

HINTS ABOUT DONOR MOTIVATION THAT SCREENING WON'T IDENTIFY – BUT YOU CAN!

**2023 AFP FINGER LAKES CONFERENCE
JUNE 22, 2023**

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THE PROBLEM WITH BIG DATA



I DON'T
SPEAK
SPANISH

TOP CHALLENGES WITH BIG DATA

(because doesn't everyone want big data?)

1. **Data quality and reliability**

- Data from multiple sources can provide inaccurate, incomplete or inconsistent information and flaw decision-making. (*Remember those Spanish ads I am getting...*)

2. **Data privacy and security**

- The volume and multi-sourced nature of big data makes it challenging to protect sensitive information that could result in reputational damage, financial losses and legal liability.

3. **Scalability and infrastructure**

- Specialized computing tools and skillsets are complex and costly, and may be beyond the scope of your resources.

ChatGPT June 2023

BIG DATA ... BIG ASSUMPTIONS?

“While big data can provide valuable insights, it is crucial to approach it with caution and consider the assumptions and limitations involved...

“To mitigate the risks of making big assumptions, it is essential to combine big data analysis with domain knowledge, subject matter expertise, and critical thinking.”

Complex system researchers can predict who you will communicate with
within your network with 90% accuracy.

But they cannot tell who will be your closest friends.

Estoban Moro, PhD

2019 Northeast Regional Conference on Complex Systems

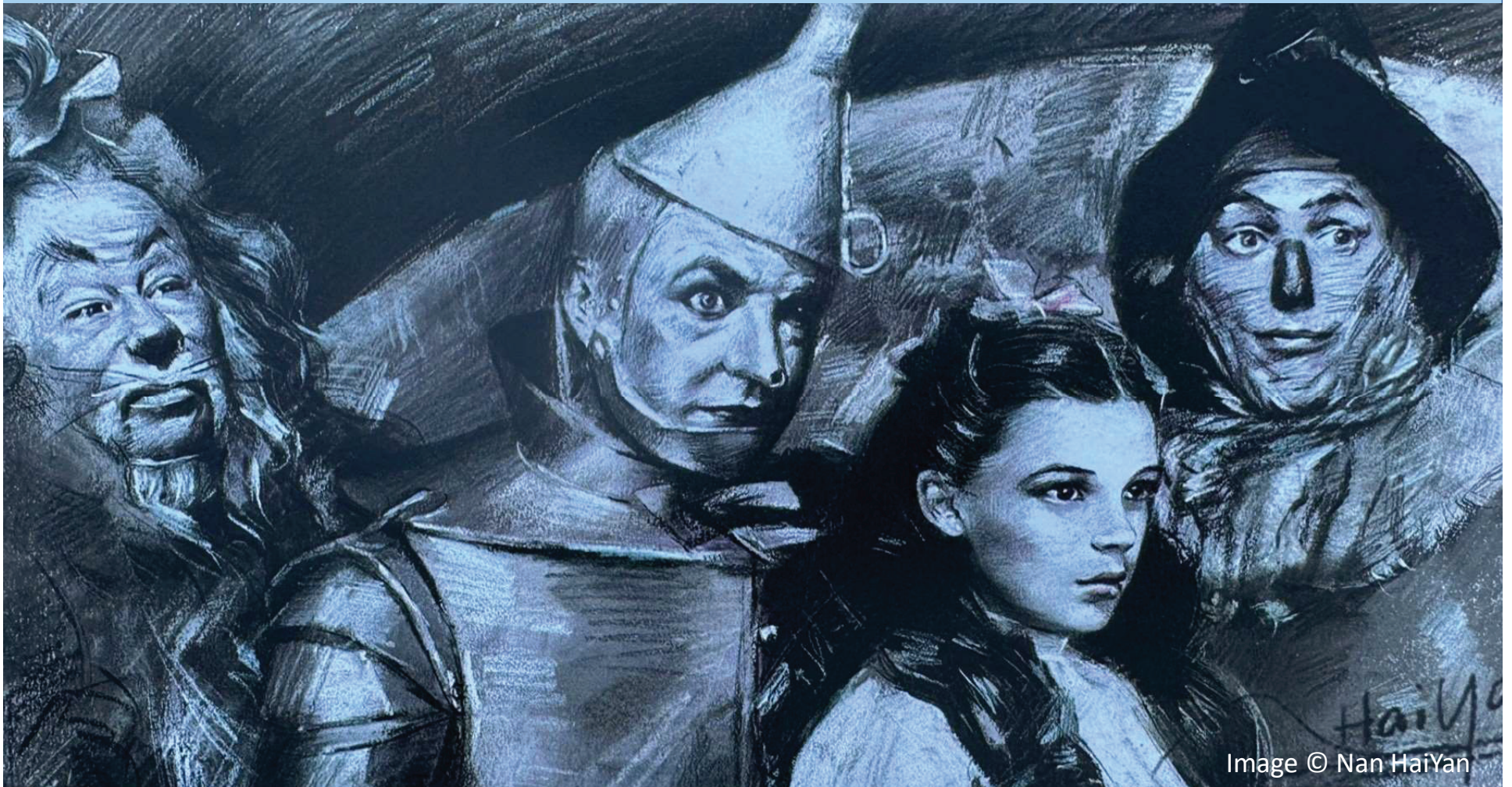




Image © Nan HaiYan

SO... WHO
ARE YOUR
BEST
PROSPECTS?

Indicators of a great fundraising prospect

Giving to You  #1 Indicator	Giving to Others  Valuing NPF sector	NFP Volunteer Give and get mentality	Political Giving Capacity and passion indicators	Real Estate An actual “wealth” indicator
<ul style="list-style-type: none">• Recency• Frequency• Monetary RFM scoring	Individuals who have given \$100,000+ to one NFP are 32x more likely to give to other NFPS	Plus they know you and your value	People who give \$2,500 in their lifetime are 14x more likely to give than those who don't	People who own \$2m+ in real estate are 17x more likely to give than those who don't

RFM and some volunteer information will come from your database but you will likely need an outside source for philanthropic support of others*, political giving and real estate holdings.

** You can (and should) collect printed donor lists from other local/ similar charities.*

DonorSearch, 2015

WHAT
MOTIVATES
DONORS?

Donor motivation

“While individual motivations for donating can vary, research suggests that the most common motivator for donors is altruism – the selfless concern for the well-being of others and a desire to help those in need. Many people donate because they genuinely care about making a positive impact and helping others who are less fortunate. The intrinsic satisfaction derived from knowing that their contribution can make a difference is a powerful motivator for many donors. However, it's important to note that motivations can vary among individuals, and factors such as personal connection, social influence, and tax incentives can also play significant roles in motivating donors.”

ChatGPT June 2023

Could ChatGPT be wrong? Do donors *give to your organization* because they are selfless? Is selflessness really the most frequent motivator?

The Seven Faces of Philanthropy

Russ Prince and Karen File, 1994

Communitarian	26.3%	<i>Doing good makes sense</i>
Devout	20.9%	<i>Doing good is God's will</i>
Investors	15.3%	<i>Doing good is good business</i>
Socialites	10.8%	<i>Doing good is fun</i>
Repayers	10.2%	<i>Doing good in return</i>
Altruists	9%	<i>Doing good feels right</i>
Dynasts	8.3%	<i>Doing good is a family tradition</i>

Peer-reviewed research based on 218 affluent individual donors who each had \$1 million or more in a discretionary investment account and who had contributed \$50,000 or more to a single nonprofit in the prior two years.

Dive a bit deeper into Prince and File: "Communitarians" indicate these are the resources givers want their communities to have – a value judgement distinctly different from pure altruism or selflessness.

HEAD VS. HEART



DOCTORS OF THINKOLOGY

HEAD MOTIVATORS

(Transactional/
Practical)

- Peer solicitation
- Challenge gifts
- End of tax year gifts
- Round-up gifts
- Membership/
participation gifts
- Shopping bag
campaigns

GOOD DEED DOERS HEART MOTIVATORS

(Transformational/
Emotional)

- Impact of giving
- Compelling storytelling
- Impulse gifts
- Creating or cementing a legacy
- Memorial gifts
- Just because (aka selflessness!)



WHAT
MOTIVATES
YOUR
DONORS?

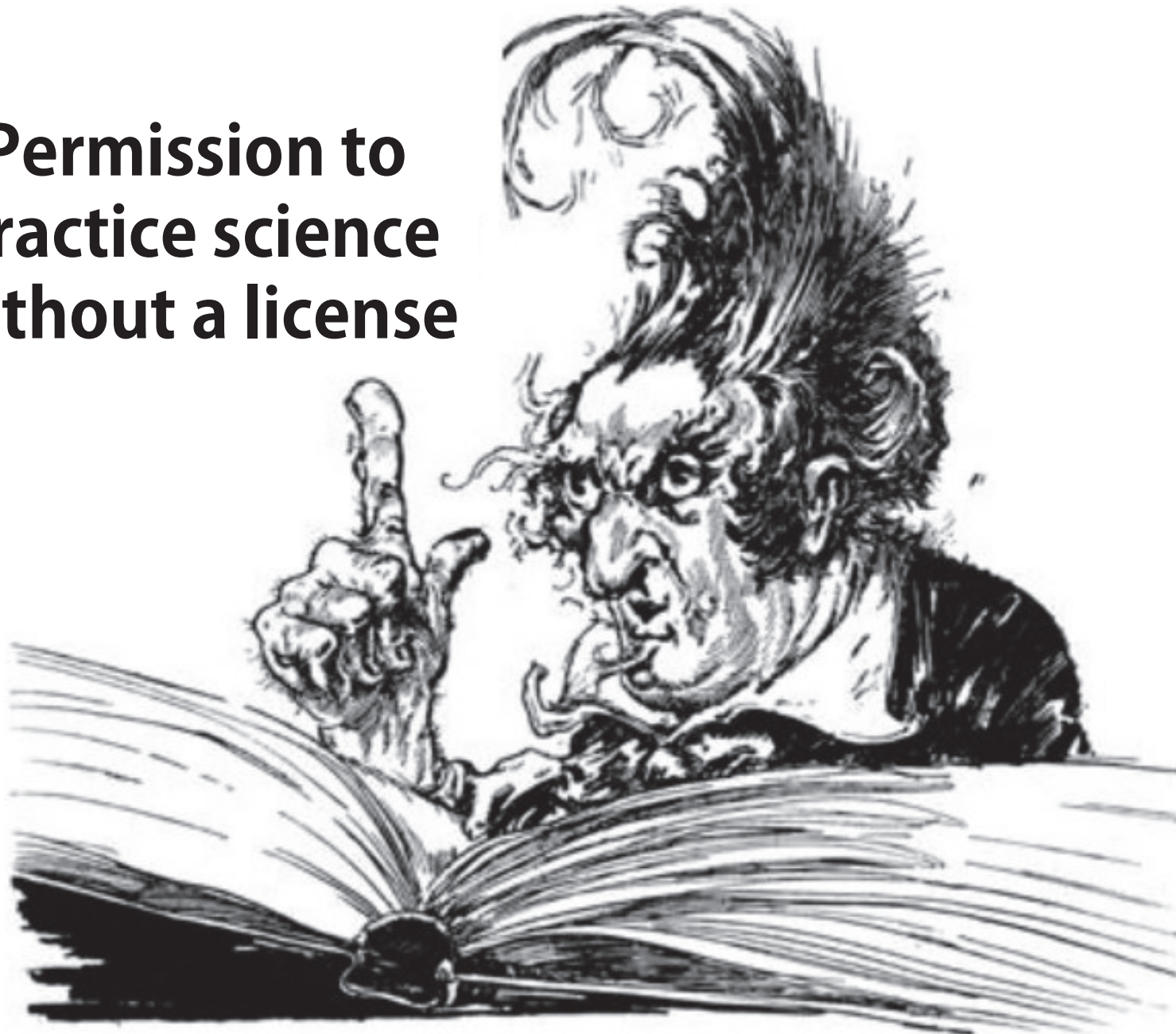
Do you label
motivation in your
database?

MOTIVATION-ish LABELS

- Date of solicitation
- Solicitor/signatory
- Ask message/theme
- Special campaign

WHAT DO
YOU KNOW
ABOUT AN
A/B TEST?

**Permission to
practice science
without a license**

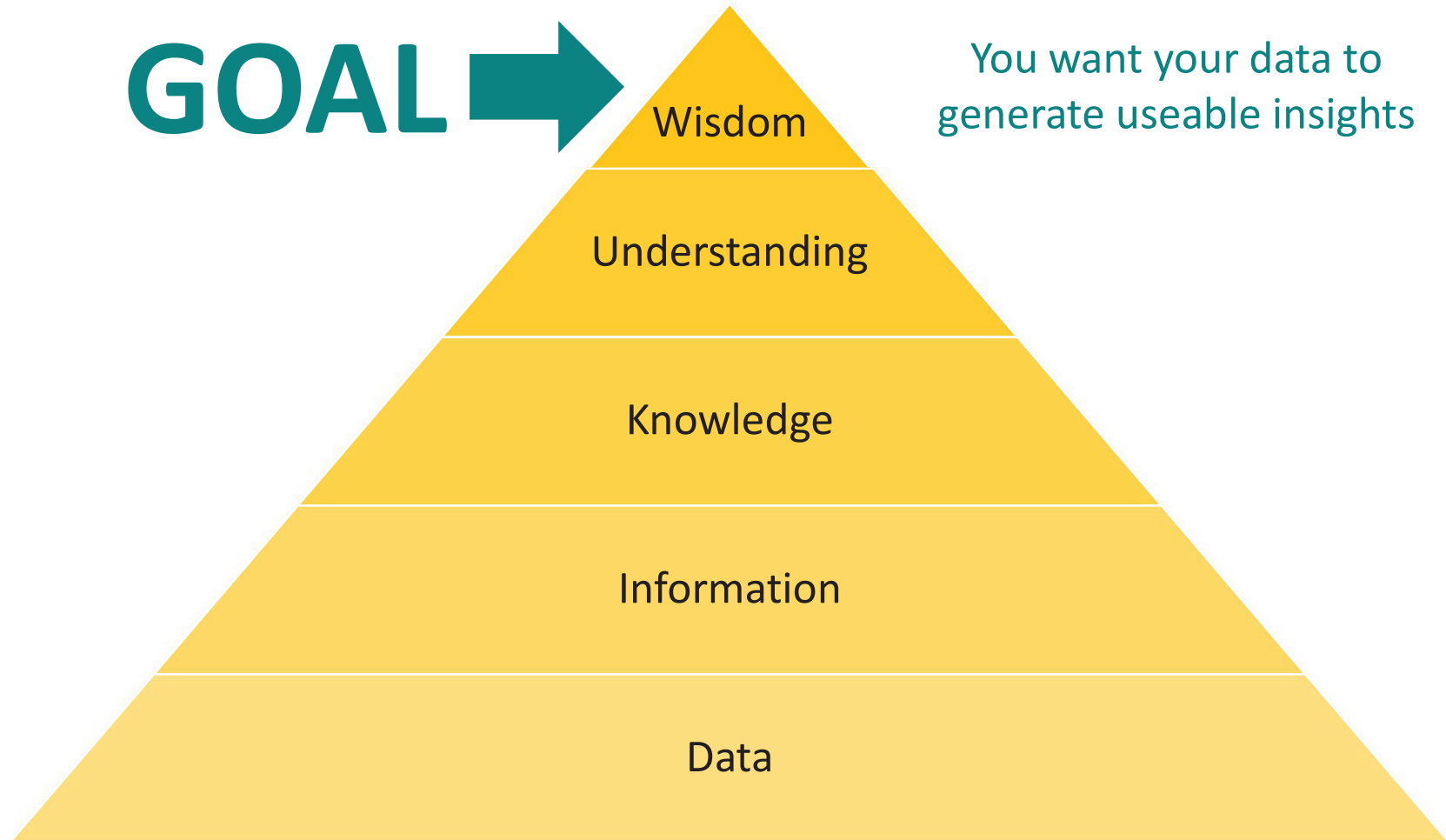


Dr. Pipt illustration by John R. Neill
L. Frank Baum, *The Patchwork Girl of Oz* (1913)

“YOU’LL BE NO
MORE WORSE
OFF THAN YOU
ARE NOW.”

Dorothy Gale

DIKW Sidebar with Russell Ackoff



Experimental Guidelines

1. Have a baseline
2. Manipulate one variable at a time
3. Take your time
4. Track it
5. Use what you learn
(WISDOM!)



APPLY 50% RULE

50% rules + 50% your ideas

Erin Hatzikostas
Founder & CEO, bAuthentic
Author, You Do You-ish (2021)

**Knowing a donor's motivation is a super power
normally reserved for major gift work.**

When you get to know a donor well, you get to know what they care about and each solicitation becomes highly customized, more compelling and, as a result, more successful.

**BUT ONCE YOU KNOW SOMEONE'S MOTIVATION, IT CAN MAKE FOR
MORE EFFECTIVE SOLICITATIONS REGARDLESS OF ASK AMOUNT...**

**YOU GROW
YOUR OWN
SUPERPOWER**

(If you are following the metaphor, that is totally an OZ thing.)

Why assign a Motivation (Mv) indicator?

1. A donor-centered appeal will yield better results but complex segmentation may require more resources than you can afford.
 - **Scaleable segmentation: Head vs. Heart appeal**
2. You may know enough about your donors to create an in-house (rather than externally sourced) Recency/Frequency/Monetary score but adding Motivation (Head v. Heart) makes that weighted score even more useable.
 - **Simple scoring metric: RFM+Mv**
3. You are unlikely to convert a donor from Head to Heart or vice versa but knowing a bit more about what motivates a donor to give to your organization can enable more efficient and effective donor-centered appeals.
 - **Targeted solicitation: Head vs. Heart priorities**

WELCOME TO THE LEGION OF COURAGE

Be brave.
Be intentional.
Try something!





MOTIVATION
TEST

Does tax-time
giving mean Head
motivation?

Or is this a BIAS
because you only
ask at year-end?

Would your
donors give at a
different time of
year?

Would they give
more than one
gift per year with
the right appeal
motivator?

If someone is
HeadMv twice, do
you know their
ultimate
motivation?

Build your Head v. Heart experiment

1. Assemble a list:

- **LYBUNT+SYBUNT donors**

- Solicit everyone who has not made a gift yet this year
- If there are too many donors in your list, you could select LYBUNTS and SYBUNTS who gave in the last 5 years

- **Split list base on Head v. Heart motivation test**

- Motivated by tax yr. (a head thing) > Head Motivation=Nov+Dec
- Not motivated by taxes (so, heart?) > Heart Motivation=Jan-Oct

2. Prepare your solicitation letter (everyone gets the same appeal)

- **Head Appeal (HeadA): shopping bag ask**

- Test motivated by 'head' > HeadA=\$50 sends 1 child on trip

3. Label those in appeal Head Motivation (HeadMv) or Heart Motivation (HeartMv) with Head Appeal (HeadA) and a date

- i.e.: July 2023-HeadMv+HeadA or July 2023-HeartMv+HeadA

4. Evaluate. Label those who responded. Do this same segmentation at year end (same split) but try a Heart Appeal!

- i.e.: Nov 2023-HeadMv+HeartA or Nov 2023-HeartMv+HeartA

You now have two results per person in the list!

When will you use the Mv indicator?

A challenge appeal: If some of your donors primarily respond to your **Head motivators**, a challenge is right up their alley. Challenges usually have a maximum amount that will be matched. Plan a staged solicitation so that you can ask them first since they may be less motivated to give unless it achieves a specific, practical purpose that can be enumerated.

A special appeal: If a group of your donors primarily respond to **Heart motivators**, a special spring or summer appeal may inspire additional giving each year. Consider a special thank you campaign including drawings from children you serve or written by a long-term volunteer who shares the story of why they got involved all those years ago (and still comes back) or tell your donors about an artifact that has special meaning for the community on Independence Day. Your ask may be softer, but still include it. Heart donors are more likely to respond to a good story... *and give again at year end!*

Should you customize your stewardship based on donor motivation? Are you sending tchotchkes to thank donors who would prefer to opt out of bumper stickers or fidget spinners because they think those are a waste of money? Or do you send calendars to people who really want the warm feeling they get from seeing the impact of your organization with each new month?

Use donor-specific motivation whenever you want your supporter to give because “they really get me!”

Remember, be brave! You can't do this wrong. You were given permission to practice science without a license!

Once your donor has responded to the same type of motivation a certain number of times*, you can stop testing for a bit, and assign them a current-use (not test result) Head or Heart Motivation indicator to put to work.

***MEATLOAF RULE
2/3 AIN'T BAD
...BUT 3/5 IS BETTER**

You have just established a simple segmentation using your own data to create information and generate actionable knowledge!

IF I EVER GO
LOOKING FOR MY
HEART'S DESIRE, I
WON'T GO LOOKING
FURTHER THAN MY
BACKYARD

Dorothy Gale

QUESTIONS?



Image © Metro-Goldwyn-Mayer

SPECIAL THANKS



*



*HEART-MOTIVED DONOR

Find me on LinkedIn
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(mention AFP... I get a lot of mail!)
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Trust+
Gratitude

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