

Formulating and Using Campaign Gift Models

Introduction

Campaign gift models are essential tools in planning for major fundraising efforts. Thoughtfully formulated, they provide useful information and highlight responses to many questions encountered in the campaign planning process, such as:

- *How many donors do we need in order to reach our dollar goal?*
- *How does that estimated number of donors correspond to our current constituency?*
- *How many fundraising volunteers do we need to meet our campaign goal?*
- *What is the best timing for our campaign that will optimize our potential for success?*
- *What types and quantities of fundraising materials should we produce, and when?*
- *What are the fundraising costs we might expect to incur?*

The answers to these questions can be gained by focusing on both the development of a campaign gift model as well as the use of the model in planning a major fundraising campaign.

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Some Initial Information

To construct a useful gift model for your organization, some preliminary questions must be answered:

- What is our currently projected campaign dollar goal? \$ _____
- Have we identified one or more **potential "lead" donor(s)** with the capacity to make a gift representing 10% to 20% of our total dollar goal?
name(s): _____

- How many **addressable records** (with complete and accurate name and address) do we have in our development files/database?

Total number of donor records: _____

Current donors: _____

Prior/lapsed donors: _____

- What are the **annual giving patterns** of our constituency, including both current and prior donors?

Number of annual donors in the:

\$1 to \$999 range: _____

\$1,000 to \$2,499 range: _____

\$2,500 to \$4,999 range: _____

\$5,000 to \$9,999 range: _____

\$10,000 to \$49,999 range: _____

\$50,000 to \$99,999 range: _____

\$100,000 and above range: _____

- What is the **judged major gift potential** of our top 20 to 25 donors?

Number of donors with potential in the:

\$1 to \$999 range: _____

\$1,000 to \$2,499 range: _____

\$2,500 to \$4,999 range: _____

\$5,000 to \$9,999 range: _____

\$10,000 to \$49,999 range: _____

\$50,000 to \$99,999 range: _____

\$100,000 to \$249,999 range: _____

\$250,000 to \$499,999 range: _____

\$500,000 to \$999,999 range: _____

\$1 million and above range: _____

- What is the largest single gift that we have ever received? \$ _____

Tips and Pointers:

1. For your initial planning purposes, use a projected campaign dollar goal at the highest anticipated level.
2. To avoid “robbing Peter to pay Paul,” you should calculate potential campaign gifts from your constituency as over and above their current annual gifts.
3. If you cannot identify the number of your organization’s annual and/or potential donors, you may not yet be ready for a major fundraising campaign.

Guidelines for Formulation

The sections that follow define components of your gift model. We will use a sample campaign goal of \$2 million to illustrate standard guidelines as well as common exceptions. At the conclusion of each section, you will find “It’s Your Turn”: practical exercises which, when completed, can be used to formulate a campaign gift model tailored to the unique circumstances and fundraising challenges of your organization.

Contribution Ranges

The following guidelines should be applied in formulating contribution ranges for your gift model:

- The highest gift range should contain a “lead” gift equal to 10% to 20% of the total campaign dollar goal.
- The next-to-lowest gift range equals 3 to 5 times your lowest average annual gift range.
- Between these boundaries, insert incremental gift ranges based on the size of your campaign dollar goal, the number of current donors, and your judgment of their giving potential. We recommend a total of 6 to 8 gift ranges for most campaigns.

For our sample \$2 Million Campaign Gift Model, we have selected the following contribution ranges:

- ◆ \$200,000 and above *10% of our \$2,000,000 campaign goal*
- ◆ \$100,000 to \$199,999
- ◆ \$50,000 to \$99,999
- ◆ \$25,000 to \$49,999 *5 intermediate range*
- ◆ \$10,000 to \$24,999
- ◆ \$5,000 to \$9,999
- ◆ \$1,000 to \$4,999 *5 times our lowest annual gift level*
- ◆ Less than \$1,000

Using the previously noted guidelines, and based on your organization's currently projected dollar goal, giving patterns, and judged major gift potential, determine the contribution ranges appropriate to your organization.

**Contribution
Range**

\$ _____ and above
 \$ _____ to \$ _____
 \$ _____ to \$ _____
 \$ _____ to \$ _____
 \$ _____ to \$ _____
 \$ _____ to \$ _____
 \$ _____ to \$ _____
 Less than \$ _____

Required Donors

The following guidelines should be applied in formulating the number of required donors for your gift model:

- One or more “lead” donors at the highest giving range with gifts adding up to 10% to 20% of the total campaign dollar goal.
- A sufficient number of donors within the higher gift ranges to contribute 30% to 40% of the total dollar goal. These higher ranges usually include from 8% to 10% of total number of required donors.
- A sufficient number of donors within the middle gift ranges to contribute 30% to 40% of the total dollar goal. These donors usually make up 45% of the total number of required donors.
- The remaining 10% to 15% of the campaign goal is assigned to required donors in the lower gift ranges who often constitute 45% (or more) of the total number of required donors.

For our sample \$2 Million Campaign Gift Model, we have calculated the number of required donors as follows:

Contribution Range	Required Donors	% Total: Donors	Dollar Goal	% Total: Goal
\$200,000 and above	1	0.8%	\$200,000	10%
\$100,000 to \$199,999	4	3%	\$400,000	20%
\$50,000 to \$99,999	6	5%	\$400,000	20%
\$25,000 to \$49,999	15	12%	\$400,000	20%
\$10,000 to \$24,999	40	33%	\$400,000	20%
\$5,000 to \$9,999	15	12%	\$120,000	6%
\$1,000 to \$4,999	40	33%	\$40,000	2%
Less than \$1,000	many	n/a	\$40,000	2%
TOTALS:	121+	100%	\$2,000,000	100%

Tips and Pointers:

1. Note that as the contribution ranges decrease, the number of required donors in each range increases to arrive at, in our example, identical dollar goals.
2. These guidelines should be stretched and manipulated based on your organization’s fundraising patterns and experiences.

- If you prefer a conservative planning perspective, presume that required donors will make gifts at the lowest level of the indicated contribution ranges. If you prefer a more optimistic approach, use an average gift within the range. Or, if you are having difficulty “balancing the model,” try using a combination of these approaches as we have in our example.

Given the guidelines suggested for required donors, continue to formulate your gift model. Based on your projected number of required donors within each contribution range, determine the percentages in the Total Donor and Total Dollar columns.

Contribution Range	Required Donors	% Total: Donors	Dollar Goal	% Total: Goal
\$ _____ and above	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____ %	\$ _____	_____ %
Less than \$ _____	<u>many</u>	n/a	\$ _____	_____ %
TOTALS	_____	100%	\$ _____	100%

Potential Donors

In general, you will know more about the most generous of your organization's donors, and you will know less about the more modest donors. With that in mind, the following guidelines should be applied in formulating the number of potential donors for your gift model. You will need to identify:

- 2 potential donors for every required donor within the highest contribution ranges.
- 3 potential donors for every required donor within the middle contribution ranges.
- 4 potential donors for every required donor within the lowest contribution ranges.

For our sample \$2 Million Campaign Gift Model, the potential donors that we have selected are as follows:

\$2 MILLION CAMPAIGN GIFT MODEL

Contribution Range	Potential Donors	Required Donors	% Total: Donors	Total Dollars	% Total: Dollars
\$200,000 and above	2	1	1%	\$200,000	10%
\$100,000 to \$199,999	8	4	3%	\$400,000	20%
\$50,000 to \$99,999	18	6	5%	\$400,000	20%
\$25,000 to \$49,999	45	15	12.5%	\$400,000	20%
\$10,000 to \$24,999	120	40	33%	\$400,000	20%
\$5,000 to \$9,999	45	15	12.5%	\$120,000	6%
\$1,000 to \$4,999	120	40	33%	\$40,000	2%
Less than \$1,000	<u>many</u>	<u>many</u>	<u>n/a</u>	<u>\$40,000</u>	<u>2%</u>
TOTALS:	<u>358+</u>	<u>121+</u>	<u>100%</u>	<u>\$2,000,000</u>	<u>100%</u>

Using the guidelines suggested for potential donors, continue to formulate your gift model.

Contribution Range	Potential Donors	Required Donors	% Total: Donors	Dollar Goal	% Total: Goal
\$ _____ and above	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
\$ _____ to \$ _____	_____	_____	_____ %	\$ _____	_____ %
Less than \$ _____	many	many	n/a	\$ _____	_____ %
TOTALS	_____	_____	100%	\$ _____	100%

A Realistic Model: Some Suggestions for “Fine-Tuning”

Congratulations! You have formulated a campaign gift model that reflects the needs of your organization and the giving patterns of your constituency. Now double-check your model to make sure that it reflects the fundraising potential of your organization:

yes no Does your gift model call for more potential donors than are in your constituency files?

If so, you may want to reduce the number of potential donors for each required donor at the middle and/or lowest contribution levels. However, if you have formulated a gift model that requires many more potential donors than you currently have – for example, two or three times the size of your constituency – then you may not yet be ready to consider a major fundraising campaign.

yes no Does your gift model call for many fewer potential donors than are in your constituency files?

If so, you may want to increase the number of potential donors for each required donor at the middle and/or lowest gift levels.

- yes no Is the gift potential of your constituency in one or more gift levels – lowest, middle, or highest – much higher than the corresponding levels of your gift model?

If so, you might wish to weight your gift model by raising the dollar goal of those levels. A word of caution: a major fundraising campaign provides an opportunity to “raise the sights” of your constituency by increasing gift amounts at all levels. Be careful to avoid a “bottom-heavy” gift model that relies on hundreds – or thousands! – of smaller gifts.

Using the Model: A Campaign Planning Tool

A tailored gift model is a critical part of the campaign planning process. These models can be a resource in determining such elements as the timing, budgeting, and volunteer requirements for a campaign. However, there are as many ways to use and interpret gift models in campaign planning as there are organizations launching campaigns!

With that in mind, the following are suggestions for using and interpreting your campaign gift model.

- ✓ **Campaign Phasing:** You may want to consider phasing your campaign according to gift level. Such a staggering of fundraising efforts will also guide the timing of required campaign materials. For example, the following schedule might be appropriate based on our sample \$2 Million Campaign Gift Model:

Phase I: Leadership Gifts: \$100,000 and above

Phase II: Major Gifts: \$25,000 and above

Phase III: Special Gifts: \$5,000 and above

Phase IV: Public Gifts: \$1 and above

- ✓ **Volunteer Requirements:** In our experience, personal solicitation by volunteers is the most effective fundraising strategy. If you intend to enlist volunteers to assist your fundraising campaign, you can use the gift model to determine the number of volunteers required. As a guideline, divide the number of potential donors at the middle and highest contribution ranges by 5 to 10.

For example, we may choose to use personal solicitation for gifts of \$5,000 and above. Using our sample \$2 Million Campaign Gift Model, we divide 238 potential donors by 7 potential donors per volunteer to arrive at 34 volunteers.

- ✓ **Donor Recognition:** You should construct donor recognition that is comparable and compatible with the gift levels designated in your gift model. In general, you will need to develop distinctive and personalized recognition for gifts in the highest contribution ranges; special but less personalized recognition for gifts in the middle contribution ranges; and appropriate and relatively inexpensive recognition for gifts in the lowest contribution ranges.
- ✓ **Campaign Budgeting:** The total number of potential donors called for by your gift model suggests the quantities of stationery, brochures, special donor presentations, volunteer handbooks, and other campaign materials you will need for your campaign. And don't forget to check the capacity of your organization's existing fundraising software/hardware to handle roughly 7 to 10 times as many records than the total number of potential donors.

For example, since our sample \$2 Million Campaign Gift Model calls for the identification of 358+ potential donors, we would select campaign database software and hardware which could accommodate at least 2,500 records. Personal solicitation for gifts of \$5,000 or more translates into a need for at least 34 volunteer handbooks in addition to sufficient stationery and other materials to support a fundraising campaign directed at 2,500+ potential donors.

A Concluding Word...

Remember that a campaign gift model is not a scientific instrument, but rather a resource designed to be used in conjunction with a variety of other planning materials and processes. Approach both development and application of a campaign gift model with flexibility and your own knowledge and good judgment. Recognizing and reflecting your organization's unique circumstances and characteristics are much more important to the development of the "right" gift model than strict adherence to guidelines and rules.