

**BALANCING THE
ART**

AND

**SCIENCE
OF FUNDRAISING**

**Why Systematic Donor Discovery and
Prioritization are Critical for Success**

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INTRODUCTION

The fundraising landscape is changing rapidly and the challenges facing many of today's nonprofit organizations have never been greater. With more than 1.5 million active nonprofit organizations competing for attention and contributions, acquiring new donors and upgrading existing donors is getting harder and harder. Many of the major donors nonprofit organizations rely on are getting older and finding potential donors to take their place is not an easy task.

At the same time, many nonprofit leaders are facing expectations that have never been higher. There is an increased pressure for nonprofit leaders to provide a significant return on investment for the money they spend to raise funds for their organizations. Nonprofit leaders feel an increasing pressure to provide results to both their boards and the individual donors who want to know that every dollar they give is being spent appropriately.

These challenges require us to think differently when it comes to how we approach fundraising. The increased demands necessitate more sophisticated, comprehensive, and intentional tactics. Leaders must actively look for new ways to produce the results boards demand and donors desire. We must be smarter in how we approach fundraising to ensure the time, energy, and effort that our organization spends engaging donors provides the greatest return on our investment.

While this might seem like an overwhelming task, it's not as impossible as you might think....

Balancing the Art and Science of Fundraising to Overcome These Challenges

The key to overcoming these new challenges and meeting the increased demands of today's fundraising world can be found by learning how to balance the art and science of fundraising.

Simply put, the art of fundraising is knowing how to engage donors through great storytelling and relationships. Nonprofit organizations are usually effective at storytelling and building relationships. These are the primary currency of fundraising. Fundraisers—at least good ones—know how to tell great stories.

The key to overcoming these new challenges and meeting the increased demands of today's fundraising world can be found by learning how to balance the art and science of fundraising.

Today, nonprofit organizations have the ability to leverage technology to gather and analyze a tremendous amount of data to know *who* they should engage and *how* they should engage them. This is the science of fundraising. Whether we're engaging constituents on the phone, through direct mail, online or in-person, the science of fundraising empowers us to tell the stories and build relationships with the right people and increase our return on investment.

Balancing the art that nonprofits have always known with the scientific approach of data is critical for success. It enables nonprofits to develop a systematic process for discovering, prioritizing, and engaging donors. It ensures that gift officers are engaging with donors who have the highest propensity to give. It allows organizations to tell better stories and build better relationships by leveraging information you can gather by observing how donors interact and engage with your cause.

This is the key to intelligent fundraising. Learning the art of fundraising, the science of fundraising, and how to balance the two is the only way nonprofit leaders can overcome the unique challenges we face in today's fundraising world.

THE ART OF FUNDRAISING: STORYTELLING AND RELATIONSHIPS THAT INSPIRE ACTION

There's no denying that fundraising is an art. Inspiring donors to support a cause has always required organizations to tell great stories and know how to effectively build relationships with donors.

Storytelling is more than reporting facts and figures. Effective storytelling puts a face on the cause an organization supports. It emotionally attaches a person or organization to the mission.

It personalizes the fundraising process by helping donors see how they can change the world by changing an individual's life and reminding them of the work your organization is doing.

Here are some essential elements for great storytelling:

- **Great storytelling is built around a compelling vision that inspires donors.** When people believe in why you do what you do, they have the potential to become a powerful force for supporting your mission for changing the world. Organizations spend a great deal of time explaining what they do. Those that clearly communicate why they do what they do will touch the hearts of potential donors.
- **Great storytelling presents a case for support in a way that motivates donors to support your cause.** Your case for support is your organization's differentiator. It's what sets the work you're doing apart from other organizations and showcases how your organization is going to make a difference through the support your donors give. What distinguishes your cause from the many other causes that are asking for support? The difference often is highlighted through storytelling.

So, how can we tell their stories? Today's donors expect to be inspired by compelling visual content. It's not enough to rely on printed materials alone;

WHAT DOES GREAT ART LOOK LIKE?

Here are a few examples of the art of effective storytelling that our team at Pursuant has developed for our clients over the years...

- [The Spirit of Notre Dame Campaign](#)
- [The Children's Hospital of Philadelphia's Taking Hope Higher Campaign](#)
- [Love Worth Finding's Become a Boat Builder Campaign](#)

today's donors need short, attention-grabbing visual content that invites them to look into the mission of the organization. Compelling video messages can have a dramatic impact on people.

At the same time, we must remember that donors give to people, not organizations. Donors determine their opinions of the organization based on their interactions with its people. When it comes to the art of relational fundraising, it will always be important for fundraising professionals to have:

- **The relational skills to effectively engage donors in face-to-face interactions.** Fundraising professionals must know how to establish, build, and maintain interpersonal relationships. They must know when to make the ask and how much to ask for. This might be different in every situation. They must be experts at reading relationships. These are all skills that require an artistic approach.
- **The capability to communicate passionately and authentically.** Fundraising professionals must believe in the mission of the organizations they represent. When they do, their passion will be obvious and contagious. A critical aspect of being authentic is experiencing the mission of the organization. Great storytellers know how to draw from personal experiences. Authenticity is validated when your gift officers can passionately articulate the impact your organization is making for the greater good.
- **The ability to create an emotional connection between a donor and the cause.** No matter how great an investment your nonprofit might seem to be, major donors still give primarily to organizations with which they feel an emotional connection. Emotion drives contribution. This doesn't mean that every appeal should be an emotional plea. Emotion is like seasoning. When used sparingly, it accents the flavor. When overused, it ruins the meal. Donors want to see how their contributions will make a difference. They want to know that, no matter how much they give, they are impacting the world. They aren't interested in underwriting the operational expenses of the organization (even though a portion of their contribution might do just that).

Great storytelling and the art of building relationships will always be part of the formula for fundraising success. Effective nonprofit organizations must still do both in order to fund their immediate needs and achieve long term objectives. However, if relationships and storytelling are the only thing required for fundraising success, why is it that so many nonprofits are struggling to navigate through the challenges in today's nonprofit world? How do we overcome them? The answer is that nonprofits need a more calculated approach. That is where the science of fundraising comes in.



THE SCIENCE OF FUNDRAISING: OBJECTIVE AND ACTIONABLE DATA THAT DRIVES A PROCESS-ORIENTED APPROACH

If the art of fundraising answers the “why” and “how,” then the science of fundraising answers the “who” and “what.” Today’s technology allows nonprofits to collect and analyze a plethora of data about their donors. Successful fundraising requires a commitment to learning as much as possible about your donors so you can be more effective in how you communicate with them, whether it’s through direct mail, over the phone, or during a face-to-face visit. Intelligent fundraising requires an objective approach to data and is guided by the insights it provides.

The science of fundraising is based on collecting and analyzing measurable, objective data that allows you to develop a more effective plan for prioritizing and engaging your donors. The purpose of data analysis is to get answers to your biggest questions. Developing an intentional strategy for analyzing your donor file can reveal a wealth of information and answer some questions every nonprofit organization should be asking. For example:

- **How recently and frequently are donors giving and how much are they giving?** Giving data such as a recency, frequency, and monetary value (RFM) has been the age-old standard for nonprofits when it comes to analyzing donors.
- **Are there donors who have the capacity to make more significant contributions to your organization?** Marketplace data has become increasingly valuable to further prioritize donors. It enables organizations to leverage third-party sources such as wealth overlays to identify donors who have the ability to give more than what they are currently giving. Marketplace data also provides key demographic insights that reveals information you may not know. For example — the number of dependents in the household is a valuable piece of information to consider beyond wealth screening. This is just one of the thousands of marketplace data factors that could impact a donor’s ability to give.

While this data might enable you to gather valuable information when it comes to identifying and prioritizing donors, the real secret to the science of fundraising is found in taking those insights to the next level.

THE SECRET TO EFFECTIVE SCIENCE: OBSERVATION DATA

The truth is that the science of fundraising is much more than traditional segmentation and giving models. There is no “one-size-fits all” solution to fundraising. The more personalized it is, the more effective it will be. Many organizations evaluate giving history and analyze donors through third-party wealth screening. However, there are two factors that are keenly missing in this approach: demographic factors that impact giving capacity and the guarantee that a specific donor is interested in supporting the organization at a more engaged level.

Observation data offers nonprofits the capacity to combine multiple data points to create a donor intelligence platform. It offers a dynamic picture of individual donors, their natural and native habits, and how they can be moved to donate dollars, influence, and time. For example — Which donors actively attend your events? Who opens your email newsletters? How are your donors responding to the stories you tell? What are they specifically interested in relating to your cause?

Embracing the science of fundraising guarantees the relationships you build and the stories you share with donors will help you connect with those who have the highest propensity and interest in funding your mission. However, this doesn’t happen quickly or accidentally. You must be strategic and intentional.

Effectively gathering observation data requires a process-oriented approach that continually surfaces and prioritizes donors. What does this process look like? It starts by developing a framework for engaging donors with a compelling case for support. This enables you to identify donors who have the greatest interest and affinity for your organization. Analyzing how your donors respond to your case for support allows you to continually reprioritize donor files and optimize your storytelling and relational approach based on each individual’s interaction with your cause.

Why Finding a Balance is Critical for Fundraising Success

Without great art, our fundraising efforts won’t connect. Without great science, our fundraising efforts won’t connect with the right people. Balancing the art

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and science of fundraising leads to a more intentional fundraising strategy and engages donors through a more personal connection.

You might have a compelling story or be incredibly gifted at building relationships with donors, but are you wasting time, energy, and effort telling stories and building relationships with people who are the least likely to give? Conversely, you might be able to identify the donors with the highest capacity to give, but they're not passionate enough about your cause to make a major gift. Either way, you are missing opportunities to engage them in their specific interests.

Leaning too heavily on the art of fundraising is based on the assumption that you know what your donors want to hear. Engaging donors without objective and actionable data forces you to rely on your "gut." Are you talking to the right people? Are you missing entire groups of people? Are you effectively connecting with the interests of your donors or simply sharing the message you think they want to hear? These are all questions that nonprofit leaders struggle to answer unless they lean on the science of fundraising.

At the same time data alone cannot guide your strategy. Data shines a light on whom you should engage and what you should say. You still need to inspire potential donors to action. Nonprofits that rely too heavily on the science of fundraising often lose the personal, human connection with donors. Donors want to be connected to your cause. They need to be inspired by your vision and compelled to support your organization. Depending on data alone has the potential to make your organization come across as impersonal, as if you're only interested in money. No one wants to develop a long-term relationship with that kind of organization, no matter how true your intentions might be.



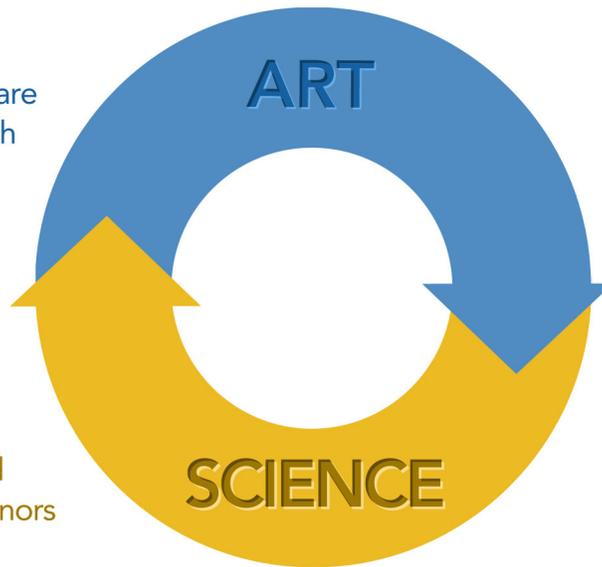
HOW TO BALANCE THE ART AND SCIENCE OF FUNDRAISING

There is a delicate but necessary balance between the art and science of fundraising. Chances are you lean toward one side or the other. That's fine; you simply need to be more intentional about activating the other side of the equation. Those who understand the art of fundraising must learn the science. Those who are fundraising scientists must embrace the art. This often is facilitated through the intentional selection of the leadership team. Include analysts and artists and allow them to work together with a steady focus on the organizational mission.

Embracing both the science and the art of fundraising doesn't come naturally. Here are some suggestions you might want to try:

- **Develop your art with accurate, complete, and actionable data.** The science of fundraising enables you to identify your target audiences and develop specific engagement strategies based on what you know about them. It also informs the parts of your story you should emphasize with your donors. Without accurate and actionable data, the rest of the process doesn't follow through. *Let data be the diplomat.* Balancing the art and science of fundraising is not about prescriptive strategies; it is about developing solutions that uniquely solve the specific challenges you are facing. There's an element of intuition, but it is validated or challenged by data.
- **Update and optimize your data based on how donors are responding to your "art."** The observation data you gather from how donors respond and interact with your engagement strategies is an invaluable resource that enables you to continually optimize your strategy and prioritize your donors. Effective organizations are learning organizations. They never let their histories override their current realities. Observation data allows you to identify your donors' greatest passions and reveal what aspects of your mission resonate most in ways that wealth screenings or other outside sources cannot.

Storytelling:
The case for support you share with donors online, through direct mail, etc.



Relationships:
Personal interactions and face-to-face visits with donors

Marketplace data:
The giving capacity and lifestyle insights of your donors

Observation data:
The interest-level and affinity of your donors

Giving data:
The giving habits of your donors

SCIENCE IMPROVES YOUR ART. ART ENHANCES YOUR SCIENCE.

Balancing the art and science of fundraising is essential for effectively engaging today's donors. You can tell a great story, but you might be talking to the wrong person. At the same time, you could be talking to the right person, but don't have a compelling story. Balancing the art and science of fundraising is essential for effectively engaging today's donors. Take a scientific approach to your fundraising by leveraging data to identify and prioritize your donors. Share your compelling story. Observe which aspects of your mission resonate most. This balancing act provides priceless insights into the mind of your donors by using what you learn to establish a personalized strategy for cultivating life-long relationships with each individual donor. Take a scientific approach to your fundraising by leveraging data to identify and prioritize your donors. Engage donors with the artistic aspect of fundraising by using what you learn to establish a personalized strategy for cultivating a long-lasting relationship.

CONCLUSION

We're living through one of the biggest shifts in fundraising. Doing what you've always done will produce results you've already experienced. New environments require new tactics. New tactics require new systems. New systems require rethinking the formula of funding for your cause.

Balancing the art of science and fundraising means building relationships with those donors who have the highest capacity and interest to give and inspiring them to act with a compelling story. It's how you overcome the idea of "going with your gut" when it comes to planning your next fundraising campaign. It's how you get past "hoping" your staff is relationally gifted enough to secure the next major gift. It's about maximizing the time, energy, and effort of your development team to ensure they are applying their skills to advance your organization. It's how you guarantee that you aren't missing any opportunities to upgrade donors who have the propensity and interest to give more.

Successful fundraising is not just about storytelling and relationships. It's about sharing great stories and building relationships with the right people.

Becoming smarter in the way we navigate through the challenges of today's fundraising landscape requires actively listening to our donors with every set of data we gather. The more we know about them, the better we will be able to create a reciprocal relationship based on common values and trust. This is intelligent fundraising.

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ABOUT THE AUTHOR



Trent Ricker currently leads Pursuant as chief executive officer, casting vision for the company while also playing a key role in business development and client service. Trent brings to Pursuant more than 20 years of senior management and consulting experience, with a heavy emphasis in the nonprofit sector and emerging fundraising technology. He is actively involved in client fundraising strategy development with a pronounced emphasis in the non-profit application of business intelligence services. Connect with Trent on [LinkedIn](#) and Twitter ([@TrentRicker](#)).

RECOMMENDED RESOURCES



Managing a Powerful Donor Pipeline

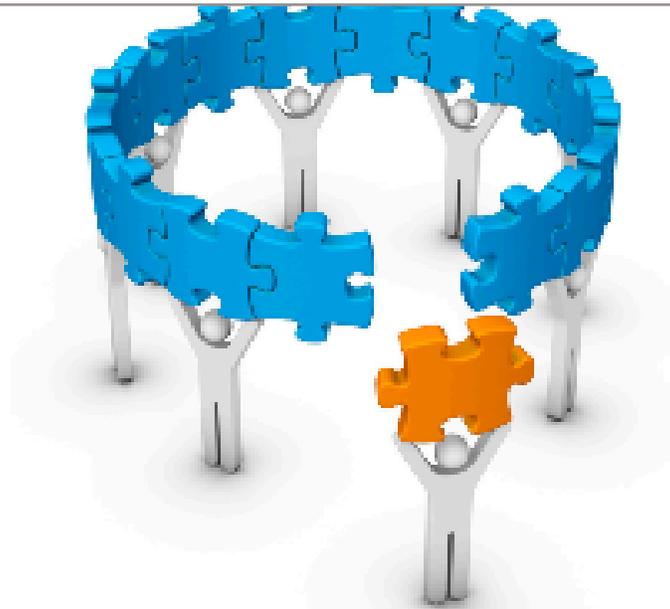
4 Strategic Steps to Upgrade Donors and Increase Fundraising Results



By Zach Hinton, Allison Lewis Lodki, Trent Ricker, Curt Swindoll, and Erik Tomalis

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RECOMMENDED RESOURCES



REDEFINING ACQUISITION

by Curt Swindoll, Executive Vice President, Strategy



Line up 100 Chief Development Officers and ask them what their top three development needs are and you will find "acquisition" on 90% or more of their lists. Solving an organization's top line revenue challenge begins at the starting point of the donor relationship process. In fact, no amount of cultivation or stewardship can overcome a persistent acquisition problem. And because donors rarely maximize their giving until the third or subsequent year, inadequate investments in acquisition aren't felt for years.

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