

# THE DONATION EQUATION

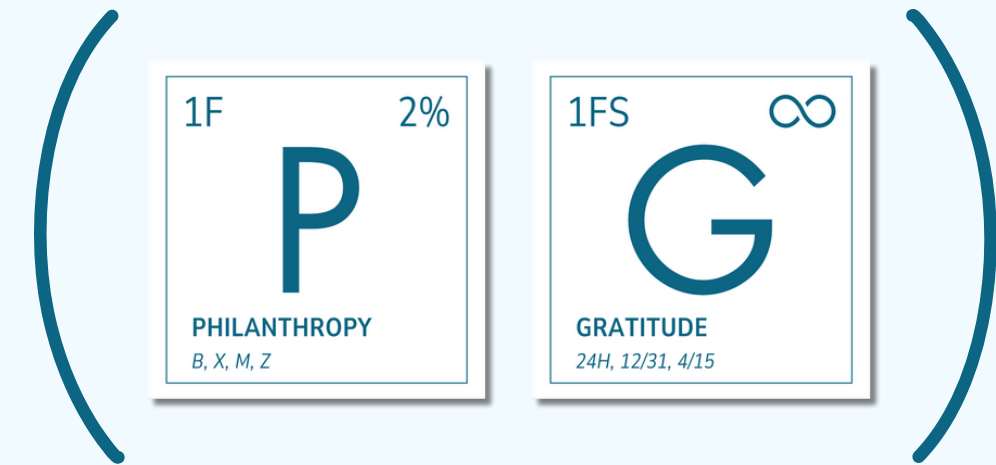
THINK LIKE A SCIENTIST AND FUNDRAISE SMARTER



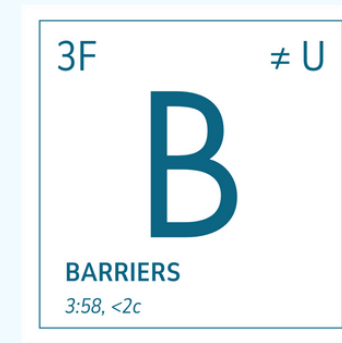
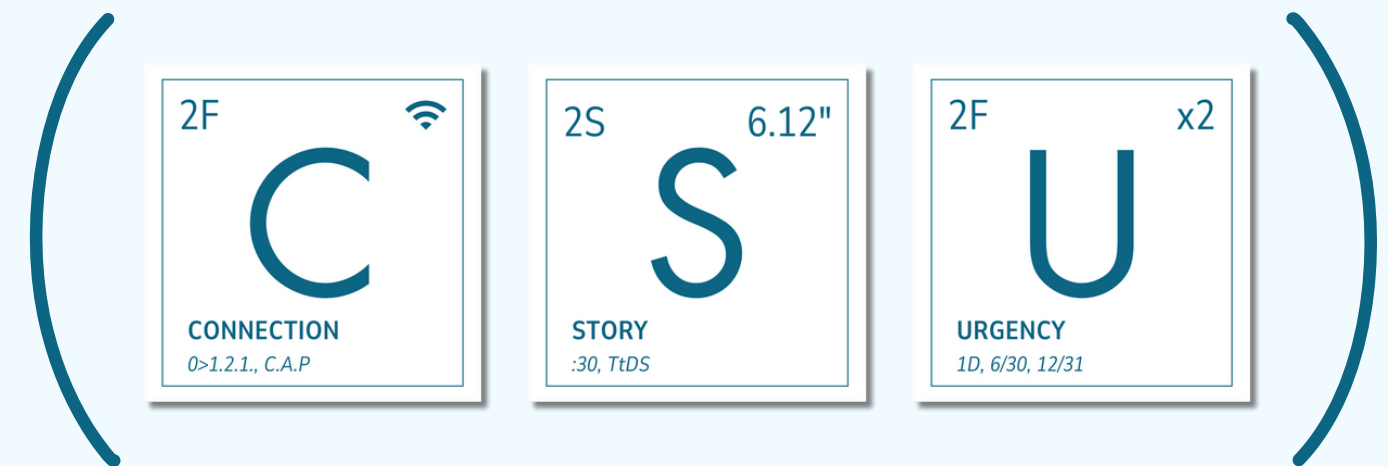
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# BUILDING A FUNDRAISING FORMULA

## NAVIGATING THE SCIENCE OF GIVING

- Trust is down, traditional giving methods are declining
- Overwhelming amount of advice available in the fundraising industry
- Need for a focused, scientific approach

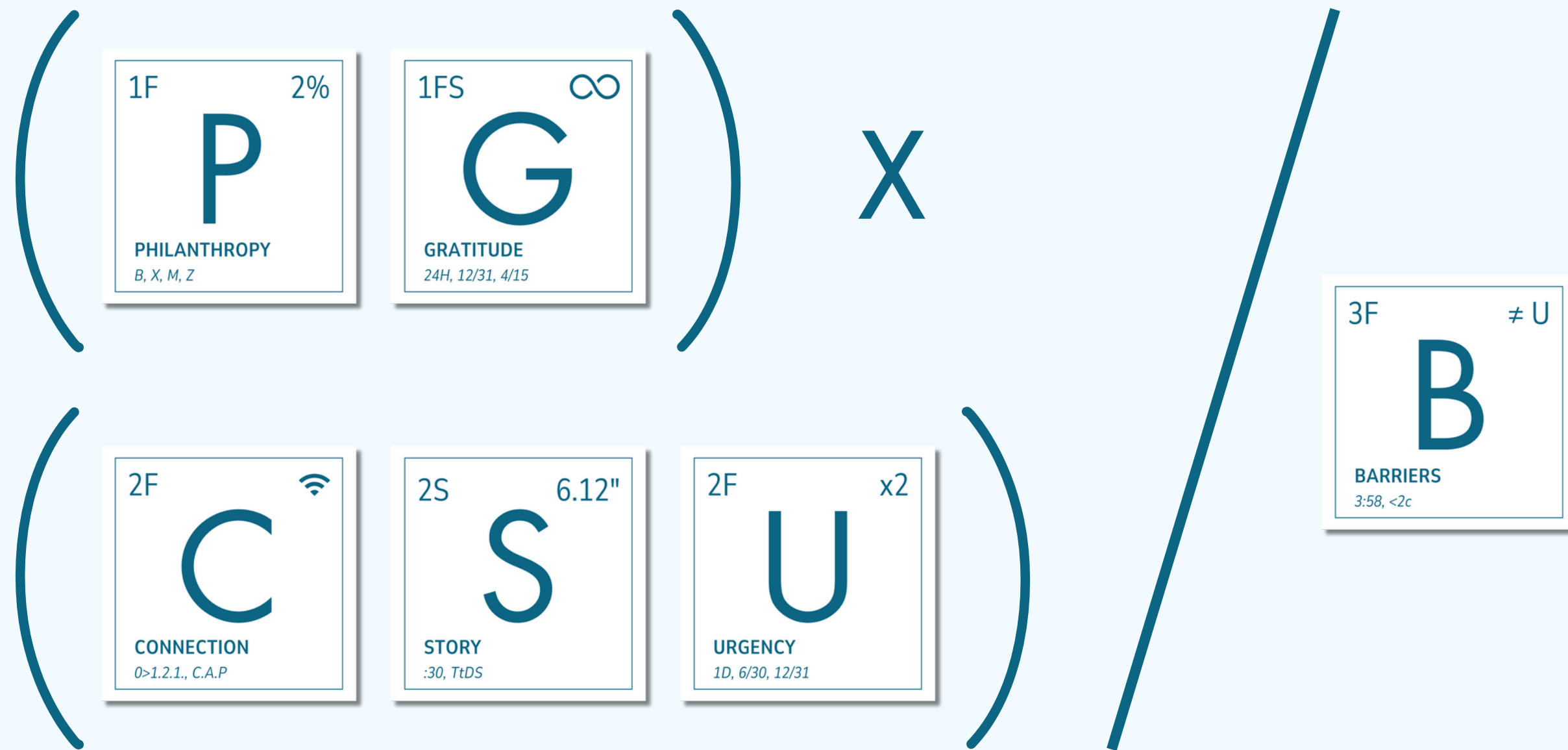
# THE EQUATION IS BORN

## FROM FUNDRAISING CHAOS TO ACTION-FOCUSED SCIENCE

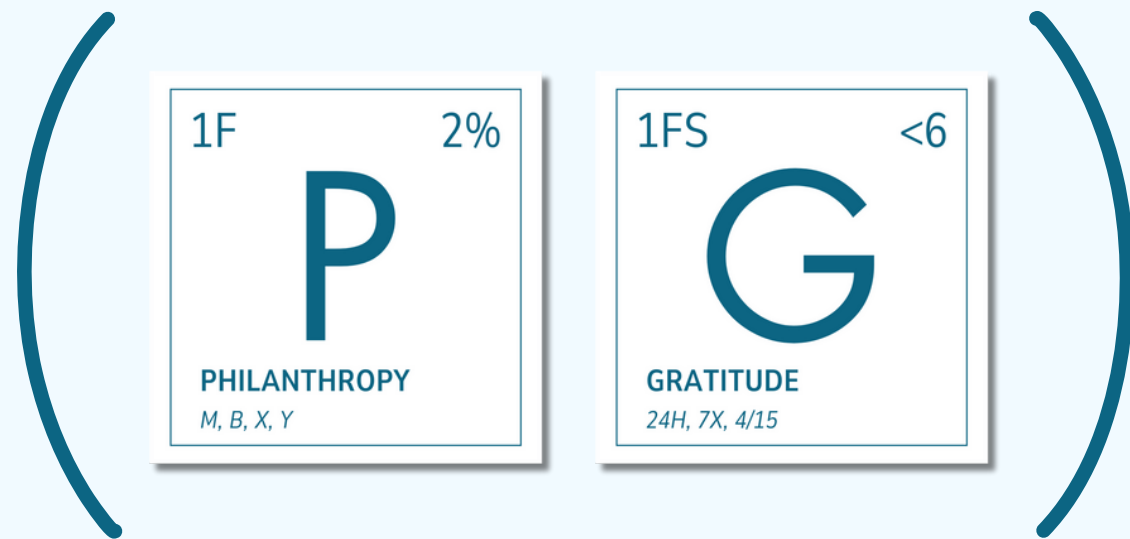
- Welcome to our journey of synthesizing fundraising strategies
- Goal: actionable, research-backed tools
- Something you can actually use, like...now.
- We'll share it, the research, and most importantly, ways you can "fundraise smarter."
- The conversation doesn't end here!



# THE EQUATION



# BASELINE INGREDIENTS



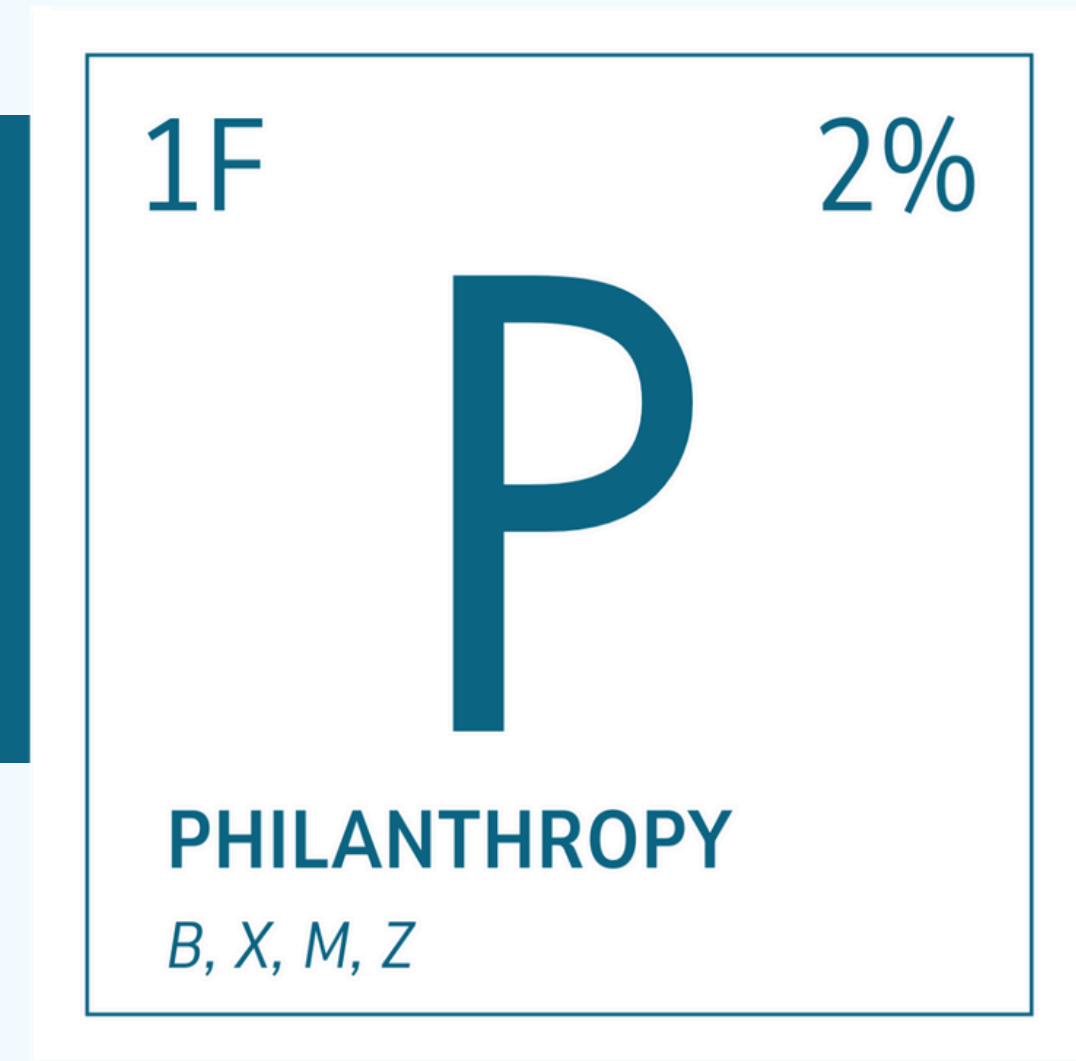
# PHILANTHROPY

## DEFINED

*The donor's tradition, culture, and history of giving, along with their available resources, knowledge/orientation to the cause, and previous philanthropic experience.*

## RESEARCHED

- 94% of student fundraisers say they are more likely to give to their alma mater after asking.
- Participants in philanthropy coursework are 3x more likely to be on a board within 5 years.



## EXPLAINED

Giving is a learned behavior. And over time, it becomes a “sticky” habit that is repeated. And we all know that donors who have more money can give just...more.

# GRATITUDE

## DEFINED

*The real or perceived gain a donor receives or expects to receive when giving. This may include psychological, social, financial or physical rewards.*

## RESEARCHED

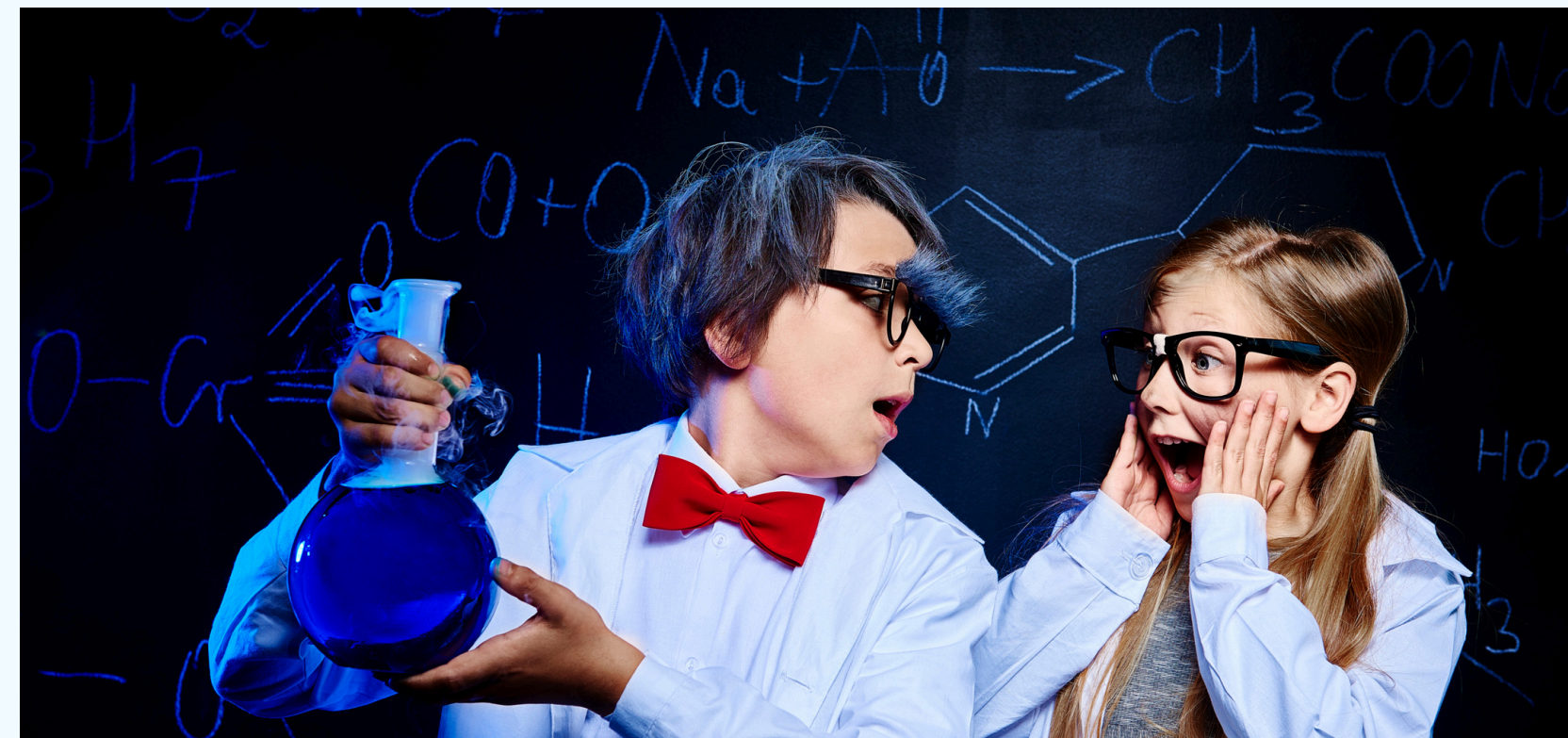
- The “warm glow” effect. (Andreoni, 1990)
- TCJ Act of 2017 reduced itemized deductions and may have had a negative impact on giving.
- Charitable IRA Rollover: \$100,000 at age 70.5



## EXPLAINED

Giving is an exchange. Donors can receive all kinds of things like a great feeling for giving, to tax incentives, to status, to actual things (gift premiums). Thanking donors is crucial, and giveaways should be considered carefully. Immediate incentives are the most effective.

# ACCELERANTS



#THEDONATIONEQUATION



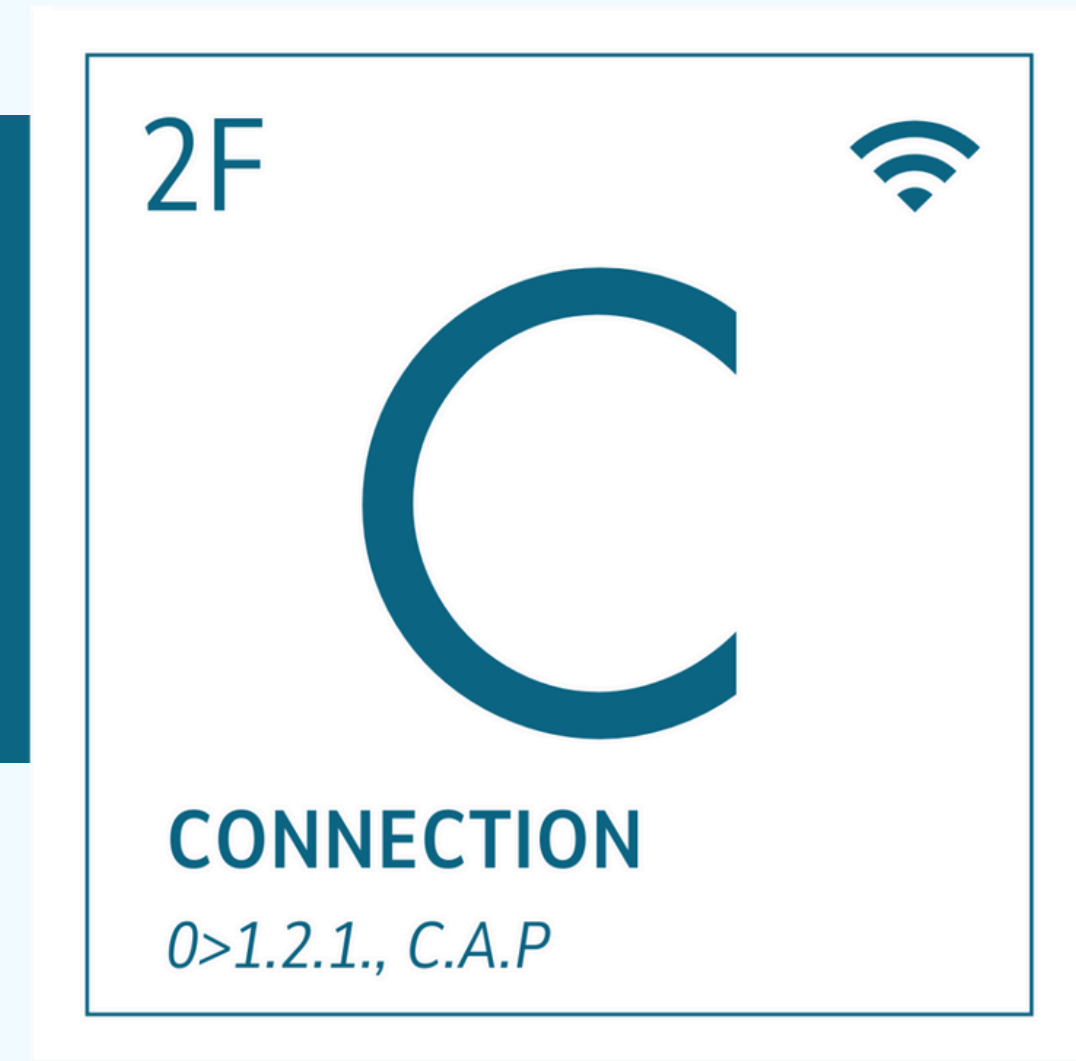
# CONNECTION

## DEFINED

*The immediate sense of fit a donor feels when receiving the appeal, including their personal connection to the cause, the asker, and to donor peers who are giving.*

## RESEARCHED

- Studies have shown greater response when a donor identifies with the pictures.
- Millennial and Gen Z donors are 2x impacted by social media in their giving. (Giving USA)



## EXPLAINED

The donor's connection to the cause, asker and their peers will greatly impact response. Strongly consider changing up who "signs" your appeals, and vary the voices in omnichannel campaigns.

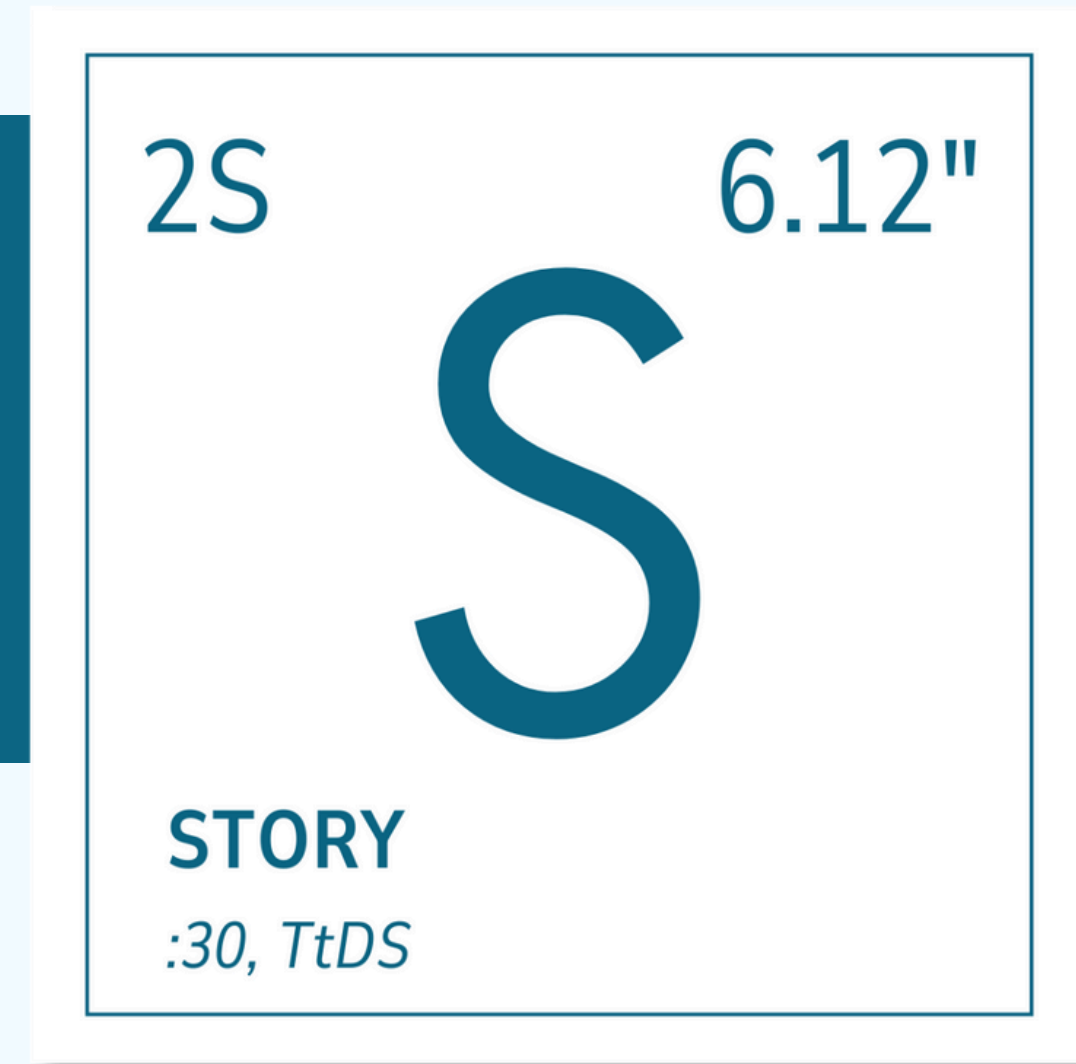
# STORY

## DEFINED

*The developed narrative a donor internalizes about the mission, impact for giving, and their own role over time.*

## RESEARCHED

- Most Millennial donors value the impact over the organization in their giving (RNL Survey).
- Bequest givers show brain activity that is similar to complementing their own “symbolic immortality” (Dr. Russel James)



## EXPLAINED

Donors give for impact. They want to make a difference, and how you tell the story of impact is crucial. In addition, telling the donor’s story is a crucial component of making giving sticky.

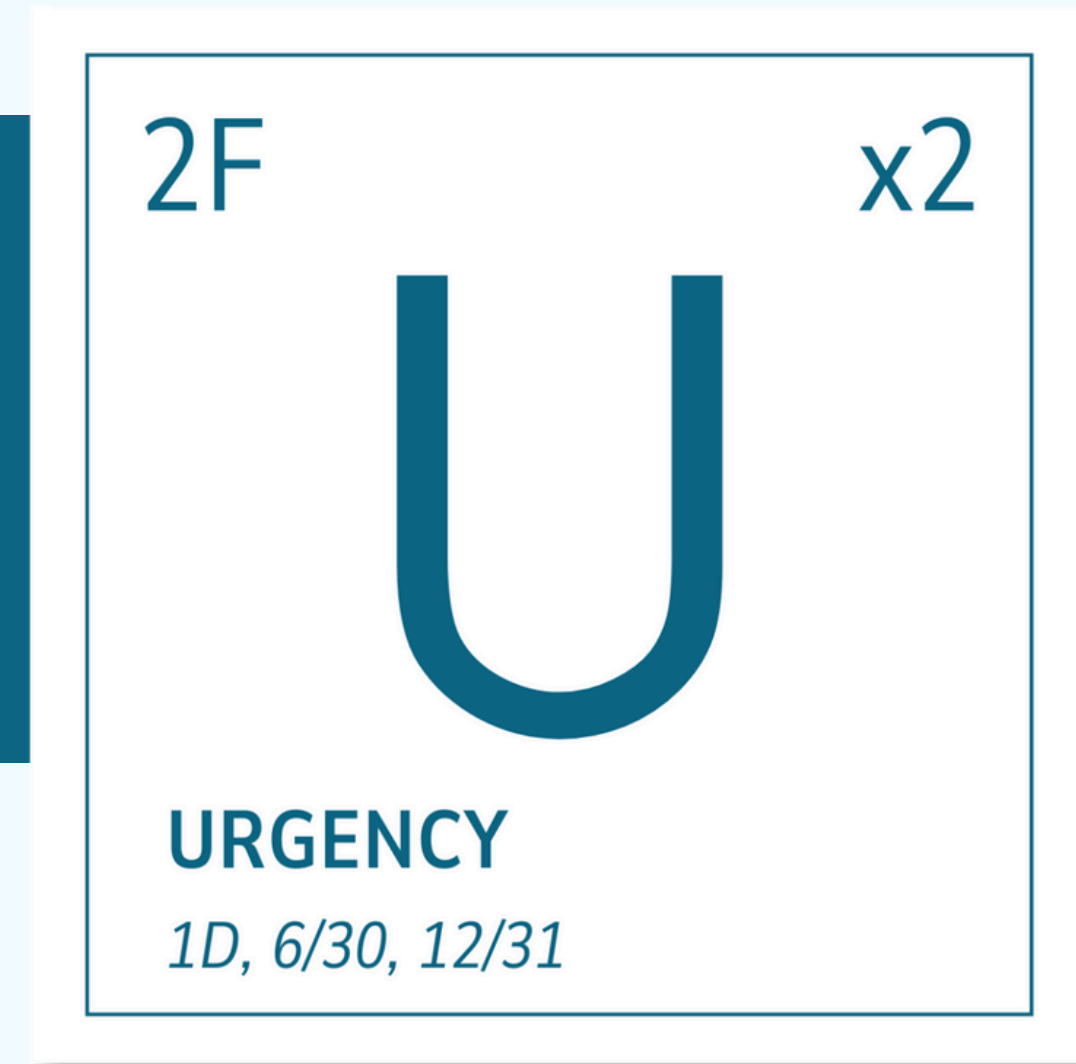
# URGENCY

## DEFINED

*The donor's immediate perception of necessary speed for giving based on the time-based incentives, deadlines, and perceived immediate need to the cause.*

## RESEARCHED

- Giving Tuesday now exceeds \$3.1B
- Crowdfunding campaigns of 30-90 days are most effective.
- Matching challenges can double response, and a x2 match is as effective as x3+ (John List, The Why Axis)



## EXPLAINED

It's crucial to answer: "why give now." In many cases, this is "manufactured urgency," with everything from time-based matches, deadline campaigns, or clear illustrations of how cash addresses immediate need. These tactics motivate "fence sitters" and encourage donors to take action immediately.

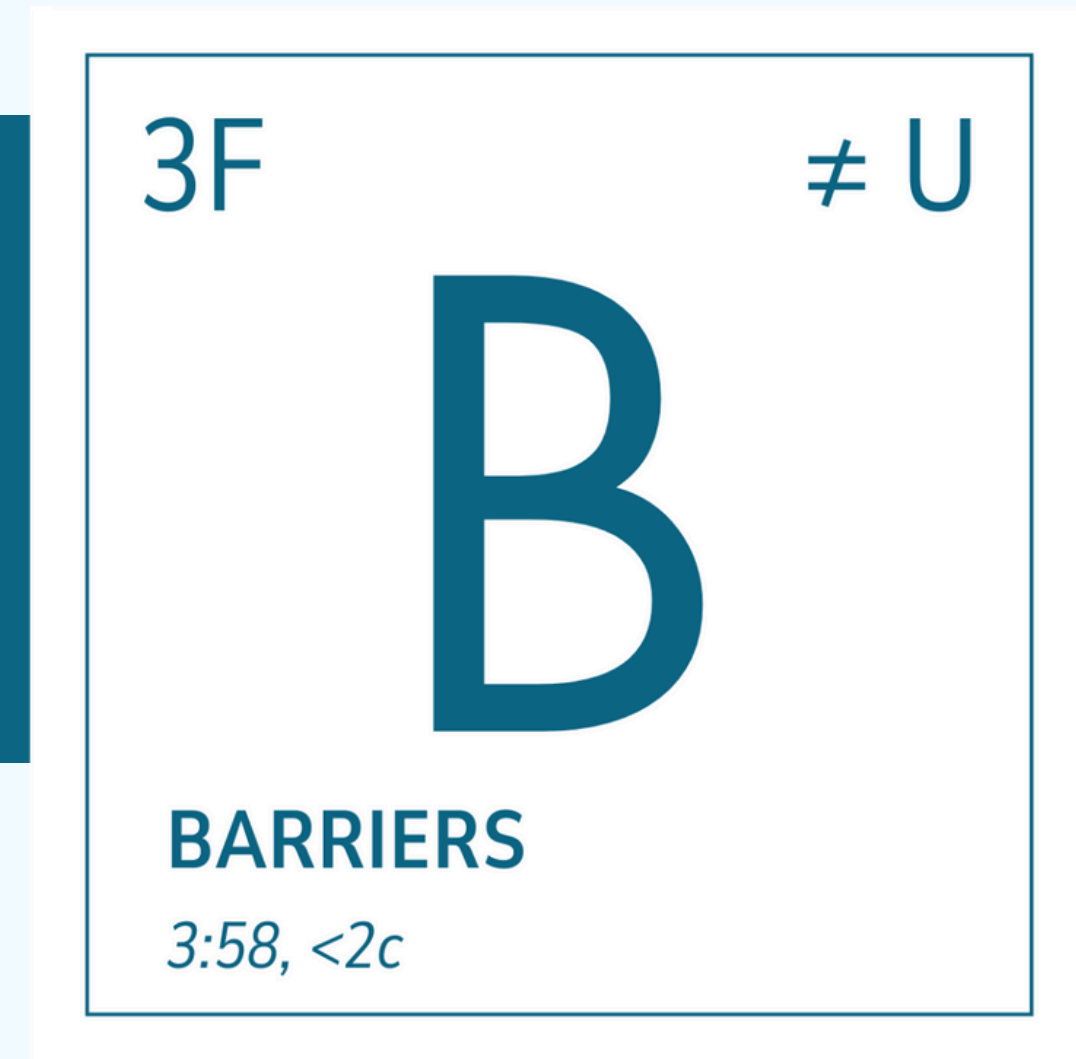
# BARRIERS

## DEFINED

*The friction for giving offered by needed donor choices, limits to giving vehicles and potential speed of donation completion.*

## RESEARCHED

- Mobile payment options (PayPal, Venmo, Apple Pay) lead to 3x conversion from main donation pages. (NextAfter and Salesforce)
- 86% of Americans have given through checkout giving.



## EXPLAINED

Giving should be easy. We often put unneeded barriers in front of donors, ask too many questions, or fail to adopt the friction-free methods used in the commercial world. Give your donors fewer decisions to make, simplify forms, and remove tasks for donors that are really about you, not them.

# TESTING THE EQUATION

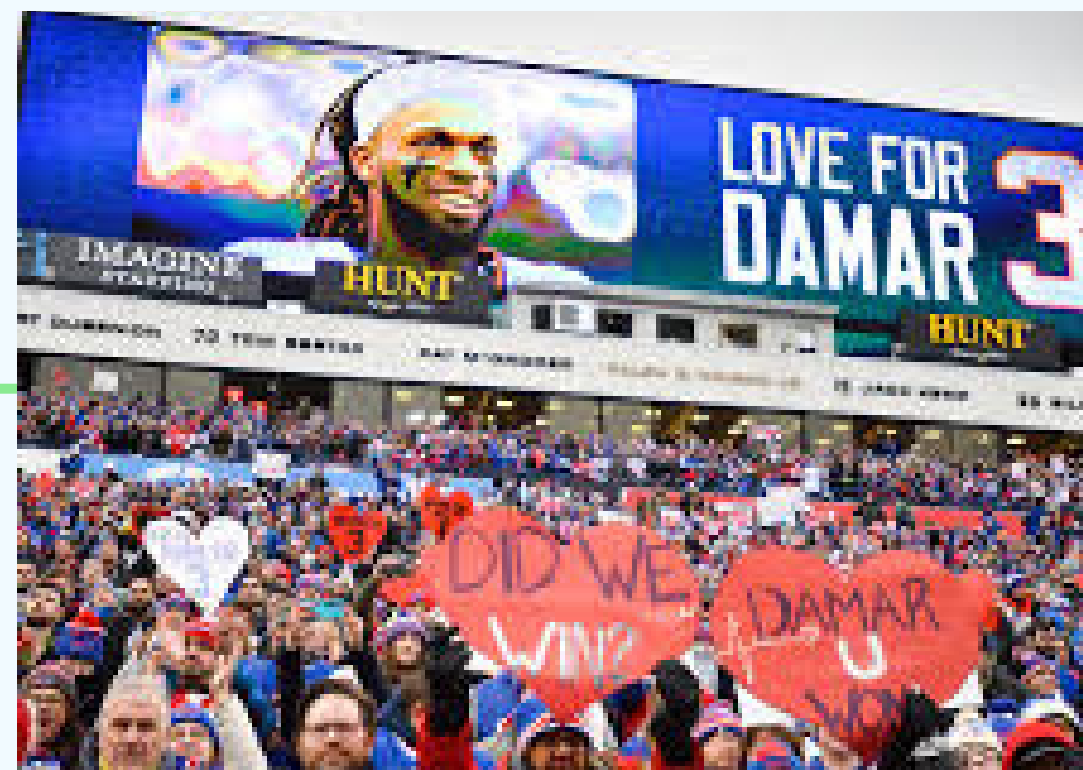
## *WE ARE THE WORLD*

The power of a compelling story and mass participation in philanthropy.



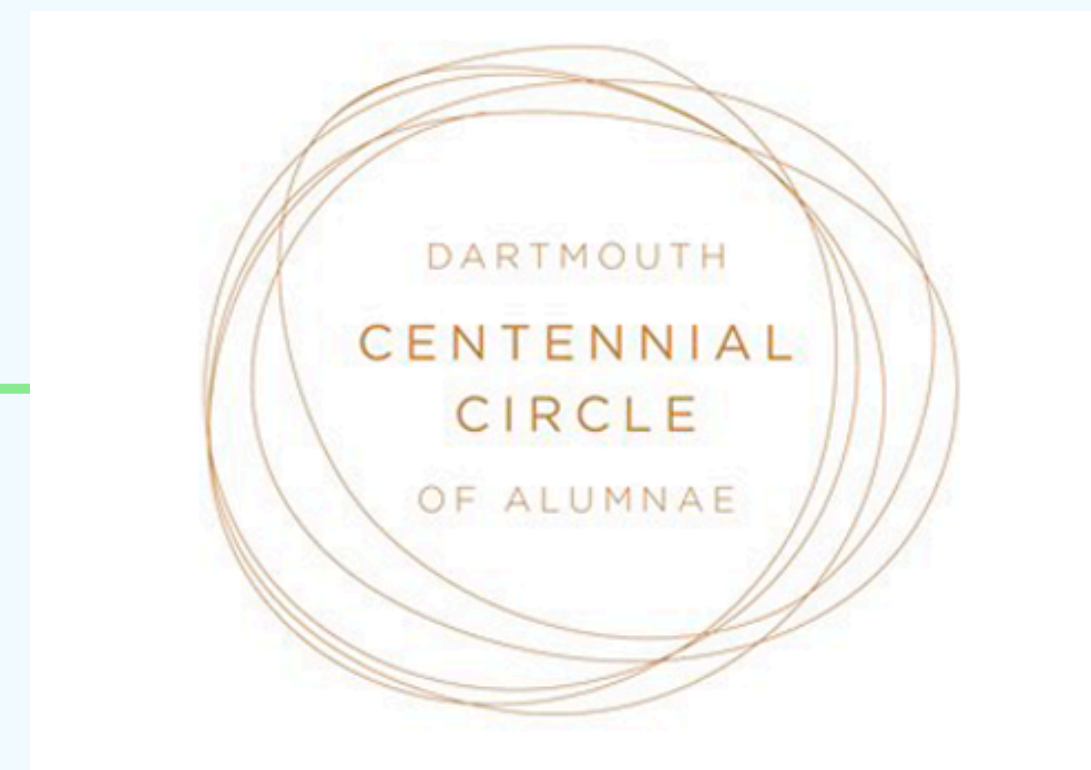
## *GOFUNDME'S MOST GENEROUS DAY*

The impact of a viral story and the urgency to act.



## *DARTMOUTH WOMEN'S CAMPAIGN*

The strength of a shared connection and the legacy of philanthropy.



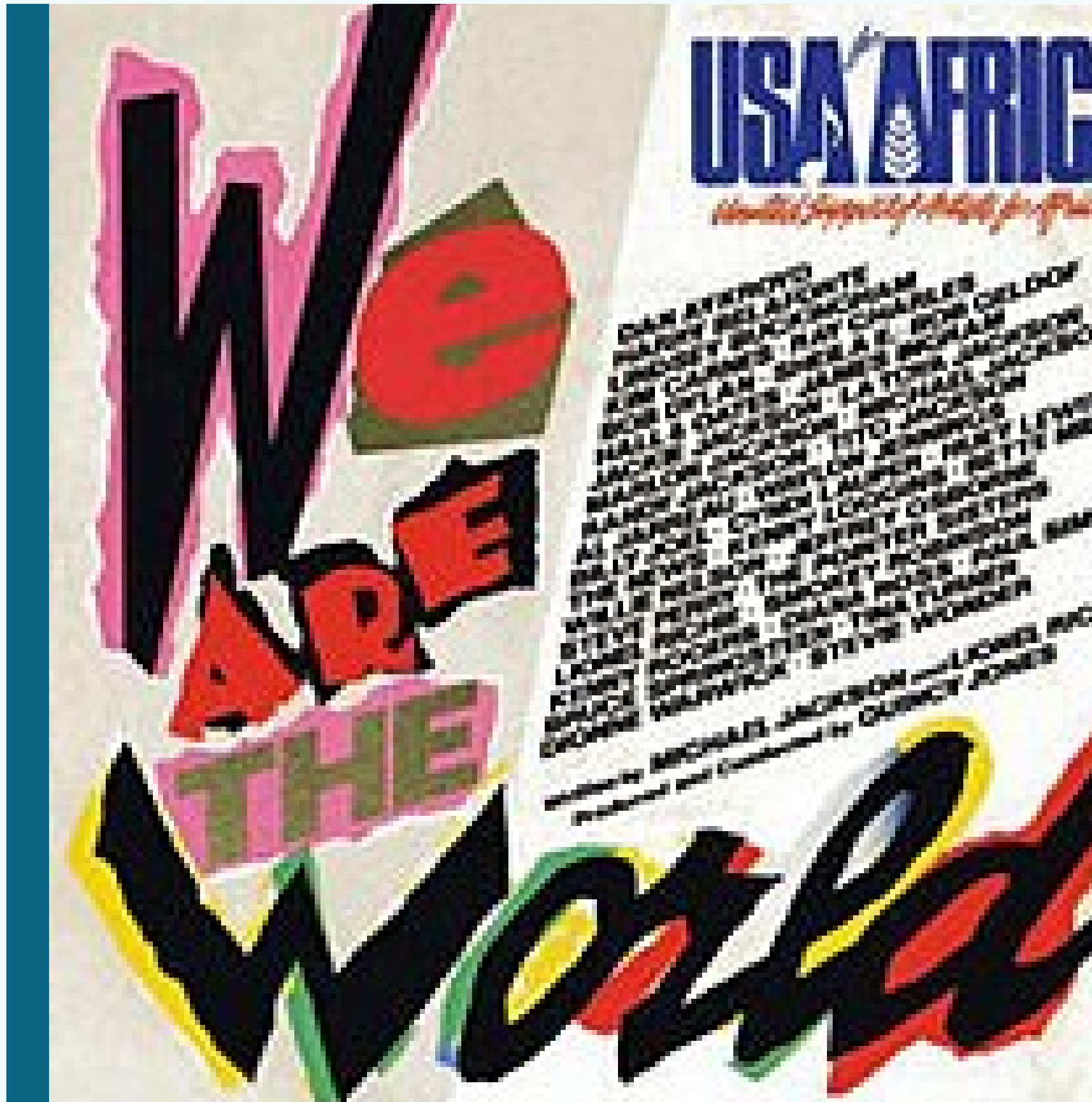
**#THEDONATIONEQUATION**

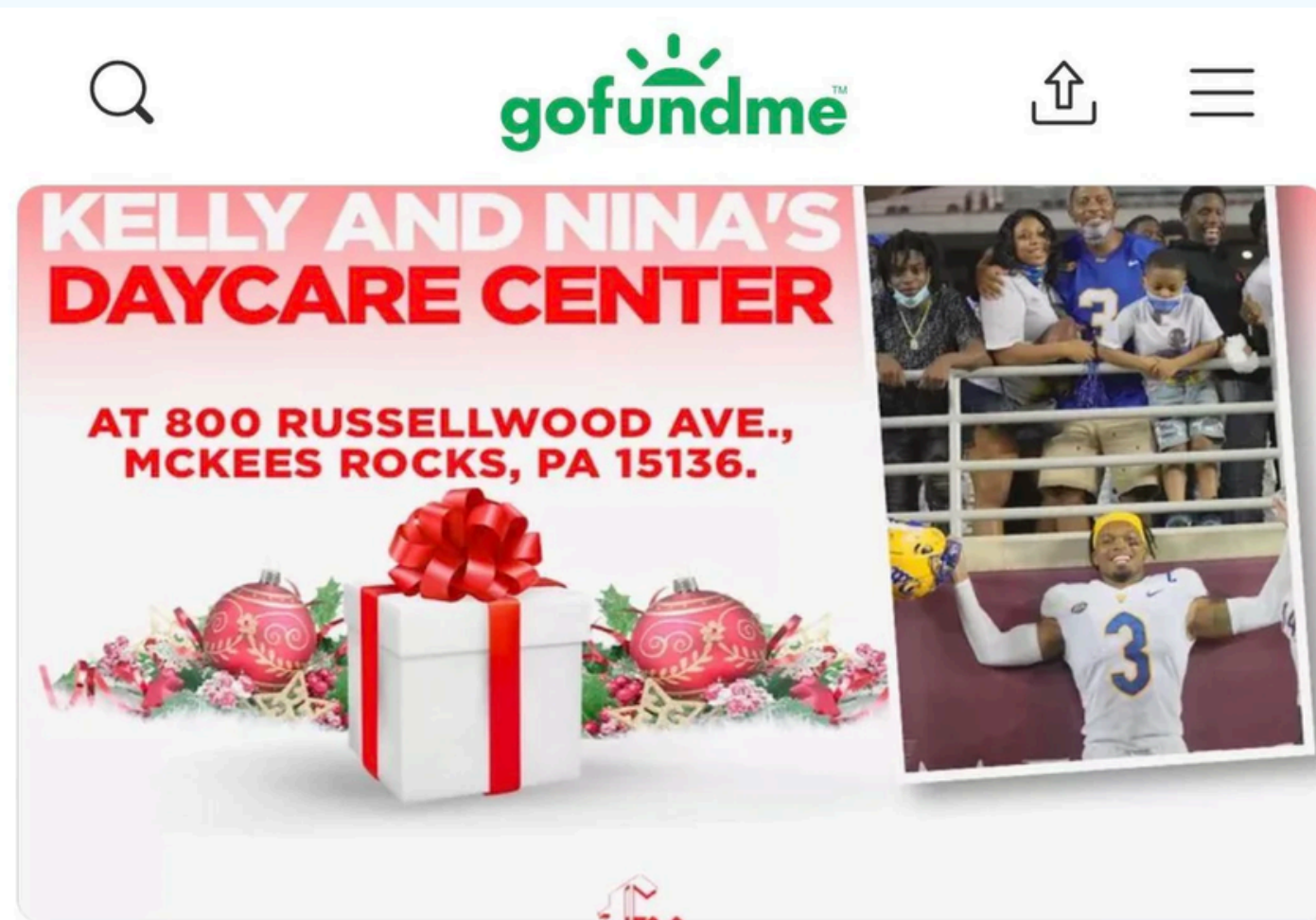
# WE ARE THE WORLD

- Compelling Story
- Massive Connection
- Urgency to Act

*The success of “We Are the World” leveraged a powerful story (S), created widespread connection (C), and instilled a sense of urgency (U), leading to unprecedented philanthropic success. You also got an album (G). The response was massive, even though very few Americans understood the need (P).*

#THEDONATIONEQUATION





## The Chasing M's Foundation Community Toy Drive

\$878,986 raised of \$2,500 goal • 36.3K donor

Share

# MOST GENEROUS DAY

- Viral Story
- Widespread Connection
- Immediate Urgency

*The success of Damar Hamlin's toy drive on GoFundMe leveraged a viral story (S), created widespread connection (C), and instilled a strong sense of urgency (U), resulting in record-breaking fundraising on the platform. The easy of giving (Low B) was also crucial.*

#THEDONATIONEQUATION

# DARTHMOUTH WOMEN

- Revitalizing Proven Strategies
- Applying the Equation to Evolve Success
- Transformative Results Through Collective Action

*After a (G)ratITUDE miss, volunteers deepened connections (C) and amplified urgency (U), turning the original 2014 effort into a \$379 million success, proving how re-engineering an effort can drive even greater results.*

#THEDONATIONEQUATION





# APPLYING THE EQUATION



## ➤➤ START: WITH ONE INGREDIENT

Pick one variable, and ask critically: how can we amplify, tune or try something new in this area?

## ➤➤ TEST: AND GET FEEDBACK

Can you see an impact? What are donors, and your team saying?

## ➤➤ ADVICE: START WITH BARRIERS

Reducing giving friction, and making it easier for donors is probably your easiest win to start.

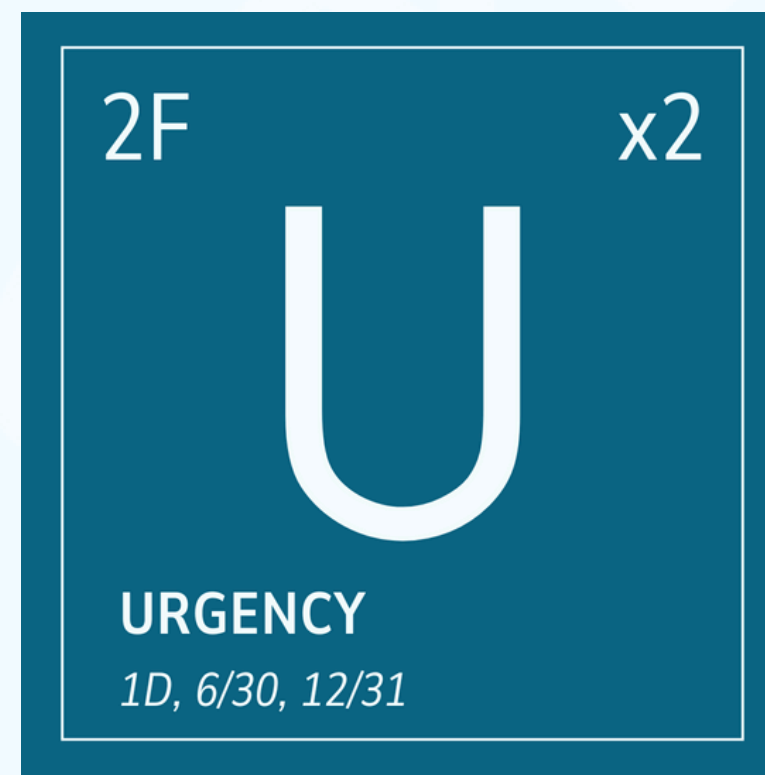
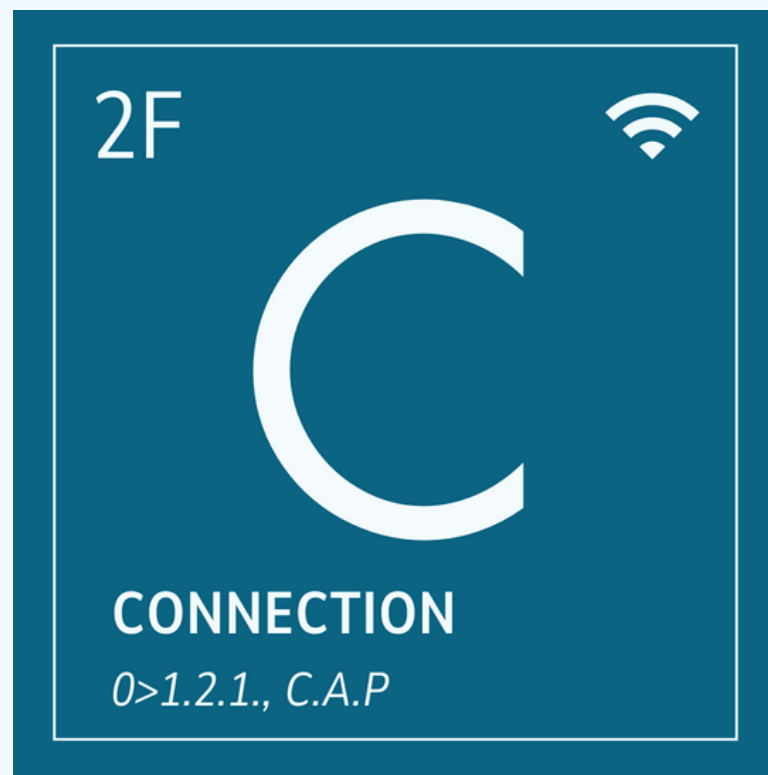
## ➤➤ THEN: LOOK AT YOUR FULL PROGRAM

Evaluate your strategy with all 6 variables in mind.

#THEDONATIONEQUATION

# GO FULL ON NERD

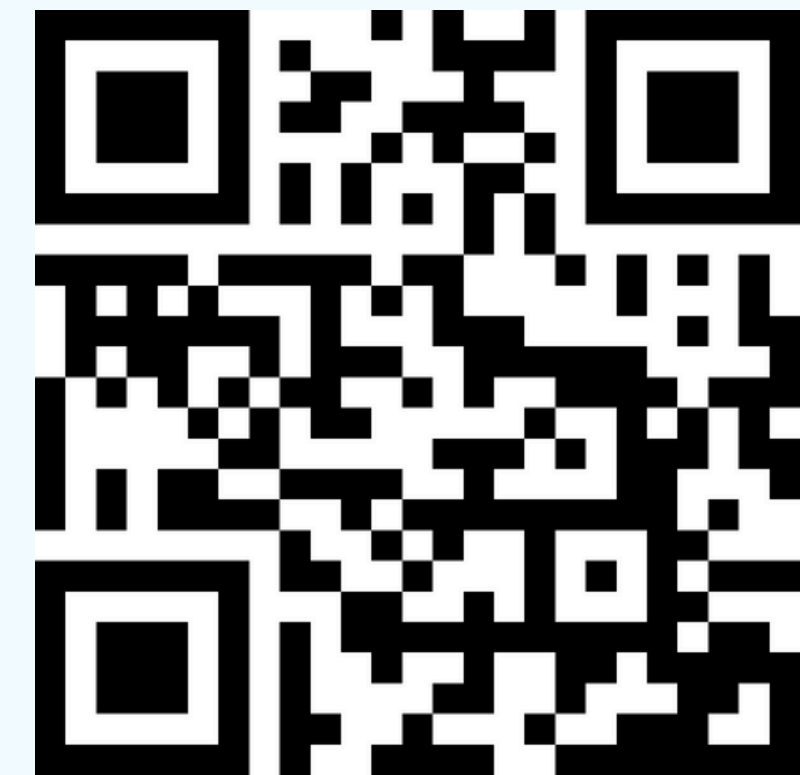
Connect with the Giving Geeks to apply the Equation to your fundraising program, ask (any) question, and let us help you fundraise smarter.



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[tinyurl.com/GivingGeek](https://tinyurl.com/GivingGeek)