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When Major-Gift Fundraisers Manage Fewer Donors, They Can Raise More Money

By Maria Di Mento
Chronicle reporter

About 10 years ago Cynthia Cashman found herself hospitalized with high blood pressure brought on by a development job she loved but one that had become so stressful, it was making her sick. She knew things had to change.

GETTY IMAGES

"I was laying there in a hospital bed and thinking: This is not good. We've got to get this together," says Cashman who was then chief development officer at the University of Minnesota's agricultural college.

The "we" she was thinking about was her staff of four: two major-gift fundraisers, one person in charge of stewardship, and an assistant. At the time, each fundraiser managed about 300 current and potential donors — far too many for any one person to handle well, she says. On top of that, the team was expected to help manage events and take on work not related to cultivating donors.

"It was chaotic and insane and a lot of stress for all of us," says Cashman, who today serves as senior development officer at the College of Saint Benedict.

What Cashman and her fundraising team experienced is not unusual. In many development offices, fundraisers manage donor portfolios, as they are often called, that are far too large for gift officers to handle, says consultant Richard Perry.

Unrealistic Expectations

"It's the same story all over the world," says Perry. "We load up these poor major-gifts officers, and nobody's helping them better manage or lessen their load."

Cashman and Perry both say that for decades nonprofit leaders expected gifts officers to build portfolios holding hundreds of big donors; Perry has even seen fundraisers who had to keep track of more than 1,200 people.

Too many managers equate big portfolios with productivity, Perry says. That kind of mind-set can encourage padding. "If you saw a donor who looked even a little good, you would put them in your portfolio," says Cashman. "You ended up having all of these ‘maybes’ in there and laid claim to all these donors that no other fundraiser could work on."

That dynamic leads to inefficiency, failure, and burnout among fundraisers, says Perry. It’s also unrealistic. One person can’t develop authentic relationships with hundreds of donors, say big-gift fundraisers. There simply isn’t time.

Furthermore, Perry says, only a third of wealthy individuals who meet an organization’s big-donor criteria actually want to interact with a fundraiser. Limiting the number of potential donors a fundraiser must cultivate will allow time to focus on the wealthy donors who want attention.

Reasonable Number

Regardless of a nonprofit’s size or mission, a big-gift fundraiser should manage no more than 150 big donors, say Perry and Cashman, who add that many chief development officers are starting to adopt this rule.

After Cashman recovered from her illness, she set about retooling her development department. She met with the college of agriculture’s dean and chief of staff and persuaded them that donors with big giving potential were falling through the cracks because her team didn’t have time to focus on them. She pushed for approval to hire more staff so she could shrink fundraisers’ portfolios, eliminate event-management tasks, and reduce administrative work to give fundraisers time to focus on donors with the greatest potential to give.

It worked. Cashman hired more staff members, including a couple of entry-level gift fundraisers who were to be groomed to become major-gift officers. She also transferred some of the event-planning and administrative tasks to other departments.

Full-time major-gift officers managed 150 donors and part-time fundraisers handled 50. The only way to add a new donor was to remove one. Only qualified supporters who wanted to interact with the organization on a regular basis made the cut. This gave fundraisers time to develop a detailed plan and goal for each major donor.

More Revenue

The result: Before Cashman adopted the new approach and hired more fundraisers, the college of agriculture consistently raised about $10 million a year. In the 18 months that followed the changes, the team raised $21 million through more and larger gifts from big donors, and Cashman found her fundraisers were much more productive over all.

"Having a more manageable portfolio really makes your job a joy because you really feel like you make the donor happy," Cashman says. "Donors benefit by having this respectful attention so when they make a gift, they are so happy about it. That’s the way it should be."

Managing fewer donors sends a message to everyone at the organization that the major-gift officer’s one-and-only focus will be on those 150 donors and nothing else; not on board meetings, events, or other administrative work, says Alexis Thompson, Salvation Army Greater Houston Area Command’s director of development.

"It makes clear what the expectations are and that clarity makes it easier for them to focus," says Thompson. "They’re people people, and so they’re happiest when they’re engaging with donors."

Thompson is a big believer in the 150-donor-per-portfolio rule, something her organization didn’t fully implement until after Hurricane Harvey hit the Houston area in 2017. Before Harvey, the nonprofit had no structured major-gift practice. Officials would thank those who made large gifts as the gifts came in and show them how their gifts were being used later on, but they were not developing relationships that over time could lead to bigger donations, says Thompson.

The group had just hired a major-gift fundraiser and brought in Perry to help develop a major-gift program when the hurricane hit. Perry analyzed donations that came in post-Harvey and demonstrated that the organization was probably losing out on dozens of big gifts due to a lack of strategy for identifying and cultivating donors with the wealth and inclination to give large sums.

Thompson used Perry's information to make the case to the charity's leaders to hire another major-gift officer. Today her organization has 325 big donors. Two major-gift officers each manage 150 donors, and Thompson picks up the additional 25. Because they saw such an influx of contributions in response to the hurricane, they can't say for sure how much revenue the new strategy has generated.

Review and Refresh

At least twice a year, major-gift fundraisers should determine which donors to hold on to and which to move out or to another team, says Perry. He recommends doing so at the end of each year and again in July or August. Cashman and Thompson agree that it is important to review at those intervals, but they say their fundraisers review their donors more frequently.

When deciding whether to keep a donor in your portfolio, you should think about how the donor will be best served, Thompson says. "Some of our major donors don't want us to contact them, and they don't want a lot of contact, so that's one of the best ways we decide to move them into a different portfolio."

Move big donors who don't want a lot of interaction (and those who reveal they plan to leave a big bequest) to a stewardship officer, Cashman suggests. That way they can stay up-to-date on the nonprofit's work, but at a distance that honors their request for little contact. Plus, a new potential donor who wants more involvement can take that spot.

Maria Di Mento directs the annual Philanthropy 50, a comprehensive report on America's top donors. She writes about wealthy philanthropists, arts organizations, and key trends, among other topics. She recently wrote about a $125 million gift from hedge-fund manager Ken Griffin to a major science museum and a $100 million commitment from Nicole Shanahan for reproductive research and other causes. Email Maria or follow her on Twitter.

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