As the economic downturn has driven record numbers of Americans into the ranks of the unemployed and homeless, nonprofit organizations have ridden to the rescue of the working class and underserved communities as never before. The importance of the nonprofit sector and the charitable giving that fuels its programs has rarely been this visible.

Yet the economic downturn also has prompted an unparalleled sense of scarcity among donors, reducing contributions at all levels of giving and creating justifiable anxiety among nonprofit workers. Organizations in all fields from arts to education to social services are slashing budgets. These cuts are so deep that significant numbers of staff in large as well as very small organizations are being let go.

Much of the struggle for funding revolves around the fact that charitable giving by high-net-worth individuals has slowed significantly. While very few donors give strictly because of tax deductions, tax planning and the income tax deduction for charitable gifts have always reinforced the desire to give and often affected the “when,” “how,” and “how much,” if not the “why.” The recent upsurge over a proposed charitable deduction limitation on individuals earning $250,000 or more illustrates the importance of this level of giving and the tax incentive tied to it.

Even more important is the fact that large and significant non-cash gifts have often come as a by-product of the sale of highly appreciated assets. With the slowdown in the economy and the concurrent slowdown in initial public offerings and sales of existing businesses, charitable giving from appreciated assets has slowed significantly. With the motivations of income tax deductions and capital gains avoidance effectively sidelined, other motivations for charitable giving must assume more prominent roles in driving gift decisions.

And frankly, the increased visibility of these other motivations is a good thing. We need to reaffirm periodically what decades of philanthropy reflect: the fact that tax benefits of any kind rarely create the kind of satisfaction that prompts transformational, long-term commitments by donors. The key to inspiring and stewarding such commitments is understanding the donor’s underlying motivations and expectations, often unspoken and sometimes not even well understood by the donor.

During the past 20 years of working with high-net-worth donors, I have identified eight of these motivations that drive significant charitable giving. These motivations are much more than just feelings; they are personal, and often intimate, needs to which the donor is willing to invest both energy and funds. By connecting the donor’s motivations with the outcomes achieved by the charitable organization, donors experience deep satisfaction and desire to stay engaged with the organization.

The eight motivations presented in this article span a continuum that stretches from the most external and obvious to the most internal and intimate. An understanding of these motivations will help professional advisors ensure that their clients receive the necessary feedback from the charitable organization to fulfill their expectations and experience the degree of satisfaction necessary to create a rewarding and meaningful philanthropic experience.

Charitable Intent

Individuals who are motivated largely by charitable intent are focused on ensuring that a specific organization, mission, or cause is perpetuated in the future (usually beyond their lifetimes). They are not necessarily concerned about how they are remembered by organizations or society-at-large. They simply want to ensure that an institution continues into the future.

Charitable intent donors should make all their giving while they are living. If they give now, they will be able to see their impact and exert more control over the outcomes. The big risk for charitable intent donors turns up after their lifetimes.

When working with a charitable organization, charitable intent donors should insist on communication about the organization’s process for staying true to its mission. They must determine the board and chief executive officer’s (CEO) commitment to that mission over time and the issues and policies that are non-negotiable for the organization. Using this information, charitable intent donors can determine at what point they might need to walk away from such an organization.

Charitable intent donors who choose to establish endowments that will survive after their deaths must insist that the charities outline their processes for understanding a charitable intent donor’s desired outcomes. Casual conversations with the CEO or board members do not count. The charitable intent donor wants a solid, written gift agreement prepared, if possible, by the advisor.
donor’s attorney, professional planner, or philanthropic advisor.

**Values**

Individuals who pursue philanthropy from a values perspective are fairly easy to identify; they usually have established, definitive opinions and are not shy about verbalizing them. They tend to focus on persuading others to believe as they do, although the beliefs themselves may range across any number of issues that include religion, behavior, character, and the physical or social environment.

Values donors may have a strong sense of purpose and significant charitable intent, but they are more interested in persuading others to share their beliefs than in guaranteeing that a specific mission will be supported. Rather than “I want my money to support this particular idea,” values donors tend to think, “I want other people to adopt this value.”

The risk for values donors is that an organization won’t be able to clearly measure how people actually embrace the belief. What will be the evidence: a verbal statement, a signed petition, a gift of money, or volunteering time? Agreement between donor and organization on what constitutes the voluntary adherence to a belief will be critical for “counting” results.

Values donors must be open to new methods of recruitment; too often, they want to dictate how individuals are engaged with the proposed value. If they are serious about the value(s), they should be concerned about the “what,” not the “how.” Giving to perpetuate a methodology or practice is not really values giving, and these donors frequently fail.

Values donors should never endow. If the whole purpose is to persuade, then they want to initiate that persuasion now. In present time, they have the greatest opportunity to “persuade today” so that more new audiences will be persuaded tomorrow.

**Leverage**

Leverage donors are people who aspire to be stakeholders; they want to create change. They may exhibit behavior as early adopters or closers in other areas of their lives. Receiving credit for their philanthropy is not their primary focus, so if anonymity is the most effective route to creating the change they want to see, they often will choose to be anonymous. They are the people that take the challenge to “do something” about an issue rather than just complain.

It is critical that the leverage donors verify that the organizations they work with are committed to the desired changes and that the parties agree on the timeline for making change happen. A charitable organization always will be committed to a donor’s gift designation, but that’s not the outcome leverage donors want to achieve. They want change.

Accountability from the charity is more important with leverage giving than with any other motivational expectation. A leverage donor must establish a time frame for the desired results. If the donor only outlines the desired results and includes no time frame, the giving carries no leverage. Deadlines drive action; action produces results. The charity must have a plan with milestones along the way, and it must be willing to communicate with the leverage donor about its successes and failures relevant to those milestones.

**Role Model**

Role model donors tend to be natural leaders. They are accustomed to having people solicit their opinions. As givers, they want others to do more than give; they want others to give to a specific cause or project: e.g., Lee Iacocca’s “Join Lee Now” campaign to raise funds for human trials for diabetes research or the challenge grants made by Bob Wilson to inspire domestic conservation donors to broaden their horizons to international giving.

Role model donors seek to inspire the philanthropy of family, friends, and peers, and sometimes the general public. Role model philanthropy has no room for anonymity. People need to see the donor’s good works. That said, role model donors rarely are concerned about how their names are associated with a cause other than its power to influence others to give. They are not trying to establish a personal legacy. Whatever tactic a role model donor uses to model giving to others, the charity must demonstrate that the tactic actually is designed to prompt the desired behavior.

To be successful, role model donors must be clear about articulating what they want others to support. They want to be more specific than just naming an organization. They must talk about the program or issue and the expected outcome.

Measurement will be important to determining success for role model donors. They will never change 100 percent of the people they want to influence. They must ask themselves what percentage has to change to declare success.

**Family**

Family donors who find satisfaction in engaging their families in philanthropy do it for a variety of purposes. Some families have clear, documented purposes, but too many families poorly articulate their purposes. Purpose can include the following:

- Improving communication with family members
- Providing an “excuse” for far-flung families to meet regularly
- Building skills or reinforcing values among younger generations
- Giving employment to family members in a private foundation or other entity
- Establishing or perpetuating a family legacy

Sadly, some of these donors engage family members but still want to control the nature and size of philanthropic grants. Of all the potential mistakes,
this is the greatest risk because family members must have legitimate control over philanthropic decisions if they are to engage successfully in any type of communication improvement, skill building, or personal growth. Otherwise, the philanthropic endeavor becomes a meaningless exercise in which family members simply play out (or in some cases refuse to play out) roles in the family drama that the family donor already has scripted.

Philanthropy offers numerous ways for a parent to reinforce or leverage good behavior that already is occurring among children. And while philanthropy cannot prevent bad behavior, it can act as fuel to build character. It gives the child, regardless of age, the opportunity to make positive choices. Philanthropy also can be a “second bite at the parenting apple” for family donors with children who are older and distant.

To be successful at practicing family philanthropy, the family must develop a mission statement together. This is not the same as the overall family mission statement; this is only for the philanthropy. Then, the family must create a meaningful structure (funding entities, decision-making processes, etc.) that will support the mission statement and purposes. Finally, the family must choose activities (site visits, work projects, junior boards, creation of a family giving curriculum, and volunteering as a family) that best support the purposes.

Engaging a family in philanthropy is really about family issues/opportunities among family generations, not about the funding donor’s philanthropy. A family donor who has strong charitable interests should create separate funding entities and choose tactics accordingly; operate one for personal giving and operate the other for the family to give together.

**Expert**

Donors who pursue a role as experts in their philanthropic fields of interest often are found in the medical, science, or social science arenas. Bill and Melinda Gates are great examples. For the most part, these individuals are serious people seeking serious solutions to complex, often widespread world problems. In many cases, they may be people whose knowledge levels seem already sufficient, but that’s the point: These individuals know enough to know what they don’t know, and they are continually pushing the envelope on their levels of expertise—almost always for the sake of new solutions. Solutions rather than good feelings, values, or family issues drive their philanthropy.

To ensure that the expert donors continue to grow in their knowledge, they must require that their gifts get them access to the smart people and innovative knowledge associated with their issues/areas of passion. This will rarely be the CEO and/or board chair. Expert donors want access to top program people who are working on the issue every day. Keep in mind the fact that the biggest charities in an expert donor’s area of interest may not have the smartest people working for them. Expert donors ask not just who is smartest in the field, but why. They ask peers for their opinions. They engage outside resources for their input as to whom they should meet next.

As expert donors become more seasoned givers, their giving will probably narrow, as they feel sufficiently confident to select and reject proposed solutions. As they grow in knowledge, their capacity for detail will grow, and they will begin to evaluate options themselves rather than rely on an organization’s experts.

**Legacy**

Ego plays a substantial role in decision-making for most legacy donors, but not necessarily in a negative way. In order to be remembered, a legacy donor might willingly place his or her name on a building or academic chair. However, a much deeper emotion may be at the core of the desire for remembrance. Legacy donors think along the lines of “This is something I care about—something that constitutes at least part of what defines me—and I want to be visibly connected with it. I want to leave a mark, and I want to ensure that mark is perceived publicly.”

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If a naming opportunity works for the legacy donor, ensure that any naming opportunity has “presence.” This named giving opportunity must reflect who the legacy donor really is, not just be a billboard shouting the name to the world. In 50, 100, 500 years, “who the donor was” will probably be lost to popular culture. It must truly reflect...
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a program and/or institution that the legacy donor cares about.

Significance
Donors who seek significance in their giving identify primarily with the difference they can make in the world, not with the organizations or even the experts with whom they may partner to achieve that difference. They want to “leave a mark,” but they are not particularly concerned about that mark being visible to anyone else—or even connected to them. In fact, they may seek anonymity as a way of enjoying more significance than if they received public acclaim for their gifts.

Significance donors can take anonymity too far and fail to ask for professional help in developing clarity about their philanthropy before launching ideas and investing dollars. Significance donors should enlist philanthropic advisors to help them define and clarify the differences they want to make, how to measure and evaluate those differences, and how to execute their strategies. If significance donors plan to continue giving after their lifetimes, this assistance can help determine how the desired significant impacts will be measured after they are gone.

Significance donors should give themselves permission to try a number of things. They may have been giving all their lives but are discovering only now that their giving has been driven by faith, family, school, or any number of variables. Each donor should ask, “When I think about my passions, what have I been put on this earth to address?” The process of answering this question will help the significance donor focus on that one area that best expresses the core thing that, in part, defines his/her reason for being. As a result, significance donors will begin to practice less externally driven philanthropy and focus more time and attention on philanthropy that is in tune with a calling.

Conclusion
Understanding these motivations is critical to engaging clients so they can create much larger and more meaningful philanthropic gifts to organizations that engage their passions. In discovering their motivations, donors can be attracted to make gifts that will deeply resonate with who they are, what they want to accomplish, and their expression of meaning and values in the world. Such understanding can meet the needs of both donor and recipient charitable organization. The professional advisor who facilitates this process of philanthropic discovery and clarity for clients will create meaningful value that is likely to be uncontested by other advisors.

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