of your making the gift?"[26]



7. *Attack the story barrier*

The barrier to the donor's hero story has been defined. Now it's time for the guiding sage to come alongside the donor to help attack that barrier. The guiding sage brings forth advice, wisdom, and magical instruments. The sage helps the hero complete the journey.

Obi-Wan gives Luke a light saber. Gandalf shows Bilbo where to find the ring. Morpheus teaches Neo "kung fu." Dumbledore gives Harry Potter the invisibility cloak. The guiding-sage fundraiser comes alongside the donor to help solve the problem.

This could be a quick solution. Suppose the amount is too much. We respond by breaking the gift into a multi-year pledge. For example,



- "We're not asking for a gift right now, just a pledge. As long as you can start your payments within the next three years, a pledge is just as good as a gift."[27]

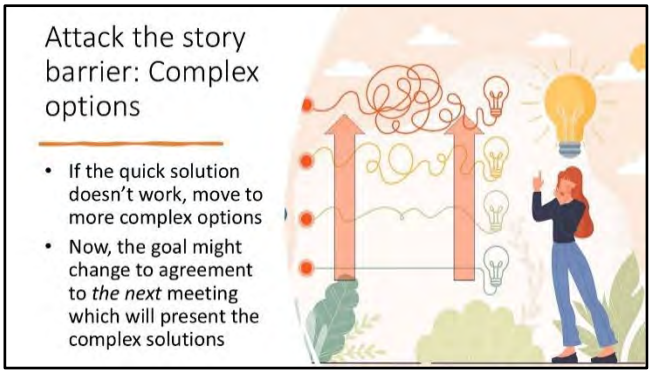
- If the person says, 'I already have a pretty large commitment to the symphony to pay for,' you can say, 'I understand. Let me remind you that you will have a three-to-five-year window to pay off this gift.'"[28]

[24] Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors.* Aspen Publishers, Inc. p. 117.
[25] Melvin, A. (2020, October 7-9). *Solicitation preparation: The keys to a successful ask.* [Paper presentation]. Charitable Gift Planning Conference, online, p. 10.
[26] Baker, B., Bullock, K., Gifford, G. L., Grow, P., Jacobwith, L. L., Pitman, M. A., Truhlar, S., & Rees, S. (2013). *The essential fundraising handbook for small nonprofits.* The Nonprofit Academy. p. 250.
[27] Grover, S. R. (2006). *Capital campaigns: A guide for board members and others who aren't professional fundraisers but who will be the heroes who create a better community.* iUniverse. p. 105.
[28] Collins, M. E. (2017, Winter). The Ask. Advancing Philanthropy, 16-23, p. 22.

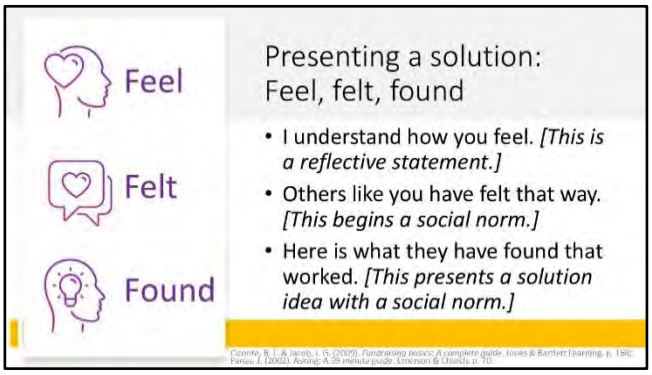




- They say: "$25K is too much. You say: "How about that over five years? $5K per year?"[29]
- "We're not asking that you write a check today. Our pledge period goes up to four years, so it would be $125,000 each year."[30]



Sometimes the quick solution doesn't work. Then the guiding sage moves to more complex options. Here, the goal can change. It may no longer be to get agreement to make a gift. Instead, the goal may be to gain enough interest in a potential solution to get the next meeting. The next meeting presents the complex solutions.

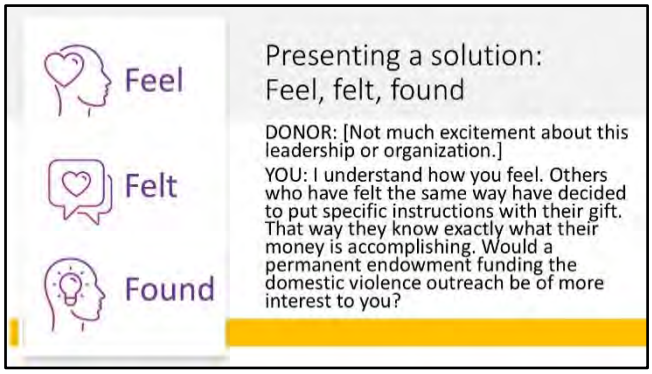


Presenting solutions can follow the "feel, felt, found" pattern.[31] It ends with the request to discuss detailed options either now or at the next meeting.

1. I understand how you feel. *[This is a reflective statement.]*
2. Others like you have felt that way. *[This begins a social norm.]*
3. Here is what they have found that worked. *[This presents a solution idea with a social norm.]*

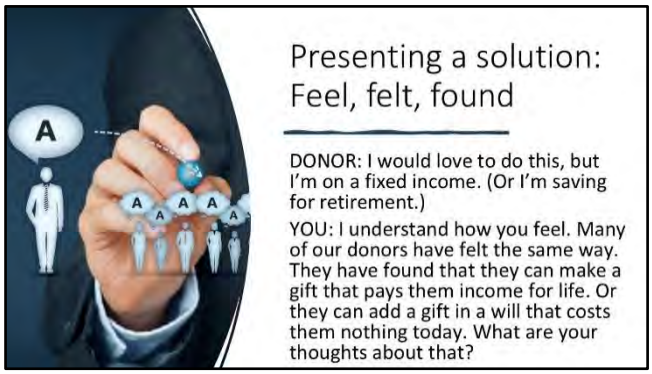
In a conversation, the pattern might sound like this.

[29] Melvin, A. (2020, October 7-9). *Solicitation preparation: The keys to a successful ask.* [Paper presentation]. Charitable Gift Planning Conference, online, p. 11.
[30] Grover, S. R. (2006). *Capital campaigns: A guide for board members and others who aren't professional fundraisers but who will be the heroes who create a better community.* iUniverse. p. 105.
[31] Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. p. 168; Panas, J. (2002). *Asking: A 59-minute guide to everything board members, volunteers, and staff must know to secure the gift.* Emerson & Church. p. 70. For examples of this technique in sales literature, *see*, Sobczak, A. (1995). *How to sell more, in less time, with no rejection.* Business By Phone Inc.; Weitz, B. A., Castleberry, S. & Tanner, J. F. (2009). *Selling: Building partnerships.* 7th ed. McGraw-Hill. For evidence that this improves long-term relationships with customers, *see*, Habel, J., Alavi, S., & Pick, D. (2017). When serving customers includes correcting them: Understanding the ambivalent effects of enforcing service rules. *International Journal of Research in Marketing, 34*(4), 919-941. Note that this approach is focused on empathy, emotion, and social relationship, matching a philanthropic context. For evidence that it works poorly in an unemotional, competitive, contract context such as when closing a sale with industrial buyers, *see,* Delvecchio, S., Zemanek, J., McIntyre, R., & Claxton, R. (2004). Updating the adaptive selling behaviours: tactics to keep and tactics to discard. *Journal of Marketing Management, 20*(7-8), 859-875.



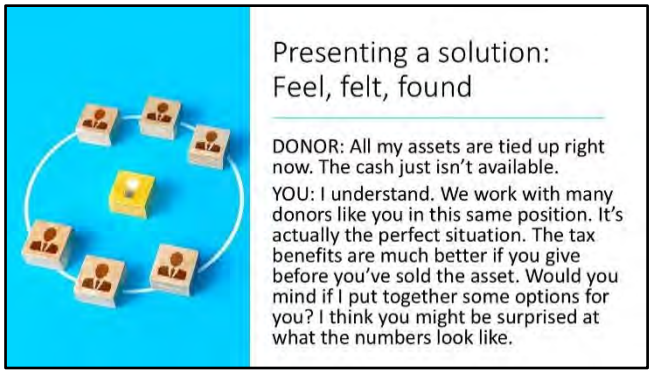
DONOR: [Not much excitement about this leadership or organization.]

YOU: I understand how you feel. Others who have felt the same way have decided to put specific instructions with their gift. That way they know exactly what their money is accomplishing. Would a permanent endowment funding the domestic violence outreach be of more interest to you?



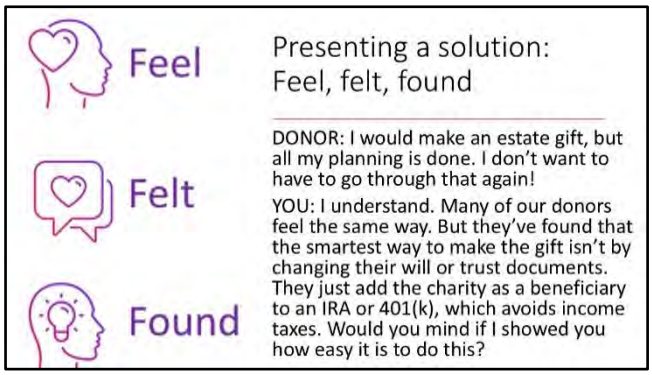
DONOR: I would love to do this, but I'm on a fixed income. (Or I'm saving for retirement.)

YOU: I understand how you feel. Many of our donors have felt the same way. They have found that they can make a gift that pays them income for life. Or they can add a gift in a will that costs them nothing today. What are your thoughts about that?



DONOR: All my assets are tied up right now. The cash just isn't available.

YOU: I understand. We work with many donors like you in this same position. It's actually the perfect situation. The tax benefits are much better if you give *before* you've sold the asset. Would you mind if I put together some options for you? I think you might be surprised at what the numbers look like.



DONOR: I would make an estate gift, but all my planning is done. I don't want to have to go through that again!

YOU: I understand. Many of our donors feel the same way. But they've found that the smartest way to make the gift isn't by changing their will or trust documents. They just add the charity as a beneficiary to an IRA or 401(k). Anyone else who inherits that money pays income taxes on it. But not the charity. Would you mind if I showed you how easy it is to do this?

DONOR: [Not much excitement about this project.]

YOU: I understand how you feel. Others have felt the same way. They've found that other projects are a better fit for them. Do you mind if I share some of those? You might find one that really appeals to you.



The more solutions the fundraiser knows, the more likely she can continue the conversation. But the goal isn't always to give a quick solution. It can be enough to reference that there are some possible solutions. This is followed by a request. The request is for permission to share more detailed options. It might sound like this:



"If you wouldn't mind visiting again, I'd like to work with some experts and put together a few personalized options for you. There's no obligation, but I think you'll find some of them really interesting. Would your calendar allow us to meet on Tuesday the 15th at this same time?"

Agreement for the next meeting gives the donor more time to think. It gives the fundraiser more time to plan. It also justifies asking detailed questions to help build the specific proposal.

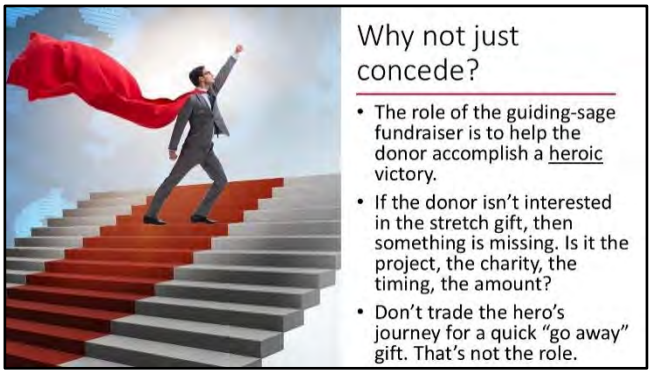


Why not just concede?

Among all these steps and strategies, one approach is missing. Don't start by conceding. As Laura Fredricks advises, if a donor objects to the amount,

"First and foremost, please do not say, 'What did you have in mind?'"[32]

Why not? Admittedly, the donor's decision is the donor's decision. If he decides to give $1,000 instead of $10,000, then that's what he'll do. But the role of the guiding-sage fundraiser is to help the donor accomplish a *heroic* victory. It's not to just settle for the comfortable "pat on the head" gift. Those gifts are fine. But they aren't heroic.



If the donor isn't interested in the stretch gift, then something is missing. The fundraiser's role is to find out what that is. What's the barrier? Is it the project, the charity, the timing, the amount? We want to work on it together. We want to overcome that barrier.

The immediate response is not to give up the victory. It's not to happily trade the hero's journey for a convenient "go away" gift. Why

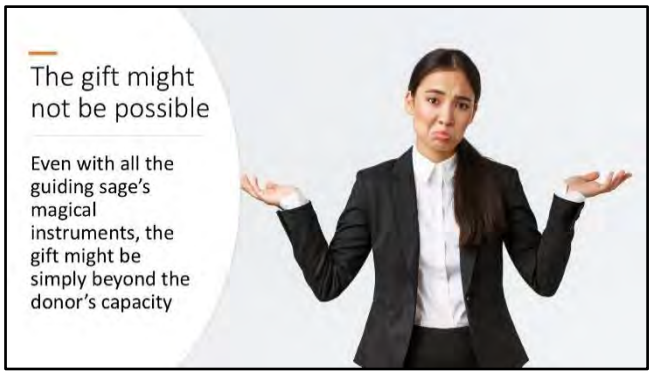
[32] Fredricks, L. (2006). *The ask: How to ask anyone for any amount for any purpose*. John Wiley & Sons. p. 213.

shouldn't we simply concede? Because that's not the role we're playing. That's not the story we're advancing.



Notice the heroic themes in Laura Fredricks's response to the "no,"

"[state] right up front that yes, this is a very large amount asked, something not done every day ... The next response, "You are one of the few people we can turn to ask for this important gift," will bolster your original statement and will let the prospect know that the organization views him or her as a treasured and model donor."[33]



Of course, the proposed gift might not be possible. Even with all the guiding sage's magical instruments, the gift might be simply beyond the donor's capacity. That's OK. But we want to get to that place at the end of this process, not at the beginning. And what happens then?

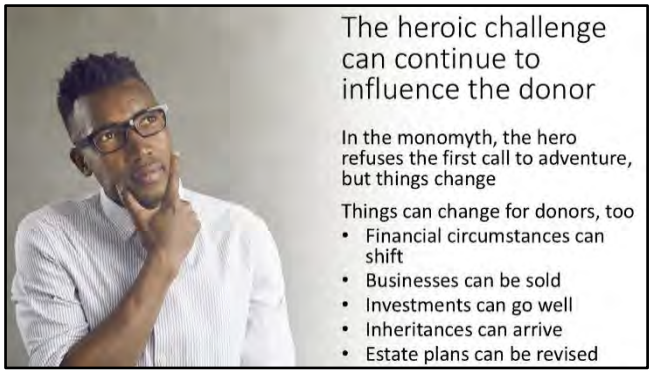


The hard "no"

Even with a hard "no," the goal doesn't change. The goal is still to advance the donor-hero's journey. The goal is still for the donor to make a heroic gift. And because of the Socratic process, we know more.

We know more about the story connections. We know more about the story barriers. This can lead to crafting a better challenge for this donor. Or it can lead to leaving the challenge for a future day.

Not every "no" can be quickly flipped to a "yes." But the truly heroic challenge is still compelling. If it fits with the donor's identity, it's compelling. If it promises a meaningful victory, it's compelling.



Even after the "no," this heroic challenge can continue to influence the donor. In the monomyth, the hero refuses the first call to adventure. But things change. Things can change for donors, too. Financial circumstances can shift. Businesses can be sold. Investments can go well. Inheritances can arrive. Estate plans can be revised. The

[33] Fredricks, L. (2001). *Developing major gifts: Turning small donors into big contributors.* Aspen Publishers, Inc. pp. 116-117.

opportunity to accept the compelling heroic challenge may arise again. Today's "no," can still become tomorrow's "yes."



I'm so sorry, you got a "yes"

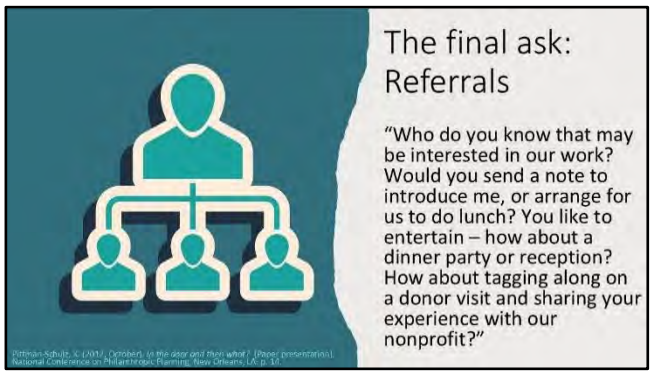
Not every request is met with resistance. Sometimes the donor immediately says, "Yes." What then? We thank the donor for the gift. We express gratitude for the impact the gift will have. We confirm the precise date, time, and manner of transfer. (A simple gift agreement sometimes helps.) And then, we stop. As the West Texas saying goes, "Once you hit oil, stop drilling."



But a quick "yes" might show something else. Part of the story might be missing. If the hero doesn't initially resist the "call to adventure," was it really a heroic request after all? If the donor didn't need to think about it, was it really a sacrificial gift? Did we really advance the donor's *hero* story? Experienced fundraisers recognize this reality. One shares this,

> "If they say 'yes' straight away when you ask for a specific amount, the chances are that you have not asked for enough."[34]





The final ask

Whether the visit results in a gift or not, there can be one final ask. This ask is for referrals. It might sound like this:

- "Do you know other people that may be interested in learning about what we're doing?"[35]
- "Can you name three friends/colleagues who might like to learn more about our organization or who might also be interested in serving as volunteers?"[36]
- "Who do you know that may be interested in our work? Would you send a note to introduce me, or arrange for us to do lunch? You like to entertain – how about a

[34] Managementcentre. (2016, March 11). *7 Steps of Solicitation*. Retrieved from managementcentre.co.uk/fundraising/7-steps-of-solicitation/
[35] Baker, B., Bullock, K., Gifford, G. L., Grow, P., Jacobwith, L. L., Pitman, M. A., Truhlar, S., & Rees, S. (2013). *The essential fundraising handbook for small nonprofits.* The Nonprofit Academy, p. 154.
[36] Greenhoe, J. (2013). *Opening the door to major gifts: Mastering the discovery call.* CharityChannel Press. p. 58.

dinner party or reception? How about tagging along on a donor visit and sharing your experience with our nonprofit?"[37]

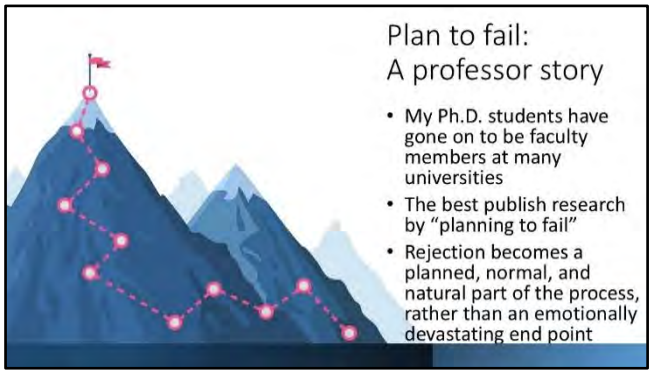


Plan to fail

In the monomyth, the hero first refuses the call to adventure. In advancing the donor's hero story, a "no" is a typical part of the process. Understanding this means we plan for it.

So, for example, we don't leave the ask until the end of the scheduled time. A "no" can be an excellent start. But the follow up is critical. And it takes time.

It also means that we emotionally plan for a "no." It's not a jolt. It's not a cause for disappointment. It's part of the journey.



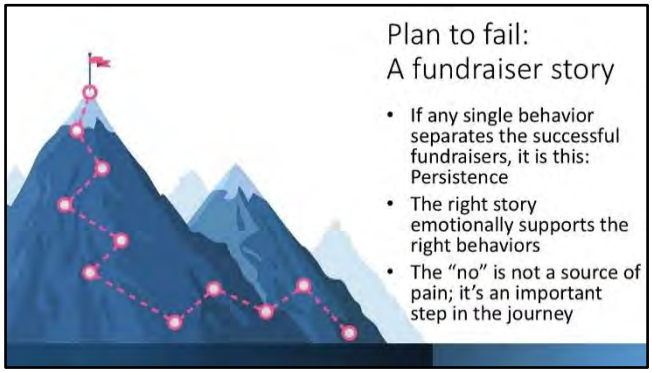
Plan to fail: A professor story

I've been the dissertation advisor for many Ph.D. students over the years. These students have gone on to be faculty members at many universities. To succeed there, they must publish research in academic journals. A critical part of this success is planning to fail. How so? The publishing plan should be,

"I will submit to Journal A. Then, I'll use the reviews from the rejection to improve the manuscript for Journal B. Then, I'll use those rejection reviews to improve the manuscript for Journal C. And Journal C will publish the manuscript."

Rejection becomes normal and expected. It's a natural part of the process. It triggers immediate revision and resubmission.

What if instead the plan were to just publish in Journal A? Then things change. A rejection is devastating. Engaging with the negative reviews is emotionally painful. The revision hurts. It gets delayed. The manuscript sits on the desk. And "publish or perish" leads to job loss. Framing the rejection as part of the process – not some devastating aberration – helps. It leads to the right behaviors.



Plan to fail: A fundraiser story

In the same way, planning for the "no" is important for the fundraiser. If any single

[37] Pittman-Schulz, K. (2012, October). *In the door and then what?* [Paper presentation]. National Conference on Philanthropic Planning, New Orleans, LA. p. 14.

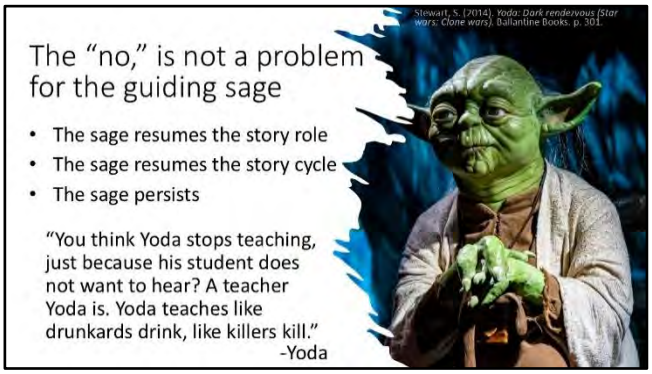
behavior separates the successful fundraisers (or researchers) it is this: persistence. Having the right story framework helps.

The right story emotionally supports the right behaviors. The "no" is not a source of pain. It's an important step in the journey. It opens the door to important questions. It's part of the process. It's part of the story.



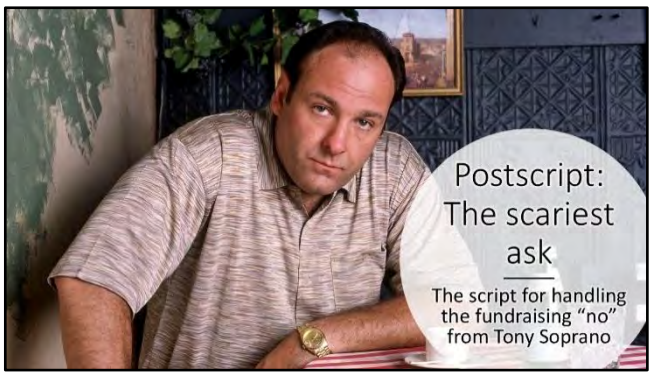
Conclusion

Making a compelling, heroic challenge is an accomplishment. It's not every day that people receive an epic "call to adventure." The ask can make a lasting impact even when the answer is "no."

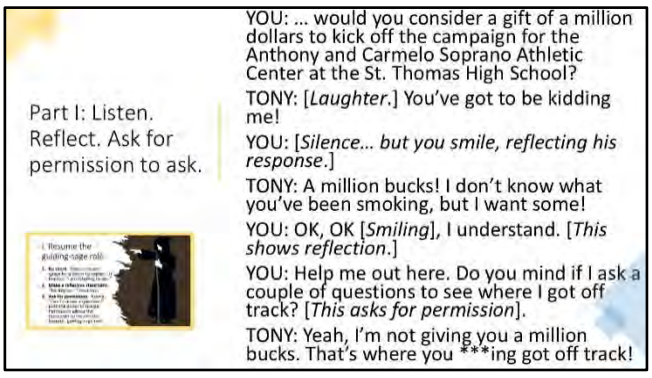


The "no," is not a problem for the guiding sage. The sage resumes the story role. The sage resumes the story cycle. The sage persists. As the famous monomyth guiding sage Yoda explains,

"You think Yoda stops teaching, just because his student does not want to hear? A teacher Yoda is. Yoda teaches like drunkards drink, like killers kill."[38]



Postscript: The scariest ask
The script for handling the fundraising "no" from Tony Soprano



YOU: ... would you consider a gift of a million dollars to kick off the campaign for the Anthony and Carmelo Soprano Athletic Center at the St. Thomas High School?

TONY: [*Laughter.*] You've got to be kidding me!

[38] Stewart, S. (2014). *Yoda: Dark rendezvous (Star wars: Clone wars).* Ballantine Books. p. 301.

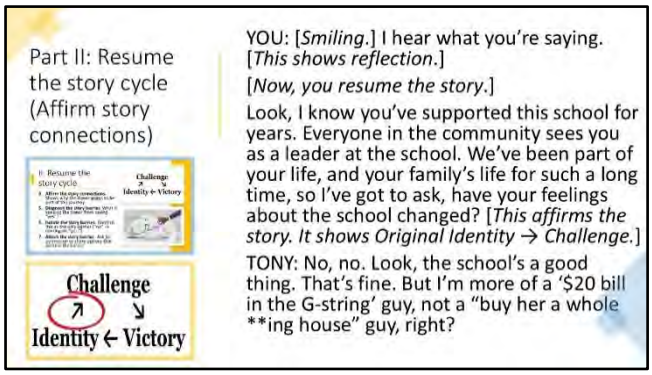
YOU: [*Silence… but you smile, reflecting his response.*]

TONY: A million bucks! I don't know what you've been smoking, but I want some!

YOU: OK, OK [*Smiling*], I understand. [*This shows reflection.*]

YOU: Help me out here. Do you mind if I ask a couple of questions to see where I got off track? [*This asks for permission*].

TONY: Yeah, I'm not giving you a million bucks. That's where you ***ing got off track!

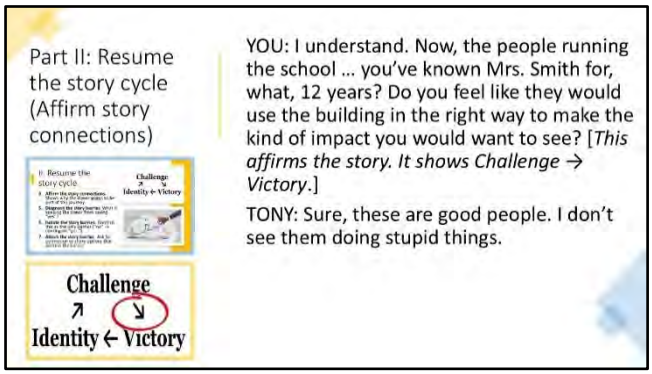


YOU: [*Smiling.*] I hear what you're saying. [*This shows reflection.*]

[*Now, you resume the story.*]

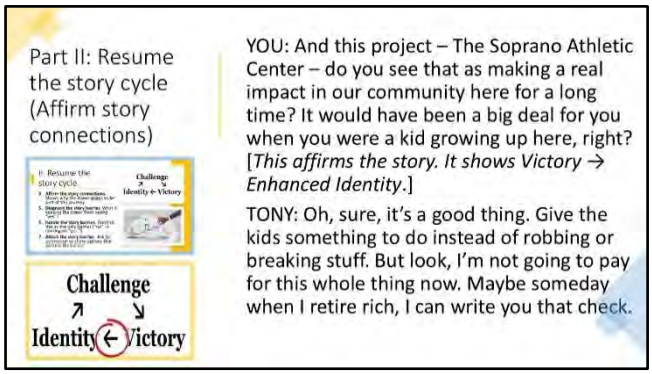
Look, I know you've supported this school for years. Everyone in the community sees you as a leader at the school. We've been part of your life, and your family's life for such a long time, so I've got to ask, have your feelings about the school changed? [*This affirms the story. It shows Original Identity → Challenge.*]

TONY: No, no. Look, the school's a good thing. That's fine. But I'm more of a '$20 bill in the G-string' guy, not a "buy her a whole **ing house" guy, right?



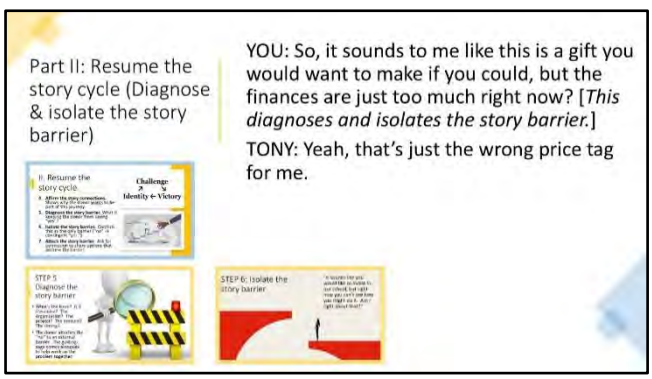
YOU: I understand. Now, the people running the school … you've known Mrs. Smith for, what, 12 years? Do you feel like they would use the building in the right way to make the kind of impact you would want to see? [*This affirms the story. It shows Challenge → Victory.*]

TONY: Sure, these are good people. I don't see them doing stupid things.

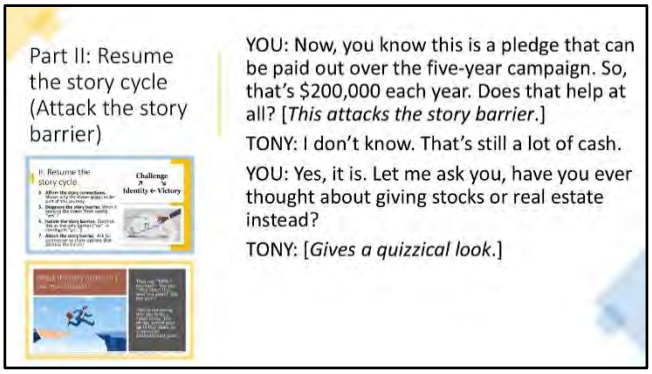


YOU: And this project – The Soprano Athletic Center – do you see that as making a real impact in our community here for a long time? It would have been a big deal for you when you were a kid growing up here, right? [*This affirms the story. It shows Victory → Enhanced Identity.*]

TONY: Oh, sure, it's a good thing. Give the kids something to do instead of robbing or breaking stuff. But look, I'm not going to pay for this whole thing now. Maybe someday when I retire rich, I can write you that check.



YOU: So, it sounds to me like this is a gift you would want to make if you could, but the finances are just too much right now? [*This diagnoses and isolates the story barrier.*]



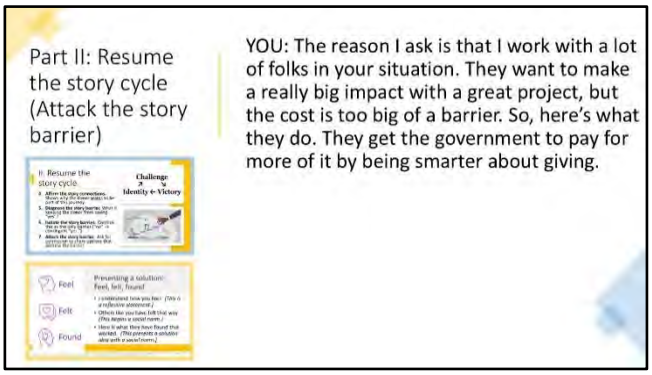
TONY: Yeah, that's just the wrong price tag for me.

YOU: Now, you know this is a pledge that can be paid out over the five-year campaign. So, that's $200,000 each year. Does that help at all? [*This attacks the story barrier.*]

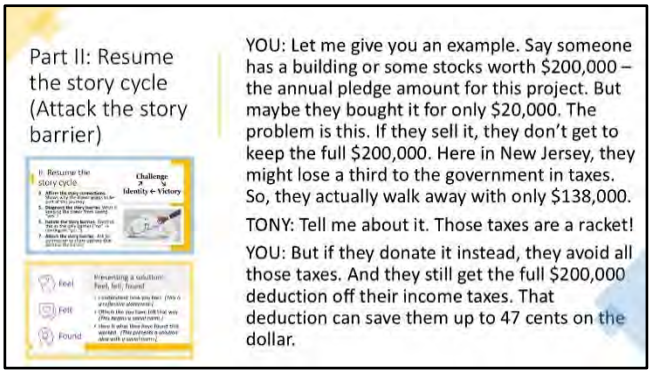
TONY: I don't know. That's still a lot of cash.

YOU: Yes, it is. Let me ask you, have you ever thought about giving stocks or real estate instead?

TONY: [*Gives a quizzical look.*]



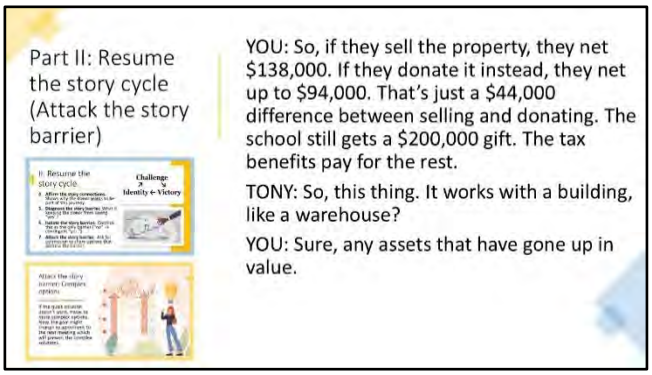
YOU: The reason I ask is that I work with a lot of folks in your situation. They want to make a really big impact with a great project, but the cost is too big of a barrier. So, here's what they do. They get the government to pay for more of it by being smarter about giving.



YOU: Let me give you an example. Say someone has a building or some stocks worth $200,000 – the annual pledge amount for this project. But maybe they bought it for only $20,000. The problem is this. If they sell it, they don't get to keep the full $200,000. Here in New Jersey, they might lose a third to the government in taxes. So, they actually walk away with only $138,000.

TONY: Tell me about it. Those taxes are a racket!

YOU: But if they donate it instead, they avoid all those taxes. And they still get the full $200,000 deduction off their income taxes. That deduction can save them up to 47 cents on the dollar.



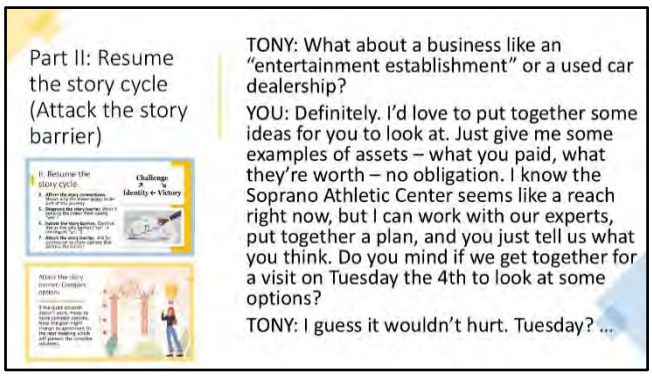
YOU: So, if they sell the property, they net $138,000. If they donate it instead, they net up to $94,000. Their net cost is just the $44,000 difference between selling and donating. The school still gets a $200,000 gift. The tax benefits pay for the rest.

TONY: So, this thing. It works with a building, like a warehouse?

YOU: Sure, any assets that have gone up in value.

TONY: What about a business like an "entertainment establishment" or a used car dealership?

YOU: Definitely. I'd love to put together some ideas for you to look at. Just give me some examples of assets – what you paid, what they're worth – no obligation. I know the



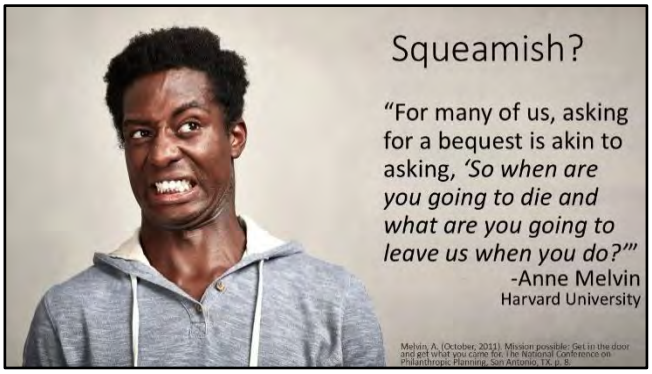
Soprano Athletic Center seems like a reach right now, but I can work with our experts, put together a plan, and you just tell us what you think. Do you mind if we get together for a visit on Tuesday the 4th to look at some options?

TONY: I guess it wouldn't hurt. Tuesday? ...



11

SOCRATIC FUNDRAISING "LEGACY EDITION": HOW TO ASK FOR THE GIFT IN A WILL WITHOUT FEAR OR ANXIETY



Sure, asking for money is hard. But asking for an estate gift? Even experienced fundraisers can get squeamish. As Anne Melvin puts it,

"For many of us, asking for a bequest is akin to asking, *'So when are you going to die and what are you going to leave us when you do?*'[1]

And yet, it's vital. The right ask can be powerful. So, how can we do this? What are the right words and phrases? To answer this, let's start with theory.

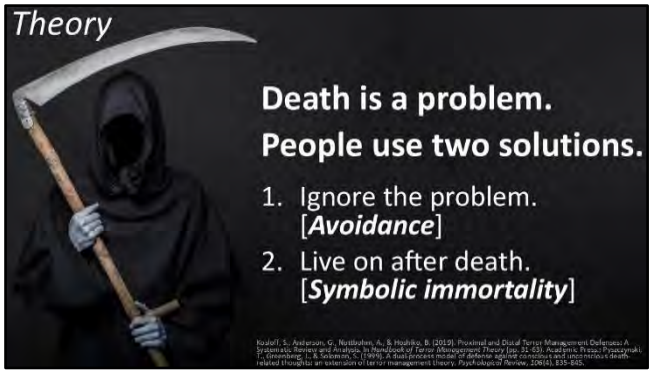


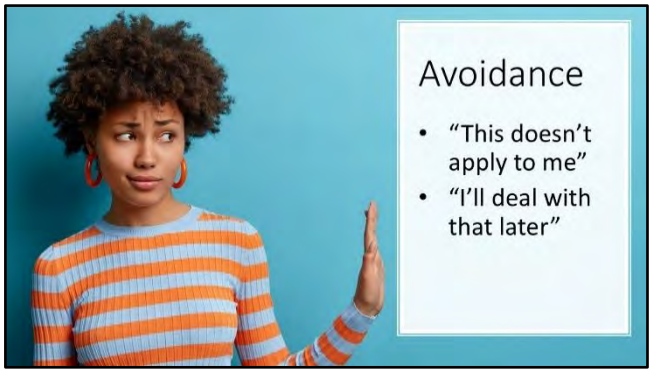
Theory and death reminders

Why is this so … uncomfortable? Simple answer. Because it's about death. Death is an uncomfortable topic.[2] More than that, the reality of our own death is a serious psychological problem. People use two "solutions" to the problem:[3]

1. Ignore the problem. (This is called "avoidance.")

[1] Melvin, A. (2011, October). *Mission possible: Get in the door and get what you came for* [Paper presentation]. National Conference on Philanthropic Planning, San Antonio, TX. p. 8.
[2] Kastenbaum, R. (2000). *Psychology of death* (3rd ed.). Springer. p. 98. (explaining that there is "general agreement that most of us prefer to minimize even our cognitive encounters with death.")
[3] Kosloff, S., Anderson, G., Nottbohm, A., & Hoshiko, B. (2019). Proximal and distal terror management defenses: A systematic review and analysis. In *Handbook of Terror Management Theory* (pp. 31-63). Academic Press; Pyszczynski, T., Greenberg, J., & Solomon, S. (1999). A dual-process model of defense against conscious and unconscious death-related thoughts: an extension of terror management theory. *Psychological Review, 106*(4), 835-845.





2. Live on after death. (This is called "symbolic immortality.")

Avoidance

Avoidance actively ignores personal mortality. It runs away from death reminders. It says, "This doesn't apply to me." It says, "I'll deal with that later." It's why most people don't have wills.[4] It's why attendance at "planned giving" seminars is so small.





Symbolic immortality

Living on after death isn't just about a religious afterlife. It means some part of one's identity – one's people, values, or story – will continue on after death. This continuation is called "symbolic immortality." Death reminders increase the desire for this "symbolic immortality." They increase interest in making a lasting impact. But to be meaningful, the impact must support one's people, values, or story.

Research experiments show this. For example, death reminders make people more protective of their social group – and more resistant to outside groups.[5] Group opinions and social "norms" become more powerful.[6] People become more interested in social prestige,[7] fame,[8] a positive life story,[9] personal

[4] James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431.

[5] *See* Burke, B. L., Martens, A., & Faucher, E. H. (2010). Two decades of terror management theory: A meta-analysis of mortality salience research. *Personality and Social Psychology Review, 14*(2), 155-195; James, R. N., III. (2016). An economic model of mortality salience in personal financial decision making: Applications to annuities, life insurance, charitable gifts, estate planning, conspicuous consumption, and healthcare. *Journal of Financial Therapy, 7*(2), 62-82.

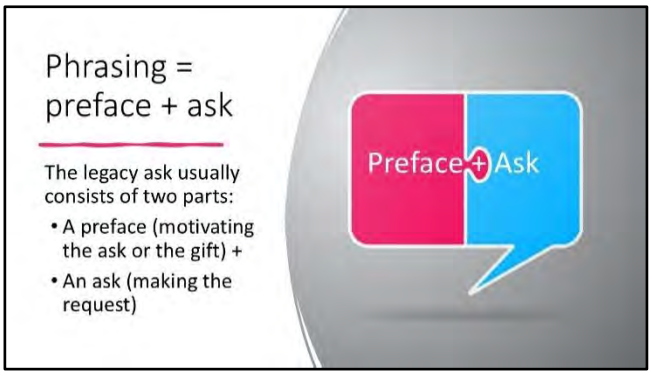
[6] *See, e.g.,* Fritsche, I., Jonas, E., Kayser, D. N., & Koranyi, N. (2010). Existential threat and compliance with pro-environmental norms. *Journal of Environmental Psychology, 30*(1), 67-79; Gailliot, M. T., Stillman, T. F., Schmeichel, B. J., Maner, J. K., & Plant, E. A. (2008). Mortality salience increases adherence to salient norms and values. *Personality and Social Psychology Bulletin, 34*(7), 993-1003.

[7] van Bommel, T., O'Dwyer, C., Zuidgeest, T. W., & Poletiek, F. H. (2015). When the reaper becomes a salesman: The influence of terror management on product preferences. *Journal of Economic & Financial Studies, 3*(05), 33-42.

[8] Greenberg, J., Kosloff, S., Solomon, S., Cohen, F., & Landau, M. (2010). Toward understanding the fame game: The effect of mortality salience on the appeal of fame. *Self and Identity, 9*(1), 1-18.

[9] Dechesne, M., Pyszczynski, T., Arndt, J., Ransom, S., Sheldon, K. M., Van Knippenberg, A., & Janssen, J. (2003). Literal and symbolic immortality: The effect of evidence of literal immortality on self-esteem striving in response to mortality salience. *Journal of Personality and Social Psychology, 84*(4), 722; Landau, M. J., Greenberg, J., & Sullivan, D. (2009). Defending a coherent autobiography: When past events appear incoherent, mortality salience prompts compensatory bolstering of the past's significance and the future's orderliness. *Personality and Social Psychology Bulletin, 35*(8), 1012-1020.

heroism,[10] or putting their name on something.[11] Death reminders highlight the question, "What will they say about me when I'm gone?"[12]



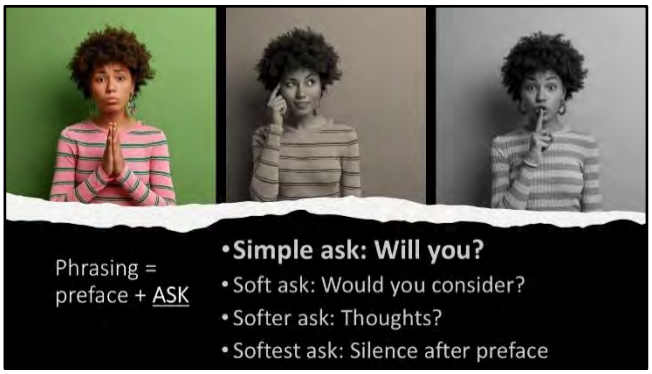
Phrasing = Preface + Ask

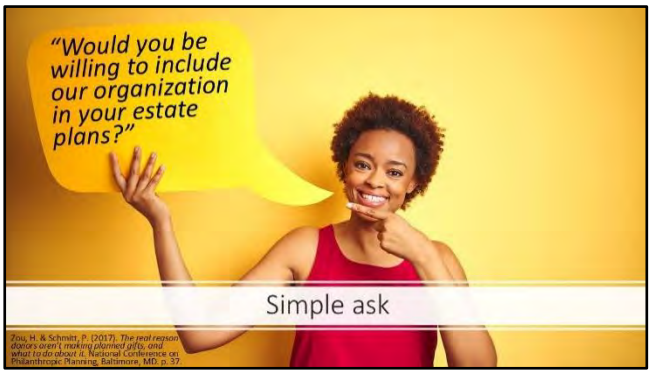
Academic theory is fine, but how do we actually do this? What do we say? The legacy ask usually consists of two parts: a preface and an ask. The preface makes the ask more comfortable. It provides motivation. It justifies the question or the gift. The ask then triggers a response.

Let's look at some examples from experienced fundraisers. The ask itself can be harder or softer. It can be simple and blunt.

The simple ask: Will you?

Examples of the simple ask include,



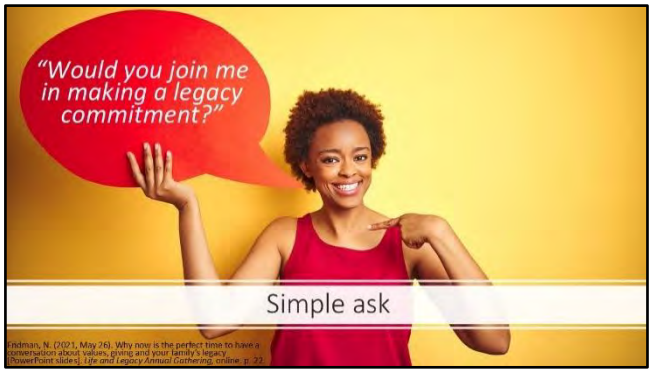


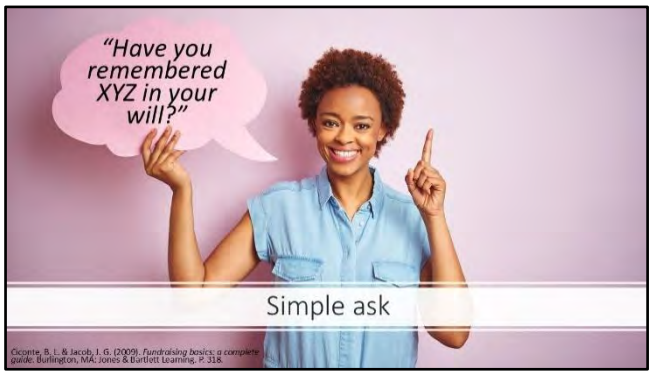


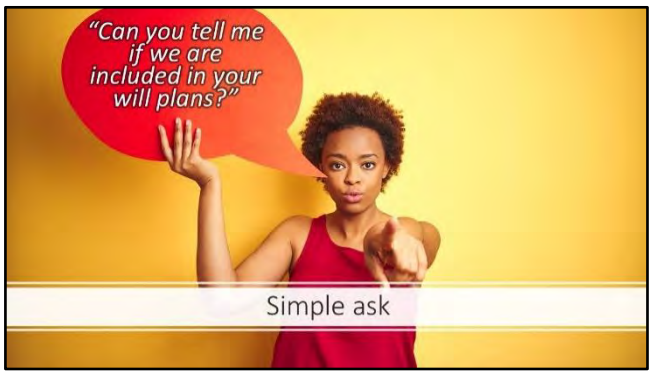
- "Would you be willing to include our organization in your estate plans?"[13]
- "Say, Bill, does your will provide something for the [organization]?"[14]
- "Would you join me as a member of our Legacy Society by making a planned gift?"[15]

[10] McCabe, S., Carpenter, R. W., & Arndt, J. (2015). The role of mortality awareness in heroic enactment. *Journal of Experimental Social Psychology, 61*, 104-109; McCabe, S., Carpenter, R. W., & Arndt, J. (2016). The role of mortality awareness in hero identification. *Self and Identity, 15*(6), 707-726.
[11] *See* Burke, B. L., Martens, A., & Faucher, E. H. (2010). Two decades of terror management theory: A meta-analysis of mortality salience research. *Personality and Social Psychology Review, 14*(2), 155-195; James, R. N., III. (2016). An economic model of mortality salience in personal financial decision making: Applications to annuities, life insurance, charitable gifts, estate planning, conspicuous consumption, and healthcare. *Journal of Financial Therapy, 7*(2), 62-82.
[12] *See, e.g.,* Cohen, D. (2017). *What will they say about you when you're gone? Creating a life of legacy.* Health Communications, Inc.
[13] Zou, H. & Schmitt, P. (2017). *The real reason donors aren't making planned gifts, and what to do about it.* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 37.
[14] Seymour, H. (1999). *Designs for fund-raising* (2nd ed.). The Gale Group. p. 134.
[15] Sargeant, A. & Shang, J. (2010). *Fundraising principles and practice*. Jossey-Bass, p. 427.









- Would you join me in making a legacy commitment?[16]
- "Have you remembered XYZ in your will?"[17]





- "Can you tell me if we are included in your will plans?"

The soft ask: Would you consider?

The ask can be a little softer. One approach is to add a phrase like "would you consider." Examples include,

- "Would you be willing to consider including us as one of the nonprofit organizations in your will?"[18]
- "Would you consider … including us in your estate plans?"[19]
- "Will you consider putting this organization in your will?"[20]
- "Would you consider leaving a [specific amount or percentage] of your estate to our organization?"[21]

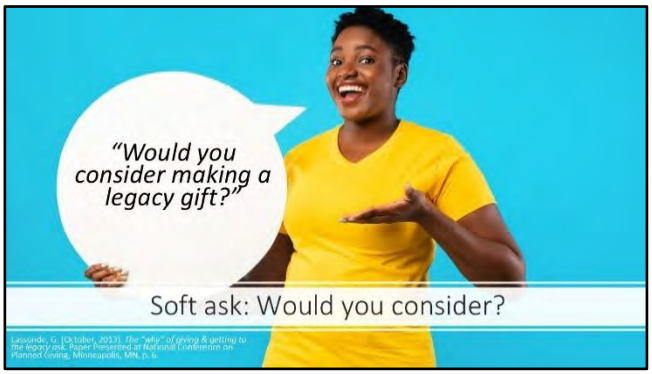
[16] Fridman, N. (2021, May 26). *Why now is the perfect time to have a conversation about values, giving and your family's legacy* [PowerPoint slides]. Life and Legacy Annual Gathering, online. p. 22.
[17] Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. p. 318.
[18] Zou, H. & Schmitt, P. (2017). *The real reason donors aren't making planned gifts, and what to do about it.* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD. p. 37.
[19] Shuba, J. J. (2020, October). *Navigating planned gift conversations with your donors*. [Paper presentation]. Charitable Gift Planning Conference, online, p. 2.
[20] Samers, W. D. (2011, October). *Creative bequests and the unalterable will: Soliciting and drafting bequests.* [Paper presentation]. National Conference on Philanthropic Planning, San Antonio, Texas, p. 10.
[21] Henson, R. (2016). *Planned giving: How to ask for transformational gifts*. iUniverse. p. 54.











- "Would you consider a pledge commitment that isn't paid until you pass or when you no longer need it?"[22]
- "Would you consider making a legacy gift?"[23]
- "Of the types of planned gifts that we've talked about, which one would you consider?"[24]



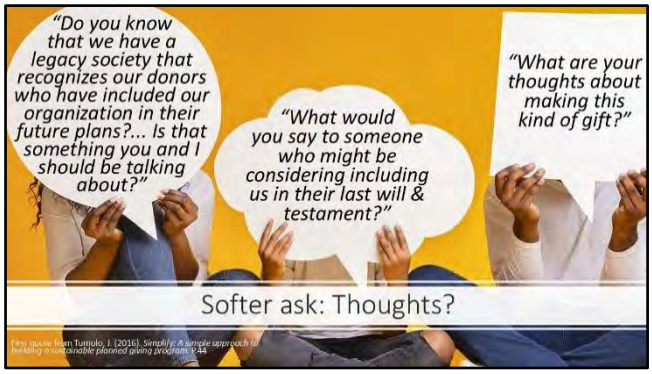


The softer ask: Thoughts?

The ask can be softened even further. One way is to simply ask for "thoughts" on the topic. Examples include,

- "What are your thoughts about making this kind of gift?"

[22] Buderus, A. A. & Smith, G. P. (2013, October). *Blended gift, eh? Making the most of this emerging workhorse for major and planned gift officers.* [Paper presentation]. National Conference on Planned Giving, Minneapolis, MN, p. 9.
[23] Lassonde, G. (2013, October). *The "why" of giving & getting to the legacy ask.* [Paper presentation]. National Conference on Planned Giving, Minneapolis, MN, p. 6.
[24] Sargeant, A. & Shang, J. (2010). *Fundraising principles and practice*. Jossey-Bass. p. 427.



- "Do you know that we have a legacy society that recognizes our donors who have included our organization in their future plans? ... Is that something you and I should be talking about?"[25]
- "What would you say to someone who might be considering including us in their last will & testament?"



The softest ask: Silence

The softest ask is merely implied. This approach begins with a preface. The preface mentions a gift in a will. This is followed by silence. The other person can continue that conversation. Or they can take it another direction. It all depends on their interest and comfort level.

Use an ask phrase that fits your comfort level. Or begin with a softer approach and then move to a more direct one.



*Ask research: **"Gift in a will"***

Ask phrases are relatively simple. But words still matter. In one experiment, the likelihood of agreeing to

- "Make a gift to charity in my last will & testament"

dropped significantly when replacing "make a gift" with either,

- "Leave a legacy gift," or
- "Make a bequest gift."[26]



In another experiment, people were twice as likely to want to read about,

- "Gifts in wills,"

as compared with

- "Estate giving,"
- "Legacy giving," or

[25] Tumolo, J. (2016). *Simplify: A simple approach to building a sustainable planned giving program*. Independently published. p. 44.
[26] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations,* 27(2), 998-1011.



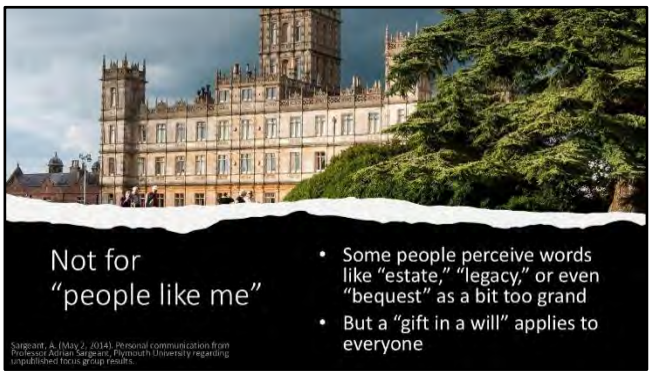
- "Bequest gifts."[27]

The same was true for

- "Will planning"

as compared with either

- "Estate planning" or
- "Legacy planning."[28]



Some people perceive words like "estate" or "legacy," as a bit too grand.[29] Those are for wealthy people – like on Downton Abbey. Those don't apply to "people like me." But a "gift in a will" applies to everyone.



If "gifts in wills" or "will planning" seems too narrow, don't worry. People use these terms to refer to all estate transfers, including

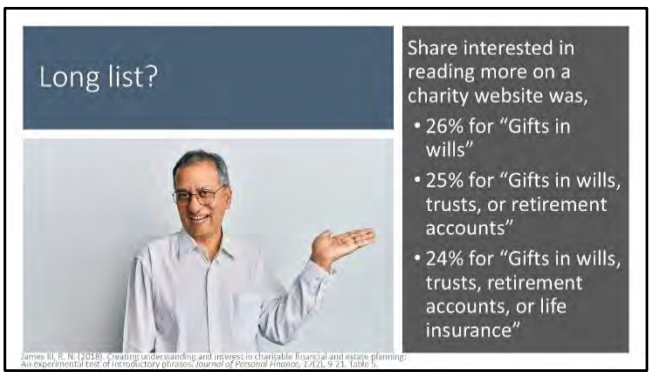
- Living trusts
- Life insurance
- IRA transfer-on-death, and
- Bank account transfer-on-death.

Oddly, people were *more* likely to expect this full range of topics from clicking on

- "Gifts in wills" or
- "Will planning"

than from either,

- "Estate giving" or
- "Estate planning."[30]



A longer list can also work if it *starts* with "gifts in wills." For example, the share of people indicating they "might be" or "were definitely" interested in reading more on a charity website was

- 26% for "Gifts in wills,"

[27] James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21. Table 4.
[28] *Id.*
[29] Sargeant, A. (2014, May 2). *Personal communication.* Professor Adrian Sargeant, Plymouth University. Comment regarding unpublished focus group results.
[30] James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21. Table 5.

- 25% for "Gifts in wills, trusts, or retirement accounts," and
- 24% for "Gifts in wills, trusts, retirement accounts, or life insurance."[31]

For other planned giving instruments, the rule is simple. Simple words outperform technical ones.[32]



Ask research: Death avoidance

It's important not to describe a gift with "death" language. In experiments, people were much more willing to,

- "Make a gift to charity in my last will & testament," than to
- "Make a gift to charity in my last will & testament that will take effect at my death."[33]

The gift was the same. But the description was different. Adding death reminders can trigger an "avoidance" response.

Another experiment showed this for annuities.[34] People were more likely to purchase one paying

- "Each year you live," rather than one paying
- "Each year you live until you die."



In another example, Patrick Schmitt of FreeWill shared,

"We just finished testing 50 different headlines (across approximately 12,000 people) to get folks to make planned gifts, and one headline performed nearly two times better than everything else … Here's the headline: 'Even if you plan to live to 150, you still need to make a plan.'"[35]

A later presentation shared an updated version as,

"Even if you plan to live to 150, you still need a will. Get started today."[36]

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[31] Unpublished results from the study reported in James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21.
[32] James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452.
[33] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations,* 27(2), 998-1011.
[34] Salisbury, L. C., & Nenkov, G. Y. (2016). Solving the annuity puzzle: The role of mortality salience in retirement savings decumulation decisions. *Journal of Consumer Psychology, 26*(3), 417-425. (Study 3, Table 2: 25.8% chose the annuity option when described as paying "each year you live until you die" and 35.8% did so when described as paying "each year you live".)
[35] Schmitt, P. (2019, March 7). *14 magic words for planned giving.* [Blog.] https://medium.com/freewill-insights/14-magic-words-for-planned-giving-a641e1b77ed6
[36] Schmitt, P. (2021, February 23). *3 strategies for success with older donors in 2021*. [Webinar slide deck]. Slide 47. https://f.hubspotusercontent10.net/hubfs/7139016/FW%20Webinar%20-%20Older%20donors.pdf

These headlines don't lead with death. They do the opposite. They lead with long life. Signing a will is for people planning to live a long time.

A logical headline might instead be,

"You should make a will because you might die tomorrow!"

But this doesn't work. It leads with death. Death reminders trigger avoidance.

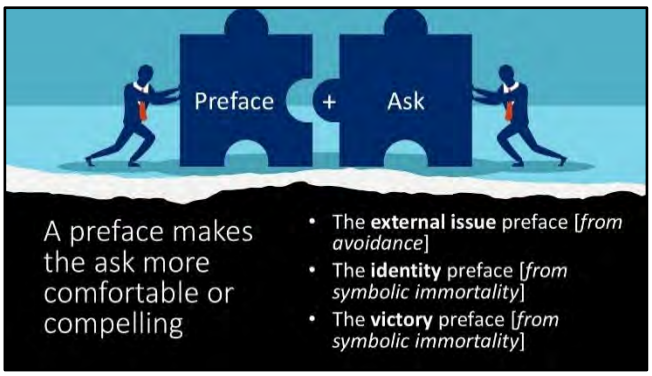


The preface

The preface comes before the ask. But it's not mandatory. We can just make a "naked" ask. In one experiment, 2,000 people were completing their will planning.[37] Half weren't specifically asked about charity. In this group, 4.9% left a gift to charity. The other half were asked,

"Would you like to leave any money to charity in your will?"

In this group, 10.8% included a gift to charity. Just asking the question, by itself, worked. It doubled the share of wills including charity.



Asking works. But it's often more comfortable or compelling to start with a preface. This can include

- The external issue preface. [This matches the *avoidance* response.]
- The identity preface. [This matches the *symbolic immortality* response.]
- The victory preface. [This also matches the *symbolic immortality* response.]

Let's look at examples of each.



External issue preface examples

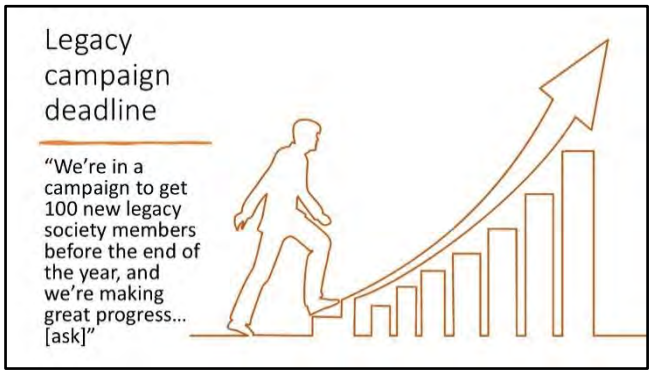
Many people tend to avoid estate planning. Why? Because it's a death reminder. So, it can help to have a *non-death* reason to start the conversation. We wouldn't normally bring it up. It's just that some outside issue is pushing the conversation. This might be because of

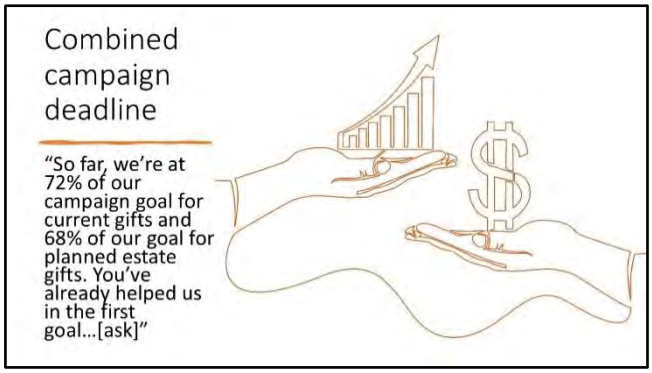
- A campaign deadline

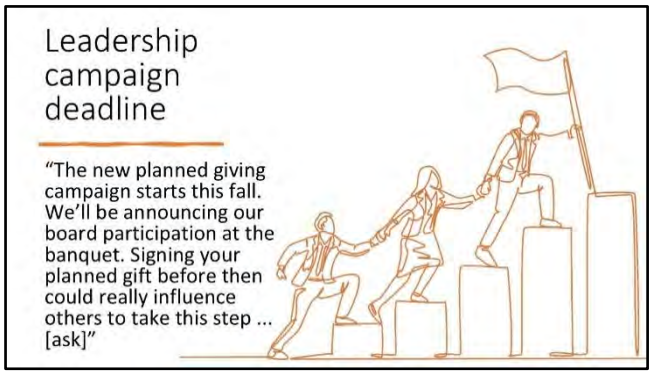
[37] Cabinet Office. (2013). *Applying behavioral insights to charitable giving.* Cabinet Office Behavioural Insights Team. pp. 22-23. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/203286/BIT_Charitable_Giving_Paper.pdf

- A matching gift deadline
- A problem, or
- It's my job.

It can also help to have a *non-death* reason to sign the will now. If the donor signs it now, something important happens. Example phrases include







1. *Campaign deadline*

- Legacy campaign deadline

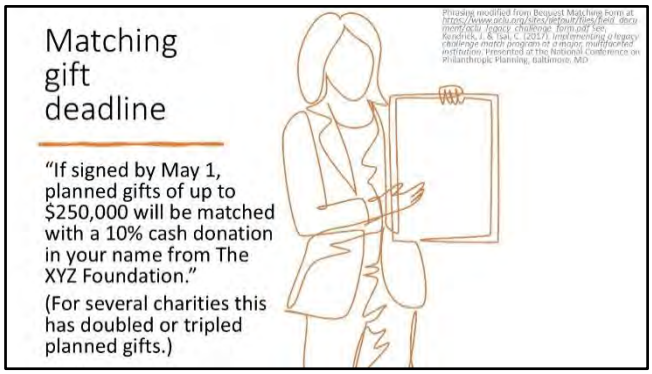
"We're in a campaign to get 100 new legacy society members before the end of the year. We're making great progress, and ... [ask]"

- Combined campaign deadline

"So far, we're at 72% of our campaign goal for current gifts and 68% of our goal for planned gifts in wills. You've already helped us in the first goal ... [ask]"

- Leadership campaign deadline

"The new planned giving campaign starts this fall. We'll be announcing our board participation at the banquet. Signing your gift in a will before then could really influence others to take this step ... [ask]"



2. *Matching gift deadline*

- "If signed by May 1, planned gifts of up to $250,000 will be matched with a 10% cash donation in your name from The XYZ Foundation."[38]

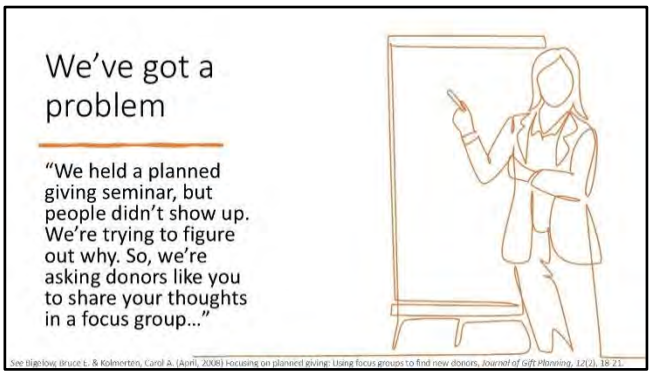
[For several charities, this approach has doubled or tripled planned estate gifts.[39]]

[38] Modified from "Bequest Matching Form" at *https://www.aclu.org/sites/default/files/field_document/aclu_legacy_challenge_form.pdf*

[39] Kendrick, J. & Tsai, C. (2017, October). *Implementing a legacy challenge match program at a major, multifaceted institution.* [Paper presentation]. National Conference on Philanthropic Planning, Baltimore, MD; Lydenberg, J. (2016, June). *Meeting the challenge of raising more planned gifts.* PG Calc Featured Article. https://www.pgcalc.com/pdf/0616-Featured-Article.pdf

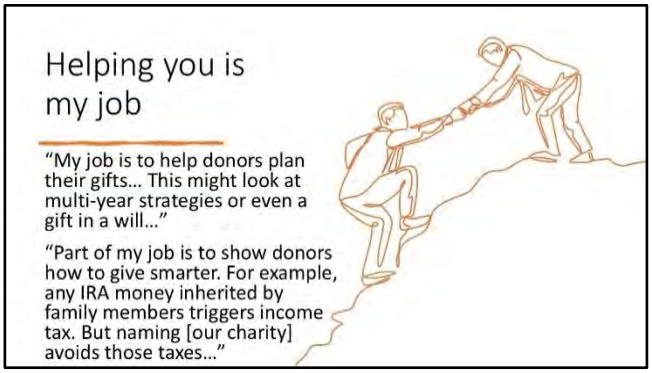






3. *We've got a problem*

- "We've run into a bit of an issue. The number of new people joining our legacy society has fallen off in the last year. Do you mind if I ask you a few questions about your thoughts on this topic?"[40]
- "We need your advice on some new legacy fundraising ads. Would you mind sharing your thoughts on a few examples?"[41]
- "We held a planned giving seminar, but people didn't show up. We're trying to figure out why. So, we're asking donors like you to share your thoughts in a focus group. Would you be willing to take part?"[42]





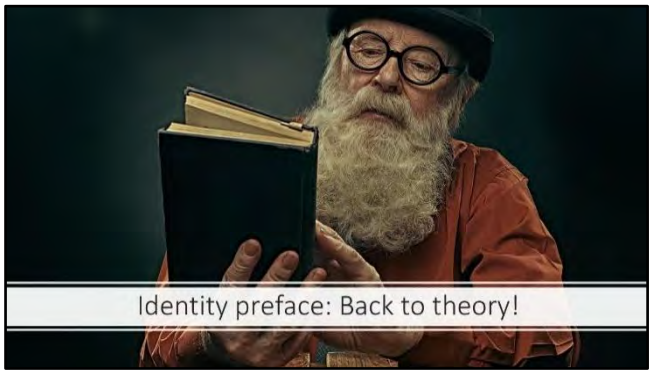
4. *Helping you is my job*

- "My job is to help donors plan their gifts. I help them make a lasting impact that is personally meaningful. This might look at multi-year strategies or even a gift in a will. Would you be willing to look at some of these options together?"
- "Part of my job is to show donors how to give smarter. For example, any IRA money inherited by family members triggers income tax. But naming [our charity] avoids those taxes. I'd love to show you some of these options. Would you mind getting together for a visit about this?"

These each give a reason to act. The reasons are about external, non-death issues. They're about campaigns, matching gifts, influencing others, sharing opinions, or tax benefits. The

[40] Concept from Sargeant, A. & Stergiou, C. (2019, January 10). Personal communication. Message from Christiana Stergiou, Co-Founder of Moceanic, referencing text copy originating from Adrian Sargeant, Co-Founder of Institute for Sustainable Philanthropy.
[41] Concept from Davis, L. & Biles, S. (2019, March). Reinventing an established gifts in wills program. [Slide deck]. Fundraising Institute of Australia Conference 2019, Melbourne, Australia.
[42] Concept from Bigelow, B. E. & Kolmerten, C. A. (2008, April) Focusing on planned giving: Using focus groups to find new donors, Journal of Gift Planning, 12(2), 18-21, http://charitabledevelopmentconsulting.com/s/Focusing-on-Planned-Giving-Using-Focus-Groups-to-Find-New-Donors.pdf

motivation isn't about death. This deflects the avoidance response. It makes starting the conversation easier.

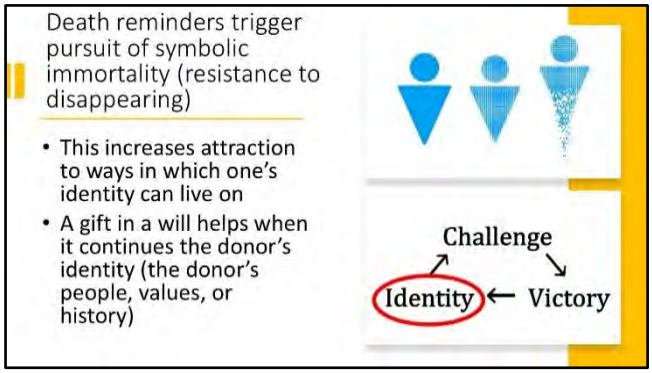


Identity preface theory

A compelling fundraising ask (or "challenge") will include the steps of

Original Identity → Challenge → Victory → Enhanced Identity







The resulting enhanced identity can be public (reputation) or private (personal meaning). In a cycle, these steps are

Challenge
↗ ↘
Identity ← Victory

Death reminders not only trigger avoidance. They also trigger pursuit of symbolic immortality. This is a resistance to disappearing. It increases attraction to ways in which one's identity – rooted in one's people, values, or history – can live on.[43] A gift in a will can help. It helps when it continues the donor's identity. It helps when it links to the donor's people, values, or history.

The core message in the identity preface is this:

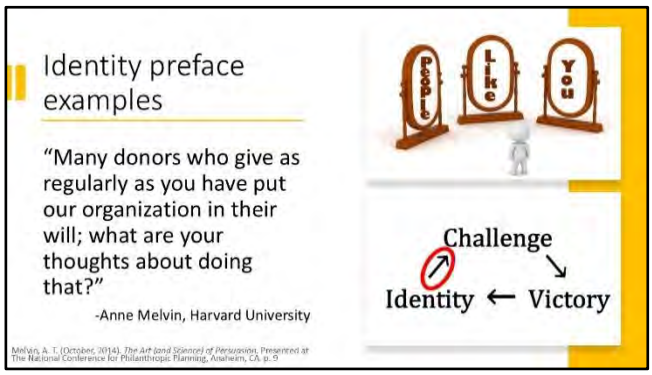
"People like me make gifts like this."
[Original Identity → Challenge]

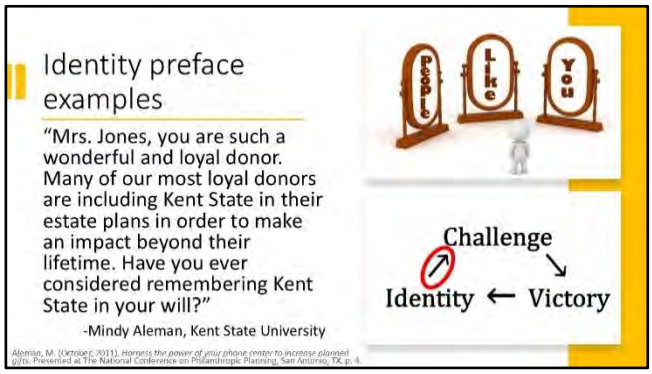
First, this says to the donor, "*You* are the kind of person who makes gifts like this." Why is this true? Because the gift matches the donor's history, behaviors, values, beliefs, or

[43] This dual result from death reminders means we don't *always* want to avoid them. Certainly, if we want a larger audience, avoiding death reminders is important. If people can avoid a personal mortality related topic, many of them will. But once we have a "captive" audience, avoidance may not be an option. In that case, death reminders can help. They can help because they also trigger a desire for pursuing "symbolic immortality," also known as a lasting social impact. Typically, this is expressed by an increased desire to benefit heirs (rather than personal consumption), but it can also fuel the desire to make an impact on one's community or "in-group."

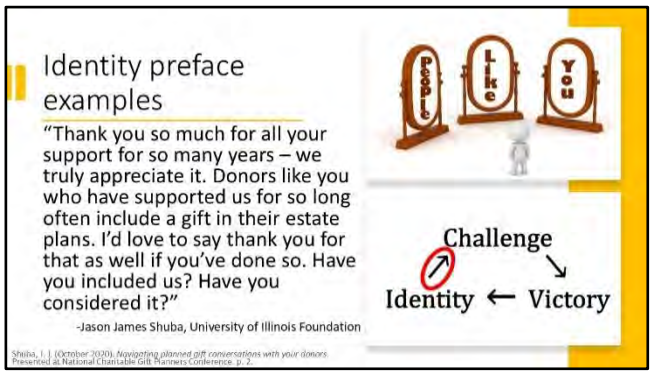
group membership. In other words, the gift matches the donor's identity.

It also says, "*Other people* like you make gifts like this." These are people who *share* the donor's history, behaviors, values, beliefs, or group membership. In other words, they share the donor's identity.







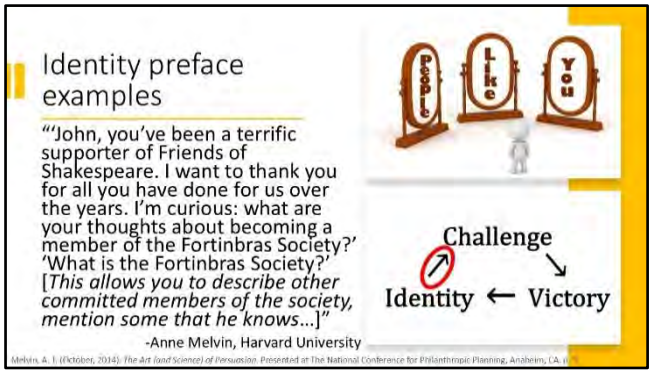


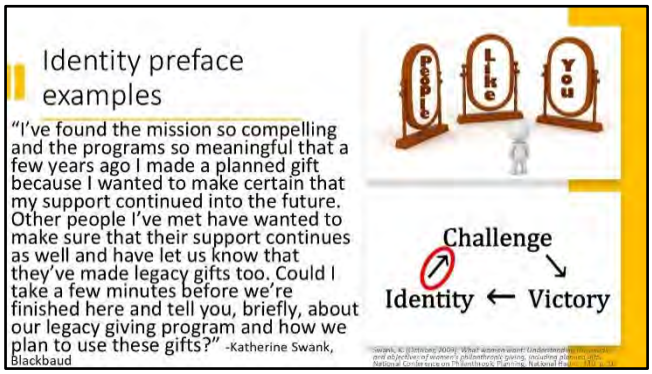
Identity preface examples

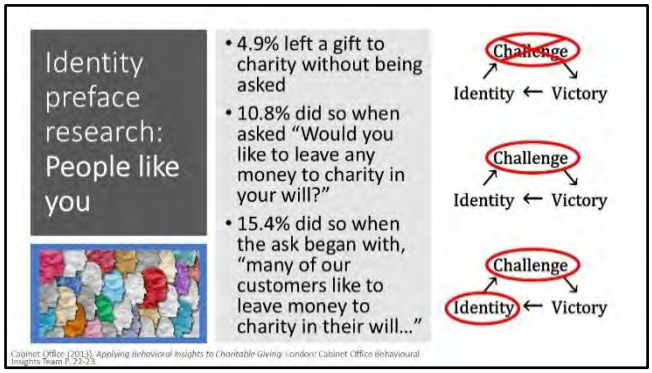
What does this look like in the real world? Here are some examples.

- "Many donors who give as regularly as you have put our organization in their will; what are your thoughts about doing that?"[44]
- "Mrs. Jones, you are such a wonderful and loyal donor. Many of our most loyal donors are including Kent State in their estate plans in order to make an impact beyond their lifetime. Have you ever considered remembering Kent State in your will?"[45]
- "I can't say thank you enough for all your support for so many years. Would you consider extending your amazing legacy by including us in your estate plans?"[46]
- "Thank you so much for all your support for so many years – we truly appreciate it. Donors like you who have supported us for so long often include a gift in their estate plans. I'd love to say thank you for that as well if you've done so. Have you included us? Have you considered it?"[47]
- "John, you've been a terrific supporter of Friends of Shakespeare. I want to thank you for all you have done for us over the years. I'm curious: what are your thoughts about becoming a member of the Fortinbras Society?" [Response:] "What is the Fortinbras Society?" This allows you to describe other committed members of the society, mention some that he knows …"[48]

[44] Melvin, A. T. (2014, October). *The art (and science) of persuasion*. [Paper presentation]. National Conference for Philanthropic Planning, Anaheim, CA. p. 9.
[45] Aleman, M. (2011, October). *Harness the power of your phone center to increase planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, San Antonio, TX. p. 4.
[46] Shuba, J. J. (2020, October). *Navigating planned gift conversations with your donors.* [Paper presentation]. National Charitable Gift Planners Conference. p. 2.
[47] *Id.*
[48] Melvin, A. (2011, October). *Mission possible: Get in the door and get what you came for.* [Paper presentation]. National Conference on Philanthropic Planning, San Antonio, TX. p. 7.







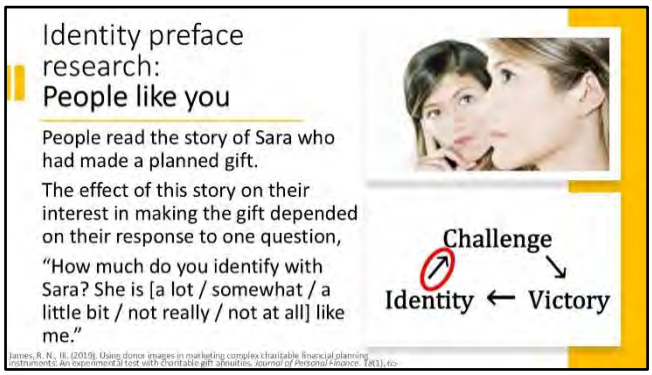
- "I've found the mission so compelling and the programs so meaningful that a few years ago I made a planned gift because I wanted to make certain that my support continued into the future. Other people I've met have wanted to make sure that their support continues as well and have let us know that they've made legacy gifts too. Could I take a few minutes before we're finished here and tell you, briefly, about our legacy giving program and how we plan to use these gifts?"[49]

Identity preface research: People like you

Does this really work? Experimental results say, "Yes." In a test with 3,000 people completing their will documents,

- 4.9% left a gift to charity without being asked. [They had no *challenge*.]
- 10.8% did so when asked, "Would you like to leave any money to charity in your will?" [They had a *challenge*.]
- 15.4% did so when the ask began with, "many of our customers like to leave money to charity in their will..."[50] [This connected *identity* (people like the donor) with the *challenge*.]

The last group was more than 3x as likely to include a gift. Also, their average gift size was twice as large. Thus, asking the right question led to a six-fold increase in legacy giving.



In another experiment, people read the story of another donor, Sara. She had made a planned gift. The effect of this story on their interest in making the gift varied. Statistically, it depended on their response to this question:

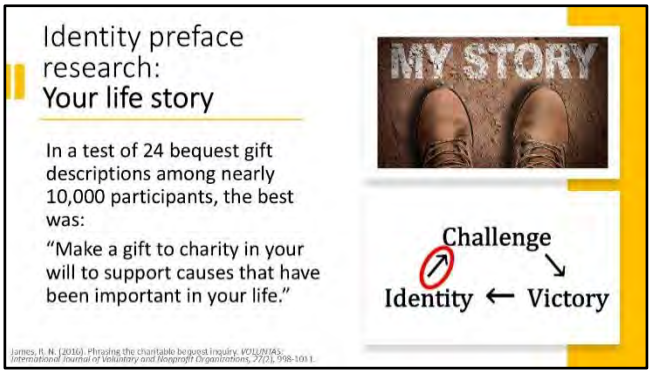
Question: "How much do you identify with Sara?"

[49] Swank, K. (2009, October). *What women want: Understanding the needs and objectives of women's philanthropic giving, including planned gifts.* [Paper presentation]. National Conference on Philanthropic Planning, National Harbor, MD. p. 10.

[50] The full sentence was "many of our customers like to leave money to charity in their will. Are there any causes you're passionate about?" However, in subsequent testing, I found that only the first part increased bequest giving intentions. Thus, I exclude the second part here to emphasize the social norm statement only. Quoted from Cabinet Office. (2013). *Applying behavioral insights to charitable giving.* Cabinet Office Behavioural Insights Team. p. 22-23. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/203286/BIT_Charitable_Giving_Paper.pdf

Options: "She is [__ a lot __somewhat __a little bit __not really __not at all] like me."[51]

A story about someone the person felt was "like me" was powerful. Otherwise, it wasn't.



Identity preface research: Your life story

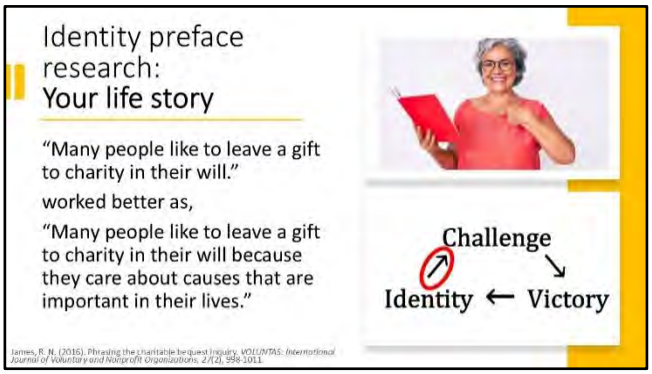
Another experiment showed the power of life story references.[52] It tested 24 bequest gift descriptions among nearly 10,000 participants. The phrase generating the highest intention to give was,

"Make a gift to charity in your will to support causes that have been important in your life."

This worked much better than simply,

"Make a gift to charity in your will."

Adding the last phrase was powerful. It connected the gift to the donor's values and life story. This increased giving intentions.



Other results show the same answer.[53] The social norm statement,

"Many people like to leave a gift to charity in their will"

became more effective when it was changed to,

"Many people like to leave a gift to charity in their will because they care about causes that are important in their lives."



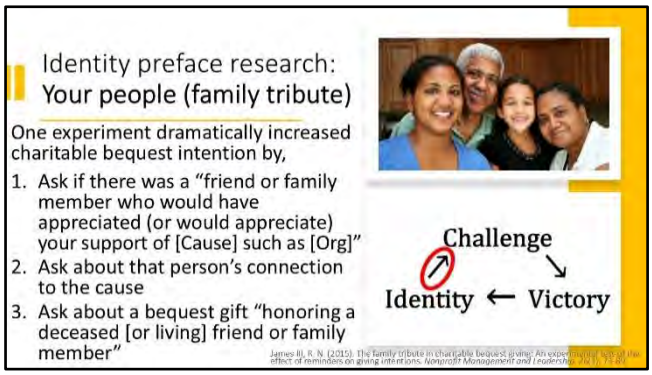
The social norm was no longer just about other people making gifts. Now, it was about other people making gifts that connected with their values and life story. This made the social norm more powerful.

The donor's life story comes up in other types of research, too. This theme arises in qualitative interviews with bequest donors.[54]

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[51] James, R. N., III. (2019). Using donor images in marketing complex charitable financial planning instruments: An experimental test with charitable gift annuities. *Journal of Personal Finance. 18*(1), 65-74.
[52] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations,* 27(2), 998-1011.
[53] *Id.*
[54] Routley, C. J. (2011). *Leaving a charitable legacy: Social influence, the self and symbolic immortality.* [Ph.D. dissertation]. University of the West of England, Bristol, UK. p. 220. ("When discussing which charities they had chosen to remember, there was a clear link with the life narratives of many respondents.")

It even matches with neuroimaging research. Charitable bequest decisions engage "visualized autobiography" brain regions.[55]

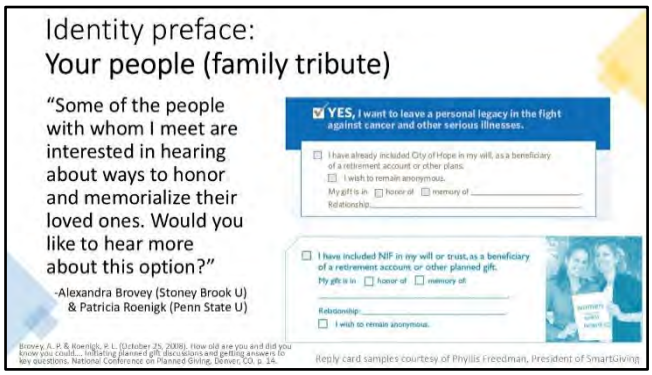


Identity preface research: Your people (family tribute)

Identity comes from one's people, values, and history. A bequest gift in honor of a loved one links to the donor's people. One experiment used the following steps:[56]

1. Ask if there was a "friend or family member who would have appreciated (or would appreciate) your support of [Cause Type] such as [Organization Examples]"
2. Ask about the friend or family member's connection to the cause.
3. Ask about a bequest gift "honoring a deceased [or living] friend or family member"

Doing this worked. It dramatically increased charitable bequest intentions.



In practice, introducing this idea can be simple. Suppose a response card asks,

"Have you included [this charity] in your will or estate plan?"

Under "☐ Yes" simply add,

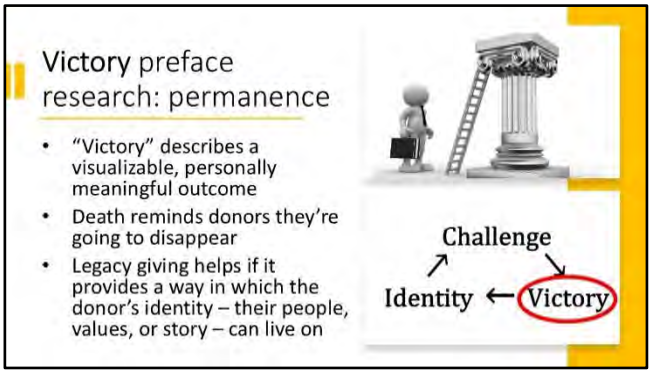
"☐ in honor or memory of _____ (person) _____ (relationship)"

Whether or not the card is returned, it can still work. It can work just by introducing the idea. In one experiment, mentioning this option helped. It increased interest in a bequest gift for one out of four people.[57]

In conversation we can ask,

"Some of the people with whom I meet are interested in hearing about ways to honor and memorialize their loved ones. Would you like to hear more about this option?"[58]

[55] James, R. N., III & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373.
[56] James, R. N., III. (2015). The family tribute in charitable bequest giving: An experimental test of the effect of reminders on giving intentions. *Nonprofit Management and Leadership, 26*(1), 73-89.
[57] Unpublished results from an online survey conducted by author in November of 2014. After reporting interest in making any gift to charity in a will, respondents were then asked a second question. Some were asked to report interest in "Honor a family member by making a memorial gift to charity in my will." 24% (119 of 504) reported greater interest in this second gift. Others were asked to report interest in "Honor a family member by making a tribute gift to charity in my will." 29% (147 of 505) reported greater interest in this second gift.
[58] Brovey, A. P. & Roenigk, P. L. (2008, October 25). *How old are you and did you know you could…. Initiating planned gift discussions and getting answers to key questions.* [Paper presentation]. National Conference on Planned Giving, Denver, CO. p. 14.



Victory preface research: Permanence

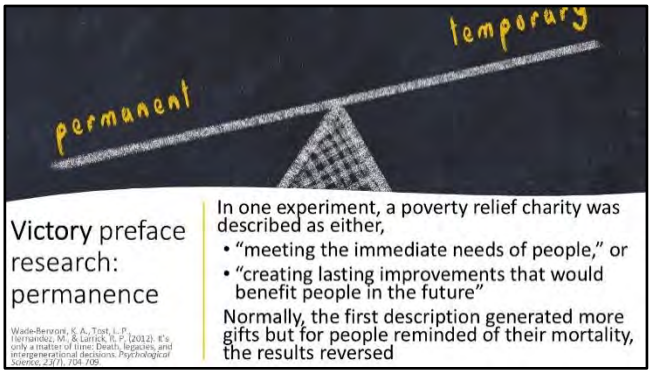
The final justification for a bequest gift is the most powerful. This is the "victory" justification. A victory describes a visualizable, personally meaningful outcome.[59]

Such "victory" outcomes are powerful for any type of gift. But legacy giving responds best to outcomes with *permanence.* Death reminds donors that they're going to disappear. Legacy giving can help. It helps *if* it provides a way in which the donor's identity – their people, values, or story – can live on.



Drs. Claire Routley and Adrian Sargeant explain,

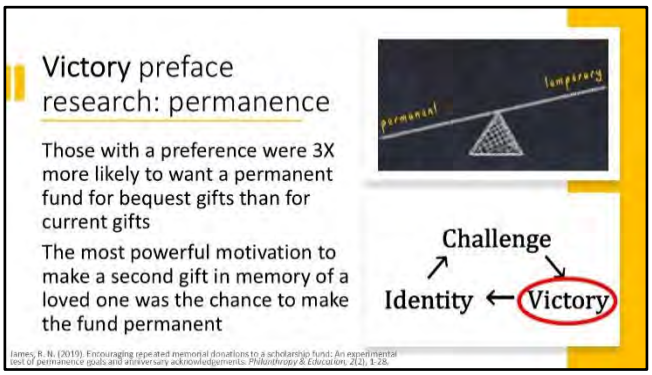
"The choice of charity to receive a bequest gift could, therefore, be a way of extending one's autobiography, and thus a sense of self, forward in time beyond one's physical death."[60]



This desire for gift permanence shows up in experiments. In one, a poverty relief charity was described as either,

1. "Meeting the immediate needs of people," or
2. "Creating lasting improvements that would benefit people in the future."

Normally, the first description generated more gifts. But for people reminded of their mortality, the results reversed.[61] Death reminders made the permanence language more attractive.



Other experiments show similar results. In one, people were three times more likely to prefer permanent funds for bequest gifts than for current gifts.[62] In another, the most

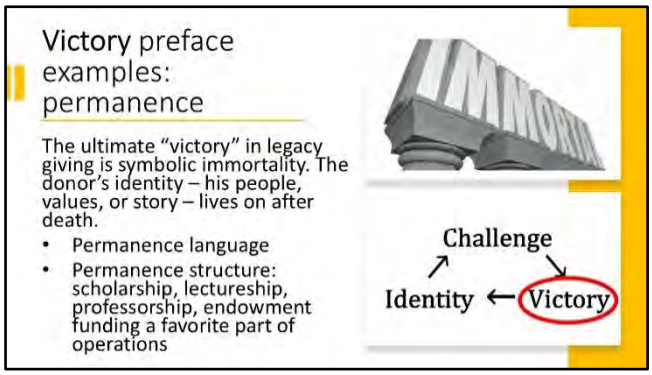
[59] Anne Melvin shares this example, "We need you to establish a $100,000 charitable remainder unitrust for financial aid so that students in the future like Erick Pomeroy from Santa Fe who we just discussed can come here in the future, even if they have a father who passes away in their junior year, like Erick's did. Will you do that for us?" Melvin, A. (2011, October). *Mission possible: Get in the door and get what you came for*. [Paper presentation]. National Conference on Philanthropic Planning, San Antonio, TX. p. 4.

[60] Routley, C., & Sargeant, A. (2015). Leaving a bequest: Living on through charitable gifts. *Nonprofit and Voluntary Sector Quarterly, 44*(5), 869-885, 876.

[61] Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It's only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science, 23*(7), 704-709.

[62] Unpublished results from an online survey conducted by author in March and April of 2013. Respondents chose between "an immediate expenditure of all funds to advance the cause of the charity" and "the establishment of a permanent fund generating perpetual income to advance the cause of the charity forever." Among 881 respondents, 319 reported a different preference for current and bequest gifts to the same organizations. Of these 243 (76.2%) preferred more permanence for the bequest gift and 76 (23.8%) preferred more permanence for the current gift.

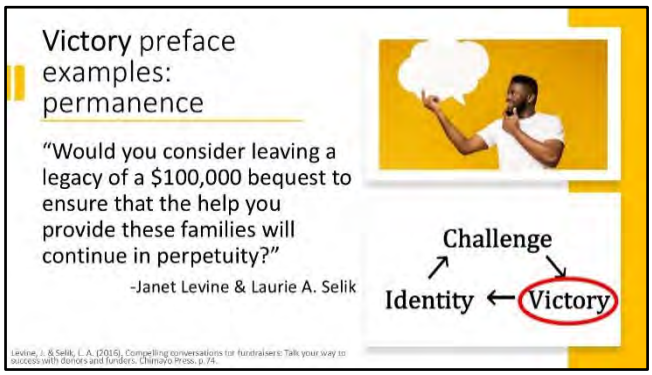
powerful motivation to make a second gift in memory of a loved one was the chance to make the fund permanent.[63]



Victory preface examples: Permanence

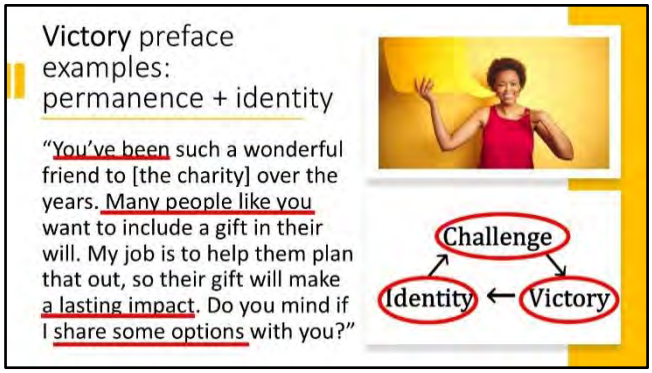
The ultimate "victory" in legacy giving is symbolic immortality. The donor's identity – his people, values, or story – lives on after death. Once the fundraiser understands this, she can use it. She can construct legacy "products" or giving opportunities that deliver this lasting impact.

Just using permanence language to describe the gift's impact can help. But often, this will take the form of a permanent structure. This might be a scholarship, lectureship, or professorship. It might be an endowment funding a favorite part of operations. It might simply endow lifetime giving. (If the charity is new or unstable, it might use an established community foundation to manage this fund.)



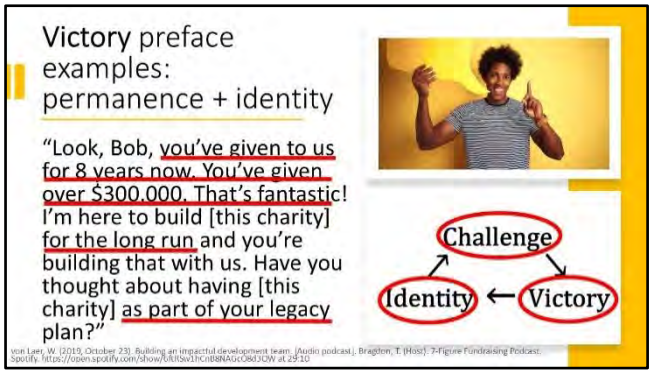
The ask can include permanence language. For example,

"Would you consider leaving a legacy of a $100,000 bequest to ensure that the help you provide these families will continue in perpetuity?"[64]



Even more powerfully, the ask can reference both identity connections and victory permanence. This ask includes the full story cycle. It includes identity, challenge, and victory. For example,

- "You've been such a wonderful friend to [this charity] over the years. Many people like you want to include a gift in their will. My job is to help them plan that out, so their gift will make a lasting impact. Do you mind if I share some options with you?"



- "Look, Bob, you've given to us for 8 years now. You've given over $300,000. That's fantastic! I'm here to build [this charity] for the long run and you're building that with us. Have you thought about having [this charity] as part of your legacy plan?"[65]

[63] James, R. N., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy & Education, 2*(2), 1-28.
[64] Levine, J. & Selik, L. A. (2016). *Compelling conversations for fundraisers: Talk your way to success with donors and funders*. Chimayo Press. p.74
[65] von Laer, W. (2019, October 23). Building an impactful development team. [Audio podcast]. Bragdon, T. (Host). *7-Figure Fundraising Podcast.* Spotify. https://open.spotify.com/show/6ftRSw1hCnB8NAGcO8d3QW at 29:10.



Victory preface research: Define a victory

Large estate gifts come with instructions. It is the instructions – the story – that make large gifts compelling. This is nothing new. In two studies of wills from the 1800s, [66] charitable bequests were restricted in,

- 14% of small cash gifts,
- 58% of real estate or large cash gifts,

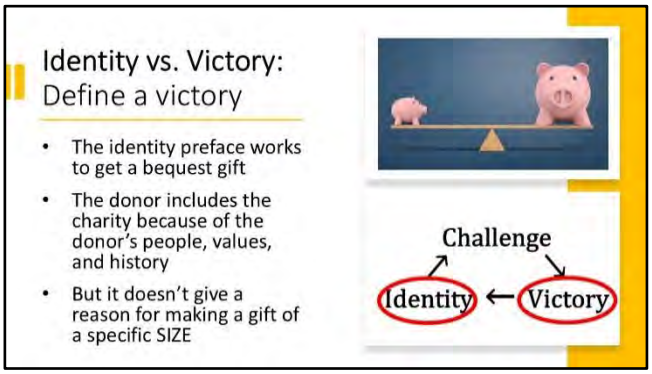
and

- 70% of gifts of a share of the entire estate.

Large gifts produce a specific, usually lasting, impact. That's the motivation for the *size* of the gift. Legacy income is all about the size of the gifts, not the number of donors. The money comes almost entirely from extreme gifts.



For example, most charitable decedents (60%) leave less than 10% of their estates to charity. These are the "normal" donors. Taken together, they transfer only 3.8% of all charitable bequest dollars.[67] The money doesn't come from normal charitable decedents. It comes from extreme gifts.



The identity preface works to get a bequest gift. The donor includes the charity because of the donor's people, values, and history. But this doesn't give a reason for making a gift *of a specific size*. It doesn't motivate the *large* bequest gift over the small one. To do that, we must define a victory.



Victory preface examples: Define a victory

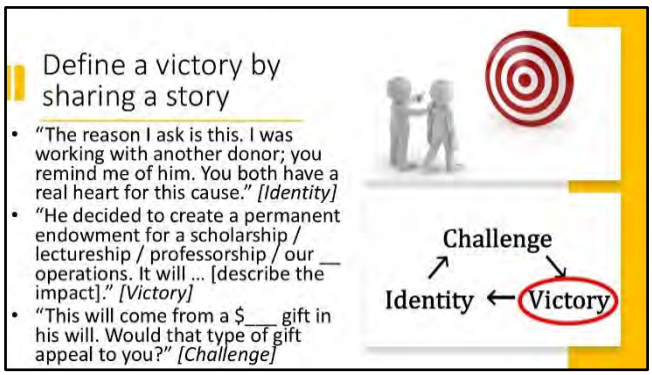
Increasing the *size* of a planned bequest starts with victory. The donor can define a personally meaningful victory. This can begin with a question like,

- "Tell me, 'What you would like to accomplish with your gift?'"

[66] *See* summary in James, R. N., III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law Journal, 12*, 235-285, 241-242 citing to Knaplund, K. S. (2015). Becoming charitable: Predicting and encouraging charitable bequests in wills. *University of Pittsburgh Law Review, 77*, 1-49.

[67] *See* James, R. N., III. III. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning and Community Property Law Journal, 12*, 235-285. p. 280. citing to Joulfaian, D. (2019). *The federal estate tax: History, law, and economics*. The MIT Press. p. 83.

- "Have you ever thought about how you would like your gift to be used?"[68]



These questions lead to conversations about impact. For example, we might continue,

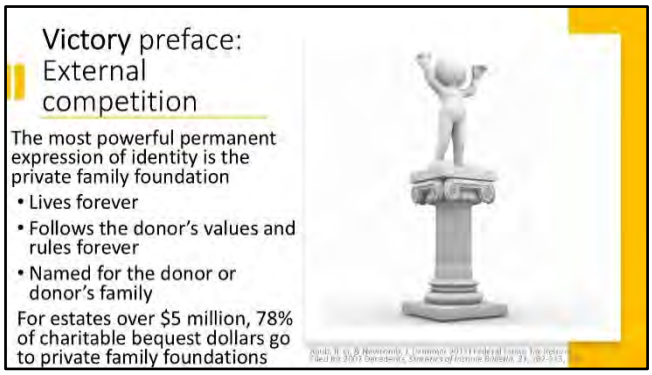
"The reason I ask is this. I was working with another donor; you remind me of him. You both have a real heart for this cause." *[This references Identity.]*

"He decided to create a permanent endowment for a scholarship / lectureship / professorship / our __ operations. It will ... [here describe the impact]." *[This defines a Victory.]*

"This will come from a $____ gift in his will. Would that type of gift appeal to you?" *[This presents a Challenge.]*

The donor's reactions then guide the conversation. If the example gift is too large, their reaction will show this. We can then describe a smaller gift option. If the area of impact isn't compelling, their reaction will show this. We can then discuss what area would be a better fit. The process helps the donor construct a personally meaningful victory.

When a larger gift creates a specific, lasting, meaningful victory, it makes sense. Otherwise, it doesn't. For real money, the charity must offer real value. It must deliver real victory. Ideally, it offers symbolic immortality.



Victory preface external competition

Every charity has competition. This may include older, more established charities. But mostly, it's the private family foundation.

In philanthropy, the most powerful permanent expression of identity is the private family foundation. It lives forever. It follows the donor's values and rules forever. It's typically named for the donor or the donor's family. For estates over $5 million, 78% of charitable bequest dollars go to private family foundations.[69]

Let that sink in. Public charities get only 22% of charitable bequest dollars from estates over $5 million. Charities are losing the battle. Many don't know they're even in a battle to start with. Many aren't even trying to compete.

Victory preface internal barriers

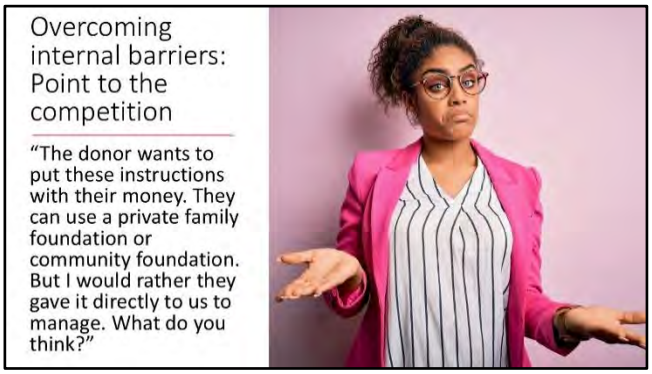
Charities are losing to private family foundations. One reason is that few are even *trying* to provide value to legacy donors. They aren't offering *any* victory, much less a

[68] Lumpkin, S. & Comfort, J. (2018, August 23). *How to have the MOST productive conversations: From here to eternity…* [Paper presentation]. Colorado Planned Giving Roundtable, 30th Annual Summer Symposium, Denver, CO.
[69] Raub, B. G. & Newcomb, J. (2011, Summer). Federal estate tax returns filed for 2007 decedents, *Statistics of Income Bulletin, 31*, 182-213, 191. https://www.irs.gov/pub/irs-soi/11essumbulestatereturns.pdf



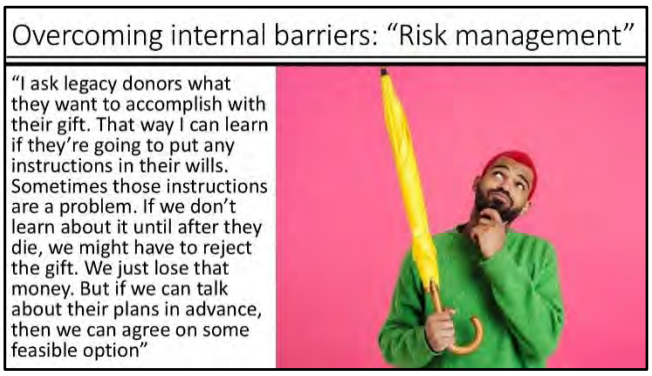
permanent one. Charity managers often resist doing this. Their attitude might sound like the following:

"Deliver value to legacy donors? No, no, no. The donor's job is to deliver value to us! Besides, that just turns unrestricted money into restricted!"



Helping a donor define a meaningful victory works. It makes the gift larger. But charity managers don't like donor instructions. How can we convince them?
One way is to point to the competition. For example, we might say,

"The donor wants to put these instructions with their money. They can use a private family foundation. They can use the community foundation. But I would rather they gave it directly to us to manage. What do you think?"



Or justify donor conversations as "risk management." They avoid future problems. For example,

"I ask legacy donors what they want to accomplish with their gift. That way I can learn if they're going to put any instructions in their wills. Sometimes those instructions are a problem. If we don't learn about it until after they die, we might have to reject the gift. We just lose that money. But if we can talk about their plans in advance, then we can agree on some feasible option."

Delivering victory becomes "managing risk." Or it becomes "managing competition." Either way, the goal is to translate. We want to deliver a powerful victory for the donor. But we need the charity manager on board as well.



Conclusion

There isn't just one magic phrase. Instead, there are unlimited expressions of the magic ideas. A compelling ask connects the donor's

Original Identity → Challenge → Victory → Enhanced Identity

A compelling estate ask also does this. And it considers both avoidance and symbolic immortality. Remember these core principles. Then, choose whatever phrase you like best. But you *can* do it. You can ask for the gift in a will!



Postscript
The 4S method: Stacking it all together

We've looked at the theory. We've looked at the phrases. Hopefully, you've found something that feels right for you. But what if you haven't? What if you're still nervous about all this? Let me end with the easiest, softest, but still highly effective method. It's my favorite. Anyone can do it.



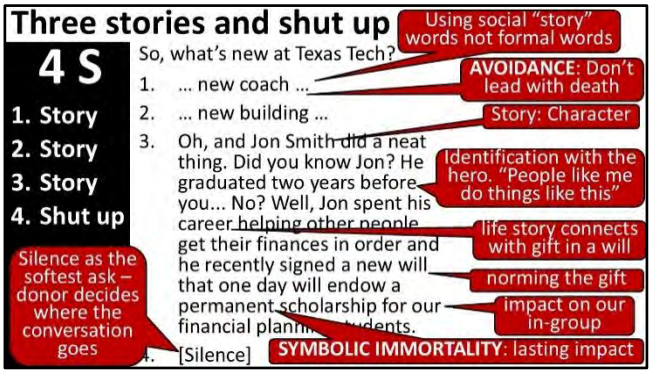
I like to call it the 4S method.[70] That stands for 3 Stories then Shut up. At some point in a conversation, it's common to give the donor an update. Suppose, for example, an alumnus asked, "What's new at Texas Tech?" I might respond by mentioning a new coach. Then, I might mention a new building. Then, I might say,

> Oh, and Jon Smith did a neat thing. Did you know Jon? He graduated two years before you. No? Well, Jon spent his career helping other people get their finances in order. And he recently signed a new will that one day will endow a permanent scholarship for our financial planning students!

And then, I take a drink. Silence. Wait for a response. If the donor wants to pick up this conversation, he can do so. If he doesn't, I could choose to then move up the list of asking phrases. But even if I don't, just sharing this little story is powerful.

Notice the details here. It's the third story. (We don't "lead with death.") It's about someone like the donor. (It shows that "people like you do things like this.") The gift reflects that person's life story. (It's an expression of identity.) The gift makes a permanent impact. (Their identity "lives on.") The details match both avoidance and symbolic immortality.

[70] This suggestion originated from Jeff Comfort, Vice President, Principal Gifts and Gift Planning, Oregon State University. Comfort, J. (2014, May 29). *Lessons learned.* [Conference presentation]. Western Regional Planned Giving Conference. Costa Mesa, CA.



This works. It's not just a matter of speculation. I've tested many approaches to increase interest in a charitable bequest. The most powerful was this one. Share examples of other living donors whose estate gifts reflect their life stories.[71] This brief story does that. It does so even if the conversation then moves in a different direction.

Of course, the details of the story can change. The person need not have graduated near the same time. They might be similar in some other way. Or you might simply say, "You remind me of another donor; he ..." It might be a story of someone you know. It might be someone you only heard about. But as long as it incorporates the underlying principles, the story can be powerful.

Asking for a bequest gift can be scary. But anyone can learn to share three stories and then shut up!

[71] *See* James, R. N., III, & Routley, C. (2016). We the living: the effects of living and deceased donor stories on charitable bequest giving intentions. *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(2), 109-117. Unpublished results from this same study showed that these "living donor stories" were significantly more effective than other messages such as statistical evidence indicating the people agreed with the practice of including a charitable gift in a will or evidence of heirs tendency to quickly spend inheritances.



12

Socratic Fundraising in Bulk:
Donor Surveys That Work







Socratic fundraising asks questions. It's easy to think of this as face-to-face, one-on-one conversations. But sometimes that isn't feasible. The right personnel aren't available. Or their time is too expensive for the gift size. Or donors don't want to meet. Or there are too many donors to meet. Or they're too far away.

Socratic fundraising can still work. It's still possible to ask questions. Questions can arise in

- Donor telephone conversations (one-on-one but not face-to-face)
- Donor focus groups (face-to-face but not one-on-one), or
- Donor surveys (neither one-on-one nor face-to-face).

Universal steps

In all these formats, the steps are similar. The universal steps for a compelling donor experience are

Original Identity → Challenge → Victory → Enhanced Identity

Socratic fundraising guides the donor through these steps.[1] First, the fundraiser must have a valid reason to ask questions. This then permits questions that

- Connect the donor's identity (history, people, and values) with the cause, the charity, or the project [*Original Identity → Challenge*]
- Define a personally meaningful victory [*Victory → Enhanced Identity*], and
- Make a challenge that promises the victory [*Challenge → Victory*].



Justify asking questions

Questions can work. But questions won't work if people won't answer. The donor must

- Return the survey
- Attend the focus group, or
- Continue the phone conversation.

So, we need to justify asking the questions. Reasons can include,

- "I need your help or advice." This might be because
  - "I'm new here."
  - "We have a problem."
  - "We have an idea."
  - "You're in charge."
  - "You're important."
- The reverse is "I can help or advise you."



- Another is "I'm interested in your story."

Legitimate reasons

If you don't care what donors think, don't ask. It's important to have a legitimate reason to ask.[2] It's also important that reasons *appear*

[1] This enhanced identity can be either private (meaning) or public (reputation). This process also reflects the steps in the monomyth or universal hero story. For a description connecting these steps to Campbell, J. (1949/2004). *The hero with a thousand faces* (commemorative ed.). Princeton University Press. p. 28. *See* footnote 3 in Chapter 1. Socratic fundraising theory: How questions advance the story.

[2] In one experiment, explaining that asking people to sign a petition was, ultimately, just a way to get either customers (for-profit) or donations (nonprofit) had little impact on the rating of for-profit organizations. But it dramatically decreased the morality rating of nonprofit organizations. The researchers explained, "nonprofit organizations are condemned more drastically for using a deceptive recruitment technique than are for-profit organizations." [Greitemeyer, T., & Sagioglou, C. (2018). When positive ends tarnish the means: The morality of nonprofit more than of for-profit organizations is tainted by the use of compliance techniques. *Journal of Experimental Social Psychology*, 76, 67-75.] Thus, it is important for nonprofit organizations to make sure that inquiries and requests are truly legitimate, separate from any behavioral effects on donors.

legitimate. So, beware of adding a donation request to a survey.[3] This can appear as,

> "We need your advice … Oh, but now that you're giving advice, we actually want your money."

Donors can feel,

> "You didn't care what I thought. You just wanted fast cash."

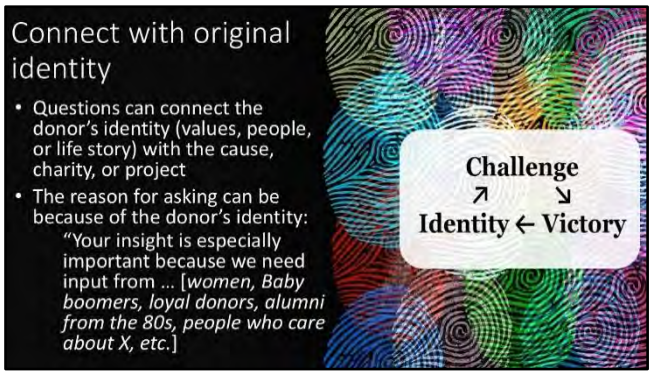
Also, never ask a question with a forced answer. For example, don't ask

> "Should we continue our award-winning work that is transforming the lives of so many in desperate need?"

This might sound great to charity insiders. But it de-legitimizes the questions. Donors can feel,

> "You didn't care what I thought. You just wanted to brag."

Effective questions must be – and appear – legitimate.



Connect with original identity

Questions can connect the donor's identity with the cause, the charity, or the project. This can start even before the first question. The reason for asking the questions can be *because of* the donor's identity.[4] For example,

"Your insight is especially important because we need input from …"

- Women
- Baby boomers
- Loyal donors
- Alumni from the 80s
- People who care about _____ [insert specific aspect of the charity]

The questions themselves then further connect with the donor's identity. This means connecting with the donor's

- Values
- People, or
- Life story.

[3] This is different than adding a question or two on an appeal letter response card. That approach says, "Since you are giving, please tell us what you think." That is different than, "We need your advice… Oh, and now that you've given your advice, we also want your money." This second approach undermines the credibility of the justification for asking the questions. The first doesn't.

[4] Tom Ahern and Simone Joyaux mention this in the context of focus groups. They write, "Conduct focus groups with donors every year. If you wish, consider different donor groupings based on donor affinities: gender and generation, interests within your organization, lifestyle, and so on. How about trying focus groups with lapsed donors?" Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons. p. 138.

What does this look like? What are some actual questions? It depends on the cause. Let's look at some examples for an environmental charity.

Values identity questions: Examples

Here is an example of questions asking about donors' values.

Please rate the importance to you of the following:

[Values options (row headings)]

Being a good example for the next generation.

Making a lasting impact in the world.

Ensuring that your values will be remembered by future generations.

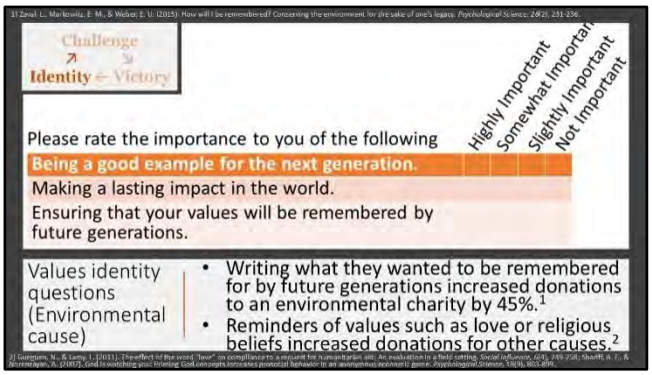
[Response options (column headings)]

__ Highly important

__ Somewhat important

__ Slightly important

__ Not important



Values identity questions: Comments

Environmental causes improve the future of the planet. These questions ask about related values. They elicit connections with these values.

Do such reminders work? One experiment tested this. Some people wrote a short essay. Others didn't. The essay was on what they wanted to be remembered for by future generations.[5] Writing about this increased donations to an environmental charity by 45%.[6]

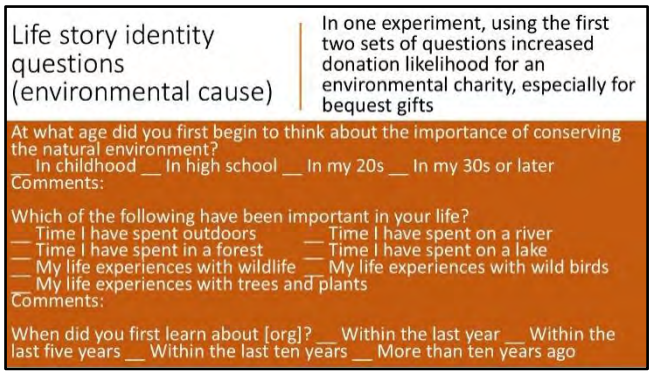


Of course, other causes may focus on other values. In experiments, reminders of values such as love[7] or religious beliefs[8] also increase donations. Use the values relevant for your cause.

Sometimes, these values responses can be surprising. One charity focused on women's

[5] Zaval, L., Markowitz, E. M., & Weber, E. U. (2015). How will I be remembered? Conserving the environment for the sake of one's legacy. *Psychological Science, 26*(2), 231-236.
[6] Without the essay, 61% donated from a $10 bonus ($2.31 average gift). With the essay, 70% donated from a $10 bonus ($3.34 average gift). Combined, this was a 45% increase in dollars donated. Zaval, L., Markowitz, E. M., & Weber, E. U. (2015). How will I be remembered? Conserving the environment for the sake of one's legacy. *Psychological Science, 26*(2), 231-236, 234.
[7] Gueguen, N., & Lamy, L. (2011). The effect of the word "love" on compliance to a request for humanitarian aid: An evaluation in a field setting. *Social Influence, 6*(4), 249-258.
[8] Shariff, A. F., & Norenzayan, A. (2007). God is watching you: Priming God concepts increases prosocial behavior in an anonymous economic game. *Psychological Science*, 18(9), 803-809.

reproductive rights in the developing world. Leaders assumed the key value was women's rights. Survey results revealed something else. Many donors cared only about population control.



Life story identity questions: Examples

Here is an example of questions asking about donors' life story connections.

At what age did you first begin to think about the importance of conserving the natural environment?

__ In childhood

__ In high school

__ In my 20s

__ In my 30s or later

Comments:

Which of the following have been important in your life? (Check any that apply.)

__ Time I have spent outdoors

__ Time I have spent on a river

__ Time I have spent in a forest

__ Time I have spent on a lake

__ My life experiences with wildlife

__ My life experiences with wild birds

__ My life experiences with trees and plants

Comments:

When did you first learn about [this charity]?[9]

__ Within the last year

__ Within the last five years

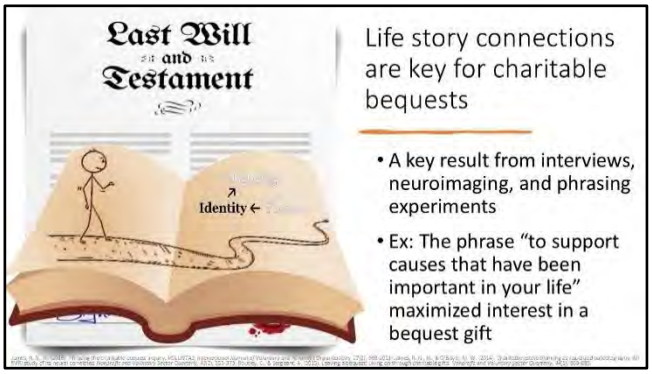
__ Within the last ten years

__ More than ten years ago

Life story identity questions: Comments

These questions ask about the donor's life story. They connect it with the cause or the charity. This encourages support. One experiment used the first two sets of questions.[10] These questions worked. They increased donation likelihood for an environmental charity.

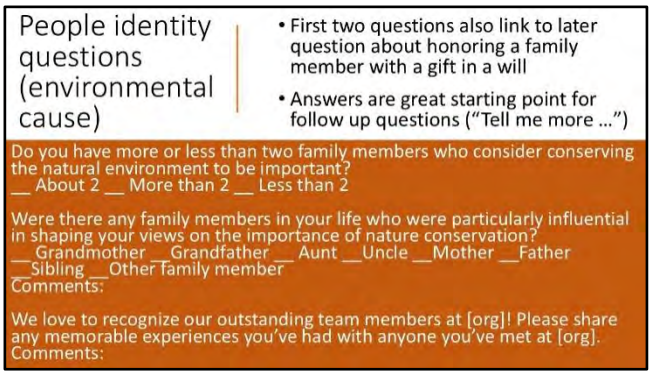
[9] *See*, e.g., "How did you hear about our organization?" as a survey suggestion in Alexander, G. D. & Carlson, K. J. (2005). *Essential principles for fundraising success: An answer manual for the everyday challenges of raising money.* Jossey-Bass. pp. 174-175.
[10] James, R. N., III. (2016, March 7). *Using biasing questions in charitable bequest surveys.* Available at SSRN: https://ssrn.com/abstract=2744006



These life story questions worked for current gifts. But they were the most effective for bequest gifts.[11] Other research matches this. Donors report that life story connections are key for charitable bequests.[12] Neuroimaging shows such decisions engage "visualized autobiography" brain regions.[13] As this visualization increases, so does interest in a bequest. One study tested phrases to describe a charitable bequest gift.[14] The best added, "to support causes that have been important in your life." Life story references are powerful for bequest gifts.



These questions can help in other ways. They're a great starting point for conversations. ("Tell me more …") They can also reveal key messages. For example, donations were most likely for those noting "life experiences with wild birds." They were least likely for those referencing time "spent on a lake." Such details might inform project or image choices for fundraising messages.



People identity questions: Examples

Here is an example of questions asking about donors' people connections.

Do you have more or less than two family members who consider conserving the natural environment to be important?

__ About 2

__ More than 2

__ Less than 2

Were there any family members in your life who were particularly influential in shaping your views on the importance of nature conservation? (Check any that apply.)

__ Grandmother __Grandfather __ Aunt __Uncle __Mother __Father __Sibling __Other family member

Comments:

[11] *Id.*

[12] Routley, C., & Sargeant, A. (2015). Leaving a bequest: Living on through charitable gifts. *Nonprofit and Voluntary Sector Quarterly, 44*(5), 869-885.

[13] James, R. N., III., & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly, 43*(2), 355-373.

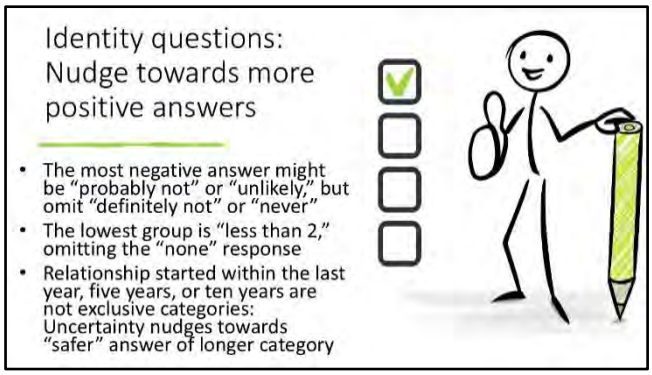
[14] James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

We love to recognize our outstanding team members at [this charity]! Please share any memorable experiences you've had with anyone you've met at [this charity].
Comments:

People identity questions: Comments

The first two questions ask about family member connections. This can help link the donor's identity with the cause. This also sets up a later question. It asks about a gift in a will honoring a family member.

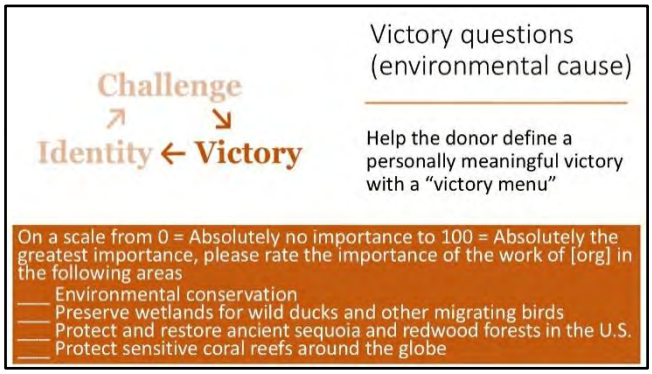
The third question recalls experiences with people at the charity. For different charities, these will be different people. At universities, these might be professors. At hospitals, these might be doctors or nurses. Answers to "people" questions also make great conversation starters. ("Tell me more …")



The questions often omit strong negative answers. This is intentional. The goal is to connect donors to the cause. If some connection is absent, we don't want them to focus on that. We don't want them to commit to a strong negative answer.

One approach is to group everything negative into a moderate response. Thus, the most negative answer might be "probably not" or "unlikely." This leaves out "definitely not" or "never." In the first question, the lowest group is "less than 2." This omits the "none" response.

A prior question used a similar grouping strategy. It asked, "When did you first learn about [this charity]?" Answer options included within the last year, five years, and ten years. Notice, these aren't exclusive categories. A date within the last year is also within the last ten years. Uncertainty nudges towards the safer answer. The safer answer reports a longer connection range. This can make the relationship time feel longer. It strengthens the identity connection.



Victory questions: Examples

Here is an example of questions asking donors to define their victory.

On a scale from 0 = Absolutely no importance to 100 = Absolutely the greatest importance, please rate the importance of the work of [this charity] in the following areas

___ Environmental conservation

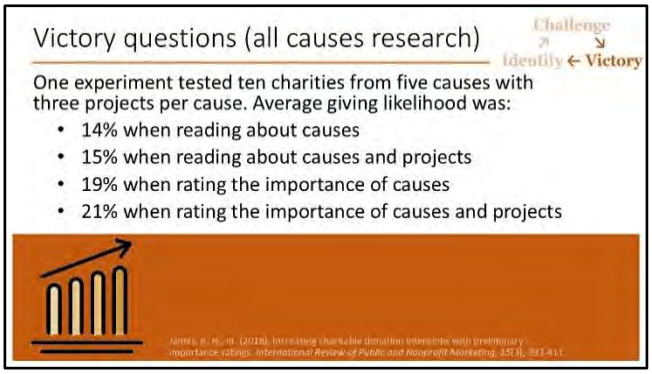
___ Preserve wetlands for wild ducks and other migrating birds

___ Protect and restore ancient sequoia and redwood forests in the U.S.

___ Protect sensitive coral reefs around the globe

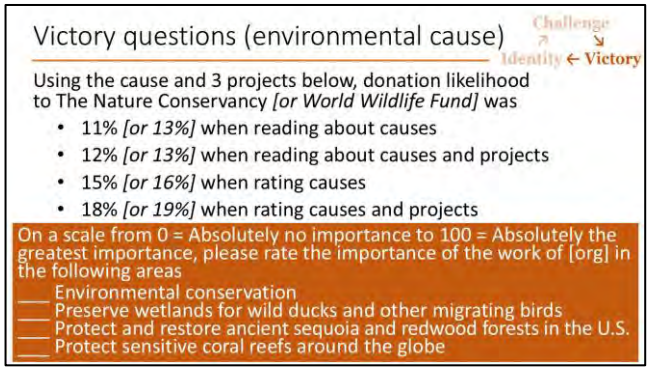
Victory questions: Comments

The next step is to help the donor define a personally meaningful victory. One way to do this is with a "victory menu." The menu lists different projects or impact areas. Donors rate the importance of each. This reveals which is most meaningful to the donor. It helps the donor define his ideal victory. This encourages giving.



One experiment tested this for ten charities from five causes.[15] Each cause included a charity with three projects. The average likelihood of giving for each charity was

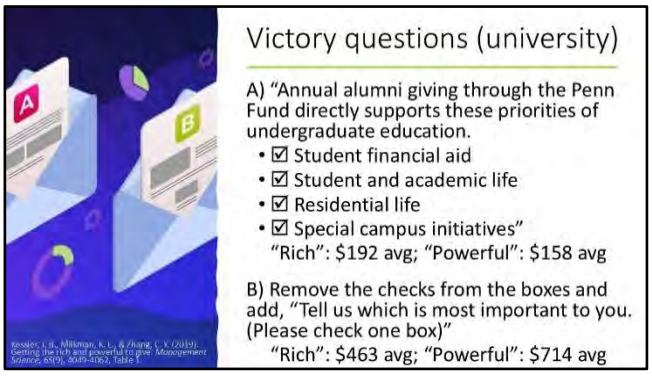
- 14% when reading about causes
- 15% when reading about causes and projects
- 19% when rating the importance of causes
- 21% when rating the importance of causes and projects



This test included the questions from the previous example. These worked for environmental charities. For The Nature Conservancy, donation likelihood was

- 11% when reading about causes
- 12% when reading about causes and projects
- 15% when rating causes
- 18% when rating causes and projects

The questions also worked for World Wildlife Fund. Giving likelihood was 13% when reading about causes or causes and projects. It was 16% when rating causes. It was 19% when rating causes and projects.[16]



Another experiment explored how to get the "rich and powerful" to give.[17] Alumni mailings went to two groups. One had response cards with this statement:

"Annual alumni giving through the Penn Fund directly supports these priorities of undergraduate education.

☑ Student financial aid

[15] James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review of Public and Nonprofit Marketing, 15*(3), 393-411.

[16] This result was similar, but one important aspect was different. The projects were described as projects of the first charity – The Nature Conservancy. Yet, asking for opinons about each project still increased willingness to donate to World Wildlife Fund. The questions appeared to increase interest in supporting the underlying cause. This increased interest in supporting both the charity operating the specific projects rated and a similar charity presumably operating similar projects.

[17] Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2019). Getting the rich and powerful to give. *Management Science, 65*(9), 4049-4062.

☑ Student and academic life

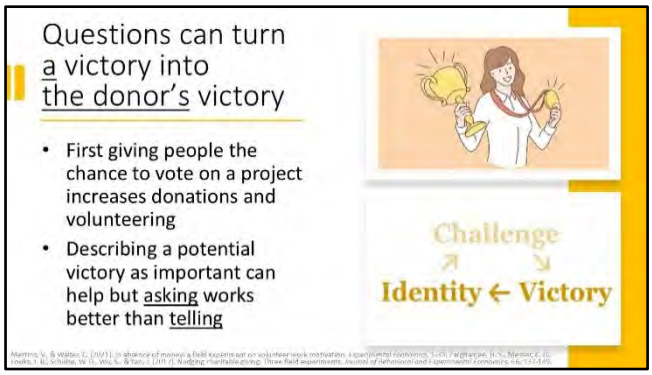
☑ Residential life

☑ Special campus initiatives"

The other's response cards instead asked a question. They removed the checks from the boxes and added,

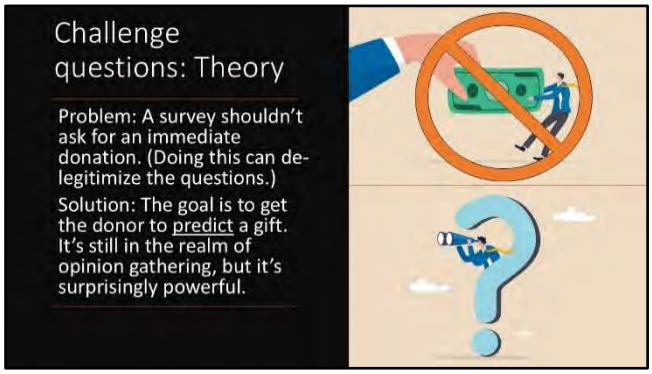
"Tell us which is most important to you.
(Please check one box)"

The "rich" were those from the wealthiest census tracts. Among the "rich" sending a gift, the average size was $192 for the first response card. It was $463 for the second. The "powerful" were those listed as being on a firm's board of directors. Among the "powerful" sending a gift, the average size was $158 for the first response card. It was $714 for the second.[18]



Asking for opinions in other ways can also work. For example, giving people the chance to vote on a project works. In experiments, this increases subsequent volunteering[19] and donations.[20]

In fundraising, "victory" is about the impact of a gift. Describing a potential victory as important can help. But asking works better than telling. By answering, the donor can personally commit to the importance of the victory. The donor can take ownership. This can turn *a* victory into *the donor's* victory. It can help connect the *victory* with the donor's *identity*.



Challenge questions: Theory

In Socratic fundraising, the final step is making the ask. This is the challenge that promises a victory.[21] [*Challenge → Victory*]. But there's a problem. A survey isn't going to ask for an immediate donation. (Doing this can de-legitimize the questions.)

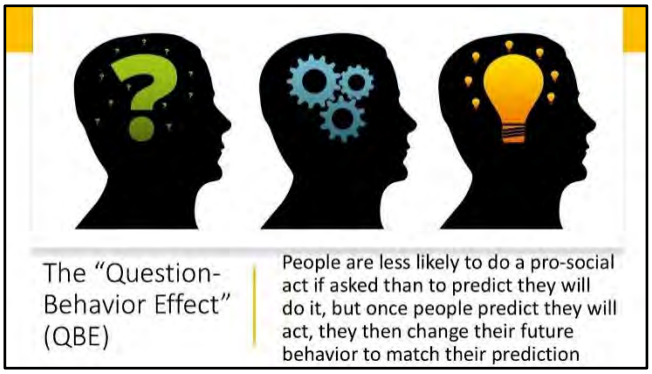
[18] In this study the variation in the response card had little effect on the likelihood of a donation. This makes sense because a person who was not donating would be unlikely to read or answer a question on the appeal letter response card. This would limit the question's ability to influence the decision to donate or not. Thus, in this experiment it is likely that only those who were donating actually received the "treatment" of answering questions. The average gift size among those donating who were not in the "rich" or "powerful" categories was $235 for the statement group and $286 for the question group. Total letter recipients were: 16,031 (question group not rich or powerful), 16,143 (statement group not rich or powerful), 766 (question group rich), 843 (statement group powerful), 582 (question group powerful), and 595 (statement group powerful). *See* Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2019). Getting the rich and powerful to give. *Management Science, 65*(9), 4049-4062, Table 1.

[19] Mertins, V., & Walter, C. (2021). In absence of money: a field experiment on volunteer work motivation. *Experimental Economics*, 1-33. https://doi.org/10.1007/s10683-020-09686-4

[20] Zarghamee, H. S., Messer, K. D., Fooks, J. R., Schulze, W. D., Wu, S., & Yan, J. (2017). Nudging charitable giving: Three field experiments. *Journal of Behavioral and Experimental Economics, 66*, 137-149.

[21] Also known as the "call to adventure" in the monomyth (universal hero story) or the "inciting incident" in a general narrative structure.

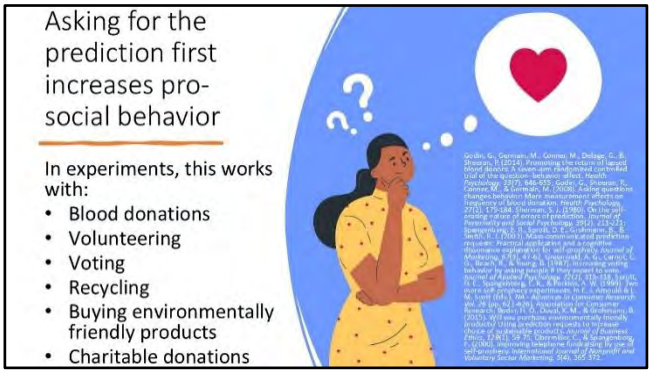
The immediate goal isn't to get the donor to *make* a gift. But it's related. The goal is to get the donor to *predict* a gift. A prediction is still just an opinion. The question is still in the realm of opinion gathering. But asking for a prediction is surprisingly powerful.



Academic research calls it the "Question-Behavior Effect" (QBE). The idea is this: Suppose we ask a person to *do* some pro-social act. It might be donating, volunteering, giving blood, voting, recycling, etc. That decision requires a tradeoff.

- Paying the cost gets positive identity effects. (It affirms, "I am the type of person who gives, volunteers, recycles, etc.")
- Avoiding the cost gets negative identity effects. (It suggests, "I am not that type of person.")

Now suppose instead we ask a person to *predict* if they will act. Predicting the behavior also has positive identity effects. (It affirms, "I am the type of person who gives, volunteers, recycles, etc.") But a prediction is free. It's not a contract. It requires no effort. There's no cost.



What happens? People are less likely to *act* pro-socially than to *predict* they will act pro-socially. That's no surprise. The surprise is this: *Once* people *predict* they will act, they then change their future behavior. They change it to match their prediction. The result? Asking for the prediction first increases pro-social behavior. In experiments, this works with

- Blood donations[22]
- Volunteering[23]
- Voting[24]
- Recycling,[25] and
- Buying environmentally friendly products.[26]

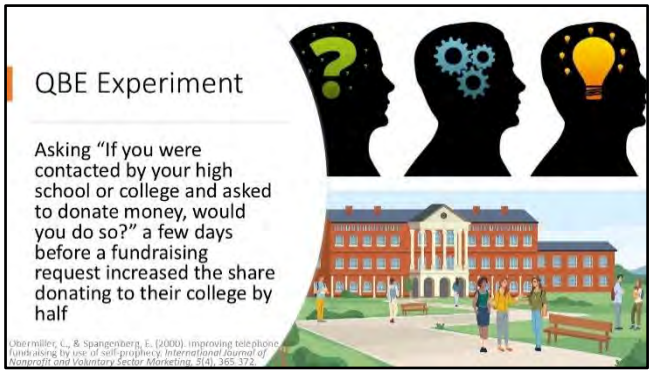
[22] Godin, G., Germain, M., Conner, M., Delage, G., & Sheeran, P. (2014). Promoting the return of lapsed blood donors: A seven-arm randomized controlled trial of the question–behavior effect. *Health Psychology, 33*(7), 646-655; Godin, G., Sheeran, P., Conner, M., & Germain, M. (2008). Asking questions changes behavior: Mere measurement effects on frequency of blood donation. *Health Psychology, 27*(2), 179-184.

[23] Sherman, S. J. (1980). On the self-erasing nature of errors of prediction. *Journal of Personality and Social Psychology, 39*(2), 211-221; Spangenberg, E. R., Sprott, D. E., Grohmann, B., & Smith, R. J. (2003). Mass-communicated prediction requests: Practical application and a cognitive dissonance explanation for self-prophecy. *Journal of Marketing, 67*(3), 47-62.

[24] Greenwald, A. G., Carnot, C. G., Beach, R., & Young, B. (1987). Increasing voting behavior by asking people if they expect to vote. *Journal of Applied Psychology, 72*(2), 315-318.

[25] Sprott, D. E., Spangenberg, E. R., & Perkins, A. W. (1999). Two more self-prophecy experiments. In E. J. Arnould & L. M. Scott (Eds.), *NA - Advances in Consumer Research: Vol. 26* (pp. 621-626). Association for Consumer Research.

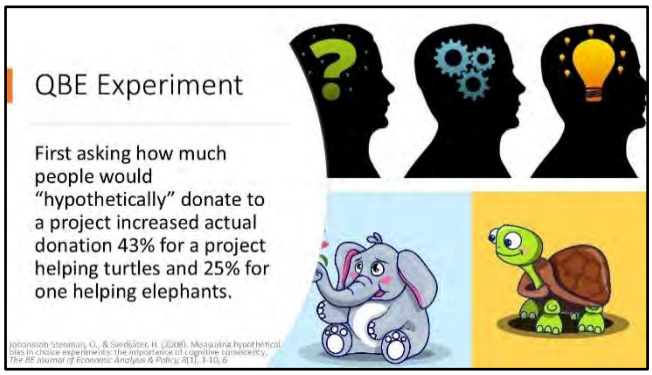
[26] Bodur, H. O., Duval, K. M., & Grohmann, B. (2015). Will you purchase environmentally friendly products? Using prediction requests to increase choice of sustainable products. *Journal of Business Ethics, 129*(1), 59-75.



It also works with donations.[27] One experiment asked for this prediction:

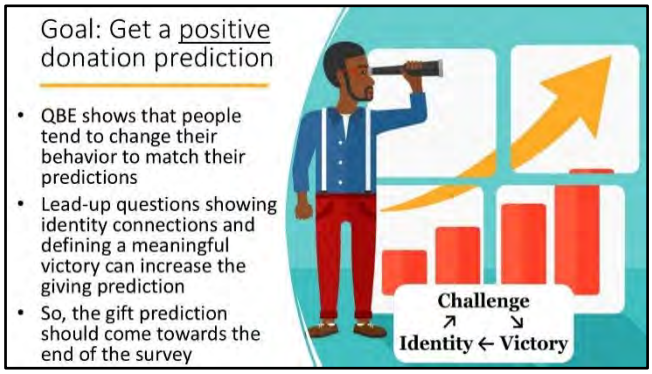
"If you were contacted by your high school or college and asked to donate money, would you do so?"

Asking this a few days before a fundraising request worked. The share of those donating to their college increased by half.[28]

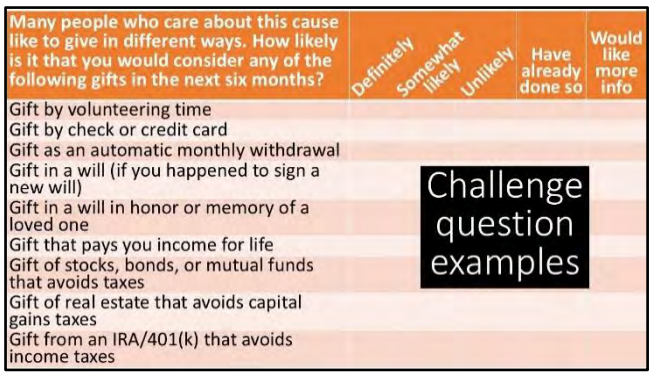


Another experiment asked some people a different question. It asked how much they would "hypothetically" donate to a project. Asking this increased actual donations later. Gifts went up 43% for a project helping turtles. They went up 25% for one helping elephants.[29]

QBE shows that people tend to change their behavior to match their predictions. This matters for survey questions. The survey goal is not just to get a donation prediction. It's also to get a *positive* prediction.



The lead-up questions can help.[30] They can connect the donor's history, people, and values with the cause, the charity, or the project. They can help the donor define a personally meaningful victory. These steps help increase the subsequent gift prediction. Thus, the gift prediction should come towards the *end* of the survey.[31] It's the punchline!



Challenge questions: Examples

Here is an example of questions asking about the challenge (i.e., the gift).

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[27] Obermiller, C., & Spangenberg, E. (2000). Improving telephone fundraising by use of self-prophecy. *International Journal of Nonprofit and Voluntary Sector Marketing, 5*(4), 365-372.

[28] *Id.*

[29] Johansson-Stenman, O., & Svedsäter, H. (2008). Measuring hypothetical bias in choice experiments: the importance of cognitive consistency. *The BE Journal of Economic Analysis & Policy, 8*(1), 1-10, 6. ("The MWTP [Marginal Willingness to Pay] for the Elephant-Campaign is 25% and 70% larger in the real-after-hypothetical and hypothetical treatments, respectively, than in the real-directly treatment. For the Turtle-Campaign, the corresponding MWTPs are 43% and 87% larger.")

[30] The idea behind most of these survey questions is actually similar. People first express an opinion about the cause, the charity, the project or associated values, history, or people. This might be an importance rating, a vote, a "hypothetical" gift, or a gift prediction. But the key is this: The opinion about the pro-social project, cause, charity, or act is given in a *cost-free* environment. It is just an opinion or maybe a guess. It's not a contract. This cost-free environment creates more pro-social opinions. Later, people can choose to match their opinions with behavior. But because they've already stated an opinion, their behavior changes. It changes to make their behavior consistent with their previously stated opinion. The most powerful opinion is the prediction. It's the most powerful because it's the most closely tied to the target behavior – making a gift.

[31] Starting with giving prediction questions for various projects reduced the predicted likelihood of a gift compared with starting with opinion questions about those projects prior to making the gift prediction in James, R. N., III. (2018). Increasing charitable donation intentions with preliminary importance ratings. *International Review on Public and Nonprofit Marketing, 15*(3), 393-411.

Many people who care about this cause like to give in different ways. How likely is it that you would consider any of the following gifts in the next six months?

[Gift options (row headings)]

Gift by volunteering time

Gift by check or credit card

Gift as an automatic monthly withdrawal

Gift in a will (if you happened to sign a new will)

Gift in a will in honor or memory of a loved one

Gift that pays you income for life

Gift of stocks, bonds, or mutual funds that avoids taxes

Gift of real estate that avoids capital gains taxes

Gift from an IRA/401(k) that avoids income taxes

[Response options (column headings)]

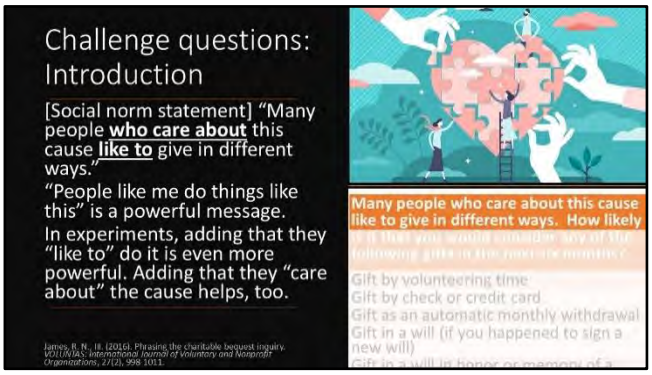
__ Definitely

__ Somewhat likely

__ Unlikely

__ Have already done so

__ Would like more info



Challenge questions: Comments

Why this wording? Why this sequence? Let's unpack the details. The question begins with a "social norm" statement.

"Many people who care about this cause like to give in different ways."

In charitable giving experiments, stating that others also give is powerful. Adding that they "like to" do it is even more powerful.[32] Adding that they "care about" the cause helps, too.[33] This uses social-emotional language. Such language encourages sharing.[34] It also shows these other people are like the donor. (The donor cares about the cause, too.) It delivers a powerful fundraising message. It implies,

"People like me do things like this."

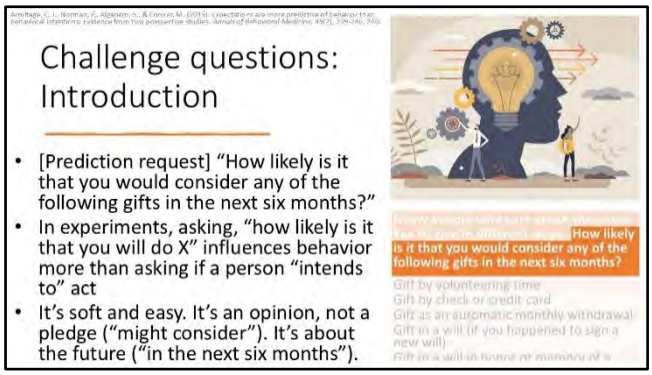
The next part asks for a prediction. It asks,

[32] *See* B2 v B3 in Table 1 at p. 1002 for the effects of adding/removing "like to" in a social norm statement when asking about charitable bequest intentions in James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

[33] See B4 v B3 in Table 1 at p. 1002 for the effects of adding/remove "care about" in a social norm statement when asking about charitable bequest intentions in James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011.

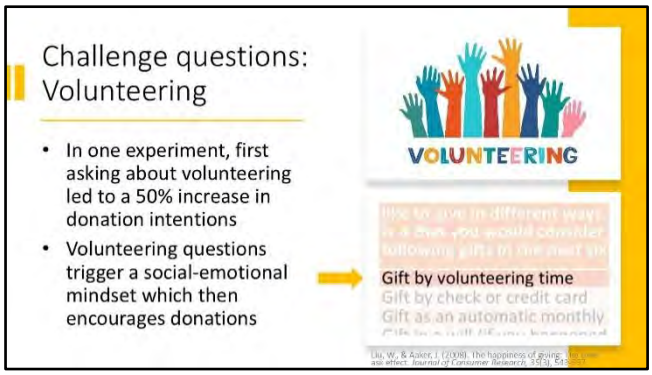
[34] *See* Book I in this series: *The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story.* Chapter 4: "Math problems in fundraising story: Motivations & barriers" and Chapter 5: "Solutions in fundraising math: Story first, math second".

"How likely is it that you would consider any of the following gifts in the next six months?"



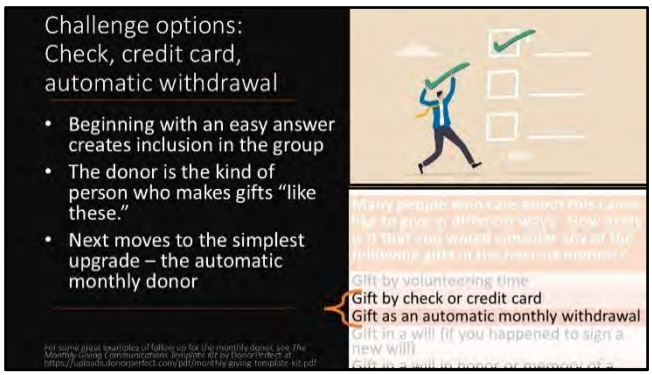
The question predicts likelihood. In experiments, asking, "how likely is it that you will do X" works.[35] It influences behavior more than asking if a person "intends to" act.[36] Why? Failing to act makes a positive prediction wrong. But it doesn't necessarily contradict a statement about intentions. Predictions are more powerful than intentions.

But this prediction is still a soft, safe, "no obligation" question. A positive answer doesn't cost anything. It doesn't risk anything. The question just asks for thoughts. It's even softer because it asks what the donor "might consider." The longer time horizon softens the question even more. Yet, six months is still soon enough to warrant a follow-up contact.



Challenge options: Volunteering

The challenge question uses a long list of gift options. It starts with volunteering. Why? Of course, it's possible the charity needs volunteers. (And people who volunteer are more likely to donate.) But there's another reason. Asking about intentions to volunteer increases willingness to donate. In one experiment, first asking about volunteering led to a 50% increase in donation intentions.[37] Asking about giving *time* triggers a more social-emotional mindset.[38] This mindset encourages donations. Leading with the volunteering question nudges people. It nudges them to predict future donations.



Challenge options: Check, credit card, automatic withdrawal

The next question references the most common gifts – check or credit card. This helps ease into the later – more exotic – gifts. It groups all the gifts together. They're all just "ways to give."

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[35] Armitage, C. J., Norman, P., Alganem, S., & Conner, M. (2015). Expectations are more predictive of behavior than behavioral intentions: Evidence from two prospective studies. *Annals of Behavioral Medicine, 49*(2), 239-246, 240.

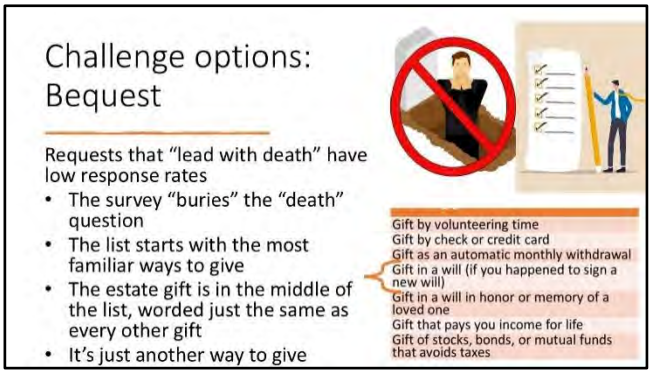
[36] Notice that "intend to" is a statement about a current state. It can still be accurate, even if the person doesn't later engage in the future act. In contrast, the accuracy of a prediction of future behavior depends entirely upon the future act occurring or not.

[37] *See* Experiment 1 in Liu, W., & Aaker, J. (2008). The happiness of giving: The time-ask effect. *Journal of Consumer Research, 35*(3), 543-557. (Average responses to "How much money would you donate to the American Lung Cancer Foundation?" increased 49% from $24.46 to $36.44 when participants were first asked "How much time would you like to donate to the American Lung Cancer Foundation?")

[38] *See* Experiment 2 in Liu, W., & Aaker, J. (2008). The happiness of giving: The time-ask effect. *Journal of Consumer Research, 35*(3), 543-557.

Donors can confidently check this box. (This is a *donor* survey, after all.) By doing so, the donor puts himself in the category. He is the kind of person who makes gifts like these.

The next question moves to the simplest upgrade – the monthly donor. Any indication of interest can trigger a follow up contact.[39]



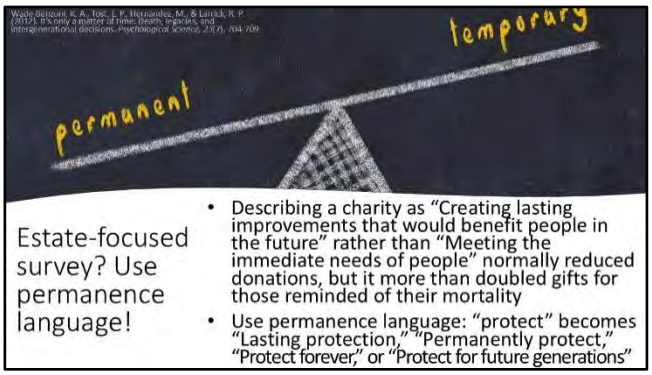
Challenge options: Bequest

Asking about estate plans is tricky. Using "death" words is dangerous.[40] It reduces interest in estate gifts and other transactions.[41] Messages that "lead with death" tend to have low response rates.

One charity I worked with had sent an appeal letter asking for gifts in wills. The letter very strongly led with death. The response card included only questions about estate planning. Sending 30,000 of these letters resulted in no responses.

Later, the same charity sent a brief survey. It included the same types of questions near the end. Again, the questions asked about gifts in wills. But this time the charity got a 22% response rate. A year later, they re-sent to the non-responders. They got another 18% response rate from this group. Leading with death failed. But "burying" the "death" question at the end of a survey worked.

The survey does this here. It "buries" the "death" question. The list *starts* with the most familiar ways to give. The estate gift is in *the middle* of the list. It's worded the same as every other gift. It's just another way to give. It uses the simplest, friendliest language.[42] The question is softened further by making it hypothetical. It adds, "(if you happened to sign a new will)."



If the survey is focused on estate gifts, earlier phrasing can be adjusted. In estate giving, nothing is more attractive than permanence. One experiment compared describing a charity as either

- "Meeting the immediate needs of people," or
- "Creating lasting improvements that would benefit people in the future."

[39] For some great examples, see *The Monthly Giving Communications Template Kit* by DonorPerfect at https://uploads.donorperfect.com/pdf/monthly-giving-template-kit.pdf

[40] *See* Chapter 11: Socratic fundraising "legacy edition": How to ask for the gift in a will without fear or anxiety.

[41] James, R. N., III. (2016). An economic model of mortality salience in personal financial decision making: Applications to annuities, life insurance, charitable gifts, estate planning, conspicuous consumption, and healthcare. *Journal of Financial Therapy, 7*(2), 62-82; James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 27*(2), 998-1011; Salisbury, L. C., & Nenkov, G. Y. (2016). Solving the annuity puzzle: The role of mortality salience in retirement savings decumulation decisions. *Journal of Consumer Psychology, 26*(3), 417-425.

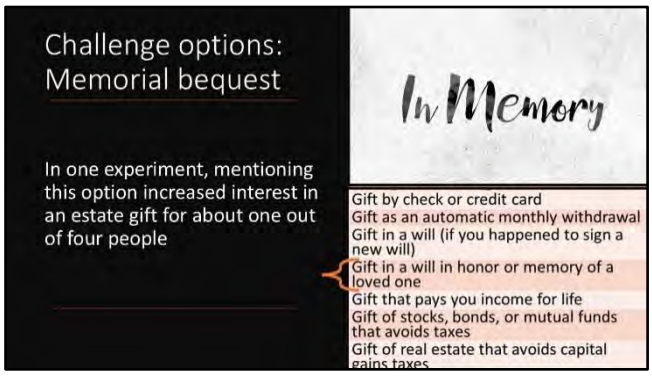
[42] "Gift in a will" generates more interest than "estate gift" or "legacy gift" or "bequest gift." *See* James, R. N., III. (2018). Creating understanding and interest in charitable financial and estate planning: An experimental test of introductory phrases. *Journal of Personal Finance, 17*(2), 9-21; James, R. N., III. (2016). Phrasing the charitable bequest inquiry. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(2), 998-1011.

The first description normally worked better. But for people reminded of their death, the second did. For them, it led to twice as much giving.[43] In a death context, permanence language works.

Another experiment found this for memorial donations. Adding a permanence goal worked best.[44] Death reminders trigger this desire for permanence.

If encouraging estate gifts is the goal, permanence helps. The survey words can be adjusted to match. For example, in a project or cause description, the word "protect" might become

- "Lasting protection"
- "Permanently protect"
- "Protect forever," or
- "Protect for future generations."

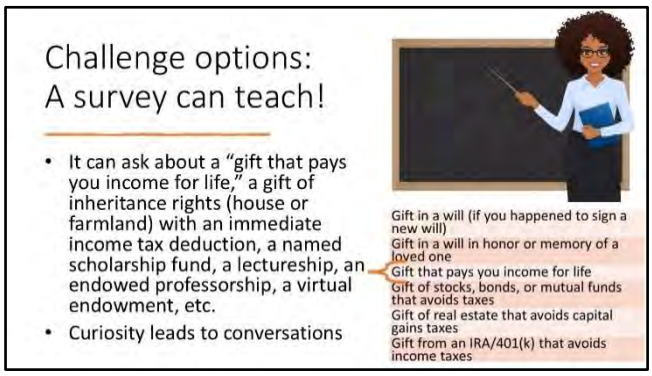


Challenge options: Memorial bequest and income gifts

The next question asks about the memorial gift in a will. In one experiment, asking this question worked. It increased interest in an estate gift for about one out of four people.[45]

This shows another function of a survey. It can teach. The gift idea might be new. It might never have occurred to the donor before. A donor might think this:

"I didn't know I could make a bequest gift in honor of a loved one."



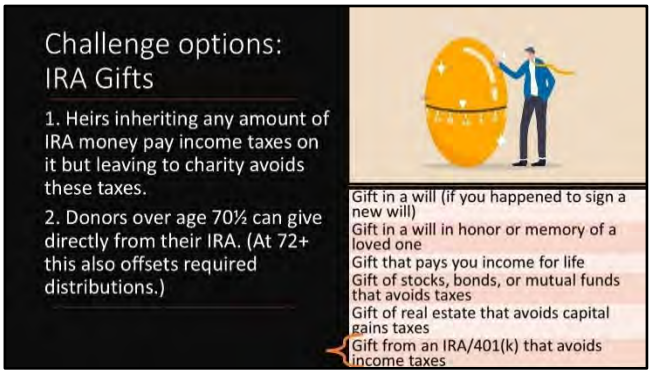
A survey can introduce other charitable options. It can ask about

- A "gift that pays you income for life,"[46]
- A gift of inheritance rights (house or farmland) with an immediate income tax deduction,[47]
- A named scholarship fund,

[43] Wade-Benzoni, K. A., Tost, L. P., Hernandez, M., & Larrick, R. P. (2012). It's only a matter of time: Death, legacies, and intergenerational decisions. *Psychological Science, 23*(7), 704-709.
[44] James, R. N., III. (2019). Encouraging repeated memorial donations to a scholarship fund: An experimental test of permanence goals and anniversary acknowledgements. *Philanthropy & Education, 2*(2), 1-28.
[45] Unpublished results from an online survey conducted by author in November of 2014. After reporting interest in making any gift to charity in a will, respondents were then asked a second question. Some were asked to report interest in, "Honor a family member by making a memorial gift to charity in my will." 24% (119 of 504) reported greater interest in this second gift than in the first. Others were asked to report interest in "Honor a family member by making a tribute gift to charity in my will." 29% (147 of 505) reported greater interest in this second gift than in the first.
[46] This refers to a charitable gift annuity or charitable remainder trust. For tests on this exact wording, *see* James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452.
[47] This refers to a retained life estate.

- A lectureship,
- An endowed professorship,
- A virtual endowment,[48]
- Or any other attractive giving opportunity.

In each case, a question introduces the idea. If it piques curiosity, the donor responds positively. This can lead to valuable conversations.



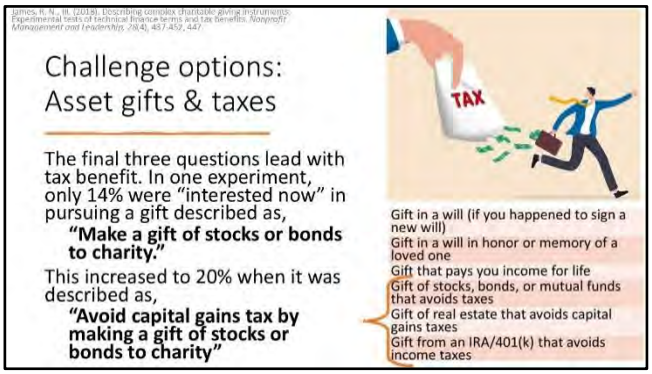
Challenge options: IRA Gifts

The last question asks about a

"Gift from an IRA that avoids income taxes."

This question can do different things for different donors. First, it is a stealth estate giving question. Heirs inheriting IRA money must pay income taxes on it. (This is true for any size estate.) But any part left to charity avoids these taxes.[49] The question response can give permission for this conversation. Adding this estate gift is easy. It can typically be done online.

For donors over age 70½, another option arises. They can make current gifts directly from their IRA.[50] This money is earned income. But it has never been taxed. If it's donated, it never will be. For donors over age 73, these gifts do more. They reduce required distributions that otherwise create taxes.



Challenge options: Gifts of assets

The final three questions lead with value. They reference the tax benefit. This phrasing works in experiments. In one, only 14% were "interested now" in pursuing a gift described as,

"Make a gift of stocks or bonds to charity."[51]

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[48] When a current gift to fund an endowment is too large for the donor, a virtual endowment might work. This combines annual gifts for the endowment payout plus a sinking fund (eventually fully funding the endowment) with a "back up" estate gift that ensures funding in the event of death.

[49] Occasionally a financial advisor might give mistaken information about the effects of adding a charity as a beneficiary to an IRA or 401(k). Charities are not "designated beneficiaries," so adding them could accelerate required minimum distributions for other beneficiaries. However, there are so many solutions to this issue that it isn't functionally a problem at all. For example, this doesn't apply so long as the charity's share is paid out before September 30 of the year following the year of the participant's death. Treas. Reg. sec. 1.401(a)(9)-4 Q&A 4(a). Alternatively, the rule doesn't apply if the different beneficiaries separate their accounts by end of year following the participant's death. Treas. Reg. sec. 1.401(a)(9)-8 Q&A 2(a). Or, if the spouse is a beneficiary, that part can be simply rolled into spouse's IRA. Finally, if the concern is great enough, the IRAs can be separated into a 100% charitable and 100% non-charitable account before death. This last approach allows distributions to be taken from either account to match estate planning goals.

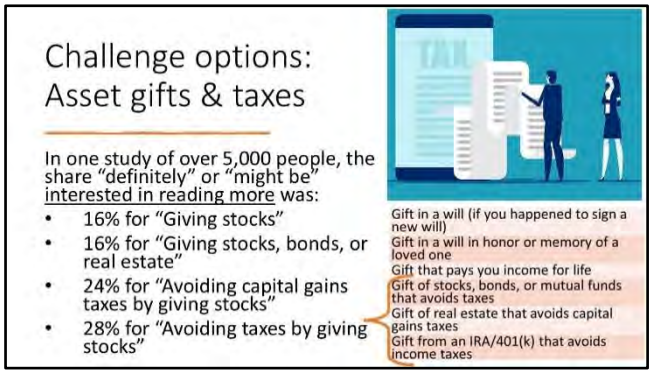
[50] This is called a qualified charitable distribution. For those who have a 401(k) plan, the money is first moved into an IRA rollover which then permits these gifts.

[51] James, R. N., III. (2018). Describing complex charitable giving instruments: Experimental tests of technical finance terms and tax benefits. *Nonprofit Management and Leadership, 28*(4), 437-452, 447.

This increased to 20% when it was described as,

"Avoid capital gains tax by making a gift of stocks or bonds to charity"

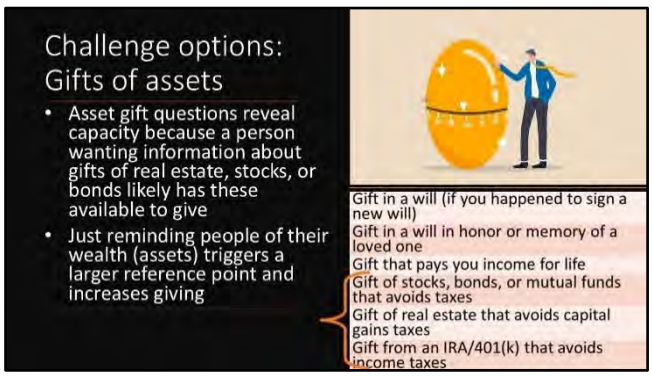
With this phrasing, people were more interested in giving. They're also more likely to want to learn more.



What do people want to read about on their favorite charity's website? One study of over 5,000 people asked this question. The share who were "definitely" or "might be" interested in reading more was,[52]

- 16% for "Giving stocks"
- 16% for "Giving stocks, bonds, or real estate"
- 24% for "Avoiding capital gains taxes by giving stocks"
- 28% for "Avoiding taxes by giving stocks"

Leading with value works. Simple words work.



Asset gift questions can be powerful in other ways. They can reveal capacity. A person wanting information about gifts of real estate likely owns real estate. The same is true for stocks, bonds, or any listed assets. These questions also imply that making such gifts is common. This supports a social norm of giving assets.

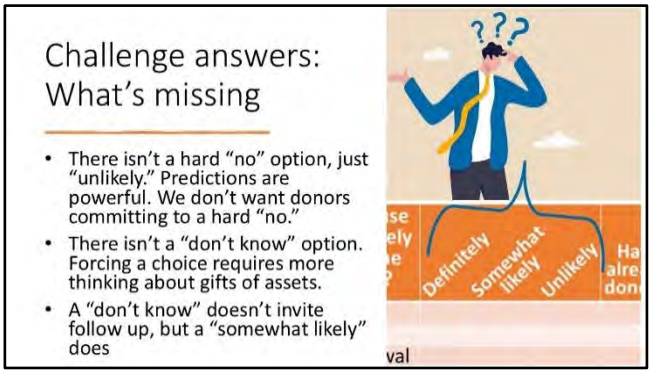
Just thinking about these questions is powerful. It can change the reference point for a gift. A cash donation tends to be compared with other regular cash expenditures from disposable income. This is a small reference point.

A donation of stocks tends to be compared with stock holdings. This is a large reference point. The same idea applies to IRA gifts, real estate gifts, and estate gifts. These are not gifts from disposable income. These are gifts of wealth.

Wealth is a large reference point. It makes a large gift feel more reasonable. Thinking about such gifts can change a donor's "mental accounting." It can make wealth "donation relevant."[53]

[52] Unpublished results from online survey by the author. The introductory question text was "Suppose you are viewing the website of a charity representing a cause that is important in your life. In addition to a 'Donate Now' button, the following buttons appear on the website. Please rate your level of interest in clicking on the button to read the corresponding information. (Note: after answering this set of question, you will be asked to read information about one of these topics, so please more highly rate the ones you are actually interested in.)"

[53] *See* Book I from this series: *The Storytelling Fundraiser: The Brain, Behavioral Economics, and Fundraising Story.* Chapter 6, "The secret to fundraising math: Gifts of wealth not income".

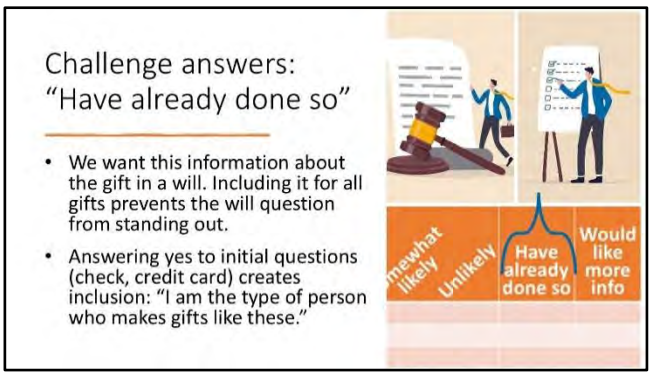


Challenge answers

The column headings give the answer options. Notice, something is missing. There isn't a hard "no" option. The most negative option is, "Unlikely." Why? QBE shows that predictions are powerful. People tend to change their future behavior to match their predictions. So, we don't want donors committing to a hard "no." Here, that isn't possible.

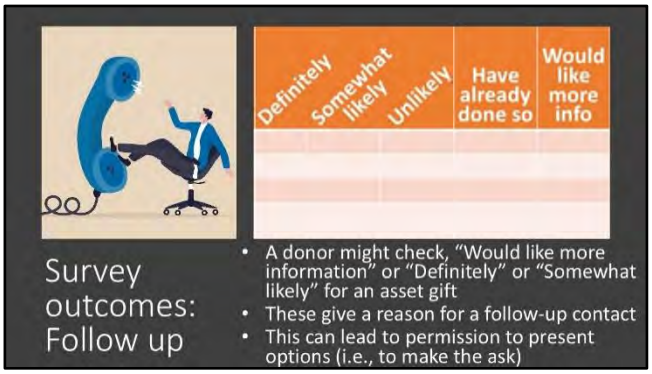
Also missing is a "don't know" option. These options are attractive. They're easy. But that's not the goal. We want donors to *spend time thinking* about these types of gifts. Forcing other responses requires more thought.

Removing the "don't know" can also help with follow-up opportunities. Some "don't know" answers will instead become positive responses when that option is removed. A response of "somewhat likely" can justify a follow-up conversation. A "don't know" won't do this.



Another option is, "Have already done so." This has a specific purpose. It's to get information about the gift in a will. (Other past gifts would already appear in the charity's records.) Including this for all gifts prevents the will question from standing out. (Remember, we want to "bury" the death question. It should feel like just another way to give.) Also, for those who have made any gifts, answering helps donors think this:

"I am the type of person who makes gifts like these."



Survey outcomes: Follow up conversations

In Socratic fundraising, there's a final step before the ask. That step is to get permission to present options. This is permission to make the ask. A survey can help.

A donor might check, "Would like more information." Or they might check "Definitely" or "Somewhat likely" for an asset gift. These give a reason for a contact. The contact can lead to permission to make the ask. A call might sound like the following.

"Hello Sara?"

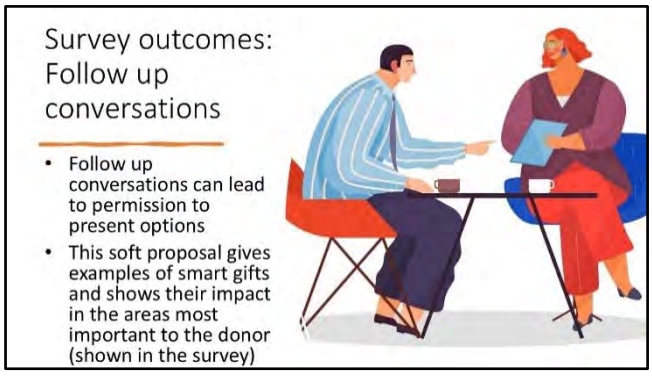
"Hi, this is [name] from [charity]. Don't worry, I'm not calling to ask for a gift today. I wanted to thank you for your years of support of [cause]. Your gifts have really made a difference for [beneficiaries]."











"Also, I wanted to thank you for completing our survey a few days ago. This really helps our leadership. It's important for them to know what matters to loyal donors like you. So, thanks for that!"

"I also wanted to follow up with you on one thing. You mentioned in the survey that you ["would like more information about" / "might be considering"] a gift ["of real estate" / "of stocks, bonds, or mutual funds" / "from an IRA"]. I work with many donors like you who've made these types of gifts. The extra tax benefits really make it a smarter way to give. Would you mind telling me if anything in particular prompted you to [request that information / consider this type of a gift]?"

"I'd love to share some examples of what others like you are doing. I think you'll find some of the options interesting. This can also help with your giving to other causes, not just ours. I'll be in your area next Tuesday. Would your calendar allow us to meet at 2pm?"

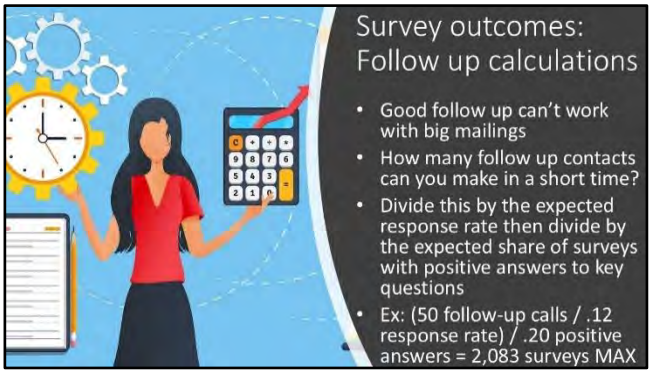
"Great! I'll put together some options for you. Before we meet, is there anything you want me to know about the ["real estate" / "investments" / "IRA"]? I know sometimes there are special issues with ["property" / "certain types of investments"]."

Of course, this is just one example. There are many ways to phrase this conversation.[54] But the goal is the same. Get permission to present options.

That meeting then allows for a soft proposal. It gives examples of gifts the donor could make. It uses any asset details from the survey or the conversation. It shows the benefits of giving smarter.

More importantly, it should show *the impact* from the donor's gift. This impact should be in the areas most important to the donor. Fortunately, the survey reveals that, too.

[54] *See* a great example in Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. p. 421. This uses phrases such as, "Would you mind telling me if there is anything in particular that prompted you to request that information?... I'd like to help you, if I may. The information we sent was very general in nature. I would be happy to send you more specific information on the subject of estate planning or even stop by for a visit."

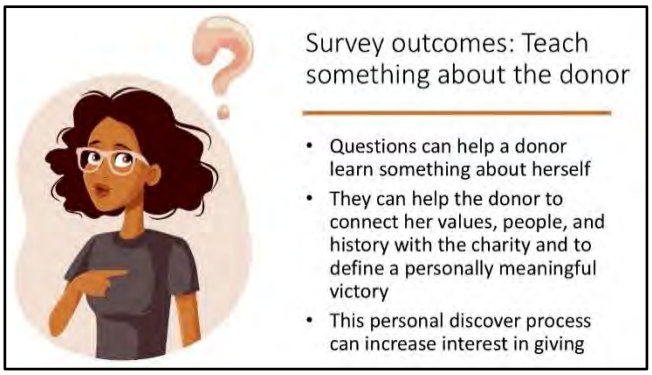


Survey outcomes: Follow up calculations

This follow up can be powerful. But it requires changing the way most charities do donor surveys. Charities are used to big mailings. That's how appeal letters work. But it's not how surveys work. At least not if we want to follow up with donors. Follow up requires sending small batches.

How small? Calculate this backwards. Start with end. How many follow-up contacts can you make in a short time? Divide this by the expected response rate. Divide this by the expected share of surveys with positive answers to key questions. That's the maximum to send out at one time.

For example, (50 follow-up calls / .12 response rate) / .20 positive answers = 2,083 surveys. If we don't know these numbers, we guess. The first few batches will show the answers. Of course, *simple* follow ups can work at higher volumes. If a donor wants a publication, newsletter, or event details, that's easy.[55]



Survey outcomes: Teach something about the donor

Questions can work even without the follow up.[56] The idea behind the Socratic Method is that questions can teach. More powerfully, questions can help a person teach himself. Here, questions can help the donor connect his values, people, and history with the charity. They can help the donor define a personally meaningful victory. This personal discovery process can increase interest in giving.



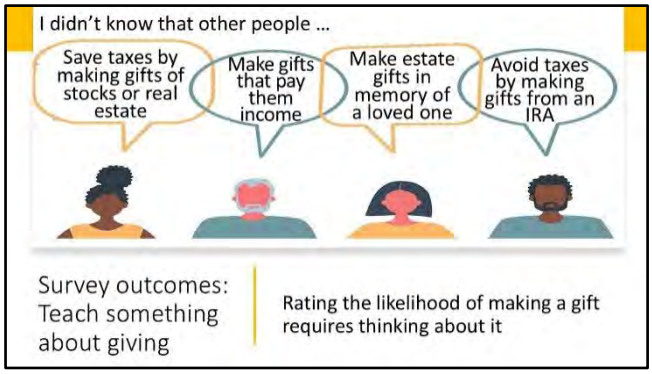
Survey outcomes: Teach something about the charity

Beyond this, the survey itself can inform. It can share information about charity projects. Rating the importance of a project requires learning about it. A donor might think this:

- "I didn't know they protected coral reefs, too."
- "I didn't know they had conservation centers. Maybe I should visit?"

[55] An option might include, "Would you be interested in receiving our regular newsletter or additional information?" Alexander, G. D. & Carlson, K. J. (2005). *Essential principles for fundraising success: An answer manual for the everyday challenges of raising money.* Jossey-Bass. pp. 174-175.

[56] Thus, even anonymous surveys can be useful in affecting donor behavior.

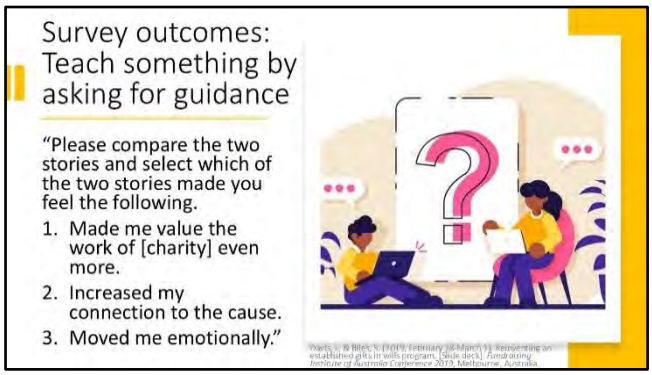


Survey outcomes: Teach something about giving

The survey can reference new gift types. Rating the likelihood of making a gift requires thinking about it. Questions can imply that others like the donor make these gifts. This establishes social norms. Questions can change mindsets. Many donors think of gifts only as coming from disposable income. Asking about asset gifts can change that reference point.

A donor might think, "I didn't know that other people,

- "Save taxes by making gifts of stocks or real estate"
- "Make gifts that pay them income"
- "Make estate gifts in memory of a loved one"
- "Avoid income taxes by making gifts from an IRA"



Survey outcomes: Teach something by asking for guidance

Other questions can teach in a different way. They can ask for opinions about communications.[57] By giving a judgment, donors are engaging with the messages. Examples of this approach include,

- "Please compare the two stories and select which of the two stories made you feel the following.
  1. Made me value the work of [charity] even more.
  2. Increased my connection to the cause.
  3. Moved me emotionally."[58]



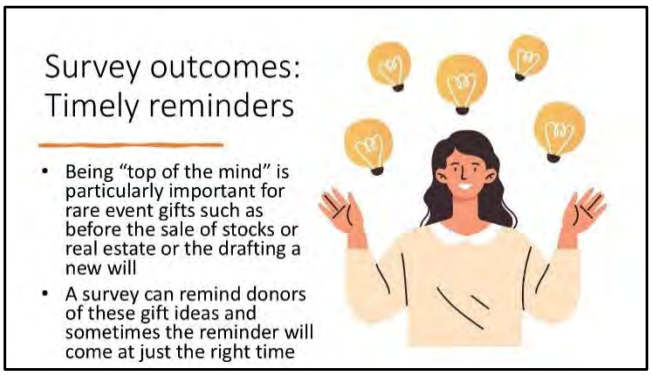
- "It would be most helpful to me if when you read the booklet you note how it's written. Do you like the style? Are the examples clear? Do you have any suggestions on how we might improve it?"[59]
- Which of these ads about giving stocks do you think others will find most compelling?
- We need your help! Estate gifts have always been critical for [this charity]. But this

[57] Knowing that donors prefer one advertisement to another is also useful information. But it isn't the most relevant outcome of interest. Ultimately, the key question for an advertisement is its effect on behavior rather than whether people prefer it.
[58] Davis, L. & Biles, S. (2019, February 28-March 1). Reinventing an established gifts in wills program. [Slide deck]. *Fundraising Institute of Australia Conference 2019*, Melbourne, Australia. An alternative form could change the questions from self to other: "Which do you think would be more likely to: 1. Help others value the work of [charity] even more. 2. Increase their feeling of connection to the cause. 3. Move them emotionally." These indirect questions may be easier to answer and sometimes provide more insight. They also emphasize the consultative or advice-giving framework of the task.
[59] Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. p. 421.



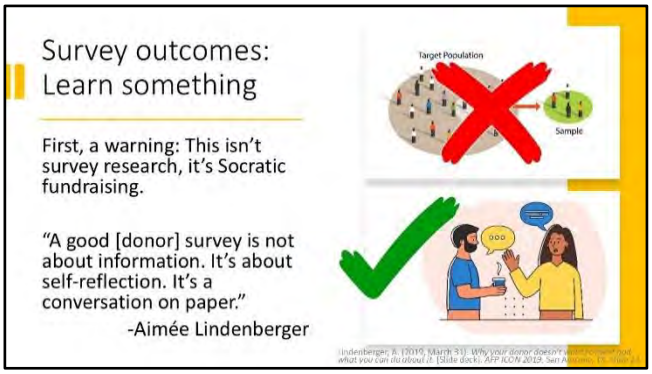
is a sensitive topic. So, we need your advice. We're considering using one of these two brochures. Would you share your thoughts by answering a few questions about them?

Survey outcomes: Timely reminders



Being "top of the mind" is important for any donation.[60] But it's particularly important for rare event gifts. The sale of stocks or real estate may seldom arise. But any parts donated *before* the sale avoid capital gains tax. Being "top of the mind" before such events is critical.

Drafting a new will tends to be triggered by rare life events. Family changes (marriage, divorce, widowhood, birth of a first child or grandchild) trigger new planning.[61] Health events (diagnosis with cancer, declining health) do the same. Being "top of the mind" at such times is critical.[62] A survey can remind donors of these gift ideas. Sometimes the reminder will come at just the right time.



Survey outcomes: Learn something

First, a warning. This isn't survey research. It's Socratic fundraising. There are guides for survey research. Don't get confused by these. That's not what we're doing. Aimée Lindenberger explains,

"A good [donor] survey is not about information. It's about self-reflection. It's a conversation on paper."[63]

The donor survey uses questions to guide the donor. It helps the donor discover something about himself. Its purpose is to persuade.[64] But we can still learn something.

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[60] In an unusual example of the role of reminders on donations, one study found that donations to medical nonprofits increased following the issuance of postage stamps associated with related medical topics. Walczak, S., & Switzer, A. E. (2019). Raising social awareness through philately and its effect on philanthropy. *Philanthropy & Education, 3*(1), 73-102.

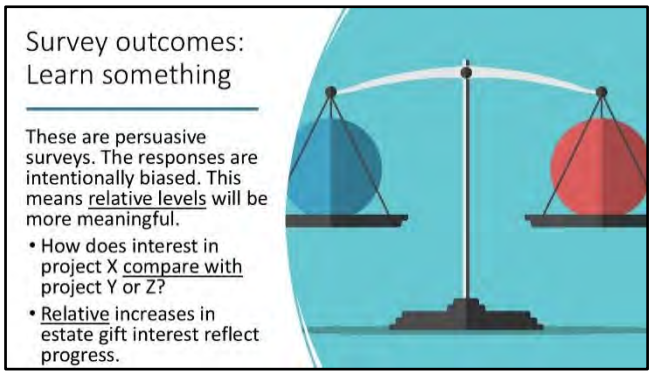
[61] James, R. N., III. (2009). Health, wealth, and charitable estate planning: A longitudinal examination of testamentary charitable giving plans. *Nonprofit and Voluntary Sector Quarterly, 38*(6), 1026-1043.

[62] On the importance of being "top of the mind" see experimental results showing that just asking the question, "Would you like to leave any money to charity in your will?" more than doubles the share of people including charity in their will documents. Cabinet Office (2013). *Applying behavioral insights to charitable giving*. Cabinet Office Behavioural Insights Team. pp. 22-23; On the fluidity of the charitable component in estate plans *see* James, R. N., III. (2020). The emerging potential of longitudinal empirical research in estate planning: Examples from charitable bequests. *UC Davis Law Review, 53*, 2397-2431; James, R. N., III., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing, 20*(3), 277-283.

[63] Lindenberger, A. (2019, March 31). *Why your donor doesn't want to meet and what you can do about it.* [Slide deck]. *AFP ICON 2019*, San Antonio, TX. Slide 23.

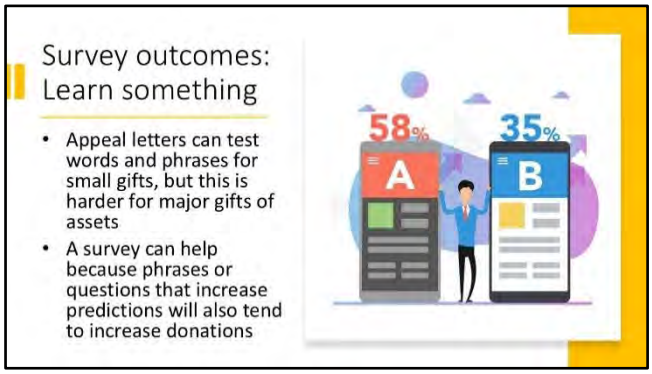
[64] Both Socratic fundraising and survey research use questions. But they use them for different purposes. Misunderstanding this sometimes causes confusion. For example the Council of American Survey Research Organizations has guidelines for survey research companies. But these rules would make no sense for companies asking questions for, say, prospect identification. When a car dealer asks, "Are you planning to purchase a new car in the next three months?" it isn't conducting survey research. It's trying to sell cars. Similarly, applying the rules of academic research to Socratic fundraising doesn't make sense. Thus, the advice that I am sharing here will in places conflict with the approach taken by Kevin Schulman in his article "Facts and Myths of Donor Surveys."

Along the way we can receive useful information. A donor's answers can lead to meaningful follow-up conversations.



Sometimes we might analyze groups of surveys. But we must keep in mind that these are persuasive surveys. The responses are intentionally biased.[65] This means *relative* levels will be more meaningful. Asking, "Are people interested in project X?" isn't the right question. The survey is designed to generate positive answers. The better question is, "How does interest in project X compare with project Y or Z?"

Also, questions can measure relative shifts in attitudes. We might want to know, "Are the legacy fundraising messages working?" These gifts won't arrive for many years. But regular surveys can show donor intentions. A shift in responses over time can reveal progress.[66]



Surveys can also help improve the charity's words and phrases. Appeal letters can test these for small gifts. But this is harder for major gifts of assets. A survey can help. Phrases or questions that increase *predictions* will tend to increase *donations*.[67] We can alter

http://agitator.thedonorvoice.com/facts-and-myths-of-donor-surveys/ The reason is simple. He is writing about survey research. I am not. I am writing about Socratic fundraising. His focus is on accurately uncovering "deeper constructs" of donor motivation. (Answering such "why" questions is the typical focus for academic research. Conversely, fundraisers tend to be focused on "what works" while having somewhat less concern for the underlying "why" questions.) Thus, he dislikes leading questions that bias people towards a "yes" answer. I insist on them. He dislikes questions about future intentions. I insist on them. He's not wrong. And neither am I. We're just using questions for different purposes. The questions in this chapter are not designed to uncover hidden psychological webs of interconnected constructs underlying donor intentions. Those goals are achieved by different research methodologies using different questions and different data analysis. The purpose of these questions is to persuade.

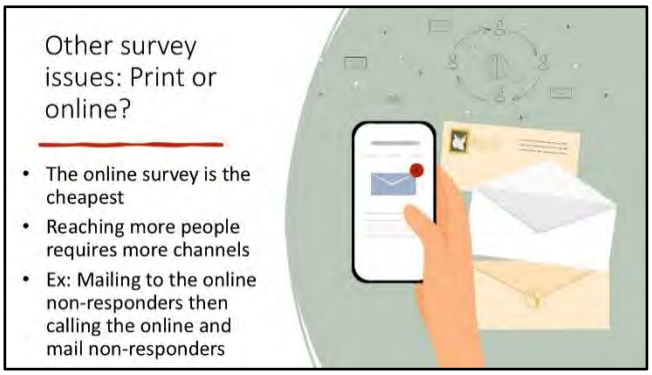
[65] It's also important to keep in mind that even when *you* are not biasing the results, the donors still are. In other words, donors' responses shouldn't be taken as accurately describing reality. They should be taken simply as donors' responses. For example, social desirability bias means that when people are asked for their motivations, they will tend to give the most socially appropriate ones. Thus, donors will be unlikely to self-report that they are motivated by tax benefits. This doesn't mean such benefits aren't motivational. This is demonstrated not only in econometric analysis of national datasets, but also from randomized controlled experimental studies. People's self-reported statements of motivations don't mean we should avoid mentioning such benefits. It means only that we can't test this issue in this way (i.e., via self-report).

Similarly, finding that older donors are unlikely to report they are *planning* to make changes in their will documents doesn't mean they aren't *going* to make such changes. Older adults make changes in their will documents due to unplanned shocks: divorce, widowhood, marriage, birth of a first grandchild, diagnosis with cancer, rapid decline in health, etc. Thus, they are still, for many reasons, the right target audience. Similarly, the idea that people are unlikely to recall having dropped a charity from their estate plans doesn't means such plans aren't highly fluid. Donors need not consciously drop a charity. They just make a new plan. The charity doesn't happen to come to mind during that process. (Estate planning attorneys rarely charge clients to read through an old will that is about to be revoked, much less carry over provisions from that document. Their document creation systems are somewhat automated and construct new documents based upon the client's current answers to questions regarding assets, family members, and current goals.) Even if the decision was, at the time, a conscious one, doesn't mean that such – somewhat less than socially desirable – actions are likely to be recalled later. However, misinterpretations of donors' responses to questions are common in fundraising advice. This is especially true when these results promote ideas that make fundraisers' work less burdensome. Many fundraisers are naturally drawn to the idea that they don't need to learn anything about charitable tax benefits. Many legacy fundraisers enjoy the suggestion that they can just work with people their own age and then "count it and forget it." This is easier than including the oldest old in their visits. In fundraising, we are ultimately interested in behavior (giving) rather than opinion. Answers to questions are important, but they aren't the same as behavior.

[66] However, this works only if the questions don't change. Otherwise, it may be impossible to know whether any changes in responses were due to a change in attitudes or a change in the questions themselves.

[67] In experiments, measuring expressions of charitable intentions have produced results similar to those using real donation requests (Dickert, Sagara, & Slovic, 2011). Even measurements of hypothetical intentions to donate reveal similar motivations (Nilsson, Erlandsson, & Västfjäll, 2016) and similar choices (Carlsson & Martinsson, 2001) as compared to measuring actual donations. For

stories, words, or sequencing. Each small batch survey can be another experiment. This testing helps constantly improve the messages.



Other survey issues: Print or online?

Online surveys are cheaper than mail or telephone surveys. Response rates are also lower.[68] The question of which to use depends on the goals. Start with the online survey. It's the cheapest.

If the goal is just to get a set of responses, this can be enough. Reaching more people requires more channels. Next, mail to those who don't respond to the online request. This is more expensive. Finally, call those who don't respond to mail. This is yet more expensive. (It's also riskier if callers are outsiders or aren't trained well.)



Other survey issues: How long should it be?

Some donor surveys use just a few questions. An appeal reply card might add just one or two.[69] Others are several pages long. Which is better? The answer is this: It's a tradeoff.

Within reason, more questions are better. For example, one experiment used some of the previous questions. These were about the donor's (1) people, (2) values, and (3) life story connections. Using all three types worked better than using any one or two alone.[70] More was better.



Another experiment tested the effects of reading planned gift donor stories.[71] Reading

example, one experiment found no significant differences in the effect of others' donations between hypothetical contribution experiments and actual contribution experiments (Alpizar, Carlsson, & Johansson-Stenman, 2008).

Alpizar, F., Carlsson, F., & Johansson-Stenman, O. (2008). Does context matter more for hypothetical than for actual contributions? Evidence from a natural field experiment. *Experimental Economics, 11*(3), 299-314.

Carlsson, F., & Martinsson, P. (2001). Do hypothetical and actual marginal willingness to pay differ in choice experiments? Application to the valuation of the environment. *Journal of Environmental Economics and Management, 41*(2), 179-192.

Dickert, S., Sagara, N., & Slovic, P. (2011). Affective motivations to help others: A two-stage model of donation decisions. *Journal of Behavioral Decision Making, 24*(4), 361-376.

Nilsson, A., Erlandsson, A., & Västfjäll, D. (2016). The congruency between moral foundations and intentions to donate, self-reported donations, and actual donations to charity. *Journal of Research in Personality, 65*, 22–29.

[68] Shih, T.-H., & Xitao, F. (2008). Comparing response rates from web and mail surveys: A meta-analysis. *Field Methods, 20*, 249-271.

[69] This might seem to contradict the suggestion to avoid making an ask with the survey. But this is different. This isn't presented or justified as primarily being a survey instrument. It's presented as a donation request with one or two questions added at the end. Those *not* donating wouldn't infer that they should return the response card. The questions are never presented as a survey instrument for everyone. The questions are only for those who are donating to the appeal.

[70] James, R. N., III. (2016, March 7). *Using biasing questions in charitable bequest surveys.* Available at SSRN: https://ssrn.com/abstract=2744006

[71] James, R. N., III., & Routley, C. (2016). We the living: the effects of living and deceased donor stories on charitable bequest giving intentions. *International Journal of Nonprofit and Voluntary Sector Marketing, 21*(2), 109-117.



seven stories worked better than reading four. Reading four worked better than reading none. More was better.

This effect is not specific to fundraising. Psychology studies show the same thing. Triggering more expressions of an attitude changes things. It increases commitment to the underlying belief.[72] It increases actions that match those beliefs.[73]

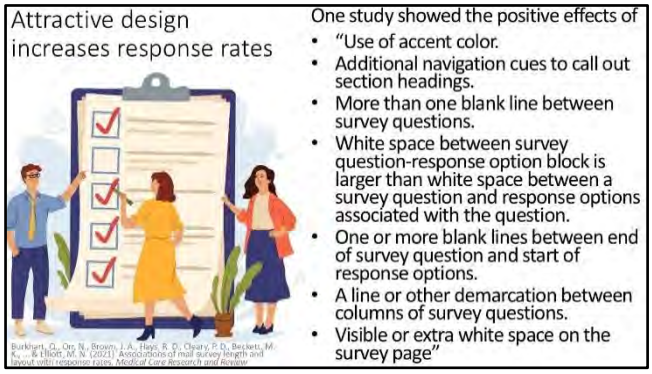


But there is a tradeoff. Questions don't work if donors don't answer them. The longer the survey, the less likely it is to be completed.[74] "Length" here isn't just about page numbers or word count. It's about how easy it *feels* to take the survey. Simple words help. Short sentences do to. Active verbs also help.



Attractive design also increases response rates. One study showed the positive effects of

- "Use of accent color
- Additional navigation cues to call out section headings
- More than one blank line between survey questions
- White space between survey question-response option block is larger than white space between a survey question and response options associated with the question
- One or more blank lines between end of survey question and start of response options
- A line or other demarcation between columns of survey questions
- Visible or extra white space on the survey page" [75]



[72] Descheemaeker, M., Spruy, A., Faxio, R. H., & Hermans, D. (2017). On the generalization of attitude accessibility after repeated attitude expression. *European Journal of Social Psychology, 47*, 97-104; Holland, R. W., Verplanken, B., & van Knippenberg, A. (2003). From repetition to conviction: Attitude accessibility as a determinant of attitude certainty. *Journal of Experimental Social Psychology, 39*(6), 594-601.

[73] Downing, J. W., Judd, C. M., & Brauer, M. (1992). Effects of repeated expressions on attitude extremity. *Journal of Personality and Social Psychology, 63*(1), 17-29.

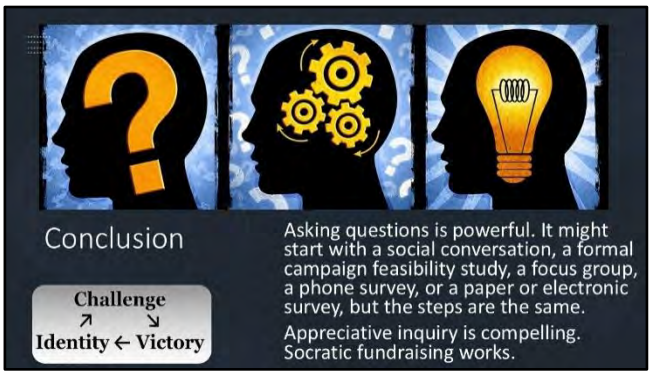
[74] *See, e.g.,* Rolstad, S., Adler, J., & Rydén, A. (2011). Response burden and questionnaire length: is shorter better? A review and meta-analysis. *Value in Health, 14*(8), 1101-1108.

[75] Quoted from *Appendix B. Description of Respondent Friendly Survey Design and Coding of Attractiveness* in Burkhart, Q., Orr, N., Brown, J. A., Hays, R. D., Cleary, P. D., Beckett, M. K., ... & Elliott, M. N. (*In Press*). Associations of mail survey length and layout with response rates. *Medical Care Research and Review,* https://journals.sagepub.com/doi/10.1177/1077558719888407



Most of these increase the physical length of the survey. But they may make it feel easier. They make it more inviting.

These design elements were most important for one group. They increased answers the most from the oldest respondents. Getting more responses isn't just about making the survey short. It's about making it feel attractive and easy.



Conclusion

Done the right way, asking questions is powerful. The format can differ. It might start with a social conversation. It might be part of a formal campaign feasibility study.[76] It might be a focus group. It might be a phone survey. It might be a paper or electronic survey. But the steps are the same. The principles don't change. Appreciative inquiry is compelling. Socratic fundraising works.

[76] For a great example of questions used in a formal feasibility study in a campaign, *see* Ciconte, B. L. & Jacob, J. G. (2009). *Fundraising basics: A complete guide*. Jones & Bartlett Learning. Appendix 14-D. p. 392. *American Society of Civil Engineers Foundation 2002: Building the Future. Feasibility Study Questions.*

CITED AND RECOMMENDED BOOKS FOR FUNDRAISERS

This book highlights advice from many of the most knowledgeable fundraisers. To learn more, please consider purchasing their books.

Ahern, T., & Joyaux, S. P. (2011). *Keep your donors: The guide to better communications & stronger relationships.* John Wiley & Sons.

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Dr. James has published research in over 80 peer-reviewed scientific journal and law review articles. He has been quoted on charitable and financial issues in a variety of news sources including *The Economist, The New York Times, The Wall Street Journal, CNN, MSNBC, CNBC, ABC News, U.S. News & World Report, USA Today, the Associated Press, Bloomberg News,* and the *Chronicle of Philanthropy*. His financial neuroimaging research was profiled in *The Wall Street Journal's Smart Money Magazine*.

His other books include

Visual Planned Giving: An Introduction to the Law & Taxation of Charitable Gift Planning

The Biblical Fundraiser in Modern Practice: Helping Christians Enjoy Their Wealth

The Biblical Fundraiser in Ancient Words: The Historical Ministry of Major Gifts Fundraising

Inside the Mind of the Bequest Donor: A Visual Presentation of the Neuroscience and Psychology of Effective Planned Giving Communication

For links to his videos, slide presentations, and papers, please see EncourageGenerosity.com or connect on LinkedIn.