Should You Have a Leadership Annual Giving Program?

Annual giving and major giving teams traditionally experience a bit of competition over donors. If the institution doesn’t require that major gift officers make an annual giving ask as part of their strategy (which we recommend), then annual giving teams often “lose” their best donors when the donor graduates to a major giving level. Everyone is trying to hit their goals and do their best for the institution, but it can be a sticky hand-off.

In a traditional shop, alumni relations focuses on engaging the masses, annual giving educates the engaged alumni on why the institution is a worthy recipient of their philanthropic dollars (at any level), and major giving gives personal attention to those donors with the affinity and capacity to give a major gift. Jumping from the annual giving donor experience to the major giving donor experience can be a big leap.

The Importance of Leadership Annual Giving

Leadership annual giving programs are designed to bridge the gap between annual giving and major giving. They provide donors and prospects with a smooth transitional experience and are a key component in cross-functional cooperation. Annual giving and major giving are both stronger with the help of an integrated leadership annual giving program.

What is Leadership Annual Giving?

Definitions of leadership annual giving vary widely. Depending on your constituent base, your leadership gifts may be $1,000, $5,000, $10,000 or more. The textbook example is a President’s Circle that starts around $1,000. Then, major gift officers are expected to work with donors that have capacity to give at least $25,000. Leadership Annual Giving covers the donors who give between $1,000-$25,000. Typically, organizations need fewer leadership annual giving officers than major gift officers, but these officers are very effective. Our research shows 48% of prospects assigned to a leadership annual giving officer donate to the annual fund, versus 40% of the assigned donors who made major gifts.*

A leadership annual giving program can help turn around some alarming trends in advancement

✓ 30% decline in participation in middle aged donors in the last 20 years
✓ 79% of gift officer contacts are concentrated on Top 100 donors instead of emerging prospects
✓ 66% of best prospects are not assigned or on your radar

48% of prospects assigned to a leadership annual giving officer donate annually
Which Donors Are Candidates for Leadership Annual Giving?

Leadership annual giving might include donors on their way up the pipeline into major giving and it might include donors who have made their last significant major gifts but can give annually moving forward.

Leadership annual giving officers also qualify donors for the major gifts team, discover new opportunities for endowed scholarships and planned gifts, and are the first experience emerging donors have with a philanthropic relationship. Our research indicates that schools with the healthiest pipeline of donors make at least 30%-35% of their visits as discovery visits. Leadership Annual Giving officers are often able to carry much of that load for major giving teams.

Three Reasons Why You’ve Got to Have Leadership Annual Giving

1. **Avoid losing important donors.** The gap between annual giving and major giving can create a disjointed experience for donors. Leadership annual giving makes sure that loyal, consistent donors maintain contact with your institution.

2. **Build a pipeline of major gift donors.** In 1980, the average “top 100 donor” was 44 years old. In 2017, that average was 67.* Major gift donors are a smaller and older group than before. Leadership annual giving can help rejuvenate the ranks with emerging prospects.

3. **Create a career pathway for fundraising staff.** Experienced, engaged staff are better fundraisers. Constant turnover impacts fundraising results. A strong leadership annual giving program can help. Building and publicizing a career pathway from annual giving, to leadership annual giving, to major giving, gives staff a way to move forward in their careers at your organization.

Getting Started with Your Program

Starting a leadership annual giving program is all about creating a process and defining qualifications for annual giving, leadership annual giving, and major giving donors. Every organization will have a different approach based on their unique constituents. Your end goal is to keep interested donors engaged at a level where they’re best able to support you.

Developing a leadership annual giving program will mean adding to your ranks of donors. Here’s ‘How to Find the Annual Giving Donors You’ve Been Missing’.

*Research: Reeher, Powered by Blackbaud
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