

# More Nonprofits Ramp Up Their Donor Stewardship

*By Timothy Sandoval*

The Dana Farber Cancer Institute had 11 full-time staff members in donor relations in 2007. It now has 28.

The Children's Hospital Colorado Foundation had no donor-relations or stewardship staff about eight years ago. It now has a team of four full-time employees.

The University of California at Davis added four donor-relations professionals to its development office a few years ago and later added two staff members from the university's affiliated health system.

These organizations are among a slew of nonprofits that have hired donor-relations staff in recent years.

The employees work to show appreciation for those who give to their organizations, whether through letters, postcards, events, gifts, or experiences — virtually anything that shows gratitude or helps donors to understand how their gifts are spent.

Donor relations and stewardship staff used to be a luxury that mostly big hospitals and higher-education institutions invested in. No more. Although those institutions are still often ahead of the pack, many other charities are jumping on board — either by hiring staff or asking current employees and board members to help thank or cultivate donors.

Although comprehensive data illustrating the growth is hard to come by, the Association of Donor Relations Professionals estimates that its membership jumped from about 1,200 five years ago to 1,650 today. And experts say they've noticed more stewardship staff from a wider array of charities attending nonprofit conferences.

"I will tell you that it is probably one of the most in-demand topics out there right now," said Lynne Wester, a consultant.

## **Why Donor Relations?**

Several factors are pushing charities to invest more in donor relations.

Some researchers say that it's easier — and less costly — to retain a donor than it is to attract a new one, so investing time and money in thank-yous, invitations to special events, birthday calls, and other ways to say thanks is well worth it.

Donor-relations staff can also free up front-line fundraisers to focus on asking for gifts rather than on crafting gratitude letters or tracking down data.

And many nonprofits are starting to see the basics of donor relations — getting a tax receipt out quickly, thanking donors, and keeping them informed about the organization — as a kind of industry standard.

Although many still struggle to do even the basics, other organizations are going far beyond the norm, especially with large donors, who are getting their own special mix of letters, calls, gifts, and ceremonies.

## **Arms Race**

Few nonprofits have invested in donor relations like the Dana Farber Cancer Institute. The Boston organization has more than doubled its donor-relations staff over the past decade, and officials say their efforts appear to be paying off.

The number of repeat donors to the organization grew by 14 percentage points from 2006 to 2015, when 62 percent of its more than 272,000 supporters were repeat donors. Officials attribute that in part to the growth of its donor-relations team.

The team performs many duties, including planning more than 70 donor-gratitude and other events each year, making calls to supporters (coordinating them with others at the institute), and writing annual reports, thank-you letters, and updates to its most generous supporters on how their money is being used.

Why did the institute expand its team so much and so fast? In part, competition: Many local nonprofits are seeking the same donors. Dana Farber shares the region with such high-profile nonprofits as the Boston Symphony Orchestra, the Museum of Fine Arts, Boston, and giants like Harvard University, the Massachusetts Institute of Technology, Boston University, and Massachusetts General Hospital.

Although Dana Farber is a \$1.1 billion institution with a national reach (it's an affiliate of Harvard's medical school), up to 80 percent of its donors are from New England, said Susan Paresky, senior vice president for development. That means if other nonprofits in the region are going the extra mile to steward donors, Dana Farber may have to step up as well.

"We want to make sure our donors stay with us," Ms. Paresky said.

## **Shared Responsibility**

At many charities, the responsibility for keeping donors happy is spread throughout the organization.

For instance, at the Children's Hospital Colorado Foundation, each fundraiser cultivates current and prospective donors and works with donor-relations staff to determine what special events or tokens of appreciation the most generous of its 120,000 donors should receive.

Fundraisers also make thank-you calls, but with a strategic purpose. The foundation does a wealth analysis of the donors to determine who might be able to dig deeper, and the development staff calls them to say thanks and try to gauge whether they're willing to give more.

Donors get various levels of stewardship based on their giving, with those who have given \$1 million or more to the hospital over their lives getting the most attention, said Jennifer Darling, senior vice president for philanthropy. The organization tries to offer special treatment for its smaller donors, too. For example, all donors of \$1,000 or more get handwritten notes from the organization — with interns writing about 20 a day.

"We want to say 'thank you' over and above a regular note in the mail," Ms. Darling said.

### **Creative Appeals**

For big donors, the children's hospital foundation tries to come up with as many creative ways as possible to show its appreciation, Ms. Darling said.

For example, a couple of years ago two donor-relations employees designed and printed out a newspaper that detailed the giving history and decision making of two big donors who had been board members for decades. They were touched, Ms. Darling said, and both asked for more than 20 more copies to share with family and friends.

"They could really see the legacy that they left through their work and their generosity," she added.

The children's hospital is far from the only organization coming up with unique ways to thank big donors. Dana Farber organizes a ceremony for people who've given \$1 million or more in which they are presented a lab coat embossed with their name to signify that they are part of the organization's "inner circle," Ms. Paresky said.

"It's sort of hokey, to say the least, but it's fun, too," she said.

Sometimes, nonprofits find opportunities for stewardship on the fly. While on a December trip to the World Wildlife Fund's offices in Kathmandu, Julie Miller, senior vice president for development, filmed on her iPhone a group of staff members who were discussing a plan to help local communities with their sustainability efforts following Nepal's major earthquake last April. She started filming, she said, because she noticed that the work the employees were talking about was, in part, supported by a major donor she works with.

"We all said, 'Thank you so much for your work!' " Ms. Miller recalled. She sent a 90-second video to the donor when she got back to her hotel; the message was well received.

Videos such as the one she sent to the donor are "not necessarily traditional stewardship," Ms. Miller said, noting that the World Wildlife Fund sends thank-you letters, calls donors, and uses many other ways to say thanks. "The strategy is really important. The tactics we are always looking at changing, adapting."

## **Starting Small**

Nonprofits need to crawl before they can walk with their stewardship efforts, experts say. When the University of California at Davis hired Angela Joens four years ago in part to improve donor-relations efforts, she told the institution's leaders it needed to start slow.

"I said, 'Let's make sure thank-you notes are getting out in a timely manner, are well written, and are meaningful to the donors. Let's make sure that's happening first — because it wasn't,'" Ms. Joens said.

Today, the university is still building its program, she said, but it's gotten beyond the basics.

For instance student workers in the university's phone banks send donors a thank-you video via an iPad.

The staff members are also helping to provide large donors with big experiences. When real-estate investor Ernest Tschannen told the university he was making gifts and pledges totaling \$38.5 million to the UC Davis Eye Center and the university's Center for Vision Science, donor-relations staff worked with marketing and public-relations teams to get out the word about his gift. The effort eventually led to the donor connecting with a local radio station in his native Switzerland to talk about his donations.

"He was just so excited," Ms. Joens said.

Donor relations has also developed plans to ease fundraisers' workload — for instance, creating calendars that track key dates of large donors, such as birthdays and anniversaries.

Her advice for others starting to build their donor-relations teams: Get the basics down first.

"At the very bare minimum, if you cannot thank your donors in a meaningful and timely way, you might as well just drop your mic and leave."