



Philanthropic Planning: What to Do in the Room



Date: September 26, 2013
Time: 1:00 – 2:30 Eastern Time
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Founder
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Demographics of U.S. Wealth

Population Percent	Share of Wealth	Their Issues	Motivation
Ninety	Third	Passion	Mission
Nine	Third	Taxes	Tax Mitigation
One	Third	Control	Family/ Legacy



Demographics of US Wealth

	Net Worth NIPR*	Number of Households	Percent of US Households
Affluent	\$500,000 - \$999,000	12,700,000	10.8%
Millionaire	\$1,000,000 - \$4,900,000	7,800,000	6.8%
High Net Worth	\$5,000,000 - \$30,000,000	2,300,000	2.1%
Ultra High Net Worth	\$30,000,000 Plus	496,000	.6%

* Not Including Primary Residence

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Necessary Inputs for a Giving on Purpose Statement

- Review
 - Donor or Philanthropist?
 - Motivational Expectations
 - Engagement Modes
- New
 - Giving History
 - Philanthropic Interview



Donor or Philanthropist?

- The difference has nothing to do with financial capacity.
- Donors are reactive; philanthropists are proactive.
- Exploring intentionality



Why the Difference Matters To You

- Donors
 - Don't need structure
 - No structure, no engagement
 - Doesn't require vision
- Philanthropists
 - Find structure useful
 - Will engage in a process
 - **Will engage assistance**



Measuring Intentionality

Key Activity	Philanthropist	Donor
Collect proposals	Seeks	Receives
Evaluate requests	Values	Feelings
Award Grants	Systematic	Random
Charitable Mission	Thoughtful	Reactive



Evaluate the Prospect

- Ask the prospect to share several significant gift stories.
- Use the prospect's gift stories to determine if (s)he is a donor or a philanthropist.
- Probe the stories for additional detail.
- Rate donor activity in each skill area.



Sample Starter Questions

- Identify three gift stories.
 - Need enough information to perform sufficient analysis.
 - By having several stories, you have places to go if you get stuck on a particular story.
- “Tell me about a gift you made in the last two years that ...
 - Gave you a feeling of satisfaction.”
 - Made a difference.”
 - Gave you a feeling of excitement.”



Motivational Expectations

- The myth of donor fatigue
- What prospect/philanthropists really want
 - Unspoken expectations
 - More than a feeling
- Eight expectations and what to do about them



Eight Unspoken Motivations

- Charitable Intent
- Values
- Leverage
- Role Model
- Family
- Expert
- Legacy
- Significance



Engagement Modes

- The proximity of the relationship
- The comfort level of the relationship
- Answering the key questions
 - How much is a donor willing to give?
 - How close can the relationship become?

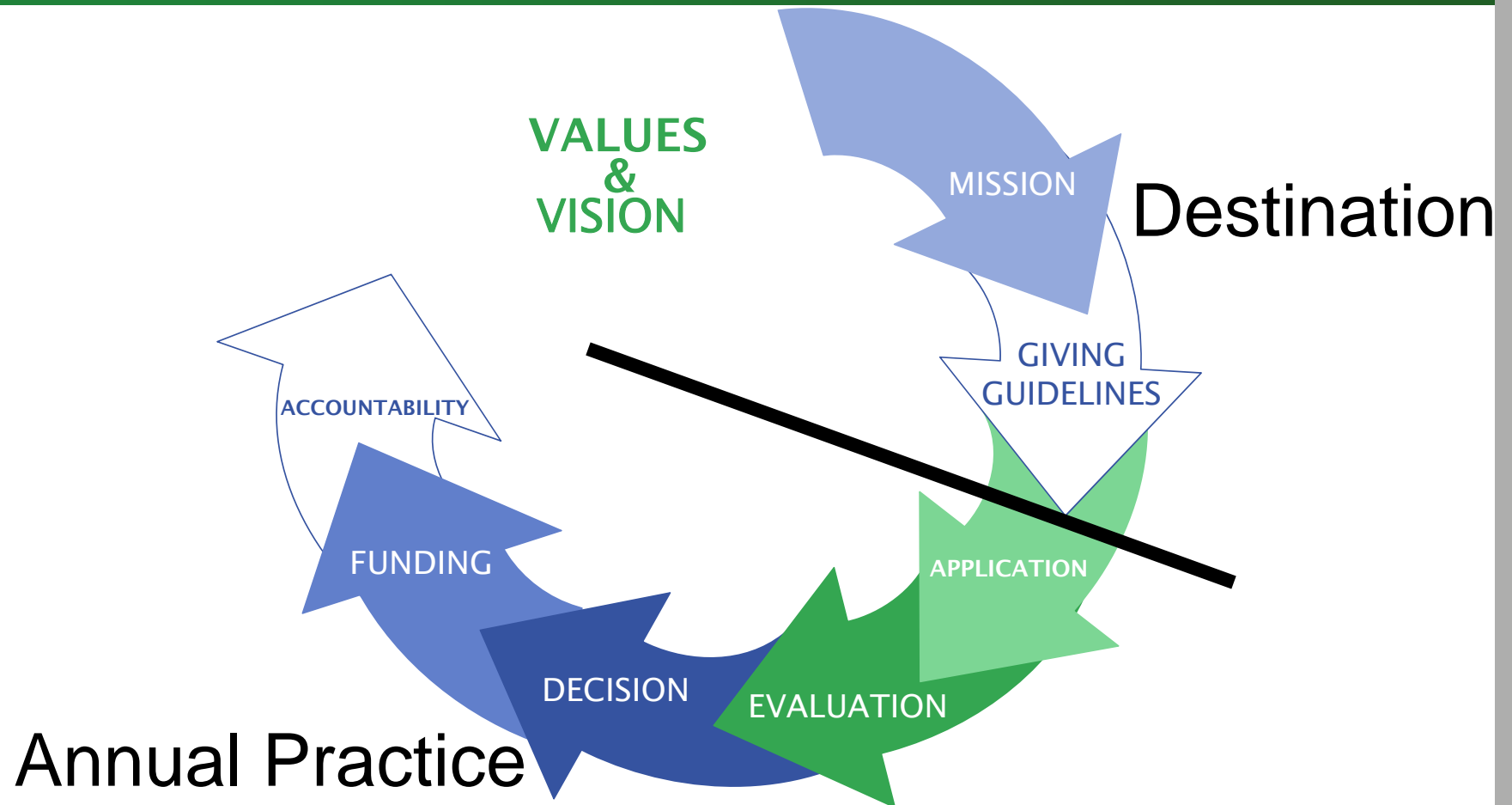


The Seven Engagement Modes

- Externally driven
 - Obligation
 - Gratitude
 - Relationship
- Internally driven
 - Mission
 - Fishing
 - Program
 - Passion



Philanthropic Planning Process





The Challenge of Values Talk

- We are not a reflective culture.
- We are taught to be left-brained.
- We tell facts, not beliefs.
- The heavy lifting is on the coach.
- You need to get “enough” of the story.



Giving On Purpose Statement

- The Charitable Mission Statement
 - The basics
 - Tips for drafting
 - Tools for drafting

“A collective commitment to vision and values.”

Steven Covey



What is a Giving On Purpose Statement?

- It is the executive summary of the philanthropic activity.
- It is your reason to be/why you give.



Why Have a Giving On Purpose Statement?

- Brings focus to giving
 - More effective
 - Better results
- Creates a common purpose
- Protects against external influence
 - External forces can fragment philanthropy
 - Examples: 9/11, Katrina



Why Have a Giving On Purpose Statement? (continued)

- Useful for family activity
 - A reason to be together
 - A process to share values
- Makes all the other decisions easier



Functions of a Giving On Purpose Statement?

- Filter – strains the extraneous
- Compass – provides direction
- Shield – protects from distraction
- Honey – attracts great prospects
- Constitution – the deciding text
- Communication tool – reaches multiple audiences



Giving On Purpose Statement as a Communications Tool

- Charities – insight into funding priorities
- Peers – statement of passion
- Family – transcending values for future generations
- The decision body – guiding principles



Giving On Purpose Statement Value Proposition

50% Process + 50% Content =

Valuable
Mission
Statement



Preparing to be in the Room

- Past elements
 - Donor or philanthropist?
 - Key motivations
 - Engagement preferences
- New elements
 - Strategic Gifts Analyzer
 - Philanthropic interview



The Strategic Giving Analyzer

Using Giving History to
Unlock Charitable Passions



What is a Strategic Giving Analyzer?

- Content analysis of a donor's giving history
- Use data compression to infer intentions.



Keys to Credible Results

- Obtain all acts of giving; missing data invalidates the results.
- Tease out only gifts where the client was the decision-maker; the client's interests cannot be gleaned from others' gifts.
- When in doubt, check the data with the client.



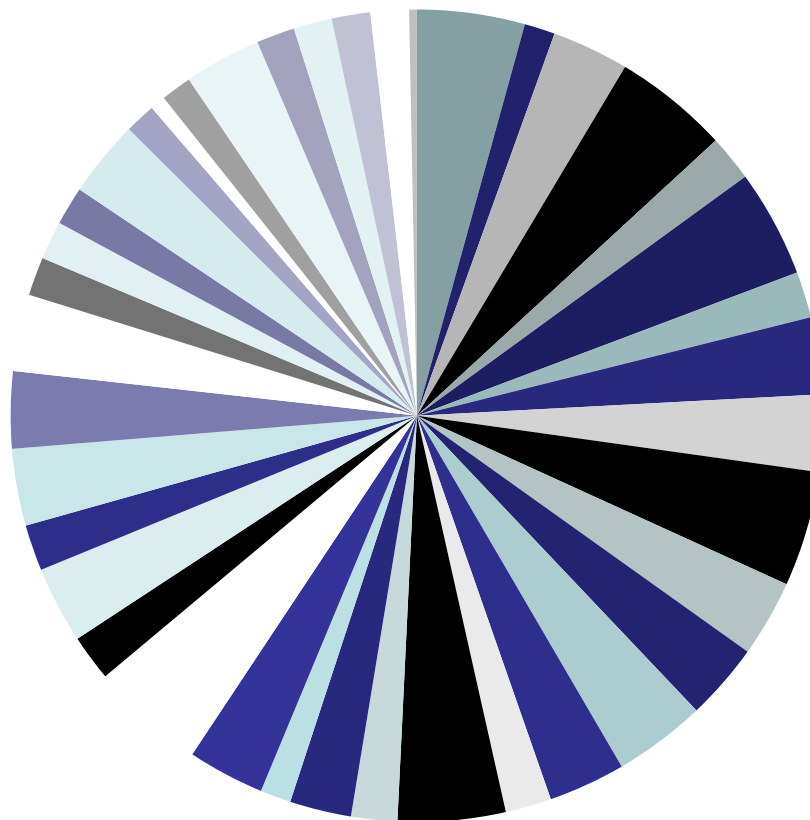
Content Analysis Process

- Collect each individual gift (no matter what the source) by the client over the last 3 years.
- For each gift, obtain:
 - Recipient
 - Date of gift
 - Purpose
 - Amount
 - Funding source
 - Pledge or one-time
 - Gratitude, obligation or relationship



Sample SGA: Charities

Amount of gift

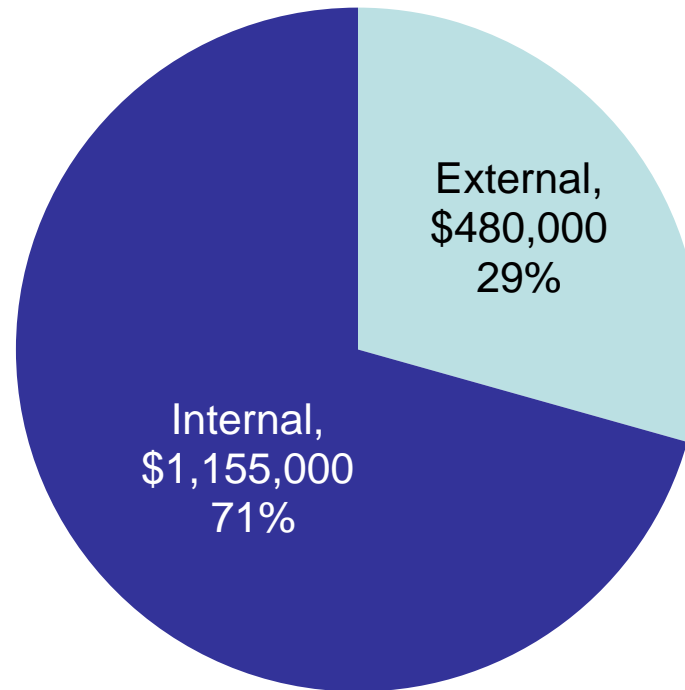


- Academy of Hope
- Advocates for Justice and Education
- CASA de Maryland
- Center for Inspired Teaching
- Critical Exposure
- ECDC Enterprise Development Group
- Green Door
- Jobs Have Priority
- Jubilee Jobs
- Latino Economic Development Corporation
- Liberty's Promise
- Life Pieces to Masterpieces
- Literacy Volunteers and Advocates
- Little Lights Urban Ministries
- Lydia's House
- Mentoring ToDAY
- New Endeavors by Women
- Teaching for Change
- Tenants and Workers
- The Urban Alliance Foundation
- WACIF
- Washington Legal Clinic for the Homeless
- Young Women's Project
- Diverse City Fund
- University of Michigan
- George Washington Medical School
- Georgetown Law
- National Zoo
- Smithsonian
- Library of Congress
- Children's Hospital
- Penn State
- Sidwell Friends
- Harvard
- Holocaust Museum
- Kennedy Center
- Hospice
- Leukemia Lymphoma Society
- Leukemia Research Fund
- World Vision Ride for Relief



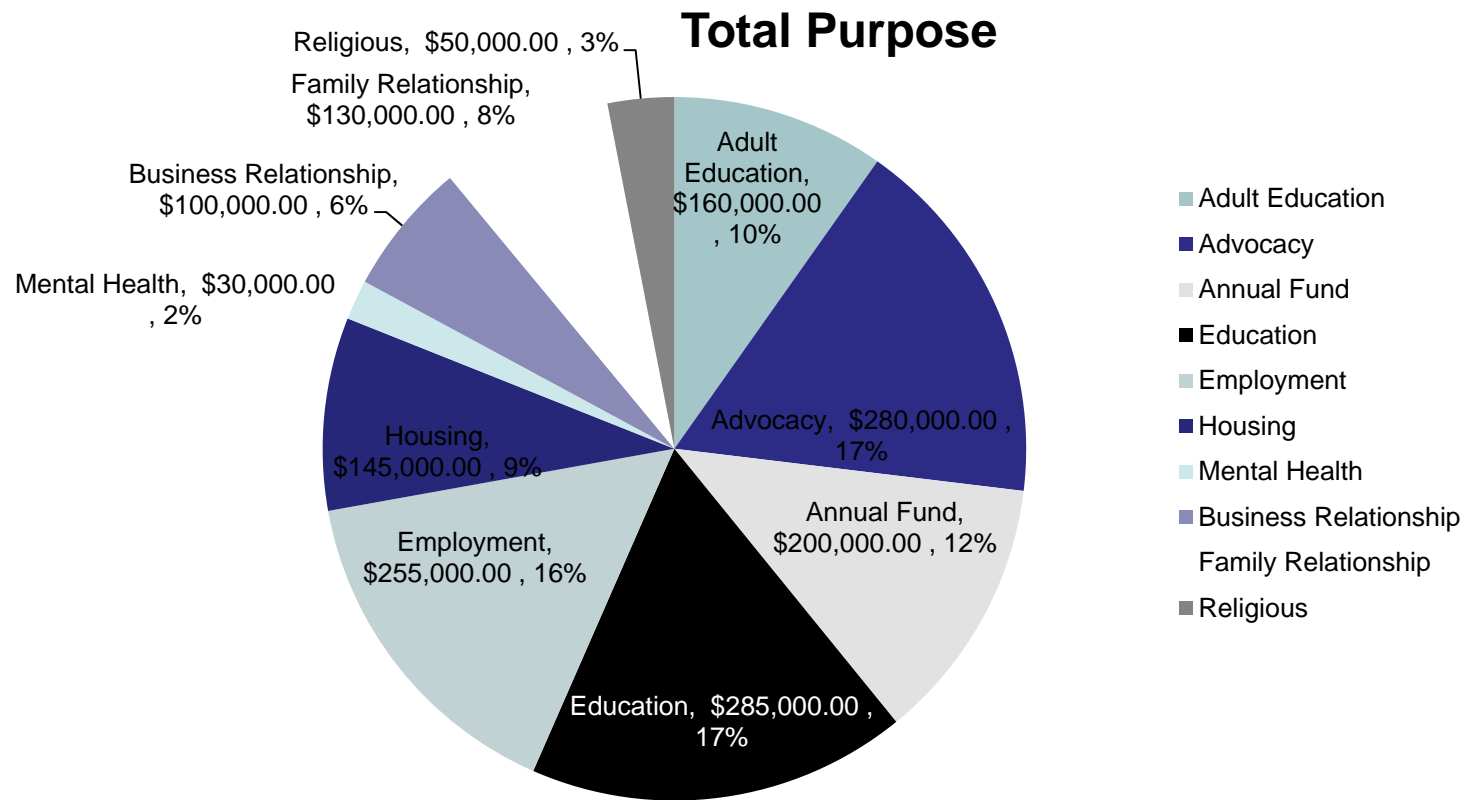
Sample SGA: Proactive vs. Reactive

Total





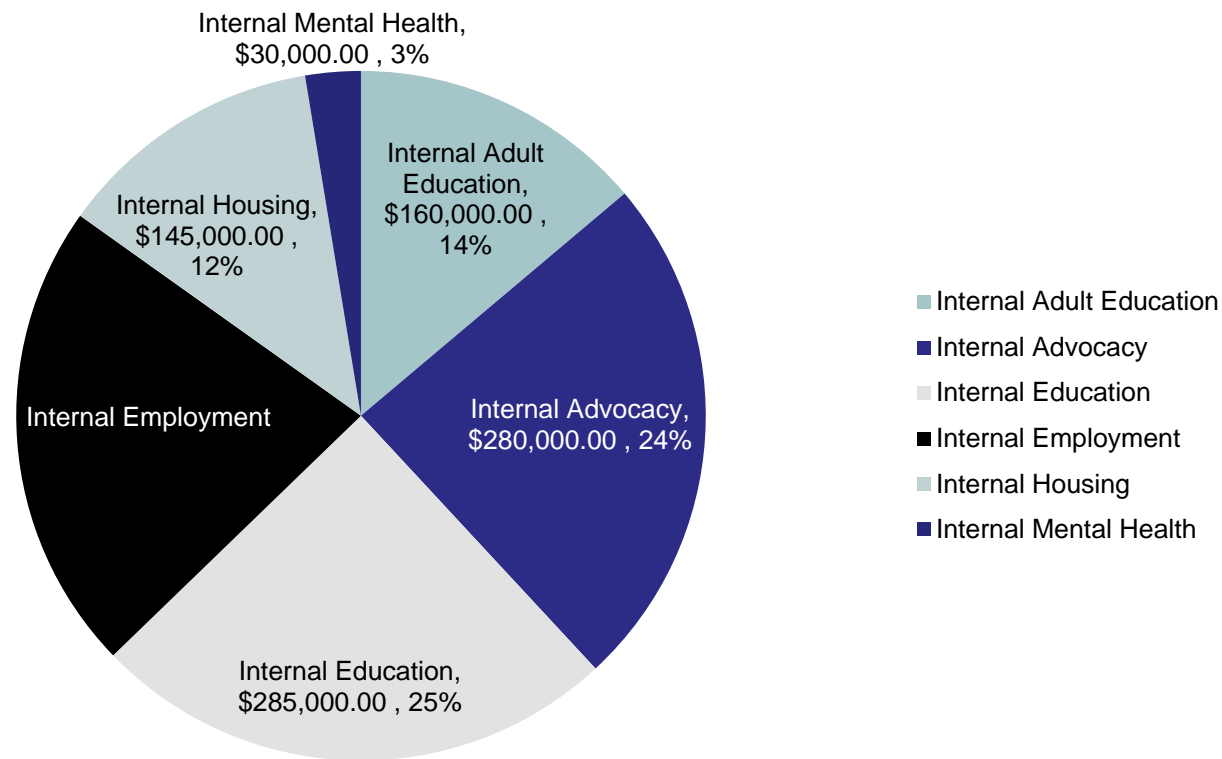
Sample SGA: All Gifts by Purpose





Sample SGA: Only Internally-Driven Gifts

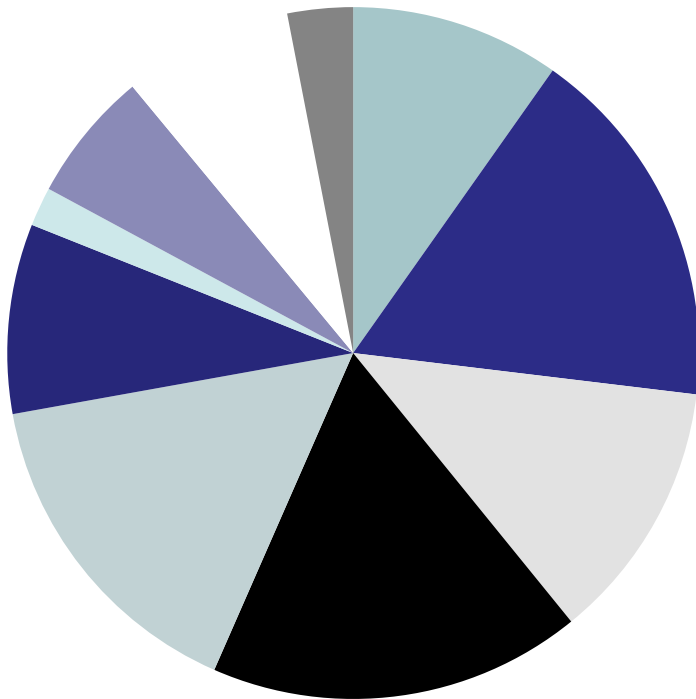
Internal Purpose Only



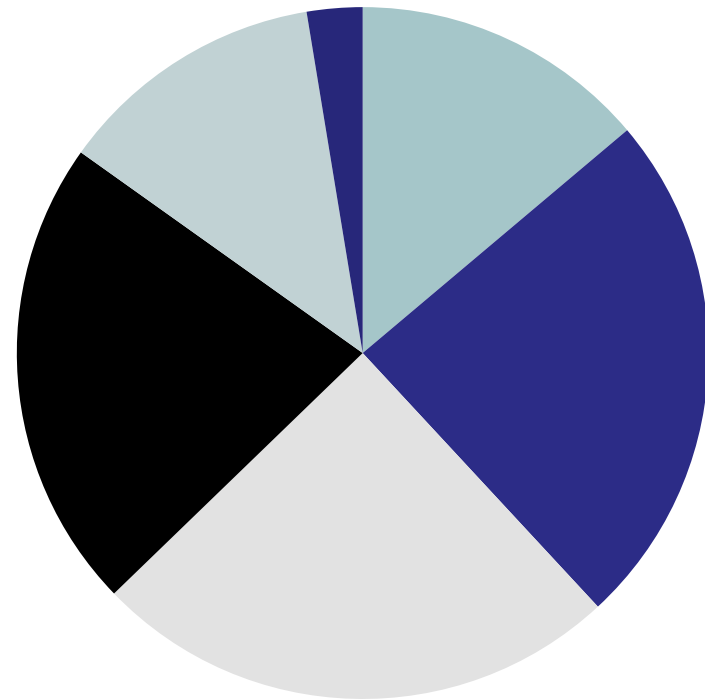


Sample SGA: Power of Focus

Total Purpose



Internal Purpose Only





Capturing the Client's Story

Introduction to the Interview Process



The Importance of Story

- Most interview tools are designed to gather facts.
- Philanthropy is about emotions.
- To gather emotions, we need to hear the client's stories.



The Interview Method – Ask Questions to Elicit Stories

- Tie key emotions to words.
- Unlock what really excites this individual.
- Touch his or her passion.
- Passion helps you identify the client's purpose for giving.



Interview Guide Tips

- Elicit stories rather than facts.
- Probe for specific decisions, achievements and how the client behaved in a group.
- Dig for details.
 - Ask for an example.
 - What did the client do?
 - “How did that make you feel?”



Observation and Listening Skills

- Speech speed
- Body language
- Seems “embarrassed”
- Share specific details
- Use of words
 - Excited
 - It made me question/It made me stop and think



More Tips

- Gratitude/obligation/relationship giving
- Potential inconsistencies between public persona and private passions
- Won't get an emotional response to every question
- When working with a couple:
 - Look for inconsistencies
 - How/who made critical decisions



Personal Charitable History

1. To what types of organizations did you contribute when you first began to make charitable contributions?
2. What personal factors molded your giving?
3. What environmental factors molded your giving?
4. What cultural factors molded your giving?



Personal Charitable History (continued)

5. When you were young, was there anyone whom you considered a role model for giving?
 - a. Who?
 - b. Why?
 - c. What was the impact of that relationship on you?
 - d. How do you feel about that person today?

6. Do you feel that you are serving (or have served) as a philanthropic role model for others?
 - a. For whom?
 - b. In what way?



Family Philanthropic Activities

1. Please share some examples of how you have involved your family in your giving.
2. What are the most significant stories in your family's giving? How did those experiences impact you?

For couples:

1. Tell me about your shared charitable interests.
2. Have you ever had disagreements over charitable gifts?
 - a. How did you resolve those disagreements?
 - b. Were gifts ultimately made?
 - c. What compromises were involved?



Family Philanthropic Activities

For couples with children:

1. How did you and your spouse/partner give before you had children?
 - a. Has that changed in any way since the children were born?
 - b. If so, how?
2. Do you involve your children in your giving currently?
 - a. If so, why and how?
 - b. If not, why not?
3. What sort of participation in charitable giving do you feel is most important for the children?



Family Philanthropic Activities (continued)

For couples with children:

4. Have the children shared your interests as they aged? If not, how are their interests different?
5. If client's children are very young, ask: How do you plan to involve them?
6. What is your hope for your children and their giving?



Family Volunteer History

1. Did your parents volunteer? Tell me about those experiences. How did they impact you?
2. What were your early volunteer roles? How has that changed as you aged?
3. Have you been involved in leadership roles? Describe how you felt about those.



Family Volunteer History (continued)

4. Don't limit thoughts to board involvement.
 - a. What other active roles did you assume?
 - b. Did those roles focus your talents on solving problems?
 - c. Establishing new ventures?
 - d. Dramatically enhancing programmatic effectiveness?
 - e. Improving organizational efficiency?

5. Do your spouse/partner and/or children volunteer?
What has been the impact, if any, of their volunteer experiences on you?



Political Affiliations and Activities

1. What kind of involvement have you had with political organizations?
2. Did you take a leadership role in parties at the local, state or national level?
 - a. Have you ever campaigned for an office?
 - b. If so, were you elected? What were the most important votes you took as a political official?
3. Did you sponsor or campaign for a specific issue?
 - a. If so, what was that issue, and what were the results?
 - b. How did you feel about that?



Political Affiliations and Activities (continued)

4. What political organizations or think tanks have you supported? Why were these important to you?
5. Can you remember specific publications produced by these groups that had an impact on your charitable gifts or philosophy?



Grantee Selection

1. Tell me about some meaningful gifts that you have made.
2. What were your criteria for selecting charitable organizations?
 - a. How did you research charitable organizations?
 - b. How did you select organizations based on their missions? Specific programs? Your relationships with people involved in the group?
 - i. Were those relationships with someone who benefited from the charity?
 - ii. Did you personally benefit from the charity?
3. Did you initiate programs yourself? If so, what were they, and what caused you to launch those programs?



Good Gifts

1. What is your definition of a “good gift?” How do you know when you have made a “good gift?”
2. Share a couple of examples of “good gifts” with me. Why did you feel they were good?
3. What process did you use to make “good gift” decisions?
4. What details did the organization provide to you as you considered making that gift?



Good Gifts (continued)

4. Which details were most influential in making the decision?
5. What were the best parts of the gift?
 - a. Outcomes achieved?
 - b. Acknowledgments you received?
 - c. Leverage of the gift?
 - d. The fact that it served as an example for other potential donors?
 - e. Which of these things were most meaningful to you in the gift process?



Gifts Gone Wrong

1. Describe any bad gifts you may have made and why you felt they were bad.
2. Did the experience involve communication?
 - a. How did you handle the news when you were told that things were not going well?
 - b. What kind of communication occurred with the charity?
3. What did you learn from what went wrong?
4. What did the charity learn from what went wrong?



Charitable Philosophy and Goals

1. Broadly speaking, what is your rationale for charitable giving?
 - a. Do you feel that any of the following play a role in your rationale?
 - i. giving back to those who gave to you
 - ii. making a difference in the world
 - iii. addressing a specific need that touched your life or the life of a loved one
 - b. Do you recognize any element of luck, blessing, or grace in your success?



Charitable Philosophy and Goals (continued)

2. Have you ever made any gifts outside the normal context of your giving?
 - a. If so, what and why?
 - b. Why do you consider these gifts outside the norm?
 - c. In retrospect, how do you feel about those?



Charitable Philosophy and Goals (continued)

3. Do you have any lifetime charitable goals? Tell me about those.
 - a. Assuming those goals are realistic, what will you need to do ten years from now to ensure that the goals are met in your lifetime?
 - i. What will you need to do this year?



The Giving On Purpose Statement

Writing the Giving on Purpose Statement



Qualities of the Best Giving On Purpose Statements

- They are about *doing* something.
- They *define* purpose rather than communicate platitudes.
- They are ambitious *and* attainable.
- They reflect the input of everyone who will be guided by the statement.



Giving On Purpose Statement Process

- Pre-meeting interviews to hear the various perspectives/find out the real agendas
- Present findings to primary donor
 - Meeting outcome: agree on material to be presented to the whole group



Giving On Purpose Statement Process

- Hold group meeting
 - Present interview findings
 - Agree on essential content for:
 - Who
 - What
 - Whom
 - Why
- After the meeting, draft mission statement.



Giving On Purpose Statement Process

- Coach shares draft mission statement with paying client.
- Coach distributes “approved” draft of the mission statement to group participants.
 - printed on paper with large type
 - spaces between lines for written reaction
- Coach collects the edited forms and convenes a “final draft” meeting.



Questions and Answers





Still Have a Question?

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