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Questions

Q1.

1. Describe the demographic and socioeconomic characteristics of American donors.

If the donor pool looked like American, one might not care that a small number of donors provide so much of the funding for congressional candidates but the donor pool clearly looks like an “upper-class choir” contributors to house and senate campaigns are overwhelming rich and well-educated, and they are also overwhelming middle-age white men. The fact that donors are much wealthier the other citizen should come as no surprise. It takes money to give money. Although some middle income families could afford a $1000 campaign contribution, they might prefer to spend the money on a new refrigerator, a home entertainment center, or vacation if nothing else. These opportunity cost are far less relevant to the wealthiest Americans, who do not have to defy consumption in order to make campaign contributions. The magnitude of the income gap between average Americans and campaign contribution is striking. Sixty-five percent of citzens reported incomes to less than $50,000 but those includes only 4% of significant donors. Only 8% of citizens had incomes of $100,000, or above, but 78% of significant donors had incomes in this category. Fully 14% of significant donors had incomes of more than $500,000 per year. The gap in education is almost as large nearly half of all citizens had no more than high school education, whereas only 5 % of significant donors fell into this category. Only 25% of citizens had a college degree compared with 83% of significant donors. Nearly half of significant have graduate or professional degree these disparities in income and education are reflected in the occupations of donors and everyday citizens.

What is surprising about the socioeconomic status to donors is not it’s level but it’s uniformity. Virtually all of the donors have at least a college degree and earn $100,000 a year or more. Habitual donors are only slightly better educated and somewhat more affluent than occasional donors. The subset of habitual donors comprising major donors, on the other hand, have much larger incomes. Almost half of all major donors have incomes of more than $500,000 a year, and nearly all have income above $250,000.

The demographic characteristics of significant donors further show them to be an elite population. The overwhelming majority of donors are white, African Americans constitute just one half one percent of all these individuals, a finding that as consistent with other studies of campaign contributors. Even African Americans candidates tend to rely on white donors. Jesse Jackson 1996 presidential campaign might have sought to build a rainbow condition but that condition building process was funded bt money raised primarily from white donors. More than three out of four congressional donors are male. The year of the woman brought many new women members to congress and women have over taken men as a proportion of the voting population sincerity in campaign contributing. Moreover those women who give are more likely than men to be occasional donors, and they give small amount to fewer candidates. Donors are much older than the average American, and habitual donors are older than occasional donors. It takes time to amass the wealth and job security needed to become a significant donor, and even more time to become a permanent member of the donor’s pool. Almost no donors are less than 30 years of age, and 40% are over 60 year of age, individuals who are under age 45 have not yet reached their peak earning year, may have children at home or in college, and may be still paying for their homes. They also may not have reached the point in their careers where others pressure then to give. In contrast, those who are over 60 have reached their earning plateau, and the expenses for their homes and children may have decreased. The younger age of occasional donors supports the nation that some are habitual donors in the making.

Religion matters in many aspects of political including campaign finance. Although mainline protestants are declining as a religious bloc as a results of the aging of their congregations, they still constitute a major force in finance elections. They comprise percent of significant donors, although they are only 24% of the public. (Fransic, 2003)

1. Describe key motives for giving
2. Guilt: some donors give gifts because they are driven by guilt. They may feel guilty for their own success and the gift helps them to atone for their “sins” or grievance. They may fell undeserving of honors and accomplishment, and may want to recognize the contribution that institution has made to their success. All times, the donor will be up to the dean and development officer to understand that there is not a need for an explicit statement regarding the motivation.
3. Affinity programs and goals of institution: just as the donors may give a gift to perpetuate his/her own beliefs, it is also possible for him/her to provide support because the programs and goals of the institution fit with personal or professional goals of the donors. This motivation may be closely related to the motivation to perpetuate one’s own belief. The more that can be done to describe the programs and goals for a particular institutions as related to an individual’s own beliefs about the topic, the more likely that the donor will want to make gift, many of the motivations described above lead the donor to want some external recognition of the gift this can be accomplished in any number of ways, and donor recognition is extremely important, for example, the name(s) of the individual(s) who are being memorized can be attached to endowment found, programs, classrooms space, or lectures halls. The donor may wish to name an endowment fund in recognition of a particular interest, individual, family, or corporation. The most important thing to remember is that it is the donor’s wishes that determine the use of the funds and the manner in which the recognition occurs. Yet, it is also the case that many donors are unsure about whether and how they wish the recognition to a occur the dean and development officer can help the donor to figure out the best match of the recognition plan with their personal needs and motivations for the gift. Again this means that the more that you can learn about the donor, the better you can help meet his or her needs for both gift-giving and recognition.
4. Development officer’s perspective: as a development officers, there is nothing so satisfying as the opportunity to assist a prospect to “turn on” to philanthropy. There truly should be a joy in giving to achieve this requires sensitivity for the donor’s values and an appreciation of their compatibility with an institutional need. When there is a match, it is a marriage of interest and need, the donor may become so enthusiastic about project that they will stretch to fund the goal required or accelerate pledge payments, some have been known to solicit supports who have become donors have expressed to me that they feel that they have gotten so much more than they gave.
5. Dean’s perspective: understanding the donor’s motivation for giving is a s important as any other component of the fundraising process, in particular because it allows you to build a gift-giving scenario with the donor that meets the needs of both the donor and the school the key to identify the motivation of the donor is listening to their story about who they are and what motivation their interest in a potential gift. The challenge is to identify the best match between what is motivating the donor and the needs of the school so as to maximize the gift. The more closely the gift matches the donor’s needs the more satisfied they will feel about the entire gift-giving process. (Deller & Fitcpatrick, 2000)

Q2.

What are the main factors that fundraisers need to pay attention to in a donor’s social environment? Explain why?

What social information about fellow donors and a donor’s own network has an impact on gift size? This article reviews research in the field, but there is much more to find out. The donations were collected based on the fundraising principle that public services drive public support: that is, when people listen, they give;? When audience declines, so do donations. This wisdom has inspired sophisticated practices, such as distinguishing between core and fringe listeners, understanding how listener loyalty translates into donations, and learning how to design fundraising appeals to remind people of the importance of listening to public radio. This mental model of fundraising, however, assumes a one-to-one relationship between a station and a donor in the transaction of service and support and does not typically incorporate into the equation the social environment surrounding listeners and donors. In contrast, our research expands the vision of giving to include the social environment of public-radio donors. The focus of this research is to understand the social environment that surrounds audiences’ listening and donating behavior. Our research highlights the observation that listeners and donors are not only individuals who act on their own but also social animals. 3 They live in connection with one another. Audience research can indicate how much an individual listens, but it does not tell us how long they listen with friends, how much they talk with others about the programs they listen to, how often they discuss their donation decisions with their family, how their donations are influenced by others’ donations, or how much listening and donating constitutes their self-identity. In a research set out to study this social context surrounding listening to public radio and, in turn, donating. So, first, we review the research on how providing potential donors with information on other donors’ contributions affects donations. Second, we discuss the impact of such information on others’ use of or value of the organization. Models of charitable giving typically balance these two factors within the individual. In deciding whether or how much to give, an individual compares the value of an organization’s services with his potential contribution. He contributes up to the amount that he values an organization’s work. We argue for an expanded conception of an individual’s value of an organization that includes not only the value an individual receives but also the value his social network receives. What members of the network value increases their satisfaction and, thus, our own. Thus supporting services that provide value to one’s social network in turn supports one’s own values.

Social Information

Various research suggests that people’s behavior is driven by their perceptions of others’ behavior. These perceptions are termed descriptive social norms, which specify typical behavior in a given setting (what most people do), and differentiate this behavior from injunctive social norms, which specify which behaviors garner approval in society (what people ought to do). Our findings indicate that providing social information increases donation amounts but that there is an optimal “specimen” amount. Figure 1 shows the average gift from new donors in the control group, where donors received no social information, alongside those in the experimental group, where callers learned about other donors having made a gift of $75, $180, or $300 (see figure 1, above). In this case, citing a prior donation of $300 was the most profitable and increased the amount of new donations by an average of 29 percent Social influence has a strong impact on individual giving. Informing donors about others’ donations can significantly increase or decrease their own donation. Choosing the appropriate level of social information to communicate is critical;? And our research indicates that contributions in the 90th or 95th percentile of the contribution distribution are high enough to induce increased giving but not so high as to scare off low donors. And social information that is lower than what a donor would have given significantly reduces the amount of a donation.

1. What type of social network should fundraisers cultivate for donors? Why?

Being online is more than Facebook. Web 1.0 technology like list-serve, e-newsletter and website are still useful for engaging people. Generation X donors give by mail and online in equal amount while generation Y or millennials give more online both Gen X and Y participate the same amount in mobile giving, a platform that is still growing and under the watchful eye of nonprofit organization for its return on investment. Taxing campaigns can engage a large number of prospective donors who have $5 to $10 to give. These campaigns are especially useful in these cases when the need for support requires little explanation or can be conveyed in a mass setting such as a concert or sport event, ultimately, your organization will want your interactive online presence to lead back to your website, decide which tools are going to be the most manageable for you to begin with and work diligently to populate those tools and engage conversation. Examples of popular social network nonprofits are using includes: blogs, Facebook, twitter, foursquare, jumo, delicious.

One of the greater thing about social media is that it’s a low-cost way to communicate with your constituents. It is a great way to tell current donors and supports how their participation impacted a goal. Clients, or the mission the closer fundraising staff brings donors into the inner circle of the organization, the more likely they are to give and to give more dollars. Using social media and to build closer relationship with existing donors. It is also another great way to thank donors those seven times before asking for another gift share success in short from on face-book and twitter. Did you reach a fundraising goal as an organization? Perhaps you have a walk fundraising team who has exceeded their fundraising goal, can you use your blog to tell the story of how donation impact the mission and your clients? Do you have pictures to share in a face-book album or in Flickr?

Fundraisers no longer need to wait for annual report to get published to share pictures, stories, and resources the Colorado chapter of the national hemophilia foundation shares weekly blog posts about what is happening in their organization, including stories from community members bars and the posts are shared those across other social media networks. Every month with its e-newsletter the foundation includes the previous month’s blog posts in the “blog corner” article of the e-newsletter. In addition to writing the stories and using web 2.0 tools, foundation members incorporate their social media with their web 1.0 tools cross-promoting everything they do as a way to reach out to different audiences. The organization has started using video acknowledgment in addition to written and electronic acknowledgments for major donors.

Diversity the way your organization cultivates and stewards donors by adding electronic and social network platform. Your organization is likely to expand its reach and build buzz among the next generation of givers, willing to post comments that challenge your opinions, this is how string dialogue begins. You can always respond direct to positive or challenging comments, but allowing that space means that you can open to the community. Of course inappropriate or demeaning language is never accepted having a well-communicated social media policy will help serve as an insurance policy. When there is negative but appropriate feedback through your social media platform, be sure to respond quickly or at least demonstrate that you are responsive to constructive feedback. Ignoring dialogue is not a useful solution to conflict online. Set up alerts and notification so that your staff is aware of feedback that require an immediate response, be prepared for positive feedback and respond to that as well. Encourage followers to share their stories and ask how your organization can do or improve. Social media is a quick and effective way to encourage people to share their opinions, your organization may not hear any feedback in the beginning, but sometimes the simple act of being asked for an opinion is what really counts. (Davis, 2012)

Q3.

What tactics might fundraisers use to help donors empathize with their beneficiaries?

1. Communication sources: fundraisers can increase the credibility of the spokesperson in the communication. They might thus select a more senior individual within an organization to write an appeal. Equally, enhancing credibility might be achieved by stressing the qualification or experience the individual has and thus making it clear why they are asking for support. The reputation of the organization itself could be emphasized, perhaps by reminding donors of past achievement. Doing so not only improves donor’s attitudes, but also the confidence donors feel about the favorable attitudes they develop.
2. The Messages: fundraisers can increase the quality of the argument make in their campaign advertising direct marketing materials, or web pages. There are two issues to consider here;
3. One-and-two sided message: some promotional message contain only one side of the argument. They convey only the positive impacts of making a gift, ignoring any drawbacks completely. Other messages may be termed two-sided in that they present a more balanced view to the audience, showing both the advantages and disadvantages of the work they plan to do. In general research indicates that one-sided message are more effective when the recipient group already has a favorable view of the work to be done, or when their level of education is low. They also work well when the decision is low involvement and thus requires little thought from the donor. Conversely, the use of two sided message is preferred when the recipients are either highly educated or hold a negative view of what the organization is trying to achieve. They can also be more effective in situations of high involvement because the donor is likely to take the time to reflect on his decision and probable conduct additional research of his own. This would to true of most major gift contexts.
4. Framing the presentation: in presenting appeals to a potential audience, there will always be a variety of argument that could be used in an attempt to persuade of course, not all of these message will have an equal impact on the target group, some will be seen as weak arguments while other will not be as easy to counter the issue for fundraisers then becomes the order in which these message should be presented. Should a promotional message begin with the stronger points or the weaker ones? If the audience has a low level of involvement it may be necessary to begin with a strong message to generate attention. It is also turs that if the audiences holds a strong opposing view a weak argument at the beginning of the message with serve only to raise counter argument in the minds of recipients, and the reminder of the message maybe filtered out. As a result of course, the converse of these points is also true. Message that begin with weaker at the end tend to be more appropriate when the position adopted is not controversial, or when the issue evokes a strong but positive sense of involvement.

Fundraiser can also simplify the argument. Make them relevant to the end donors, and present them in such a way that donors perceive there to be a significant list. Note that these tactics do not necessary increase the quality of the argument appear to be of a higher quality. Such tactics work only if the donation decision is likely to be low involvement, as would be the case with the response to much direct mail. In the context of high-involvement donors the approach would be likely to backfire, because donors could perceive the arguments as shallow, developing negative attitudes as a consequence

1. Portrayal of beneficiaries: the manner in which recipients of the charitable “product” are portrayed and actual giving behavior. A product in this context might be an elderly person might want to sponsor, or a child in the third world. Donors will tend to support those charities that represent the needy in an acceptable way, pictures for example of a decrease the response of fundraising solicitations donors can find such image distressing and ignore the communication concerned. Reactance theory, also suggests that individual have what they like to regard as a number of behavioral and attitudinal freedoms. A hard-hitting campaign can thus fail because it may threaten a donor’s ability to choose to spend her money elsewhere. It is thus somewhat ironic that a picture of an aided beneficiary can be much more effective because donors then feel they have the freedom not to give and are statistically much more likely to give as a consequence. Similarly, appeals for charities concerned with disability often emphasize how dependent on the organization’s work individuals with disability are. There is now considerable evidence that such appeals are very successful in engaging feelings of sympathy and feelings of guilt and pity. A key issue for fundraisers however, is the extent to which dependency should be exhibited. Though one might assume that depicting a greater degree to dependency is desirable and that it would be best to maximize this, this need not necessarily be the case. It depends on whether the dependency on the organization is perceived as temporary or permanent, identified that when then the need is perceived permanent. The level of dependency has no effect on the amount likely to be given. However, if the need is temporary increasing the level of dependency depicted in fundraising communication will increase the number of donors who both give and give at higher levels.

Finally, other work on the portrayal of beneficiary has suggested that attractive people and that female subject are considered more worthy of support than a make subject, the portrayal of the responsibility of recipients for their own condition can also impact a willingness to support, identified that the extent to which an individual could be blamed for his or her needy condition would directly impact both the number of donation and the level of support proffered. (Davis, 2012)

Q4.

What are the perceptual errors that people commonly make? How might fundraiser minimize the influence these errors might have on donation?

Many psychologists have found out that perceptual errors can disrupt the efficient decision-making capabilities of individuals. These issues can also be seen among the top management of big companies and have often resulted in wrong decision-making.

One of the regular perceptual errors is the ‘halo effect’ which happens when an individual has the tendency to create an impression of others in one area and uses that to influence opinions in other areas. In organizations, top management can sometimes form an overall conclusion based on the performance of a specific department. This leads to distorted judgement and is sometimes deemed unfair as the performance of employees in different fields is supposed to vary and cannot be judged on familiar ground. One of the classic examples of halo effect was seen during the early tenure of Marissa Mayer as the CEO of Yahoo. She was being considered the revolution that the technology industry needed. The Board of Directors and the general public were judging her performance based on the way the media portrayed her without noticing her poor control over her employees, unnecessary attention to detail, not being open to suggestions and more.

Another common and widely seen issue is the glass ceiling. This occurs when individuals are discriminated based on their gender, religion, races, etc. While we claim that the twenty-first century is here with equal rights for everyone, this is not the case in many scenarios. Complaints like minorities and female employees are not given equal opportunity to climb up the corporate ladder is heard at regular intervals. According to a report by Forbes (2016), only four per cent of the Fortune 500 companies are run by women. It is not like women are performing any less than men on any platform. In fact, the report further disclosed that start-up companies in the Silicon Valley that had at least one female founder performed better than all member teams by over 60 per cent. Still, only 10 per cent founders are women. These figures are alarming and reflect the kind of barriers women are facing in organizations despite several attempts at establishing a level playing field for all the employees.

Stereotyping is also quite prevalent in companies of all sizes and structures. It is commonly seen as individuals tend to form a flawed and generalized opinion about a particular individual or a group of people, leading to biased and ineffective decision making. Stereotyping, on the grounds of race, gender, and religion, has had severe impacts on the employees, companies, and the industry in the past. The legal regulations of many countries aim to protect the rights of minorities and have often fined and took aggressive and legal actions against the companies. According to an online article, BMW had to pay 1.6 million dollars to settle a lawsuit filed on the ground of racial discrimination during mid-2013. Other companies like Walmart, Tiffany and Co., General Electric, etc. also suffered from high level of fines on the same ground as BMW in the past. As a result, business experts have often stressed that the perception and decision making at top management must be free from all kinds of biases.

Another kind of perceptual error exists in the form of selective perception which is how individuals incline to perceive things the way they want to while ignoring the opposing viewpoints (viewing the situation from their particular frame of reference). This is mainly seen in companies that are run by leaders who do not appreciate creativity and inputs from the lower/mid-level employees. Today, creativity is more of a 'must have' rather than a 'good to have' quality for all types of established organizations. However, it is only possible in companies where the leaders at all level appreciate and promotes the culture of creativity rather than having their selective perceptions of being right all the time.

To fully utilize the resources at hand and promote a culture of growth and innovation, the top management needs to be fully aware of their perceptual errors. All the issues discussed above can and are having severe impacts in the organization ranging from losing out on top performing employees to restraining organizational growth.

Q5.

What is AAFRC, and what is its historical significance?

AAFRC stands for American Association of Fund-Raising Counsel.

There were the first moves towards the creation of a fundraising profession. This came to a head in 1935 when the major consulting firms of the time organized themselves from the first national association for fundraisers; the funding firms were the American city Bureau, the John price jones corporation, Ketchum IncMacArt & Campbell, Marts & Lundy, Inc., Leo Redding Tamblyn & Brown, Inc., Tamblyn… AAFRC is known as the giving institute today. And more than 70 years after its inception, it is still promotes the need for professional and ethical standards of practice, and influences the creation of laws governing philanthropy. Today the giving institute has 34 members. One of the major achievement of the AAFRC was the development of standards of practice and professional code of ethical. It’s now provides one of many that fundraisers can adhere to. Such codes are lightly significant in our client to have achieved professional status. Fundraising professional must adhere to certain standards of professionals conduct and an ethical code in the same way that medical doctors and lawyers are bound by theirs, in order to promote philanthropy in general the association first published giving USA in 1955 as a public service. Published annually, giving USA provide an overview of giving trend, statistical analysis of the source, recipients, and locations of charitable giving and a list of AAFRC member firms in 1985 association leader Arthur D. Raybin John and Charles E. incorporated the AAFRC trust for philanthropy in order to fulfill the public service goals of the association and to commemorate the fiftieth anniversary of the creation of the AAFRC. That same year the trust took over public lashing giving USA and in 2001 the trust contracted with the center on philanthropy at Indiana University to research, write, and edit giving USA. (Shang & Adrian, 2017)

b- What is meant by the term annual fund? Identify any drawbacks of using this terminology when addressing donors.

The annual fund is the building block for all fund raising. It serves to establish a base of donors that can serve as an effective device to involve, inform, and bond a constituency to the organization. It can further serve as an instrument that compels accountability to the cause the organization is serving. With a successful annual campaign, the organization can go on to bigger and better things in addition to providing a steady flow of income for programs, services, and activities it provides for the community. Without an annual campaign, an organization often finds itself involved in crisis fund raising, which is also known as “give us money or we will have to drop the program, go out of business, fail to provide for people who need us—and it’s going to be your fault!” With a successful fund raising program that is built around an annual campaign, this will not be the case. Instead there will be a carefully thought out, planned, and implemented approach to raising necessary money in an orderly and timely manner. In formulating and executing programs in service to their missions, nonprofit organizations incur a variety of financial needs. Fund raising has the functional responsibility to secure money, gifts-in-kind, or noncash gifts, volunteer services, and a range of additional services from the community. The annual fund is the cornerstone and the key to success for all aspects of the fund raising program. The objectives of this chapter are to identify the principles and techniques that pertain to the annual fund, to explain the “arithmetic of fund raising” that can facilitate the preparation of a plan, to describe a planning tool called the Ladder of Effectiveness, and to offer methods to apply these principles and techniques. The focus of the discussion will be on individuals as primary contributors to the annual fund rather than corporations, foundations, associations, or government. The bulk of the money that is given away annually in the United States, historically around 75 percent, (AAFRC Trust for Philanthropy, 2002), comes from individuals. It stands to reason, then, that they represent the most reliable source of givers to the annual fund. Of course, corporations and foundations do give to the annual fund. (Rosso, 2003)

-The drawbacks;

The primary issue is that it makes it harder for nonprofits to build trust with their donors when marketing annual giving simply as a way to fund the overall organization, it’s harder to equate gifts with concrete results, which can make donors hesitant to give. One way to alleviate this problem is by breaking the annual campaign down into smaller, more clearly defined packages and allowing donors to allocate their gifts. Of course, your organization *will* need to use the annual campaign as an opportunity to raise operational expenses, so these packages can still apply to internal programs and necessities. Once you’ve figured out what your goals are, think about how you can section off your needs into smaller, more digestible packages. These packages should be specific and should directly equate gifts with tangible results. All that matters is that your organization identifies the core areas or projects you hope to fund withyour annual campaign. Now when making your direct asks, you can provide donors with multiple options and let them choose where to allocate their funds. When they can give to the causes they care about most *and*more clearly see how their gifts will further those causes, your donors will be much more confident when it comes to giving to your annual fund. (Gordy, 2016)

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