



## The Seven Faces of Philanthropy:

1. **Communitarian**: Doing Good Makes Sense (26.3% donor segment)
2. **Devout**: Doing Good is a Moral Obligation (20.9% donor segment)
3. **Investor**: Doing Good is Good Business (15.3% donor segment)
4. **Socialite**: Doing Good is Fun (10.8% donor segment)
5. **Repayer**: Doing Good in Return (10.2% donor segment)
6. **Altruist**: Doing Good Feels Right (9% donor segment)
7. **Dynast**: Doing Good Is a Family Tradition (8.3% donor segment)

## **“Faces of Philanthropy”**

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Based on “The Seven Faces of Philanthropy” and a donor-centered approach to work with these seven motivational types, this session is offered to gain insights to better understand and cultivate your donor base. Focus on building and sustaining relationships with donor-centered strategies, identify appropriate giving strategies, and start your planned giving conversation. It is easier to retain donors by helping them learn how to give.



## **The Communitarian: Doing Good Makes Sense**

•“Communitarians, the largest [donor] segment (26.3%), give because it makes good sense to do so. Communitarians are typically local business owners who find that service on boards and committees of local nonprofits can be good for business because of the relationships that often develop in such settings. The other reason Communitarians believe active philanthropy makes good sense is that they help their own communities prosper by supporting local charities.”

### **•DO:**

- Give public acknowledgement and treat your donor as a community leader.
- Give individualized attention.
- Discuss how the project will positively affect the **local** community.

–Logically prove how and why you will be effective in your project.

–Focus on social and business benefits of giving *for the Communitarian* (even if it’s brief).

### **•DON’T:**

– Neglect the personal benefits of the gift for the donor (Communitarians see giving as a win-win)

–Ignore the details of how you will succeed and track your success—a Communitarian wants to know.

–Focus on the greater world—the Communitarian is typically deeply concerned with the local community.

–Exclude the Communitarian from personal investment in the cause—they will likely want more involvement than merely giving.

They believe active community involvement makes good sense in that they help their own community prosper by supporting local charities.

Typically local business owners find that service on boards and committees of local nonprofits can be good for business because of the relationships that often develop in such settings.

They believe nonprofits are more effective in addressing problems than federal, state or local government.

- Use advisors extensively in making decisions
- Want to influence how donations are used
- Want to be assured that the nonprofit (or public agency partnership) recognized why they are giving
- Expect nonprofits (or public agency partnership) to look out for their needs
- Want public acknowledgement

Communitarian familiarity with charitable giving strategies by preference:

- (1)Cash and Gifts of Stock
- (2)Bequests
- (3)Charitable Remainder Trusts
- (4)Life insurance

Communitarians interest in learning more about charitable giving strategies by preference:

- (1)Private Foundations
- (2)Charitable Remainder Trusts
- (3)Bequests
- (4)Life Insurance



### **The Devout: Doing Good is a Moral Obligation**

•“The Devout make up the second largest group (20.9%) of major donors. The Devout are motivated to support non-profits for religious reasons; they say they believe that it is God’s will for them to help others or that the moral teaching of their religion charges them to support charities. As a result, they channel almost all their giving (95.8%) to religious institutions and associated organizations. The Devout are mostly male, owners of businesses, and college educated.”

- DO:**  
–Focus on the moral implications of the gift

–Evoke positive images that reinforce their religious rationale for philanthropy. The Devout should feel that you respect their religious motivations for giving.

–Emphasize that you have their best interest and intentions at heart.

**•DON'T:**

–Focus on name recognition. The Devout tend to consider their giving a selfless act, and therefore, will expect nothing in return.

–Put a high focus on technical information or work too hard to *prove* the technical reasons for why the program will succeed—the Devout are least likely of all groups to evaluate a nonprofit before giving.

–Emphasize a commitment or greater inclusion outside the gift. The Devout are not likely to want an active role beyond the gift itself.

They are motivated by belief and their personal philosophy of good versus evil.

They donate their time, talent and treasure because giving is a moral obligation.

They make decisions based on trust and align themselves with like-minded individuals.

•Desire to have the nonprofit (or public agency partnership) reflect their values

•Do not typically rely on professional advisors

•Do not typically try to influence funds after making a gift but rely more on a relationship of trust with the nonprofit (or public agency partnership)

Devout familiarity with charitable giving strategies by preference:

- (1)Cash
- (2)Life Insurance
- (3)Bequests
- (4)Charitable Remainder Trusts
- (5)Charitable Gift Annuity
- (6)Real Estate

Devout interest in learning more about charitable giving strategies by preference:

- (1)Private Foundation
- (2)Charitable Remainder Trust
- (3)Life Insurance



## **The Investor: Doing Good is Good Business**

“Investors are donors who give with one eye on the cause of the nonprofit and one eye on personal tax and estate consequences. About 15.3 percent of major donors are Investors. A typical Investor is a well educated male head of household who provides for his family through the ownership of a business. Business owning investors seek to prepare for their family’s future security through the smooth transfer of the business assets and farsighted planning...[they] are the segment most likely to support umbrella nonprofits such as community foundations.”

### **•DO:**

–Be meticulous about *how exactly* you will use the money. Investors give like they invest, and want to

feel like their money is being used wisely – they tend to be methodical.

–Emphasize logic and write in business or formal language.

–Subtly or out-rightly indicate why the gift makes good business sense. Investors typically appreciate when a nonprofit sympathizes with this motivation for giving.

–Give the Investor private and public attention, and emphasize this in writing.

### **•DON’T:**

–Don’t associate yourself with the government. Investors typically give to avoid the government taking their money as taxes; money that they think would be spent unwisely.

–Over emphasize the moral or emotional imperative of the gift. Investors do not give because they feel morally compelled to do so, and will not be moved by emotional appeals.

Investors make contributions based on the cause and give equal merit to both good business strategy and tax benefits.

They apply the same careful analysis to nonprofit contributions as they do any investment.

Investors typically donate to a wide range of nonprofits.

Investors are looking for the “win-win” situation based on mutually beneficial interest.

Financial benefits associated with donating sets the parameters of their philanthropic behavior.

- Results oriented
- Plan contributions to nonprofits (or public agency partnership) methodically—rigorous process for evaluating request
- Nonprofits (or public agency partnership) must show that they are going to be effective
- Evaluate tax advantages of a contribution.
- Expect nonprofits (or public agency partnership) to understand their business concerns
- Want public and private acknowledgment attention
- Do not feel morally obligated to give
- Do not seek influence over use of funds because they do their homework upfront

Investor familiarity with charitable giving strategies by preference:

- (1)Cash and Gifts of Stock
- (2)Bequests
- (3)Charitable Remainder Trust
- (4)Charitable Gift Annuity
- (5)Real Estate

Investor interest in learning more about charitable giving strategies by preference:

- (1)Private Foundation
- (2)Charitable Remainder Trust
- (3)Life Insurance
- (4)Bequests



## **The Socialite: Doing Good is Fun**

- Extroverted, gregarious Socialites desire to help through being active in charity work, and they rely on their close friends and family to

assist them in being effective. Socialites find social functions benefiting nonprofits to be an especially appealing way to help make a better world and have a good time doing it. They make up 10.8% of major donors...[they are] particularly women who have college degrees...[and] tend to support nonprofits which offer more opportunities for socializing, such as the arts and education, as well as religious nonprofits.”

**•DO:**

–Emphasize other donors and their priorities – being a part of a group with a shared cause is important to a Socialite.

–Be specific about your track record and its reputation for positive results. They care about the social benefits of giving; they also care deeply about impact.

–Mention and highlight events and gatherings related to the cause

–Use emotional appeals.

Socialites tend to believe that giving is a part of their personality, and they have money.

**•DON'T:**

–Ignore the Socialites need for individual attention—this means reflecting back the reasons for giving. You should align your visions.

–Meticulously describe the uses of the funds: Socialites tend to focus on selecting the particular nonprofit and the fund-raising. The use of the gift is less important. Focus on *why this cause and project?* – NOT on *here's what we'll do with your gift.*

–Treat the socialite in a vacuum. The socialite has deep connections and likely respects and follows the giving and advice of others. The socialite should be treated as a hero among other heroes that “support each other” and “serve the community.”

Socialites find social functions benefitting nonprofits an especially appealing way to help make a better world and have a good time doing it

Socialites are especially drawn to education and the arts. They seek opportunities to create fund raising and social events to benefit nonprofits and are less interested in participating in the day to day activities.

These donors develop extensive social networks that work together to achieve goals. Relish creating enjoyable ways for others to give. Friendships are highly valued.

•Socialists give because they can direct their giving to places that government cannot reach

- Give because they are charitable at heart and happen to have money
- Believe the true way to look at philanthropy is by what it accomplishes
- Expect individual attention from the nonprofit (or public agency partnership)
- Focus on fundraising end result and pay attention to selection of a nonprofit (or public agency partnership) and have little need to be concerned with use of funds
- Desire formal recognition of their philanthropic activities

Socialite familiarity with charitable giving strategies by preference:

- (1)Cash and Bequests
- (2)Charitable Remainder Trusts
- (3)Life Insurance
- (4)Charitable Gift Annuity

Socialite interest in learning more about charitable giving strategies by preference:

- (1)Private Foundation
- (2)Charitable Remainder Trust
- (3)Bequests
- (4)Life Insurance



## **The Repayer: Doing Good in Return**

•Repayers, who are 10.2 percent of major donors, tend to have been constituents first and donors second. A typical Repayer has personally benefited from some institution, often a school or hospital, and now supports that institution out of a feeling of obligation or gratitude. Repayers concentrate their philanthropy on medical charities and education institutions. Repayers are male by a 2-to-1 ratio, are predominantly business owners (76.2%), and are college educated (90.8%).

### **•DO:**

–Make empathetic connections to a specific experience that caused the donor to have gratitude for the project, if you know it. (Example: If a donor tends to give to the University because he received a fellowship during his studies that allowed him to make the money

he has made—you could mention the fellowship).

–Use emotional appeals and language. Repayers give because they care deeply about the institutions and programs that have affected their lives.

–Emphasize the duty of giving—Repayers tend to believe that the wealthy have a responsibility to give.

–Show that you understand and respect the Repayer’s motives for giving. Know those motives well.

**•DON’T:**

–Ignore technical information about how the program will succeed and create results. Repayers are invested in the outcome of their giving because they want to ensure that others benefit *like they did*—this is unlike investors, who scrupulously inspect nonprofits to merely ensure their money is well spent.

–Focus on naming opportunities: while Repayers want to be valued and kept informed, they do not want the focus to come off *the issue* or those benefited.

Repayers tend to have been constituents first and PARTNERS second.

A typical Repayer has benefitted from some institution and now

supports that institution from a feeling of loyalty or obligation.

Repayers believe the wealthy have a special responsibility to give.

- Insist on effectiveness—often based on their own experience

- Will give because good results will follow

- Want nonprofits (or public agency partnership) to focus on their constituents

- Have little need to be involved in operations of a nonprofit (or public agency partnership)

- Believe nonprofits are more helpful than government agencies

- Seldom rely on advisors because they feel they have a firsthand knowledge

- Do not want individual attention and recognition

- Want their simple, uncluttered motives to be understood

Repayer familiarity with charitable giving strategies by preference:

- (1)Cash
- (2)Bequests
- (3)Charitable Remainder Trusts
- (4)Life Insurance

Repayer interest in learning more about charitable giving strategies by preference:

- (1) Private Foundation
- (2) Charitable Remainder Trusts
- (3) Bequests
- (4) Life Insurance



## **The Altruist: Doing Good Feels Right**

•“Altruists embody the popular perception of the selfless donor—the donor who gives out of the philanthropic impulses of generosity and empathy to worthwhile causes and who modestly ‘wishes to remain anonymous.’ This conception is not far from the truth, except that a scant 9% of all major donors fit this description.”

### **•DO:**

–Use emotional language and focus on the moral imperative of

the gift. Altruists believe giving is a moral imperative, and will respond to emotional language.

–Emphasize the character of the project and organization, not the extensive track record (50% of altruists do not extensively research nonprofits before giving).

–Acknowledge and applaud the motivation to give, but not the ego behind it.

–Use personal, less-formal language.

–Focus on self-actualization, self fulfillment, and a sense of purpose: align your purpose with the Altruist's.

### **•DON'T:**

–Focus on name recognition: altruists don't give for this reason, and may even resent this gesture.

–Overly focus on the logical or technical aspects of your project or organization—this is not a primary concern of the altruist.

–Emphasize the importance of the gift. Altruists believe the cause is much more important than the gift.

Altruists give out of generosity and empathy to urgent causes and who modestly wish to remain anonymous.

Give in a selfless manner—the true philanthropy.

Altruists make decisions without the input of advisors and are usually not interested in active roles in the nonprofits they support.

Believe nonprofits are generally morally superior to government.

- Selecting a nonprofit (or a public agency partnership) is a people process
- Act as individuals and not part of a social network
- Do not seek activate participation in the organization (or a public agency partnership)
- Are not concerned with formal recognition

Altruist familiarity with charitable giving strategies by preference:

- (1)Cash
- (2)Bequests
- (3)Charitable Remainder Trusts
- (4)Charitable Gift Annuity

Altruist interest in learning more about charitable giving strategies by preference:

- (1)Private Foundation
- (2)Charitable Remainder Trust
- (3)Bequest
- (4)Life Insurance



## **The Dynast: Doing Good Is a Family Tradition**

•“The philanthropic motivation of Dynasts stems from their early childhood socialization. Giving is something their family always stood for, and they believe it is expected of them to support nonprofits. Although Dynasts have been significant figures in philanthropy for some time, they now comprise 8.3% of major donors. Inherited wealth is concentrated in the Dynast segment; 44.1% say their source of wealth was an inheritance. For the rest, the source of wealth for charitable giving is a family business inherited along with a family tradition of philanthropy. Nearly all Dynasts are college educated (93.7%), and there are as many women as men in this segment.”

**•DO:**

–Emphasize and respect the Dynast’s tradition of giving: They give because it “is part of their self-concept.” (Note: younger dynasts are more likely to break from long traditions of family giving to particular nonprofits, but they *do still give.*)

–Emphasize the technical details of how you will achieve your goals: Dynasts tend to carefully evaluate nonprofits before giving. Since giving is a tradition to a Dynast, he or she is most likely well-versed in nonprofits and their organizational effectiveness.

**•DON’T:**

–Focus on the fact that they should give—Dynasts are already self-motivated givers, so better to strictly focus on *why give to you*. For a Dynast, your cause is one of many options, so being aware that you have competition is key – understand that the Dynast supports other causes besides yours.

–Expect your emotional appeals to work easily: it’s very likely that the Dynast has less of an already established connection to your cause or project. This is because the Dynast gives to many causes, and is less likely to *care deeply about yours already*.

–Focus on what the gift will do! Dynasts expect nonprofits to stay

focused on the mission instead of catering to major donors.

Dynasts give because of a cause their family has always stood for and they believe it is expected of them to support nonprofits.

Dynasts give because philanthropy is part of their self-concept.

They believe philanthropy is everyone’s responsibility.

- Likely to employ professional advisors.

- Are touchy on the issue of tradition based on generational lines

- Expect nonprofits (or public agency partnership) to stay focused on their missions instead of catering to major donors

- Defer to organizations on day to day decisions

- Not specifically interested in being honored for behavior they see as essential

- Are interested in being involved in managerial aspects of the organization, often interested in joining the board believing giving of time as important as money

- Methodical in selecting organizations to support

Dynast familiarity with charitable giving strategies by preference:

- (1)Cash, Bequests and CGA gifts
- (2)Life Insurance
- (3)Charitable Remainder Trusts
- (4)Private Foundation
- (5)Real Estate

Dynast interest in learning more about charitable giving strategies by preference:

- (1)Private Foundation
- (2)Charitable Remainder Trust
- (3)Lead Trust