



How Donors Decide

Lessons From a Year of Exploring Donor Attitudes on Long Island

By Tamara Murray and Amy Simon

PICTURE SUSAN: a woman sitting in front of her computer at home on Long Island, New York. Stirring her tea, she eagerly navigates to the homepage of a grassroots organization in her community that helps families with childcare and school advocacy to make a \$100 gift.

Her fingers tap at the keyboard, and she clicks “Donate.” Im-

mediately, she feels rewarded for having done a good deed—until she checks her email.

In her inbox, the message reads: “This is confirmation your credit card has been charged \$100.” Nothing about her generosity. Nothing about the difference her gift will make. Just a receipt, like she withdrew cash or stopped at a convenience store.

Now, another surprise: Susan isn't just any donor, she's a mystery donor. Like a secret shopper, she was recruited to make donations to grassroots organizations so we could see how organizations treated their donors. The findings were surprising.

What we learned from our mystery donor was part of a larger research project to help grassroots organizations on Long Island with their fundraising. We tested language and donation appeals in focus groups; we surveyed donors and learned more about their giving motivations.

While this project was focused on Long Island donors and grassroots organizations, there are some useful, broadly applicable takeaways that may help strengthen fundraising for your own organization. Before you frantically start reviewing your list for a name that looks like a mystery donor, read on for lessons that will take your fundraising communications from good to great.

“They Only Give to Groups in Manhattan”

When Horace Hagedorn, the founder of Miracle-Gro plant food, passed away at age 89, he left his estate for philanthropic purposes under the charge of his wife, Amy. Amy decided early on to spend down the assets he designated because the need for social justice today is great.

For years, the Hagedorn Foundation worked closely with small grassroots organizations to improve the lives of Long Islanders. As the spend down date drew near, the Foundation proactively asked its grantees how they could help with the transition.

“It's hard to find donors on Long Island—they only give to groups in Manhattan,” was the most common answer. Small, local organizations were having a hard time breaking through.

The Foundation partnered with our two consultancies, Goodwin Simon Strategic Research and Wonder: Strategies for Good, to learn more about Long Island donors and how Long Island grassroots organizations could better communicate with them. Another consultant was brought on to help with prospecting. What resulted was a one-year research project diving deep into the fundraising practices of Long Island grassroots organizations and the motivations of the donors they sought to engage.

Background on the Research Project

Our research findings are the result of interviews with donors and executive directors, secret shopper-style donations, audits of fundraising communications, donor focus groups, and a survey of Long Island donors. Together with our colleagues, we set out to answer the following three questions:

1. How can Long Island nonprofits communicate with donors effectively?
2. What are the profiles of typical Long Island donors?
3. What motivates Long Island donors to give to particular issues?

While we're highlighting what we consider to be broadly applicable lessons from this research, it is important to note that Long Island-based organizations and donors were the focus of this research.

LESSON 1

Poor Stewardship is a Deal-Breaker

What did our mystery donor's donations reveal? In many cases, grassroots organizations were not upholding their end of an unconscious, psychological contract: what donors unconsciously expect from the nonprofits to whom they give.

Half of the organizations never sent a formal thank-you for the gift, either by email or mail. The only response received was an email receipt that included basic transaction details, like the date of the gift, donation amount, organization name, and the last

THE DONOR DID NOT SENSE RECIPROCITY (A THANK-YOU IN RETURN FOR A GIFT) AND WAS COMMUNICATED WITH LIKE AN ATM, NOT A PERSON.

four digits of the donor's credit card. In one organization's case, not only was there no thank-you, but our mystery donor received five additional appeals within three months of her initial gift.

If our mystery donor was a real donor, it is unlikely they would give again. The donor did not sense reciprocity (a thank-you in return for a gift) and was communicated with like an ATM, not a person. They were not shown they were genuinely valued by the organization.

In one case, our mystery donor made an unsolicited \$500 gift to a small organization. The donor received one thank-you note and an additional appeal, but no other communication from the organization. A phone call would have been an opportunity to learn about a potential major donor and strengthen a new relationship. Experts at donor stewardship know that someone who gives an unsolicited gift of \$500 may very well be able to give \$5,000, \$10,000 or more.

Finally, our mystery donor encountered some embarrassing mishaps when making gifts online. On more than one occasion, the main link to the donation page was broken. Only after sleuthing around on other pages was she able to find a link that worked. Another organization had an event from 2013 as the featured item on their homepage. While every organization is allowed its mistakes, errors in an organization's basic operations, like online donation capabilities and regular website maintenance, send the message that the organization is disorganized and cannot be trusted to put donations to good use.

Our survey of Long Island donors reinforces the need for basic donor stewardship and engagement. The top three reasons Long Island donors said they had stopped making gifts to an organization were:

1. They received too many asks for money.
2. An organization was poorly run or seemed ineffective.
3. A lack of transparency about finances and where donations go.

These are all issues readily addressed by basic donor stewardship. It can be easy, in the quest to find new donors, to focus on inventive ways to get donors' attention, like the Ice Bucket Challenge. More often than not, however, there is a need to focus on the fundamentals. Are you thanking your current donors and sharing the impact of their gifts? Does a donor's experience with your organization create a sense of trust and professionalism, or does it create doubt and confusion?

The Unconscious, Psychological Contract

There's an unconscious, psychological contract between your organization and your donors. That's according to Dr. Phyllis Watts, our frequent collaborator and a psychologist who advises organizations on the behavior of their target audiences.

The contract is unconscious because donors give for what they see as selfless reasons. They don't consciously expect something in return when they make that first donation. But unconsciously, they have core expectations that need to be met:

- Feeling genuinely valued and respected;
- Sensing reciprocity in the relationship (giving and receiving);
- Trusting in the organization, including accountability, transparency and honesty; and
- Being seen as more than just an ATM.

The contract stays unconscious unless it is violated; then, it becomes very conscious.

LESSON 2

Shared Values Help You Connect

A challenge grassroots organizations can face is connecting with donors, not just logistically but also emotionally. If an organization's issue—like expanding local bus service, for example—doesn't impact a donor's daily life, what will motivate them to give?

We began looking for common threads and shared motivations for donors on Long Island. What spurred donors to support

A CHALLENGE GRASSROOTS ORGANIZATIONS CAN FACE IS CONNECTING WITH DONORS, NOT JUST LOGISTICALLY BUT ALSO EMOTIONALLY.

grassroots organizations in their community working on issues that don't affect them? Why did people who give to large, national organizations also give to small organizations two towns over?

The question providing the most insight may seem like the least likely one: Why do you live on Long Island?

If you aren't familiar with Long Island, it's a two-county island connected to New York City by bridge, highway and train. The mid-20th century saw its population and suburban development skyrocket. That growth has continued with subsequent waves of immigration—making Long Island increasingly racially and ethnically diverse. Our interviews, focus groups, and online survey, which were conducted among whites, Latinos and Latinas, African Americans and Asian/Pacific Islanders, revealed that Long Island donors share one thing: a love of where they live.

"It's a great place to raise a family, many said. It's suburban, with tight-knit towns and beautiful beaches—it's not the city," we heard over and over again.

"We're different from the rest of the state," a female donor said in a focus group. "When people ask me where I'm from, I don't say New York. I say Long Island."

We heard stories about the aftermath of Hurricane Sandy, when Long Islanders stepped up to help one another despite their differences.

This shared Long Island identity is important. There is a collective value donors share: a family-oriented way of life. They feel strongly that Long Island is a great place to live where neighbors help each other. It's not about just expanding local bus service, for example. One message that resonates with donors is keeping Long Island a great place to live and raise a family—by making it

possible for hardworking Long Islanders who rely on buses to get to work and support their families.

What Long Island donors value may not be the same as what donors in San Francisco, Minneapolis or New Orleans value. In your community, that shared value might be the belief that getting a good education shouldn't depend on where you grow up. Perhaps donors in your community would support your work because they believe in teaching their kids to value and respect all different kinds of people—regardless of their background or where they come from.

When you connect your organization's mission with a higher, shared value—no matter what it is or where you work—you will capture the attention of donors.

LESSON 3

Clear, Visual Language is Essential

"I have no idea what this organization does." That was the near universal reaction of donors to "About Us" descriptions of local, grassroots organizations that we shared with them in focus

MOST GRASSROOTS ORGANIZATIONS WERE MAKING A POOR FIRST IMPRESSION WITH POTENTIAL DONORS.

groups. That was after we gave the descriptions some minor editing to remove commonly used nonprofit jargon.

In other words, we found that most grassroots organizations were making a poor first impression with potential donors. Even organizations working on issues strongly aligned with Long Island values, like improving schools, drew skepticism because of opaque phrases like "increasing student success." This was especially true among male donors, who often wanted to understand the nuts and bolts of an organization's work before deciding whether to give. Without understanding, the connection with a donor was lost.

Clear, visual language was the solution. In other words, when we revised the "About Us" statements to paint a picture of an organization's work and results, donors responded positively.

One organization that "empowered women" received more support when they described that they "taught women their rights in the workplace." Same with another organization that provided "support for new immigrants" when they talked about providing "English classes and job skills training."

Think about what your work looks like in the world. If you

took photos, who would appear in them and what would they be doing? When you read your donor communications, look for places where you're using shortcuts like "increasing student suc-

THINK ABOUT WHAT YOUR WORK LOOKS LIKE IN THE WORLD. IF YOU TOOK PHOTOS, WHO WOULD APPEAR IN THEM AND WHAT WOULD THEY BE DOING?

cess," and say what you really mean, like tutoring and mentoring so kids graduate. If it's language you can see in your mind's eye, it passes the test and will likely connect with donors.

LESSON 4

Different Donors Gravitate to Different Types of Organizations

Sitting around a focus group table one evening were a group Long Islanders. All of them were there because they had made a donation to a nonprofit in the past year, and they were reviewing brochures about different organizations in their community.

Some were scoffing. *"I don't understand why you need an organization for this,"* they said. Keep in mind, these are people who make charitable contributions.

They were talking about the organizations working on systems change: providing leadership training, reforming laws, or encouraging political participation. The organizations that helped people find jobs or provided after-school services—the direct service organizations—made sense to them. Donating money to help others get registered to vote, for example, didn't.

That is because some donors in the room are what we call direct service donors. They are more likely to give to organizations providing concrete services that make a difference in the lives of people struggling around them.

Systems change donors, on the other hand, are more open to donating to policymaker education, grassroots advocacy, and similar efforts. Even within the exact same issue area, such as the environment, there are donors who gravitate to supporting beach clean-ups and those who gravitate toward clean ocean regulations.

We learned that systems change donors differ from the general population of donors. Systems change donors on Long Island have notable attributes. They are more likely to have a graduate degree or an annual household income of more than \$100,000. They also are more likely to belong to a union or describe themselves

UNDERSTANDING THE DIFFERENCE BETWEEN DIRECT SERVICE AND SYSTEMS CHANGE DONORS IS IMPORTANT.

as “very involved in their community” or “very liberal.” While this data is limited to Long Island, we have seen in other donor research that higher education levels often correlate with being more interested in systems change giving.

Understanding the difference between direct service and systems change donors is important. Think about your organization’s work and which category of donors it is more likely to appeal to when deciding how to target prospective donors.

LESSON 5

Successful Appeals Reach the Head and Heart

We are strong believers in the science of story—and you should be too. Stories enable us to walk in someone else’s shoes and feel empathy. Empathy is a requirement for altruistic behavior like making a donation.

The stories we tested in fundraising appeals highlighted a need or problem and explained how an organization’s solution, pos-

ONCE A STORY HAS ENDED AND A DONOR IS ASKED TO MAKE A DONATION, THEIR BRAIN GOES FROM EMPATHETIC TO LOGICAL.

sible only because of its donors, helped overcome that challenge. Consider the following micro-story:

“My boss made me work 12 hours a day without overtime and would humiliate me. I didn’t know my options. Because of your support, this organization helped me and other workers in the cleaning business start our own cooperative. Now we’re the owners and the employees, and we can take better care of ourselves and our families. My life has changed so much.”

Stories like these were effective because they allowed potential donors to walk in the shoes of someone who benefited from an organization’s work. This story in particular connected with Long Island donors’ desire to help hardworking people. The protagonist of the story was also especially powerful: She wasn’t positioned as a victim. Our research shows donors are more willing to help those who are do-ers and willing to also take action to help themselves.

But we also learned that many donors need to hear both stories

and the nuts and bolts of your work. Donors need to feel empathy first, then feel confident that your work is a good investment.

Once a story has ended and a donor is asked to make a donation, their brain goes from empathetic to logical. As they consider a dollar amount, they care more about numbers—especially about impact. Impact facts can demonstrate you are making a difference: the number of young people who go on to college after a program; policy changes your organization influenced; or the number of people who found jobs. Notice these examples focus on outcomes and results, not just the activities an organization undertakes.

Review your fundraising appeals to check whether they address both the head and heart. Whether it is a short email or a one-page letter, it is essential to cover both bases.

Our Research-Tested Recipe for Appeals

1. *Choose a trusted messenger.* Donors feel trust when non-staff messengers, like other donors or program beneficiaries, author the appeal. They can serve as independent validators of the organization’s impact.
2. *Start with a short story.* Choose a story with a relatable protagonist. For example, they can be relatable because they share your donors’ values, are hardworking, or are also parents.
3. *Show concrete change.* Use language that paints a picture in a donor’s mind of the change you seek to create. For example, “With the support of our generous donors, we’re making sure every child receives a development screening, catching issues like autism early.”
4. *Demonstrate widespread impact.* Share a few compelling facts and numbers that prove to your donors that your success goes far beyond the story you just shared.
5. *Make the donor the hero.* Don’t brag about your organization’s accomplishments with the organization as the story’s hero. Rather, let donors know what you were able to accomplish only because of their support.
6. *Give them donation options.* Donors get prickly when appeals ask for a single fixed dollar amount. When asked to make a \$100 gift, they sometimes bristle, “Well, I guess they are not interested in my \$25.” Always offer a range of donation amounts, and add a version of, “or whatever you can give.”

7. *End with aspirational values.* What is the better world you're working to create? By ending with an aspirational value, you are tapping the altruistic part of donors' brains at the very moment when they are considering whether to give—and how much! For example, this value tested well with Long Island donors: “Your generosity will keep Long Island a place where all kids have a chance to get ahead.”

Putting This Research to Work

Our hope is that the insights from this research empower you to better understand your prospective donors and experiment with the specific lessons we've shared about structuring appeals and using more powerful language to connect with donors.

You can start by conducting your own internal fundraising audit to learn your organization's strengths and areas to improve. You may not uncover as much as an independent researcher would, but you'll gain valuable insights into your donor experience. With that information, you can begin course-correcting your stewardship practices and communications as needed.

Ask yourself: Does our donation page communicate the value of our work, or does it feel like an order form? Do our donor materials present our work in clear, visually evocative language that a neighbor or family member would understand? How quickly do we thank our donors, and how often do they get updates from the organization versus appeals? Are we sharing both stories and impact facts in our appeals?

Then, look into donor research specifically tailored for your issue and organization. In-depth donor research is an investment that pays a lot of dividends—better donor engagement, larger gifts, and less donor churn. It can provide you with informative donor profiles, such as the demographics of systems change donors in your area, and stronger messaging about your work.

If your organization can't afford to invest in research on its own, get creative. Talk to your coalition partners and explore whether you can pool resources. Or, talk to one or more funders about donor and message research for a cohort of grantees like you.

For example, we conducted donor research on behalf of a broad coalition of LGBT direct service and advocacy organizations. All participating organizations had access to the research findings, and it benefitted the movement as a whole, rather than just a few organizations. This model for funding research works well and can put sophisticated insights into your hands more affordably.

Above all, we want you to remember the real Susans out there—the ones who aren't mystery donors and want to support

important work like yours. The ones who feel that spark of satisfaction when they make a generous gift. Do everything you can to nurture that spark, and they will stick with you for the long haul. ■

Tamara Murray is a senior communications strategist with Wonder: Strategies for Good. Amy Simon is a public opinion researcher and partner at Goodwin Simon Strategic Research.

AUTHOR'S NOTE: Amy Hagedorn passed away in September of 2016. Her vision, philanthropy and hands-on leadership made this research possible—and improved the lives of countless Long Islanders.

Check Out More Articles on Donor Motivations and Communications in the *Journal* Archive!

\$3 each or free if you're a current *Journal* subscriber! Don't have your password? Email jennifer@grassrootsfundraising.org.

“Understanding Donor Motivations (Including Your Own!): A Training Exercise” by Uma Rao (Mar-Apr 2013, v32 n3)

“Strategic Communications for Year-Round Donor Engagement” by Joleen Ong (Sep-Oct 2014, v33 n5)

“Building Good Relationships with Donors Starts with You” by Kim Klein & Jean McCord (Mar-Apr 2007, v26 n2)

“Mom Was Right... Write That Thank-You Note!” by Nancy Otto (Jan-Feb 2007, v26, n1)

“More Money in the Mailbox: 11 Tips for Improving Your Mailings” by Andy Robinson (Nov-Dec 2005, v24 n6)

“What Have You Done for Me Lately? Building Healthy Relationships with eNewsletters” by Nzinga Koné-Miller (Mar-Apr 2012, v31 n2)

“Fundraising Appeal Makeover” by Nicole Hsiang (Jan-Feb 2010, v29, n1)

“Four Essential Tips to Motivate Individual Donors” by Mara Perez (Sep-Oct 2011, v30 n5)