2020

MAJOR GIFTS FUNDRAISING BENCHMARK STUDY:

How does your organization compare?

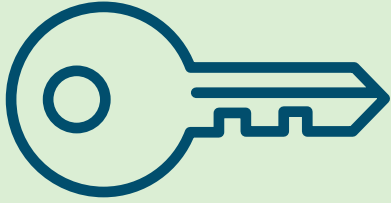Study funded by:

market smart

In collaboration with:

APC Association of Philanthropic Counsel

AFP Association of Fundraising Professionals Washington DC Metro Area Chapter

DONORSEARCH WE START WITH PROVEN PHILANTHROPY

Research conducted by:

Melissa S. Brown & Associates, LLC

KEY FINDINGS

Forty-three percent of organizations had and met major gift fundraising goals in 2019.

Success at meeting goal was associated with:

- Incorporating major gift fundraising as part of the organization's strategic plan. This means treating fundraising as a program, provided with staff and resources.

- Enabling staff and volunteers to have the time and training needed to engage with potential major gift donors.
  - Organizations that permitted at least one staff member to devote 60 percent or more of their time to fundraising were more likely to meet major gift fundraising goals.

- Supporting staff and volunteers with investments in systems and processes to identify and qualify potential donors based on their interests, affinity for the organization, and capacity to give.
  - Organizations that consistently used processes to identify and qualify potential donors were more likely to meet goals.

  - Using technology-supported tools for identification and qualification can leave staff and volunteers more time to work more effectively at building relationships with potential donors.

- Assigning a manageable number of major gift prospects to any one individual's portfolio.
  - Organizations raising less than $3 million that had a portfolio of fewer than 50 major gift prospects were far more likely than those with larger portfolios to meet major gift fundraising goals.

- Building a team of individuals, including staff, volunteers, and other stakeholders, to engage major gift prospects.
  - Organizations with three or more individuals engaged in major gift cultivation were more likely to meet goal.

For 26 percent of organization in this study, the definition of major gift began with a contribution of $1,000 to $2,499. The mid-point (median) value was $5,000 to $9,999. Definitions of major gift increased with the amount that organizations raised, although one-fifth of the largest organizations in this study still set a major gift threshold of $1,000 to $2,499.

Among the 30 percent of organizations that could report how long it took from prospect identification to major gift close, nearly half (48%) said the process took one to two years.

INTRODUCTION

Among the nearly 1.4 million nonprofit organizations in the U.S. (IRS, 2018), approximately 400,000 report total revenue of $100,000 or more. These organizations, and an estimated 300,000 religious congregations, receive charitable gifts of all sizes from millions of donors each year.

Some of those donations are considered "major gifts." The **definition of major gift varies by the type and overall financial capacity of the organization receiving it. It's important to note that there is no single and authoritative definition of major gift; rather, it is defined by organizations and their donors.**

The Major Gift Benchmark Study asked people working in nonprofit organizations (n=580) what they consider to be a major gift, how they are staffed to raise major gifts, the types of information used to identify major gift prospects, and more. Study respondents were also asked if their organization met their annual major gift fundraising goal. Among respondents, **76 percent had roles that typically have major gift responsibilities:** CEO or Executive Director, Major Gift Officer, Chief Development Officer, Vice President or Director of Development and Planned Gift Officer. The study also reached prospect researchers, directors of operations for advancement, and people responsible for managing data within a nonprofit.

The Major Gift Benchmark Study reached people in organizations raising small amounts (less than $250,000 per year) and large amounts ($75 million or more per year) in all regions of the United States and some in Canada. The methodology section on page 21 provides more detail.

With this data, we are able to share findings on **which aspects of major gift fundraising are associated with a higher likelihood of meeting major gift fundraising goals.**

It was our intention to glean insight into this when we conducted the first Major Gift Benchmark Study. The 2020 results echo similar sentiments from a 2016 survey released in 2017, while also uncovering new findings.

As other research highlights the growing reliance on major gift donors, we thought it would be timely to identify which factors seem to improve

Figure 1: Is major gifts fundraising a part of your strategic plan? (n=481)

- Yes
- Do not have development or strategic plan
- No
- Not sure

6.9% 3.3%
7.9%
81.9%
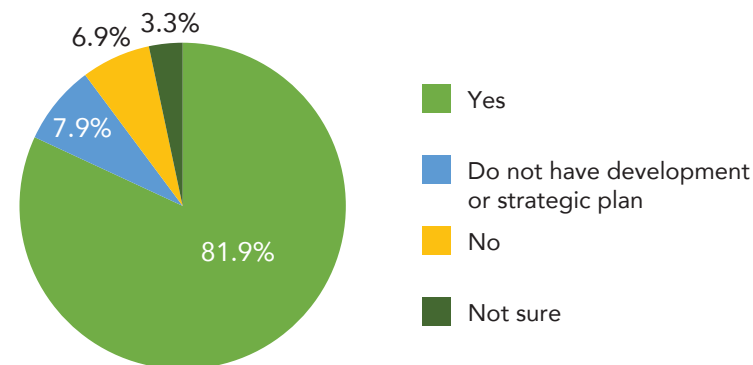
Those selecting "other' (n=23) were excluded.

major gift fundraising performance. The findings are interesting and it is our hope that they serve as fodder for a meaningful conversation at your organization about structuring your team, tools, and time for raising more major gifts.

Organizations want to raise Major Gifts

The vast majority (just over 80 percent of respondents) stated that major gifts are specifically included in their organizations' strategic or development plans.

Another 7.9 percent noted that their organization does not have a strategic or development plan. For the 4 percent selecting "other," most indicated that while their organization does not currently either have a plan or include major gifts in their plan, this work is in progress.

43 percent of study participants met major gift goals

In this study, the **same organizations that reported having major gifts in their strategic plans also reported whether they met major gift fundraising goals and what processes they use to identify prospects to request major gifts**.

Less than half of the survey respondents (43 percent) indicated that they met their organization's major gift fundraising goal for the most recent year. Just over 15 percent said they got close to meeting their goal, and 25 percent of respondents said their organization does not have dollar goals for major gifts. This study did not ask participants whether they felt their major gift fundraising goal was achievable or not.

Whether an organization meets its major gift goals is strongly associated with whether it adds major gift goals to its strategic or development plan. This applies to organizations of all sizes. **Organizations with no strategic plan or with no major gift goals in the plan were far less likely to meet their goals**. There are many other factors that impact an organization's likelihood to attain their major gift fundraising goals, and they are explored throughout this report.

We find, in general, that **organizations that invest in major gift fundraising and include that investment as part of a strategic plan, regardless of organizational size, are more likely to meet major gift goals**.

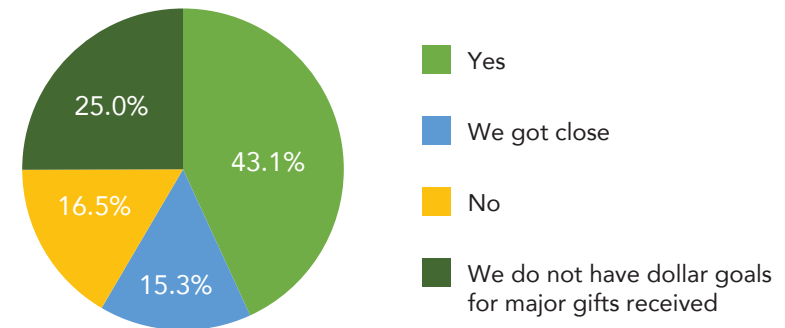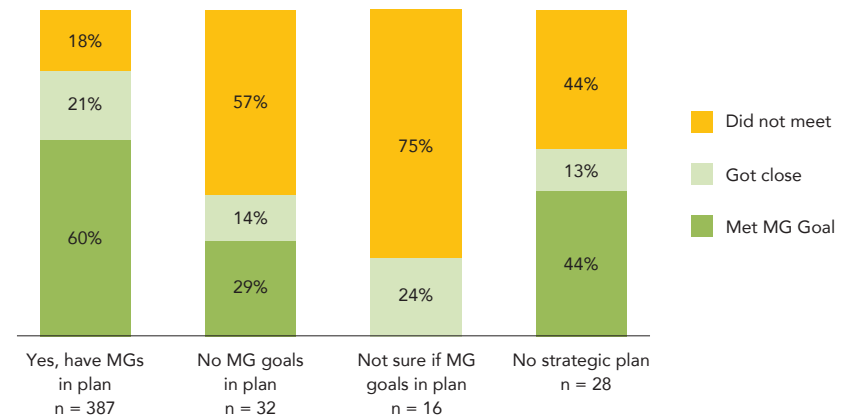**Figure 2:** Did your organization attain its major gift goal? (n=503)

- Yes — 43.1%
- We got close — 15.3%
- No — 16.5%
- We do not have dollar goals for major gifts received — 25.0%

Figure 3: Major gift goals met or not by whether goals are part of strategic plan (n=463)

	Yes, have MGs in plan n = 387	No MG goals in plan n = 32	Not sure if MG goals in plan n = 16	No strategic plan n = 28
Did not meet	18%	57%	75%	44%
Got close	21%	14%	—	13%
Met MG Goal	60%	29%	24%	44%

WHAT IS A MAJOR GIFT?

Each organization defines major gift differently. In this study, participants selected a range that includes the minimum value that qualifies as a major gift at their organization. Someone who selected the range of $1,000 to $2,499 might work at an organization where $1,000, or $1,500, or $2,000 is the minimum amount for a major gift.

The distribution shows study participants most often said that their organization defines a gift as major when it falls in the range of **$1,000 to $2,999 (the mode, or most frequent response, selected by 26 percent of study participants)**. The **midpoint (median) falls in the $5,000 to $9,999 range**. Half of the respondents selected that range or less and half selected that range or more.

These are the same values we found in 2016 in the first Major Gift Benchmark Study: a mode (most frequent) of $1,000 to $2,499 and a median in the $5,000 to $9,999 range.

Not only are the values for defining a major gift the same, the percentage of participating organizations is the same, statistically speaking. The organizations that took the survey are different. *These results could be coincidence or could indicate trends.*

Table 1: Comparison of median and mode values for major gifts

	2016	2019
Median: $5,000 - $9,999	19%	20%
Mode: $1,000 - $2,499	25%	26%

Half of organizations with total fundraising revenue of less than $3 million define major gift starting at $1,000

This trend is **consistent with findings from 2016**, with a 10 percent increase in national personal income[1] between 2016 and 2019. With the introduction of "mid-level giving programs" in many organizations, there might be changes in the definition of "major gift" in some organizations. However, in this study, we did not observe a shift in what amount

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[1] Bureau of Economic Affairs, Table 2.1, unadjusted for inflation, accessed January 27, 2020.

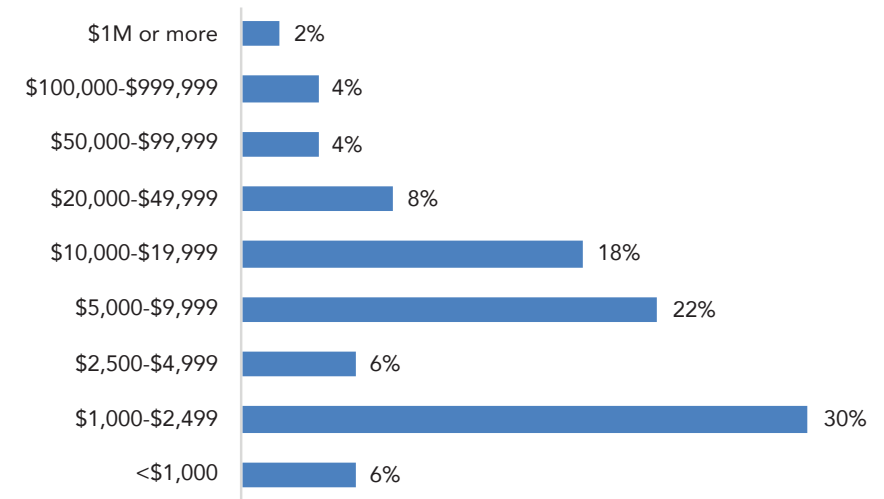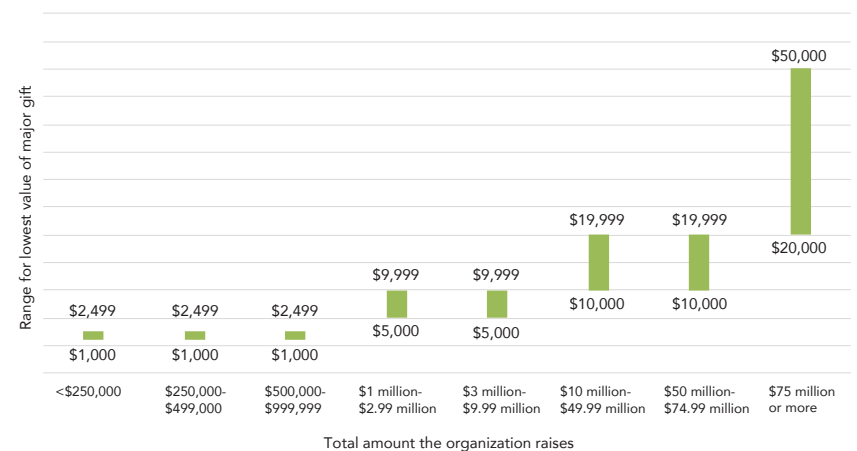**Figure 4:** What is the lowest amount that qualifies as a major gift?

- $1M or more — 2%
- $100,000-$999,999 — 4%
- $50,000-$99,999 — 4%
- $20,000-$49,999 — 8%
- $10,000-$19,999 — 18%
- $5,000-$9,999 — 22%
- $2,500-$4,999 — 6%
- $1,000-$2,499 — 30%
- <$1,000 — 6%

Figure 5: Median response for the minimum amount that counts as a major gift by organizational size (n = 411)

Range for lowest value of major gift (y-axis)

Total amount the organization raises (x-axis)

Total amount	Range
<$250,000	$1,000 – $2,499
$250,000-$499,000	$1,000 – $2,499
$500,000-$999,999	$1,000 – $2,499
$1 million-$2.99 million	$5,000 – $9,999
$3 million-$9.99 million	$5,000 – $9,999
$10 million-$49.99 million	$10,000 – $19,999
$50 million-$74.99 million	$10,000 – $19,999
$75 million or more	$20,000 – $50,000

constitutes a major gift. Given the different methods of recruiting participants, it is difficult to say if consistent findings in 2016 and 2019 are due to chance or because of underlying lack of change in major gift definitions.

Medians are the mid-point. Thus, some organizations that raise substantial sums of money still consider a gift less than $5,000 to be a major gift. In this study, we found **20 percent of the organizations that raised $10 million or more annually defined major gift as something less than $5,000**. Thus, even at some very large nonprofits, $5,000 serves as an interesting threshold for major gifts.

There are no clear trends by subsector

It appears that size of organization matters a great deal when defining the threshold for a major gift. We see this, in part, because the range for defining major gift increases very consistently as the amount that organizations raise increases. There is a strong correlation.

Across organizational missions or subsectors (defined by NTEE codes[2]), there is little consistency or pattern to suggest a correlation between organizational mission and major gift amount.

Higher education institutions, which tend to raise more in philanthropy than some other types of charities, had the highest range for defining a major gift. For colleges and universities, half of the surveyed organizations counted gifts of $20,000 or below as a major gift; for the other half, the lowest amount counted as a major gift was $20,000 or above.

The next-highest value for defining a major gift was reported by 19 organizations with an international mission (aid, relief, policy, or exchange). In these groups, half determined that a major gift began at some amount of $10,000 or less and half considered a major gift to begin at $10,000.

These values vary considerably from results in 2016. This likely represents very different processes for obtaining survey participants, so that the mix of organizations by NTEE is different.

[2] National Taxonomy of Exempt Entities, see https://nccs.urban.org/project/national-taxonomy-exempt-entities-ntee-codes.

Figure 6: Median response for the minimum amount that counts as a major gift by organization's mission (NTEE) (n = 374)

Participants could select up to two mission/NTEE categories
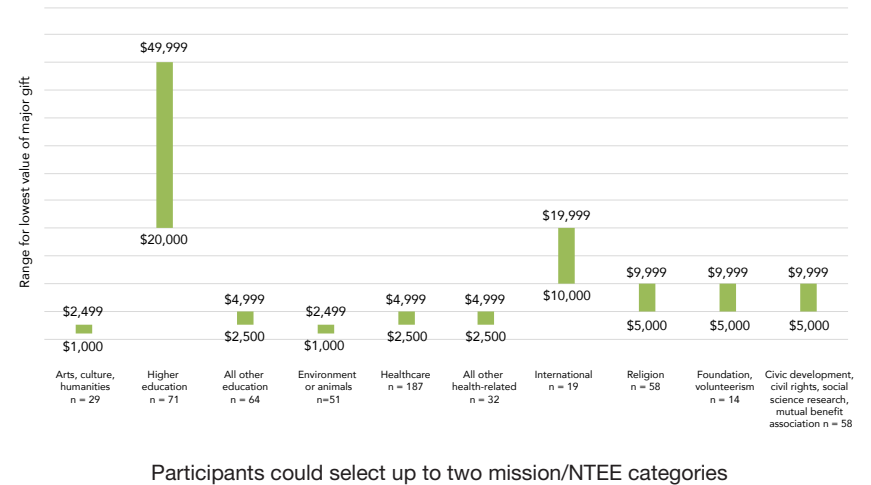
PIPELINE SATISFACTION

Prospects in pipeline

Before seeking major gifts, an organization needs potential donors who can give, and are interested in giving an amount that is at or above the organization's minimum major gift threshold. This cohort of potential donors is typically referred to as the "pipeline of prospects" and can include individuals who have never given to the organization before, are current active donors at a lower level, or are current major gift donors with the potential to donate even more.

Just **34 percent of participants in this study reported being satisfied with their organization's pipeline of major gift prospects**. A larger share (48 percent) were dissatisfied, and 17 percent were neutral.

Pipeline satisfaction is related to meeting major gift goals

Respondents who reported being satisfied with their major gift pipeline were more likely to meet their major gift fundraising goals or get close to meeting their major gift goal. Those who did not meet their major gift fundraising goal were overwhelmingly dissatisfied with their current major gift donor pipeline.

What builds a pipeline?

Nearly 6 in 10 (58 percent) of organizations reported having systems or processes in place to identify major gift prospects. Traditionally, systems and processes to raise major gifts include a mixture of institutional knowledge, technology solutions, and dedicated staff members who cultivate and solicit major gifts. Of respondents:

- 30 percent use the systems/processes consistently.
- 28 percent have processes/systems but do not use them consistently.

Figure 7: Degree of satisfaction with major gifts pipeline (n = 577)
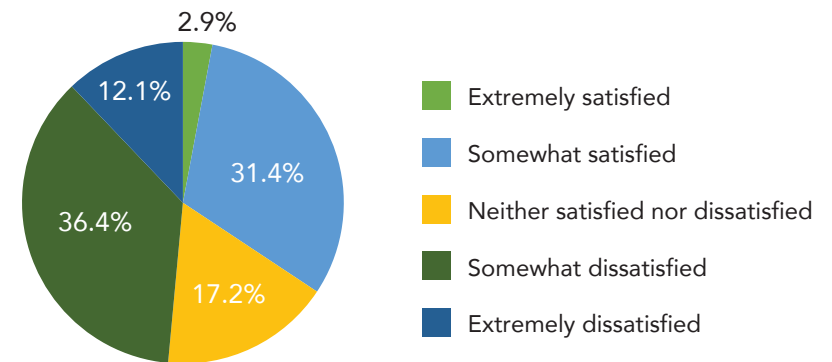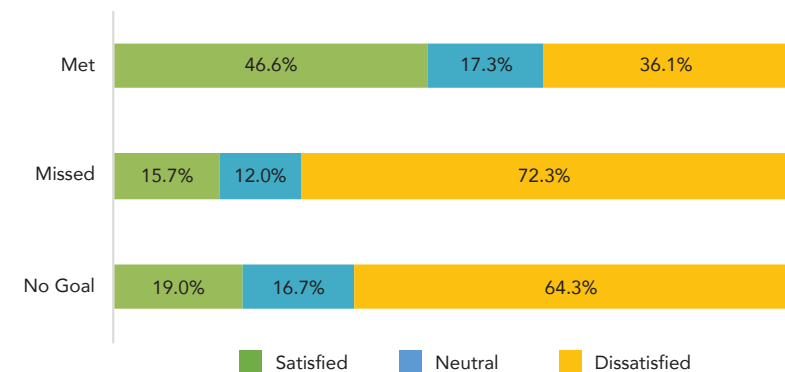

- Extremely satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Extremely dissatisfied

2.9%
12.1%
31.4%
36.4%
17.2%

Figure 8: Goal status by satisfaction with pipeline (n=503)

	Satisfied	Neutral	Dissatisfied
Met	46.6%	17.3%	36.1%
Missed	15.7%	12.0%	72.3%
No Goal	19.0%	16.7%	64.3%

Compared with 2016, these results differ, but because of the different sampling methods, we cannot draw inferences about why, other than a **much higher percentage in 2019 said they have no processes for identifying major gift prospects**.

Table 2: Systems and processes for building pipeline

	2016	2019
Yes and use consistently	37%	30%
Yes but do not use consistently	39%	27%
No systems or processes	24%	42%

Consistently using a major donor identification process links to success in major gifts

The consistent use of processes to identify major gift prospects is associated with positive major gift outcomes, including meeting major gift fundraising goals.

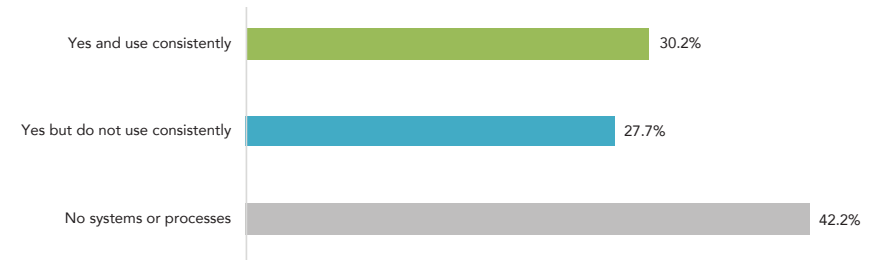**Figure 9:** Existence of processes to identify major gift prospects (n=517)

- Yes and use consistently — 30.2%
- Yes but do not use consistently — 27.7%
- No systems or processes — 42.2%

Figure 10: Met or got close to major gift goals by consistent, not consistent, or no processes (n = 377)

- Consistent — 91.0%
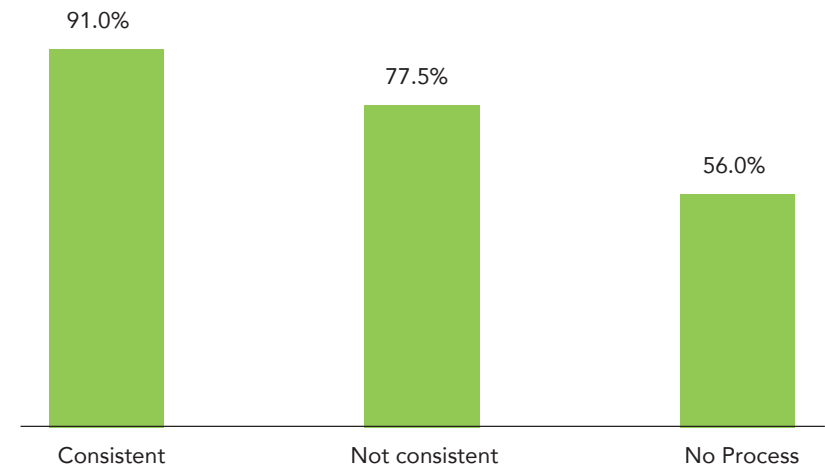- Not consistent — 77.5%
- No Process — 56.0%

Figure 10 excludes study participants with no major gift goal.

WHAT PROCESSES IDENTIFY MAJOR GIFT PROSPECTS?

Of those with no processes for major gift prospect identification, 61 percent solicited zero to ten major gifts.

Respondents use a variety of methods to identify potential major gift donors. Tactics range from using data and technology to simply asking a board member for a recommendation of who they know who might be a potential major gift donor. This study explored tech-supported methods and non-technical approaches and the effect each had on meeting major gift fundraising goals.

Technology-supported solutions

Technology-supported solutions can help identify and qualify prospects in a variety of ways, from the most basic use of analyzing the organization's own database (used by 88 percent), to machine-based behavioral analytics (tracking website visits, social media likes, etc.), reported by 13 percent of respondents. After analyzing the organizational database, the two next most frequent responses were for wealth screening services, reported by 59 percent, and tracking a donor's direct engagement with the organization (volunteering, ticket sales, event attendance, etc.), reported by 53 percent.

Using 3 or more technology-supported solutions is associated with positive outcomes

This study compared results by the number of technology-supported solutions used, from none to five or more. Very consistently, using more types of resources was associated with meeting major gift fundraising goals, fundraiser satisfaction with the prospect pipeline, and number of gifts solicited in a year.

- **86 percent using five or more technology solutions met or got close to goals,** compared to 49 percent using one or two and 25 percent using none.

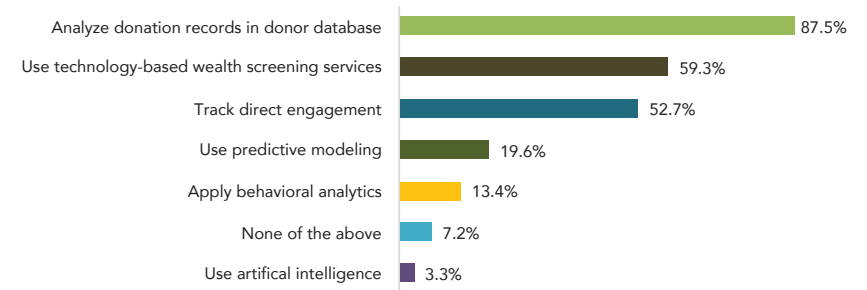**Figure 11:** Technology-based solutions to identify major gift prospects (n=514)

Analyze donation records in donor database	87.5%
Use technology-based wealth screening services	59.3%
Track direct engagement	52.7%
Use predictive modeling	19.6%
Apply behavioral analytics	13.4%
None of the above	7.2%
Use artifical intelligence	3.3%

Figure 12: Major gift results based on number of technology methods used to identify major gift prospects

Values to the left of the line are different with statistical significance from those to the right

Legend:
- Are satisfied with pipeline (light green)
- Met or got close to goal (dark green)
- Completed 11 or more MG requests (blue)

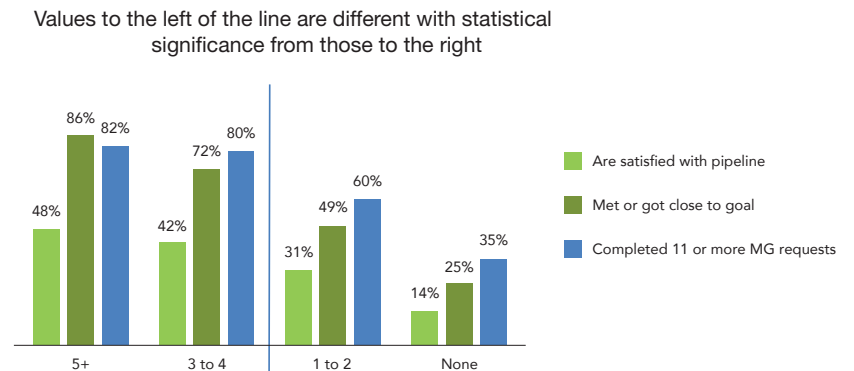|	5+	3 to 4	1 to 2	None
Are satisfied with pipeline	48%	42%	31%	14%
Met or got close to goal	86%	72%	49%	25%
Completed 11 or more MG requests	82%	80%	60%	35%

Figure 12 includes organizations that did not have a goal even in the percentage for "Met/Got Close to Goal."

- **82 percent using five or more solutions solicited 11 or more major gifts in 2019**, compared to 60 percent using one or two and 35 percent using none.

In addition, 48 percent using five or more solutions were satisfied with their prospect pipelines compared to 31 percent using one or two and 13.5 percent using none.

Organizations with three or more technology supported processes for identifying major donor prospects appear to benefit most.

Successful major gift fundraising programs analyzed their databases, used wealth screening and applied at least one other technology-supported method to build major gift pipelines.

Human knowledge matters

Respondents also use a variety of people-based networks and knowledge to identify major gift prospects. Nearly three-quarters (74 percent) used development/advancement staff knowledge of potential donors. Another 6 in 10 engaged board or committee members. Half (50 percent) had an individual who does prospect research (collect, review, and summarize information about potential major gift donors) to aid in building their pipeline. Around 6 percent of respondents do not leverage human knowledge in their major gift fundraising. **Even more surprisingly, only one out of five respondents (20 percent) survey their donors to learn more about their interest in making a major gift.**

Using 3 or more human-based knowledge sources is linked to positive outcomes

A majority of organizations use several approaches for learning about prospective major gift donors from colleagues and prospect research. Using a combination of tactics is associated with meeting major gift fundraising goals.

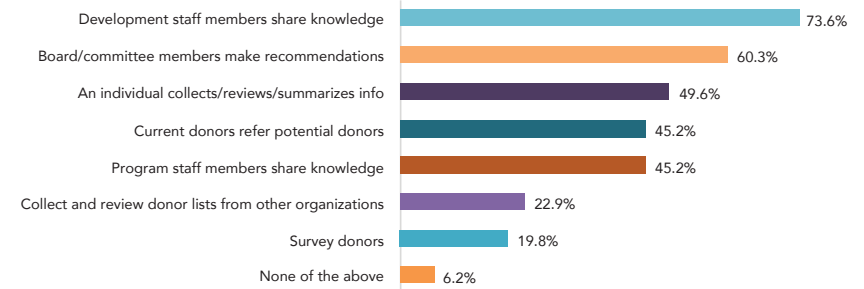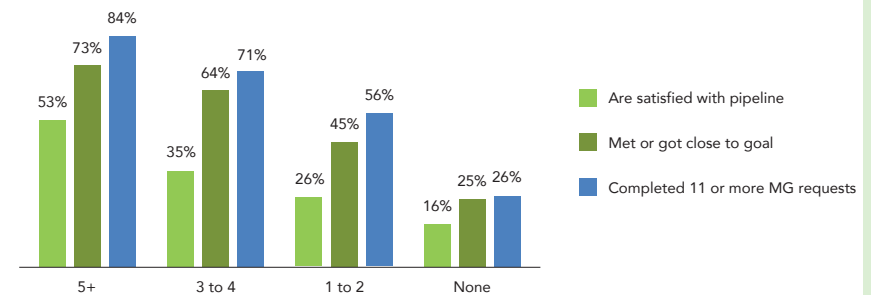**Figure 13:** People-based networks and knowledge to identify major gift prospects (n=516)

Category	Percent
Development staff members share knowledge	73.6%
Board/committee members make recommendations	60.3%
An individual collects/reviews/summarizes info	49.6%
Current donors refer potential donors	45.2%
Program staff members share knowledge	45.2%
Collect and review donor lists from other organizations	22.9%
Survey donors	19.8%
None of the above	6.2%

Figure 14: Major gift results based on number of human knowledge resources used (n = 516)

Legend:
- Are satisfied with pipeline
- Met or got close to goal
- Completed 11 or more MG requests

	Are satisfied with pipeline	Met or got close to goal	Completed 11 or more MG requests
5+	53%	73%	84%
3 to 4	35%	64%	71%
1 to 2	26%	45%	56%
None	16%	25%	26%

All bars of the same color are statistically significantly different from one another.

That is, each additional resource use is associated with a higher probability of the positive outcome.

The study found 73 percent using five or more human-based sources of knowledge met or got close to goals, compared to 45 percent using one to two, and 25 percent using none.

Each additional human-based resource that an organization used was associated with an increase in the percentage of organizations that met their goal.

Investing in board/committee engagement, prospect research, and other human-based knowledge sources to identify prospects promotes fundraising success. Striking a balance with technology-supported approaches and human-based knowledge is of the utmost importance.

Consistent processes by organizational size

Larger organizations tend to have more formal policies, procedures, and systems in place, as compared to smaller nonprofits. This study found that as **organizations increased in size (determined by the amount they raise), they are more likely to use consistent processes** for identifying major gift prospects. As shown earlier, larger organizations also have higher amounts that qualify as a major gift, and as will be shown, they also have staff who dedicate more time to fundraising.

> "Major gift fundraising can be a self-reinforcing cycle. Build a solid pipeline, generate more gifts, support additional investment in fundraising, and raise more money for your mission."
>
> Sheila Dwyer Schwartz, CFRE
> Principal, Dwyer Philanthropy
> Adrian, Michigan

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[3] These values exclude the organizations without a major gift goal.

Figure 15: Level of use of process for identifying major gifts prospects by organizational size
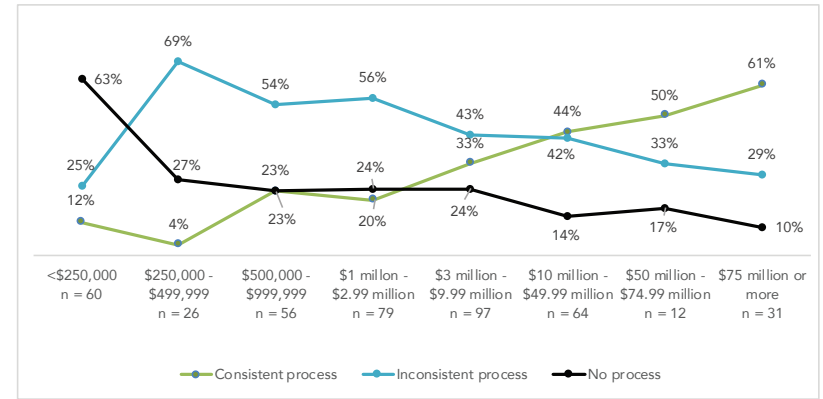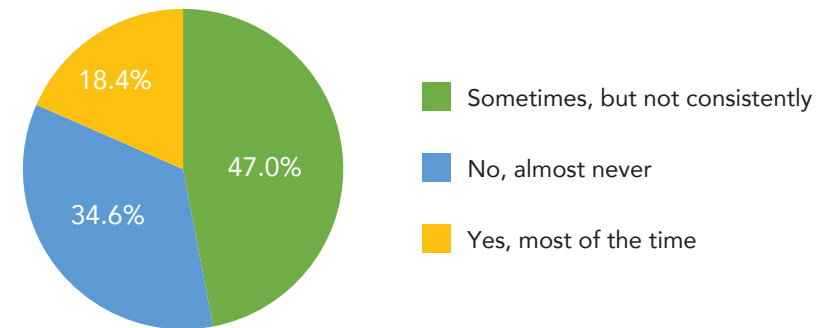

Figure 16: Survey participants by whether they feel have enough time to focus on raising major gifts

- Sometimes, but not consistently — 47.0%
- No, almost never — 34.6%
- Yes, most of the time — 18.4%

MAJOR GIFTS SOLICITATION

About one in five study participants (19 percent) reported that they spend 60 percent or more of their paid time working on major gift fundraising. In this group, 90 percent met or got close to their major gift fundraising goal. More than twice as many study participants (46 percent) could allocate 20 percent or less of their time to major gift fundraising. In this group, just 68 percent met or got close to major gift goals.[3]

Table 3: Time spent on major gifts is directly related to meeting major gift goals

	Met or got close to goal
60% or more time on major gifts	90%
20% to 60% time on major gifts	79%
Less than 20% time on major gifts	68%

Not surprisingly, a high percentage of study participants said they do not consistently have time for major gift fundraising tasks.

In this study, the largest number of respondents (the mode) asked for between 11 and 50 major gifts as of the last quarter of 2019 (30 percent). This is also the median. About a quarter (24 percent) requested between 1 and 10 major gifts and 29 percent sought more than 50 major gifts during the year. Some respondents did not know how many their organization had requested (12 percent).

Satisfaction with the prospect pipeline and the number of major gifts solicited correlate. The more solicitations an organization makes, the more satisfied they appear to be with their pipeline. The fewer solicitations made, the less satisfied they are with their pipeline.

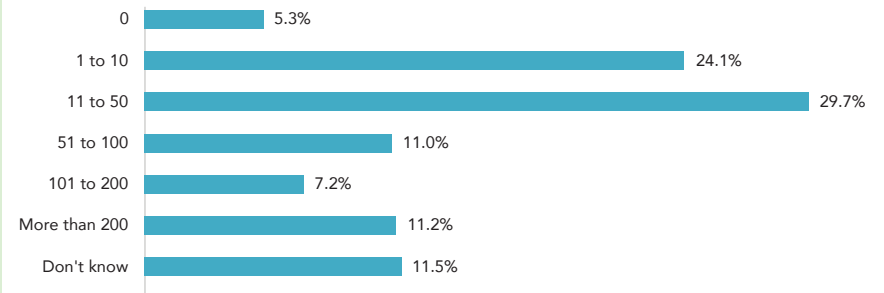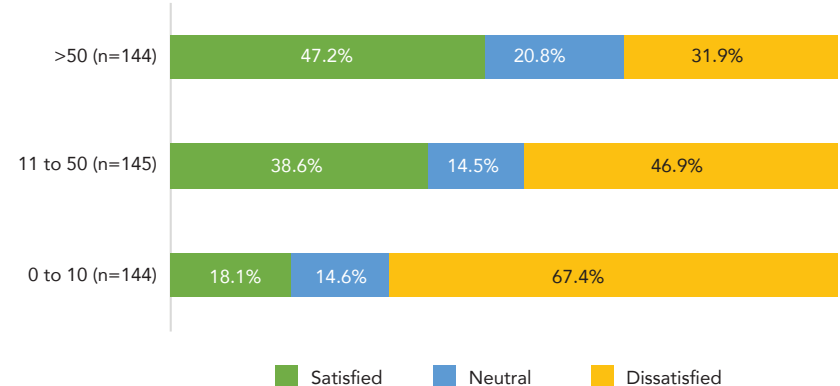**Figure 17:** Number of major gifts solicited in 2019 (n=489)[4]

Category	Percent
0	5.3%
1 to 10	24.1%
11 to 50	29.7%
51 to 100	11.0%
101 to 200	7.2%
More than 200	11.2%
Don't know	11.5%

Figure 18: Number of major gifts to date by satisfaction with pipeline (n=433)

Category	Satisfied	Neutral	Dissatisfied
>50 (n=144)	47.2%	20.8%	31.9%
11 to 50 (n=145)	38.6%	14.5%	46.9%
0 to 10 (n=144)	18.1%	14.6%	67.4%

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[4] The denominator (489) excludes those selecting "other" (n=12).

Larger organizations are more likely to ask for more major gifts

Nearly two-thirds (64%) of organizations with total contributions of less than $1 million asked for 11 to 50 major gifts. In the largest size group (total contributions of $50 million or more), 60 percent asked for more than 200 major gifts. As shown in Figure 19, among organizations raising less than $10 million, the majority asked for 50 or fewer major gifts in 2019.

Satisfaction with the pipeline and meeting major gift goals are both associated with using knowledge and tools to develop profiles of potential donors and strategies for how to engage with them to ultimately solicit a major gift.

Meeting Major Gift Goals

As noted in Figure 2, **less than half of the survey respondents (43 percent) indicated that they met their organization's major gift fundraising goal** for the most recent year, with another 15 percent saying they got close to meeting the goal. A quarter of respondents said their organization does not have dollar goals for major gift fundraising.

After **removing those without dollar goals for major gifts, 78 percent of 377 respondents with major gift fundraising goals met their goal** and 22 percent did not. As shown in Figure 20, by size (based on amount raised), the **smallest organizations were least likely to meet major gift goals among those that had goals.** The largest were the most likely to meet goals but not different from organizations raising $1 million to $10 million in the likelihood of meeting or getting close to goal.

The amount that an organization raises overall is linked with whether it met major gift fundraising goals. **The reason for this is not clear**. It may be because smaller organizations do not invest as greatly in building a pipeline of major gift prospects, or because the organization does not have the staff to qualify and cultivate a pipeline.

Figure 19: Number of major gifts by organizational size
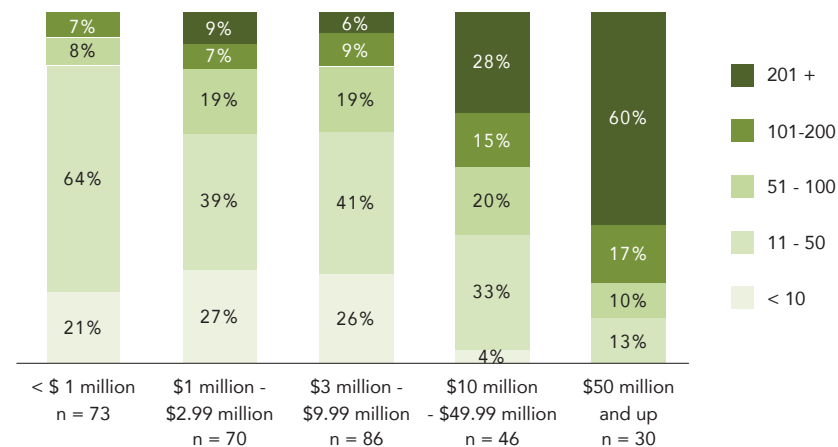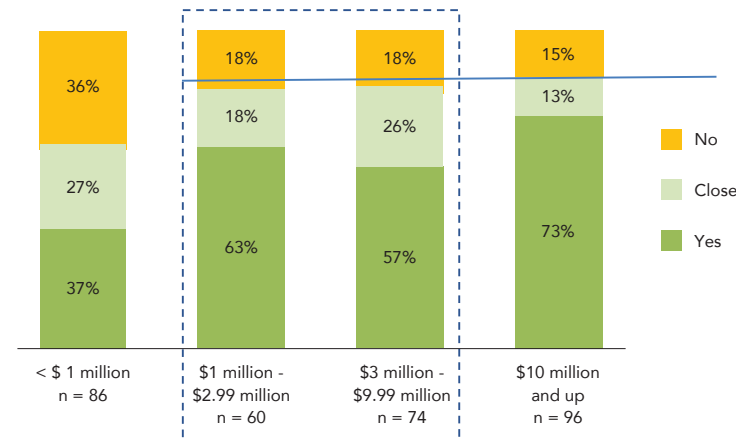

Figure 20: Met, got close to, or did not meet major gift goal by organizational size (n = 316)

Does not include organizations without a fundraising goal.

Size data (amount raised) could not be found for all study participants.

The **boxed values are statistically equivalent and different, with significance from smaller and larger organizations**. All organizations raising $1 million and up had equivalent likelihood of meeting or getting close to their major gift goal, as indicated by the horizontal line.

Portfolio size by size of organization (amount raised)

In this study, we found that smaller organizations tend to have fewer major gift prospects, at least based on the number of prospects assigned to a gift officer portfolio. Data in this study suggest that at smaller (raising less than $3 million per year) organizations, **having 1 to 50 prospects in a gift officer portfolio is associated with a greater probability of meeting major gift goals**. In larger organizations, smaller and larger portfolios are equally associated with meeting major gift fundraising goals.

Table 4: Meeting major gift goals by organization size and major gift portfolio size

Of those with major gift goals				
	Organization raised < $3M		Organization raised $3M +	
	Portfolio size		Portfolio size	
Goal status	< 50 n = 83	50+ n = 49	<50 n = 62	50+[5] n = 97
Met/got close	**65%**	41%	**82%**	**86%**
Didn't meet	35%	59%	18%	14%
	100%	100%	100%	100%
Bold values are statistically significant different from 41%. p<.01				

Table 4 shows values based on amounts raised where there is a difference. At larger amounts raised ($10 million and up, $50 million and up), the results are similar to those shown here: more than 80 percent met or got close to goal, both with portfolio size of 50 prospects or fewer and with portfolios of more than 50 prospects.

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[5] There is a drop-off in the percentage of organizations that met goal with portfolio sizes of 201 and up (64% compared with 76% for organizations with portfolios of 51 to 200). However, the difference is not statistically significant at these sample sizes. Nonetheless, it is a caution to organizations not to make portfolios too big. The commonly accepted size for a full-time major gift officer is 150 potential prospects in a portfolio.

IDENTIFY A POTENTIAL DONOR, CULTIVATE, AND MAKE THE ASK

Potential major gift donors need to understand the organization's work, trust the organization's team, and value the organization's impact and results. It takes time to develop this relationship.

Investing in cultivation

Less than one-third (30 percent) of respondents reported tracking time from prospect identification to securing a major gift from a prospect. **Within that subset, the median and the modal response was that it takes one to two years from prospect identification to securing a gift (48 percent).** Another third (33 percent) reported that their organizations can identify a prospect and secure a gift over the course of six to 12 months.

Staffing

Among surveyed organizations, multiple staff are responsible for soliciting major gifts at respondents' organizations.

- 82 percent said their CEO/Executive Director is involved in soliciting major gifts.
- 59 percent said Staff Gift Officer.
- 58 percent said Staff Director/VP/CDO.

At these percentages, it is clear that **multiple individuals are involved in securing major gifts**. As long as potential donors are given an opportunity to give, **it did not matter in this study who was involved in the solicitation**. The probability of meeting major gift fundraising goals is the same across all possibilities, as shown in Figure 22. None of the visible differences are statistically significant. This study found no statistically significant impact on an organization's likelihood to meet their major gift fundraising goal whether a volunteer asks for a major gift, or if the CEO of the organization asks for a major gift.[6]

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[6] Analysts also looked at combinations such as CEO and board member; Staff member and board member; CEO and staff member, etc. There were no statistically significant differences in the frequency of meeting major gift goals among these combinations.

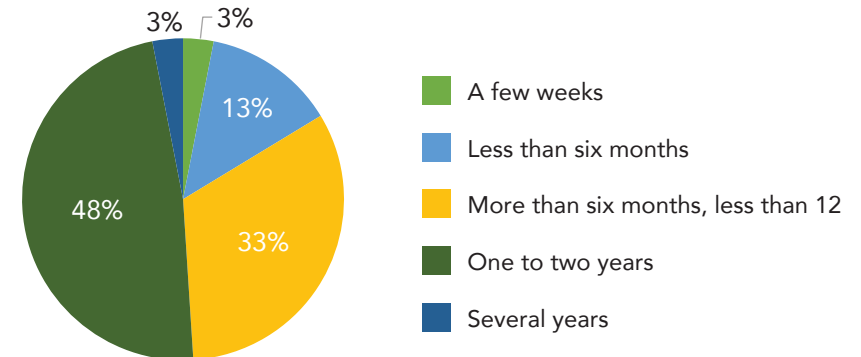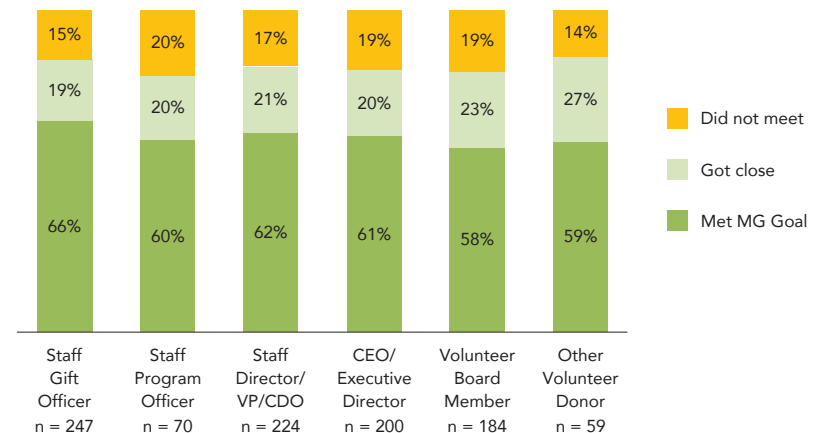**Figure 21:** Time from prospect identification to gift close (n = 98)

- A few weeks
- Less than six months
- More than six months, less than 12
- One to two years
- Several years

Figure 22: Met or did not meet major gift goals by who is involved in major gift requests (n = 487)

- Did not meet
- Got close
- Met MG Goal

However, having more people involved in the process, such as fundraising colleagues, the CEO/Executive Director, and board members or volunteers, appears to increase the likelihood of meeting major gift fundraising goals as compared to having just one or two individuals who are making major gift requests, as shown in Figure 23.

> "Organizations that share the work of major gift fundraising among at least three people are more likely to meet major gift goals. This is true in small and large organizations."
>
> Beth Hershenhart
> Founder and CEO
> Innovative Resources Group, Inc.
> Saratoga Springs, New York

It is generally accepted that fundraising is based on relationships, yet two-thirds (65 percent) of respondents spent less than 60 percent of their time dedicated to raising major gifts. As shown in Figure 24, a majority of people in this study who spend 80 percent or more of their work hours on major gifts feel they have enough time to cultivate major gift relationships. This is true in smaller organizations, raising $3 million or less, and in organizations raising more than $3 million.

In addition, to being more satisfied with the amount of time they have to spend on major gift work, those spending more time on major gift fundraising were more likely to report positive outcomes related to major gifts.

Among those spending 60 percent or more of their time on raising major gifts, 84 percent met or got close to their major gift fundraising goals, compared to 41 percent spending 20 percent or less time.

Figure 23: Met or Did Not Meet Major Gift Goals by How Many Are Involved in Major Gift Requests (n = 487)
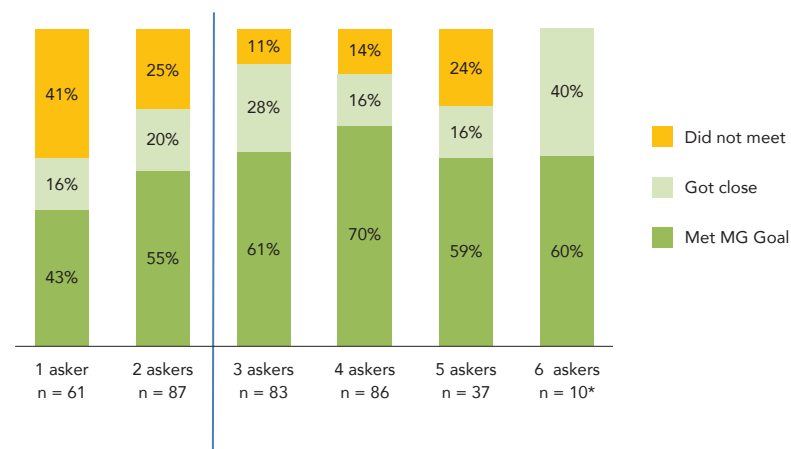
*Sample size is too few to use to draw firm conclusions about 6 askers compared with fewer.

Figure 24: Percentage of those with major gift fundraising responsibility who are satisfied with the amount of time they have for major gift work, by organization size (amount raised) and percentage of time spent on major gifts
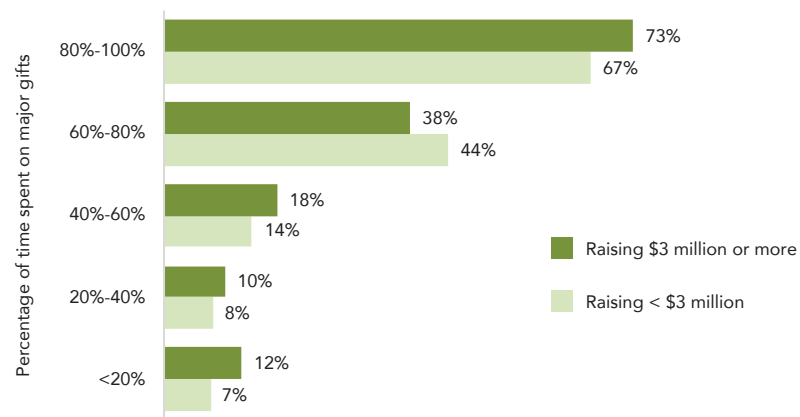
Major gifts portfolio size

Just over one-quarter of respondents had 11 to 50 prospects in their major gift portfolio, with 21 percent reporting 51 to 100 and 18 percent reporting 101 to 200. Only 8 percent reported zero prospects, and about 10 percent reported 200+ prospects per portfolio.

The study found that portfolio size increases with the amount that an organization raises, perhaps because larger organizations have resources to pay individuals who focus on major gift fundraising, and organizations with lower budgets (under $3 million) have staff who add major gift activities to their other fundraising and management responsibilities.

As noted on page 14, organizations that **raised less than $3 million were more likely (in this research) to meet their major gift fundraising goals when fundraisers had portfolios of fewer than 50 prospects**. This might reflect the fact that these staff members are doing multiple tasks, whether in fundraising, program management, organizational administration or other tasks, or it could simply be indicative of smaller portfolio sizes allowing staff to focus their efforts. From this research we are not able to supply an answer.

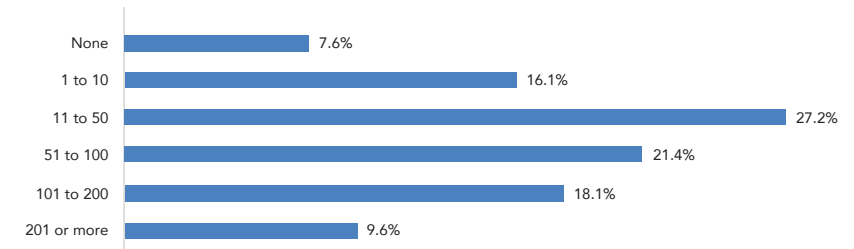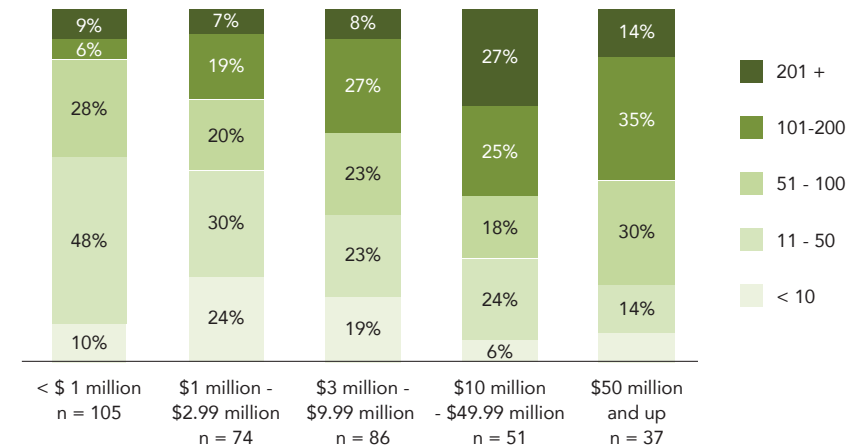**Figure 25:** Number of prospects in major gift portfolio[7] (n=459)

Figure 26: Portfolio size by amount raised

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[7] Excludes 35 "other" responses.

Researching a donor's gift history

In addition to using technology-supported methods such as (surveys, wealth screening, analytics, tracking engagement, etc.) and asking people for their knowledge about a possible donor, nearly all study participants (92 percent) said their organization **considers a prospective major gift donor's giving history to the organization** when determining the amount to solicit from them. About 6 in 10 looked at giving history to organizations with similar missions to their own, and 40 percent looked at giving history to unrelated organizations to help inform solicitation amounts.

> "Think how information technology has revolutionized shopping and commercial experiences. Organizations that meet major gifts goals incorporate these kinds of technological tools into their donor prospecting and acquisition programs and are experiencing remarkable success."
>
> Kathy Kraas, CFRE
> President and Founder
> K2 Consulting Group
> Los Angeles and Chicago

Figure 27: Organizations most often include a donor's giving history when considering a request amount

Yes, consider giving history to our organization	92%
Yes, consider giving history to organizations w/ missions like ours	61%
Yes, consider giving history to organizations w/ missions not like ours	40%
No, do not consider any giving history	4%

TO IMPROVE MAJOR GIFT FUNDRAISING

When asked what would "most benefit major gifts fundraising," nearly half (48 percent) of study participants said they would like new methods for identifying prospects.

Note that of the 233 respondents who wanted better methods for identifying major gift prospects, a third (33%) reported using no process, 46 percent reported having processes but did not use them consistently, and the balance (22%) said they consistently use the processes they have.

People could write in their own response, as well. Twenty-three individuals mentioned something about time or staffing, such as the comments here.
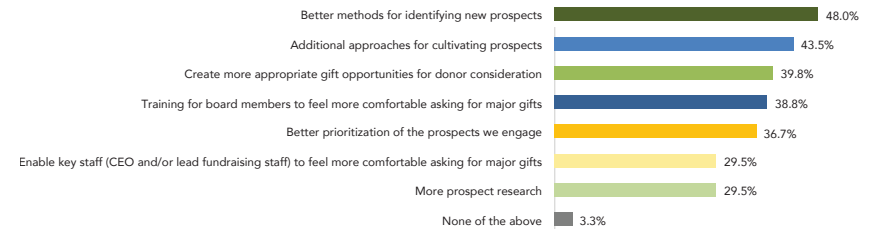
"Can you put more hours in the day? We need to get more donors in the door, first of all, then we can have all these wonderful problems above."

"More time to focus on doing our MGO work and LESS TIME WASTED in non-critical meetings, making up our own marketing materials, etc."

"It would be incredibly helpful for us to 1) identify more special opportunities for giving to a specific project or new program (this would be for gifts above/beyond annual support); 2) get our board involved AT ANY LEVEL in our development work; 3) help from our marketing/communications team in preparing customized impact reports for donors, solicitation materials."

"I'm a one-man shop that is also responsible for marketing and community relations. TIME is my biggest challenge."

Figure 28: Identifying and engaging prospects are top priorities for major gift fundraising (n = 485)

Better methods for identifying new prospects	48.0%
Additional approaches for cultivating prospects	43.5%
Create more appropriate gift opportunities for donor consideration	39.8%
Training for board members to feel more comfortable asking for major gifts	38.8%
Better prioritization of the prospects we engage	36.7%
Enable key staff (CEO and/or lead fundraising staff) to feel more comfortable asking for major gifts	29.5%
More prospect research	29.5%
None of the above	3.3%

Participants could select up to three options

CONCLUSION

Major gift fundraising requires **building relationships with potential donors** so they understand and feel invested in the organization's work to achieve its mission. Among the 580 organizations in this research, meeting major gift fundraising goals is associated with **a satisfactory pipeline of prospects and having time to develop those relationships**.

How people obtain that time varies:

- Ability to dedicate time to focus on major gift work (60% of their own time or more).
- Manageable portfolio of less than 50 for smaller organizations, and less than 200 (hinted at, not confirmed) for larger groups.
- Involvement of colleagues in the major gifts process, with three or more people engaged. This study did not ask for ways that colleagues are engaged.
- Creating and following consistent processes for prospect identifications.
  - Using technological tools to streamline the prospect identification.
  - Good data in the organization's own Constituent or Customer Relationship Management (CRM) software was mentioned by a few.

ACTION STEPS
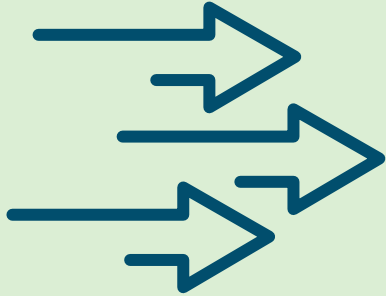
Creating a philanthropy program that drives significant investment from donors is no easy task. As nonprofits aspire to further their mission, there are a few tangible next steps you can take to enhance major gift fundraising at your organization:

- Obtaining major gifts is fundamentally grounded in establishing a true culture of philanthropy at your organization. Organizations that treat fundraising and securing philanthropic support as a program transform giving. They shift from the transactions of counting gifts to a relationship-based engagement that involves donors in multiple ways.

- Most major gifts will take time to arrive at your organization. As the report suggests, it can take many years to cultivate a relationship with prospects before they ultimately make a major gift. This means your culture of philanthropy must stretch beyond "involvement" and into "investment." Major gift fundraising is an investment in your organization's future stability, and, as with any investment, it is critically important that you have a time horizon in mind. Organizational alignment on the principle that major gift fundraising is a long-term strategic investment is critical to major gift success. You can't "flip a switch" and raise more major gifts.

- Your organization needs to strike a balance between tech-supported and human-based donor discovery tactics. Relying on institutional knowledge alone is not enough to guide the qualification, cultivation and prioritization of prospects for major gifts. Tech-supported solutions can help fill the gap.

- If your organization is serious about raising more major gifts, then allocate resources to support someone in a major gifts fundraising role. This may seem trivial but as our report highlights, satisfaction with your ability to cultivate relationships is correlated with the amount of time you are actually able to spend on developing those relationships.

- The process of creating a culture of philanthropy requires embracing the concept of a major donor team, and this team is not dependent only on development staff. The team must include able, willing and trained volunteer leaders, donors, stakeholders and staff. The team must be directly involved in prospect identification and qualification, which goes beyond a simple donor profile and adds in donor behavior (such as clicks on programs on the website, and information learned by listening to donors).

- Organizations that invest in major gift fundraising and include that investment as part of a strategic action plan, regardless of organizational size, are more likely to fund the strategic vision for their organization and its mission. Crafting a strategic action plan requires articulating the unique impact of the organization and detailing the funding required. With focus on how donors engage with your organization and respond to your vision, you will build relationships that inspire donors to give to advance your organization's work.

METHODOLOGY

This study was an online survey distributed by the sponsors via direct emails and social media in October 2019. The sample is a convenience sample of nonprofit organizations, with most in the United States and some in Canada. Three responses came from elsewhere.

Responses by distribution channel

SPONSOR/PARTNER									
Method	MarketSmart	DonorSearch	APC	MSBLLC	Site Page	Email Invitation	AFP-DC	TOTAL	% by method
Emailed invitations	353	103	27	4		9	10	506	87.2%
Social media	19	0	1	6			2	28	4.8%
Landing page					46			46	7.9%
TOTAL by sponsor	372	103	28	10	46	9	12	580	100.0%
% by sponsor	64.1%	17.8%	4.8%	1.7%	7.9%	1.6%	2.1%	100.0%	

Respondent demographics

The survey asked respondents to identify their role within their organization, as well as obtained information about the organization itself, including geographical location, organization subtype, and amount of philanthropic revenue raised.

Organization's mission/NTEE

Respondents were provided a list of organizational subtypes within which their organizations may fit. Respondents could select up to three. The most commonly selected organizational subtype was human services; most clients considered low income (13 percent selecting as primary and 6 percent selecting as secondary), followed by education other than higher education (10 percent primary, 5 percent secondary).

Table 5: Organizations by amount raised

Amount received in contributions	#	%
<$250,000	60	10%
$250,000- $499,000	26	4%
$500,000- $999,999	56	10%
$1 million-$2.99 million	79	14%
$3 million-$9.99 million	97	17%
$10 million-$49.99 million	64	11%
$50 million-$74.99 million	12	2%
$75 million and up	31	5%
No response	155	27%
TOTAL	580	100%

Table 6: Organizational mission/NTEE (n=462)

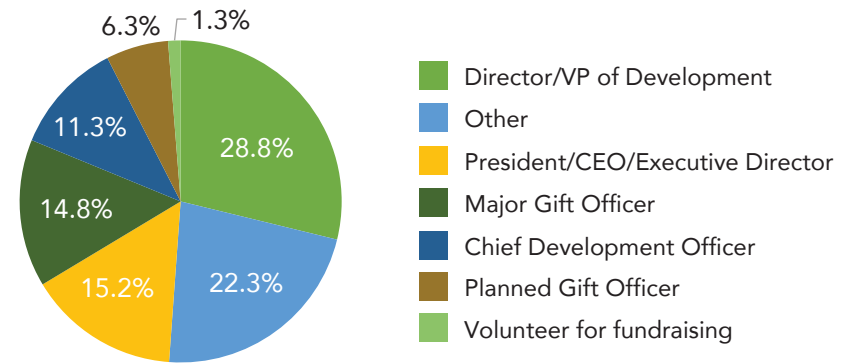| Subtype	
Arts, culture, and humanities	13%
Education - not higher education	12%
Education - higher education	16%
Environment & animals	11%
Healthcare - direct care such as clinic or hospital	9%
Health - anything that is not direct care	10%
Human Services - most clients are considered low income	18%
Human Services - client majority is not considered low income	9%
International	5%
Public society benefit	
Civil or human rights, voter registration/education	5%
Community or economic development	5%
Scientific or social scientific research	3%
Philanthropy & voluntarism	4%
Religion - worship, teaching, practice	10%

Organizational regions

Respondents who reported their organizations' state or ZIP Code (n=410) were primarily from the United States (94 percent), with 28 percent of respondents representing the Southeast U.S. and 24 percent representing the Midwest U.S. There were 20 respondents (5 percent) from Canada, and three respondents from outside of Canada or the U.S.

Table 7: Organizational region (n=410)

Region	% of Respondents
Midwest U.S. (Illinois, Indiana, Iowa, Kansas, Michigan, Missouri, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)	24.4%
Northeast U.S. (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	14.9%
Southeast U.S. (Alabama, Arkansas, DC, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia)	27.6%
Southwest U.S. (Arizona, New Mexico, Oklahoma, Texas)	7.1%
Western U.S. (Alaska, California, Colorado, Hawaii,	20.5%

Figure 29: Respondents' roles (n=479)

- Director/VP of Development — 28.8%
- Other — 22.3%
- President/CEO/Executive Director — 15.2%
- Major Gift Officer — 14.8%
- Chief Development Officer — 11.3%
- Planned Gift Officer — 6.3%
- Volunteer for fundraising — 1.3%

As a percentage of all respondents to both questions (n=424)							
Organizational size	Pres/CEO/ED	Chief Development Officer	Major Gift Officer	Director or VP of Development	Planned Gift Officer	Volunteer	Other
< $3M	13%	6%	4%	17%	0%	1%	11%
$3M - $10M	2%	3%	6%	6%	1%	0%	4%
$10M+	1%	2%	5%	5%	3%	0%	8%

Respondents represented a variety of roles, with 29 percent selecting Director or Vice President of Development, 15 percent selecting President/CEO/Executive Director, and another 15 percent selecting Major Gift Officer. About 22 percent of the respondents did not select a listed role and instead wrote in "other." These responses represented a wide variety of organizational positions.

The most frequent participants were in smaller (raising less than $3 million) organizations. Organizations raising less than $3 million per year are the largest share of all charities in the United States.

Table 8: Of participants, percentage by organization size and respondent role

APPENDIX: Major Gift Benchmark Study 2020

For your organization, which range contains the lowest amount that counts as a major gift in a normal year (not a gift for a capital campaign or a special campaign)?
An amount < $1,000
$1,000 - $2,499
$2,500 - $4,999
$5,000 - $9,999
$10,000 - $19,999
$20,000 - $49,999
$50,000 - $99,999
$100,000 to $999,999
$1 million or more
Can't answer
No specific amount

How satisfied are you with your current "pipeline" of major gift prospects?
Extremely satisfied
Somewhat satisfied
Neither satisfied nor dissatisfied
Somewhat dissatisfied
Extremely dissatisfied

Does your organization have a process in place to identify major gift prospects?
Yes, we have processes or systems in place for identifying major gift prospects and use them consistently.
We have processes but do not use them consistently.
No, we do not currently have processes or systems in place.

Which of these does your organization use to identify possible prospects for major gifts?
Survey donors.
Board members or committee members review a list of names and make recommendations.
Development staff members share knowledge about donors or about volunteers and their history with your organization.
Program staff members share knowledge about potential prospects and their interest in the organization.
An individual collects, reviews, and summarizes information about a potential donor.
Current donors refer potential donors, for example, meet-and-greet sessions that showcase your organization's work.
Collect and review donor lists from other organizations.
None of the above
Please add a comment if you'd like to explain your answer or if you use a method that is not on the list.

Which of these information sources does your organization use to identify possible prospects for major gifts?
Analyze donation records in the donor database.
Track direct engagement (such as paying dues, volunteering, attending events, buying tickets, etc.).
Apply behavioral analytics (such as visits to your website, likes on social media posts, etc.).
Use technology-based wealth screening services.
Use artificial intelligence (machine-guided analysis of who to contact when with what message).
Use predictive modelling (identifies qualities of current donors and uses those to predict who else would give at that level.
None of the above.
Please add a comment if you'd like to explain your answer or if you use a method that is not on the list.

Once identified, does a major gift prospect's previous giving impact your ask amount?
Yes, we consider the donor's giving history with our organization.
Yes, we consider the donor's giving history to organizations with a mission similar to our mission.
Yes, we consider the donor's giving history to charities whose mission(s) do not overlap with ours.
No, we do not consider any of the donor's giving history.

Does your organization's strategic plan or development plan include major gifts?
Yes
No
Not sure
We do not have a development plan or a strategic plan.
Other (please specify)

For the most recent year, did your organization meet the major gifts fundraising goal for amount raised?
Yes
No
We got close.
We do not have dollar goals for major gifts received.

How many major gifts has your organization solicited to date in 2019?
0
1-10
11 - 50
51 - 100
101 - 200
201+
Don't know
Other (please specify)

What percentage of your time would you say is dedicated to raising major gifts?
0% - Not a major gift officer
20% or less
20-40%
40-60%
60-80%
80-100%
Other (please specify)

How many prospects are in your major gift portfolio?
0
1-10
11 - 50
51 - 100
101 - 200
201 +
Other (please specify)

Who is involved in soliciting, or "making the ask," for major gifts at your organization?
Staff Gift Officer
Staff Program Officer
Staff Director/VP/CDO
CEO/Executive Director
Volunteer Board Member
Other Volunteer Donor

Do you keep track of the time from prospect identification to close?
Yes
No
Not sure
Does not apply - Not a major gift officer

What is the typical time that it takes your organization to move from identifying a prospect to closing a gift?
A few weeks
A few months
Several months (more than 6, less than a year)
One to two years
Several years (3 or more)
It varies
I don't know
Other (please specify)

Do you feel like you have enough time to focus on raising major gifts for your organization?
Yes, most of the time.
Sometimes, but not consistently.
No, almost never.

Which of the following would most benefit major gifts fundraising at your organization?
Better methods for identifying new prospects
Additional approaches for cultivating prospects
Better prioritization of the prospects we engage
More prospect research
Training for board members to feel more comfortable asking for major gifts
Enable key staff (CEO and/or lead fundraising staff) to feel more comfortable asking for major gifts
Create more appropriate gift opportunities for donor consideration.
None of the above

What is your role at your organization?
Major Gift Officer
Planned Gift Officer
Director/VP of Development
Chief Development Officer (CDO)
President/CEO/Executive Director
Volunteer for fundraising - e.g., Chair of Development Committee
Board member not directly involved in fundraising
Other (please specify)

What is your organization's EIN number?
Enter your EIN number here
I don't know the EIN

If I don't know the EIN: Please enter the name of your organization.

What is your organization's postal code/ZIP Code?

What is your organization's total amount raised from philanthropic gifts in the most recent year?
< $250,000
$250,000 - $499,999
$500,000 - $999,999
$1 million - $2.99 million
$3 million - $9.99 million
$10 million - $49.99 million
$50 million - $74.99 million
$75 million or more

Please indicate your organization's subsector(2) (up to 2)
Arts, culture & humanities
Civil or human rights, voter registration/education
Community or economic development
Education (higher ed)
Education (anything other than higher ed)
Environment & animals
Health - direct care (clinic, hospital)
Health - anything other than direct care
Human services - most clients are considered "lower income"
Human services - not majority "lower income" clients
International
Philanthropy & voluntarism (foundations, United Way, Jewish federations, MSOs)
Religion - worship, teaching, practice
Scientific or social scientific research