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The Recognition Issue

As 2012 draws to a close, we here at KCI find ourselves reflecting on the year that was. So many things happened over the past twelve months – The London Olympics, Superstorm Sandy and the U.S. election to name but a few.

For the *Philanthropic Trends Quarterly* editorial team, 2012 was also the “Year of the Donor”. Admittedly, this focus was somewhat “accidental” as we didn’t set out with that theme in mind. Yet, every topic we explored seemed to weave its way back to one central theme – donors and what they want and expect from us. So to cap off the Year of the Donor, we turn our attention in this edition of *Philanthropic Trends Quarterly* to donor recognition.

Now you may be thinking - “What new could possibly be said about recognition?” Well, as we’ve discovered through our research and conversations with thought leaders throughout North America, a lot.

Probably the most fascinating thing for me is that recognition, like so many elements of philanthropy and fundraising, is undergoing a rethink to ensure that it continues to meet its objectives in this increasingly sophisticated and competitive fundraising landscape.

One of my personal “aha” moments came from something shared with me by one of my KCI colleagues. For the past several years, her 11 year old son has donated his birthday money to an animal welfare organization. He makes these gifts in honour of his cherished pet cat, which was adopted from the charity. Donating this money is really important to him - so



important, in fact, that he chooses to make his gift in person. He recently received a letter from the organization asking if he would consider making another gift. Delighted to be receiving mail addressed to him personally from his special charity, he excitedly opened the letter. But upon reading it, his excitement turned to sadness. They hadn’t acknowledged his previous gifts. And you know what he asked his mom...?

“They don’t know who I am. Don’t they remember me?”

The innocence of his reaction, one that is not coloured by adult understanding of things that might have led to the oversight, made me think that we need to go back to the root of the word recognition, which is “to recognize”. By not acknowledging his previous gifts, my colleague’s son didn’t feel “recognized”.

I worry that our preoccupation with donor walls, annual reports and naming opportunities, which make up the lion’s share of conversations about recognition, has led us to lose sight of the intent of recognition, which is to make our donors feel appreciated and special, and perhaps most importantly, part of our “families”.

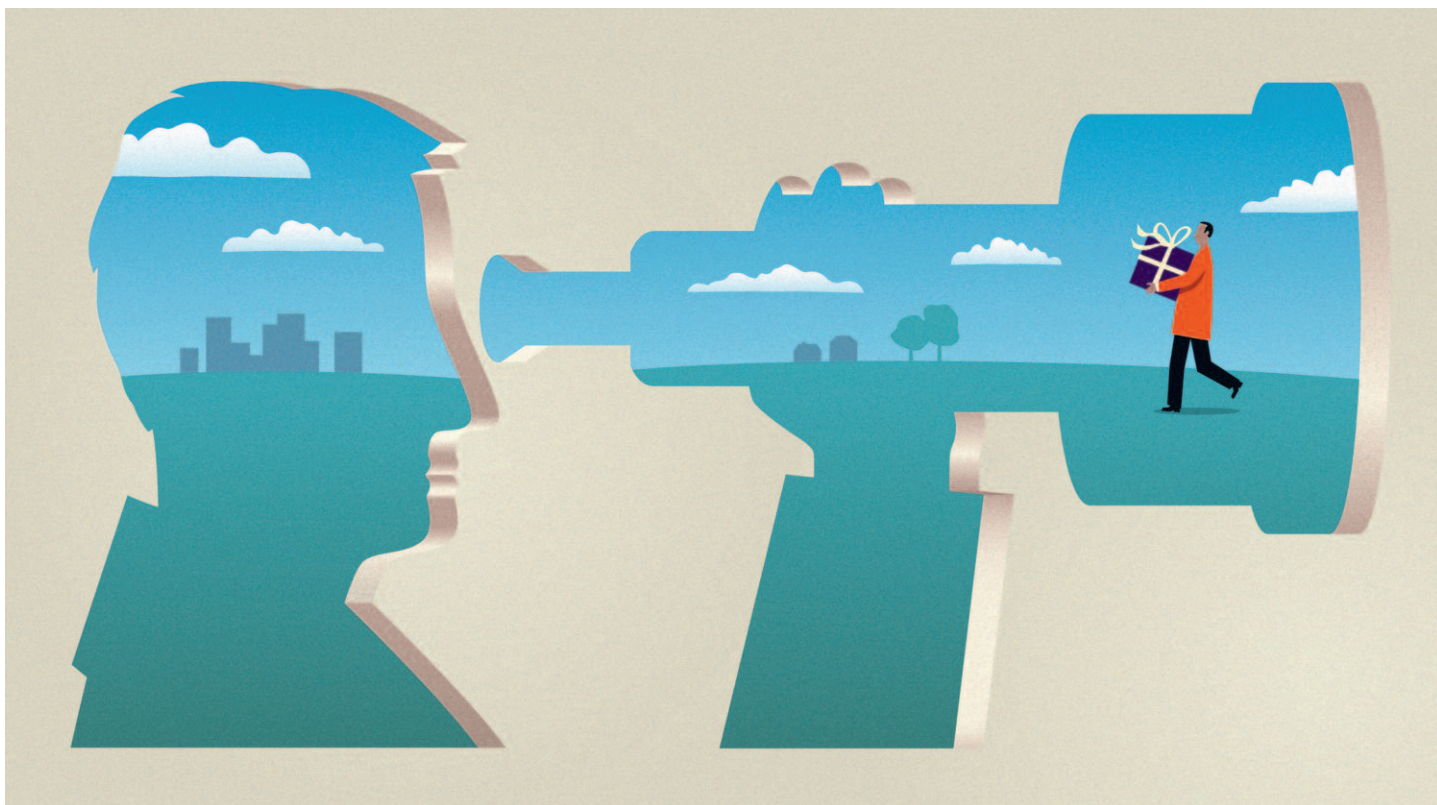
And so, I encourage you to allow the concept of “we know who you are and what you have done for our organization” be your guide when thinking about what’s important when it comes to recognizing your donors.

Best wishes for the upcoming holiday season...and here’s to a great 2013!

Marnie A. Spears
President and CEO

KCI >>>

FORWARD THINKING



Beyond the donor wall: rethinking recognition

Donor walls. Naming opportunities. Annual report listings.

Talk to most any development professional about donor recognition and these are the things that will likely come up.

Traditionally thought of as a “best practice must do” item to be completed at the end of a campaign, thinking and conversations about donor recognition have tended to reside solely in the realm of the tactical. But many leading fundraisers are arguing that’s not enough anymore, saying that donor recognition is no longer (if it ever should have been) about checking off a box on a checklist. Arguing that this approach, with its sense of finality, misses the opportunities that recognition offers to charities for developing deep and long lasting relationships with donors. Rather, they say that we should be adopting

a long term, ongoing mindset when it comes to recognition, using it as one of a number of tools to build better relationships with our donors and bring them closer to us.

And so, there is a sense that the time is right to reimagine and redefine recognition, acknowledging that limiting the discussion to tactics takes too narrow a view in Canada’s ever evolving and maturing philanthropic landscape.

Public vs. Private recognition

One of the ways recognition is being rethought is by nuancing its definition to distinguish between public and private recognition.

When thinking of recognition, the tendency is to focus solely on the public side of the definition - the ways that we pub-

licly acknowledge our donors and the gifts they make to us. Of course, not all donors want to be recognized publicly, preferring to keep their gifts anonymous. But, it’s safe to say that all donors want, and in fact expect, private recognition – to be assured that they are known to and appreciated by the charities that they support.

Think about the donors in your own organization, particularly loyal donors who have given to you for 10, 20 or even 40 years. When you send a letter to them do you let them know that you “recognize” them? And we mean really recognize them. Not in a *“thank you for your previous donations”* kind of way. But in a *“Mary, we know that you have given to our organization for the past 20 years. Your generosity has been noticed and is so appreciated. Thank you.”* kind of way. The two acknowledgements have a very

different feeling and tone, with the latter making the donor feel like they are truly known to the organization. And it doesn't have to be hard. Do some analysis and segmentation of your database and you'll be well on your way to being able to recognize your long term donors in this way.

Adopting this mindset means that recognition comes in many forms, and almost any interaction with the donor is an opportunity to recognize them. Quiet and personal moments – like when they receive a letter, no matter the intent, and it thanks them in a very personal way for their gift. Or when they order a ticket for a show or exhibit and the order taker is prompted by the system that they are speaking to a donor. A powerful tool in

...all donors want, and in fact expect, private recognition – to be assured that they are known to and appreciated by the charities that they support.

building relationships with donors, private recognition is something that has not been given enough time and attention in the vast majority of organizations.

More than just the money

No conversation about donor recognition would be complete without talking

to donors. And what they say about recognition just might surprise you.

For Jan Belanger, Assistant Vice President Community Affairs at Great-West Life, London Life, and Canada Life, the best recognition goes well beyond acknowledging the monetary value of their gift. "The most meaningful recognition we receive celebrates the relationship between us and the charity that we are supporting, which always goes beyond a financial contribution," says Belanger. "For example, we tend to be early donors to many projects, and this early support often helps to bring other contributions to the table. Some of the most meaningful and effective recognition that we've experienced recognizes this aspect of our support."

Rethinking donor relations

It's impossible to talk about donor recognition without exploring the broader concept of donor relations, the spot where recognition most often resides in both our thinking as well as our organizational structures.

And in the same way that donor recognition is currently experiencing a period of reimagining, so too is donor relations undergoing a metamorphosis in both thinking and approach.

The objectives of Donor Relations Programs are self-evident and relatively

unchanging – building long lasting relationships, making donors feel like part of the family and showing donors the impact of their gifts. What is different is the approach that is being taken to achieve those objectives.

The old model of donor relations tends to be activity based at its core, with the key pillars being recognition and stewardship activities. In defining the way we interact with our donors in the weeks, months and maybe (or maybe not) years following their gifts, these two terms guide both our philosophy

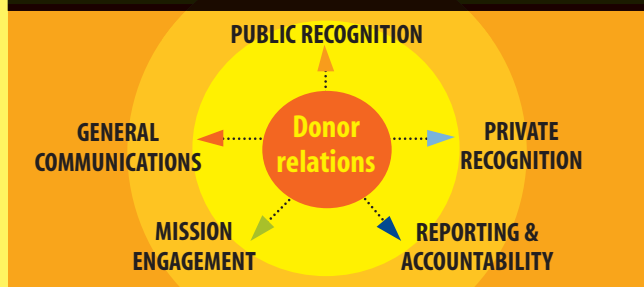
as well as our tactics. Organizing our thinking in this way has kept our focus perhaps more narrow than it should be.

The new model is centred around the donor and takes a broader view of the ways and means available to organizations to achieve the objective of building deep and long lasting relationships with donors. It realizes that donor relations is animated by much more than just recognition and stewardship activities, while at the same time realizing that there are elements of recognition and stewardship in all activities.

Old model of donor relations - ACTIVITY CENTRED

Recognition	Stewardship
Naming Opportunity Donor Wall Donor Lists Plaques Etc.	Annual Report Impact Statements Personalized letters/reports Stewardship meetings Etc.

New model of donor relations - DONOR CENTRED



Belanger points to Goodwill Industries serving Southwestern Ontario as an example of an organization that managed to do just that when recognizing their support for a capital renewal project. From Belanger's point of view, what made the recognition so meaningful was that it successfully paired the intent of the gift with what it enabled. "As one of the first major donors to the table, Great-West Life and London Life's donation was important in helping attract and leverage other support," says Michelle Quintyn, President and CEO of Goodwill Industries, Ontario Great Lakes. "To acknowledge that early leadership, we recognized them in our "Gateway" - the corridor that serves as the entrance and lobby to our new building. Without this "Gateway", which is the point of access to our programs and services for our clients and community, we wouldn't be able to carry out our mission. Which is exactly how we

feel about the gift from Great-West Life and London Life. As a result, naming this space in their honour was truly symbolic of the role that they have played in helping make our vision a reality and therefore felt like the most appropriate recognition of their gift."

Belanger goes on to say that another reason the recognition was so meaningful to them is that it also told their shared story - of what the two organizations are trying to accomplish, both as separate entities, as well as through their work together. The words on the recognition plaque say it all...**STRONGER COMMUNITIES TOGETHER: In recognition of Great-West Life and London Life's commitment to making learning more inclusive and accessible so everyone has access to meaningful work.** "Not only did it recognize the contribution that we made through our national corporate citizen-

“For most major philanthropists in Canada, recognition is much more about sharing with others the story of the work they are supporting than it is about personal gratification.”

ship program and our commitment to Stronger Communities Together™," notes Belanger, "it tells a shared story and common vision that we and Goodwill are working jointly to achieve."

Hilary Pearson confirms that in her experience working with some of Canada's leading philanthropists, telling the story of what their gift enables is the thing that makes them most excited about being

Why not? Creative donor recognition vehicles

Here at KCI, we're often asked for new, fresh and creative ideas for recognizing donors. And so, we've taken it upon ourselves to amass a list of some of the most unique, creative and even daring ideas for donor recognition that we've heard of...or come up with ourselves. While keeping in mind that whatever recognition vehicle you choose, it has to fit within your organization's mission and culture, we hope that these ideas will get your creative juices flowing!

1. Name a gene. The Dana-Farber Cancer Institute in Boston has a program that gives donors of \$5,000 or more the opportunity to name a gene with a personal message or in honour of a family member, friend, or caregiver. Donations are recognized in The Gene Display, a visual and dynamic display that represents the real genetic information that leads the research team at the Cancer

Centre to lifesaving treatments.

2. Name in Lights. Using theatre lighting or other special effects is a great way to create dynamic and dramatic recognition. Donor names projected on indoor or outdoor spaces is just one way to take your recognition 'beyond the wall' and to make your stewardship stand out. Non-permanent recognition such as this also enables new ways to engage your donors. Imagine inviting a donor to "view" their name projected onto an outdoor space on a specific date and time.

3. Camp Trail. To recognize donors to its fundraising campaign to build a new camp, the Tim Horton's Children's Foundation is establishing a recognition trail at each of its five camps across Canada and the U.S. All donors to the campaign will be honoured and recog-

nized with their name on a rock or stone on the trail. This unique vehicle marries the recognition of donors to the campaign with the mission of the organization, which is to provide a fun-filled camp experience for children from economically disadvantaged homes.

4. Concierge service. At the University of Florida Foundation, donors who have given \$1 million or more cumulatively have access to an exclusive concierge service run by the Foundation. The Foundation will take care of the details of arranging personalized campus tours, hotel stays or business meetings, reservations for spa, salon or restaurant appointments and babysitting services. Donors also receive access to campus recreational facilities and personalized treatment at the University of Florida medical facilities.



recognized. As President and CEO of Philanthropic Foundations Canada, a member organization that represents some of the largest private foundations in the country, she has heard time and again from many of Canada's most distinguished philanthropists that meaningful recognition is less about being thanked publicly than it is about bringing visibility to the work they are supporting. "For most major philanthropists in Canada, recognition is more about sharing the story of the work they are supporting than it is about personal gratification," says Pearson. "In fact, the impulse of many families is to not want to talk about themselves and so they can be reluctant to be recognized. But what they are attracted to is the idea of recognition as a means to share information about the work that is being done through their gift."

And she wants to dispel once and for all the notion that recognition is a key motivating factor for giving from major

donors. "While recognition is important, and there are certainly instances where it is the prime reason for a gift, it is not the key driver in deciding to make a gift of significance to an organization in the vast majority of cases. In the U.S., the culture is different and philanthropic status is often part of how wealthy Americans define themselves, which is not the case in Canada. I worry that textbooks or manuals written from a U.S. perspective may have inadvertently coloured our thinking on this topic, as it's quite clear that in the Canadian experience, recognition is not a prime driver of giving," says Pearson.

This finding is important for charities to understand, particularly those that don't have big, public spaces to name or even physical spaces for donors walls. "As someone who has had the pleasure of working with major donors in a variety of different types of organizations, I can tell you that even in instances where public naming is available, it is not the primary

motivator for donors' giving," says Susan Horvath, Vice President Leadership Philanthropy at the Canadian Cancer Society. With experience leading and working at different institutions with varying degrees of public recognition, including Mount Sinai Hospital Foundation, Western University and now the Canadian Cancer Society, Horvath explains that naming and public recognition is almost never the primary motivator of major donors. "While certainly nice to have, the absence of public spaces does not preclude organizations from being able to attract significant gifts. Focus on the impact that a gift can have and find creative ways to recognize their giving, both publicly and privately."

New ways to recognize

Supporting this notion, a key trend in recognition is a move away from static recognition to one that is active, dynamic and focused on donor engagement and experience.

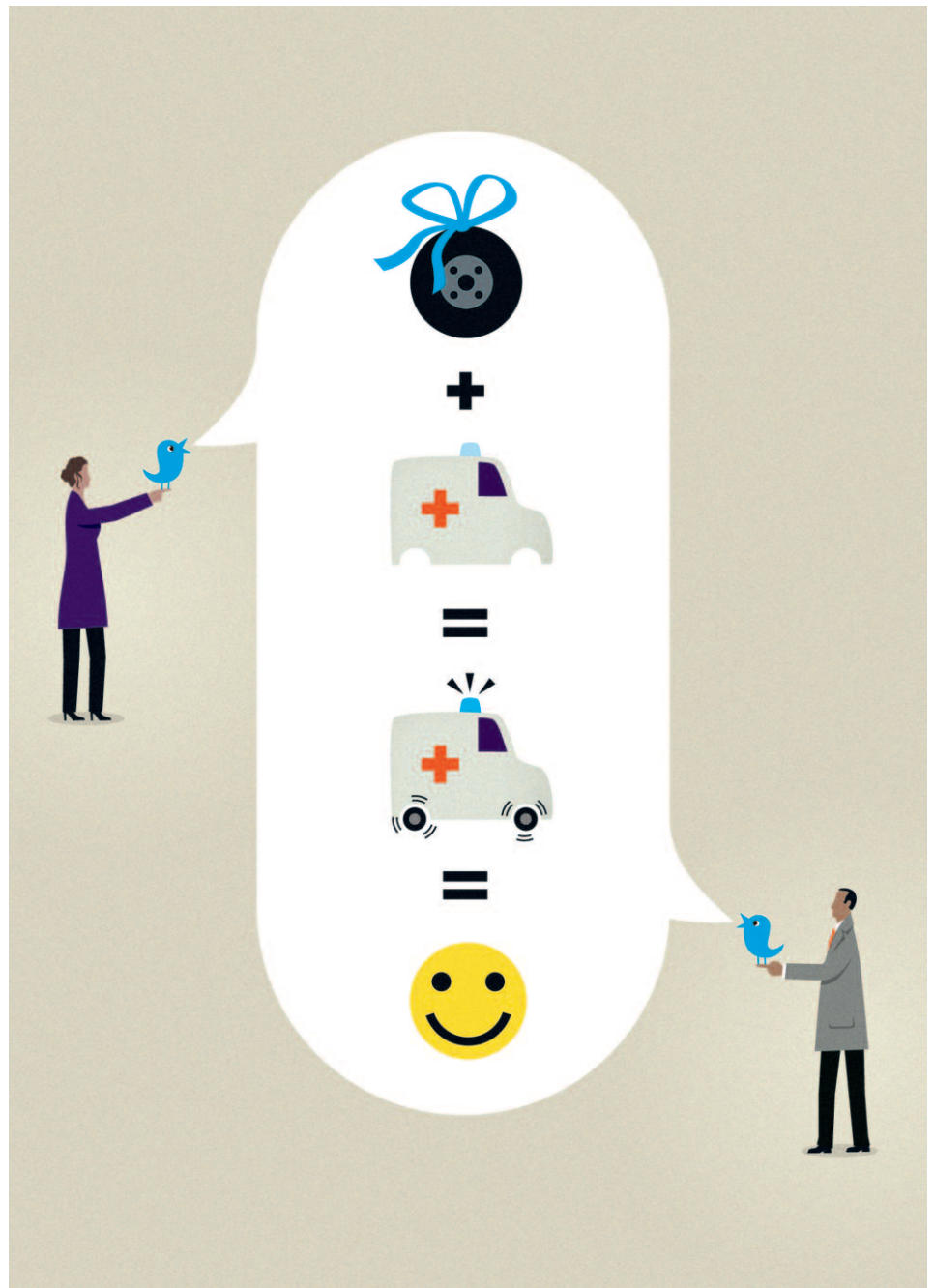
The **Telephone Town Halls** hosted by the Canadian Cancer Society illustrate how eager donors are for opportunities to engage with the organization. “We created our **Telephone Town Hall** program as a way to engage our community of supporters and share information that we thought would be of interest,” says Horvath, “Our most recent **Telephone Town Hall** presented a panel of experts talking about cancer prevention. We invited some of our more significant donors as well as those who have given to us for many years. The response was phenomenal – 8,000 people called in from across the province to have the chance to hear from our panel of experts.”

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The overwhelming response that the Cancer Society received to its **Telephone Town Halls** is not a blip. It is reflective of donors increasingly looking for access and “behind the scenes” opportunities as a way of being recognized for their gift.

At the Canadian Opera Company (COC), that means access to artists, musicians, and the General Director of the COC. “Donors want special insights into the productions as a whole – even meeting with production designers, directors and set designers,” says Dawn Marie Schlegel, Associate Director Development, at the COC. “They are increasingly looking for access, such as invitations to events or behind the scenes opportunities even more than they are looking for their name in a print piece.”

One of the ways that the COC is facilitating that “access” is through online



resources and social media tools. Donors are increasingly following the General Director, COC musicians and artists on Twitter, Facebook and other social media. This is creating unique conversations and interactive experiences with donors.

Social media is another great way to showcase and recognize donors, particularly corporate donors, in a way that is

dynamic and ongoing. Many charities are using tools like Twitter and Facebook to announce new partnerships, and perhaps more importantly, continue to share information about them. These tools provide the chance to recognize donors in a regular and ongoing way. And it pushes the recognition out to constituents rather than needing them to come to the organization, as is the case of static, physical recognition.

Recognition trends and tactics

Here is a summary of the emerging trends and tactics related to donor recognition.

1. Engagement and experience as new face of recognition. Increasingly, organizations are using donor engagement and experience activities as a way to recognize donors. At a recognition event for a major donor to its MRI campaign, one hospital foundation gave event attendees the chance to see the physicians use the machine and even operate the controls themselves. An art gallery had an artist do a painting while the guests were in attendance. And facilitating a thank you visit to the donor from someone who has benefited as a result of their gift is also popular. This trend toward engagement and experience with a focus on impact shows how the lines between recognition and stewardship are blurring, again in support of the notion that they are simply two tools in the donor relations tool kit.

2. Recognition of cumulative giving becoming more common. More and more organizations are not limiting their recognition to size of gift, but rather looking at how best to recognize cumulative giving. Loyalty Societies are becoming more popular, recognizing donors who have given for many years to an organization regardless of gift level. Again, this trend ties into the shifting of our mindset about recognition, which is that we are trying to build closer relationships with donors, build loyalty and make them feel like we know who they are.

3. Framework and guidelines still required. While the days of defining recognition through rigid templates,

tactics and matrices are behind us, both fundraisers and donors alike agree that every charity needs to have some sort of framework to guide their thinking. Everyone we spoke to said that charities need to proactively think about their recognition and create guidelines and policies to govern equitable recognition of gifts. While it's still important to have that framework, consensus is that flexibility needs to be built in to ensure the ability to adjust as the need arises.

4. Valuing of naming opportunities not an exact science. While there are no hard and fast rules when it comes to valuing naming opportunities, there are some guidelines that are common practice. When it comes to capital projects, it is common to consider foot traffic, vehicle traffic and apply a "price per square foot". In addition, the value of the private funding portion of the project is generally taken into account and to name the building, for instance, often requires 50% of the private funding goal. When it comes to research and program delivery, most common is to equate the naming opportunity with the amount required to execute the program. Regardless, the value attached to naming opportunities needs to be rational, reasonable and defensible to a donor. And ultimately, it's often a combination of both cost and what the "market" will bear (i.e. what donors to your organization or in your community are willing to give).

5. Time limited naming is becoming more common. The adoption of time limited naming is becoming more commonplace in the Canadian philanthropic marketplace, particularly related to buildings or other capital projects. A common practice is to tie the naming

to the lifetime of the building or asset. This practice can actually be an important benefit to donors, as no donor, corporate or individual, would want their name attached to a building or piece of capital that has fallen into disrepair or become obsolete. One note of caution is that applying terms can make discussions about the gift feel more transactional and less like the building of a long term relationship. So, it's important to keep that in mind and ensure that there are other means built into the process to ensure the donor feels like a valued member of the organization's family even when their recognition will be limited to a certain period of time.

6. Varying models to pay for recognition activities. Paying for recognition activities has become a popular topic of discussion among Canadian charities. Some have moved to a levy system, the most common being a sliding scale levy wherein smaller gifts have a greater percentage levy (5-10%) and larger gifts a smaller percentage levy (1-2%). Others are choosing to have the donor cover costs if they want to be recognized through big ticket recognition activities like full page ads in newspapers. But most are continuing to fund recognition the old fashioned way, through their annual operating budgets.

7. Don't forget your volunteers. Recognition should not be the sole domain of donors. No charitable organization can survive without its volunteers. And when thinking about recognition as a means to create deep and long lasting relationships, leading organizations include activities that recognize their volunteers as part of their overall recognition programs.

The Donor Wall – R.I.P.?

So, all the talk of new philosophies and tactics related to recognition may leave you wondering if more traditional forms of recognition, like the donor wall, are no longer relevant, which is most certainly not the case. The donor wall continues to be valid and important for many organizations, most notably those that have a very well defined community. Whether geographic, ethnic or religious, donor walls can be a great source of pride and cohesion for close knit groups.

Certainly for organizations in smaller, rural communities, donor walls continue to be very important means of recognition. For organizations like hospital foundations and local community charities, not only can donor walls serve as a rallying point for the community of donors, they can also act as a public celebration of philanthropy and the giving of the collective.

In the case of the Aanischaaukamikw Cree Cultural Institute (ACCI) in Ujé-Bougoumou, Quebec, the recognition wall serves as an important celebration of all those who made their project possible. Designed to preserve and study the Cree culture and language, the ACCI is the museum and cultural institute of the Crees of Eeyou Istchee, Quebec (formerly James Bay Crees). It houses a 3,000 sq. ft. exhibition on Cree material culture, traditions and history, as well as a theatre, library, workshops, offices and climate-controlled artifact and archival storage areas.

Entitled the “*Aanischaaukamikw Visionaries*”, the donor wall associated with the Institute uniquely recognizes everyone who made it possible – both the donors who made financial contributions as well as the Cree Elders who worked so tirelessly to make the Institute a reality. Recognition plaques are in three languages (Cree syllabic, English and French) and those recognizing donors are intermingled with those recognizing the Cree Elders.

“The donor wall has a strong sense of presence and authenticity, and beautifully fits the space thanks to its elegant materials and undulating, curvilinear design,” says Stephen Inglis, Executive Director of Aanischaaukamikw Cree Cultural Institute. “As soon as people enter the building, they are drawn to the wall to see the plaques that recognize the Cree Elders, which include photos, birth and death dates as well as the name of the Cree community each is from. Equally importantly, it is meaningful for the Aanischaaukamikw project in the way it ties our donors to the Cree Elders who promoted its development over the years.”

This reminder about the ongoing validity of donor walls in certain instances is a good reminder that no matter the trend or next big idea when it comes to recognition, it is important to remember that your organization’s recognition philosophy and activities need “to fit”. How you choose to recognize your donors needs to fit not only the donor and their wishes, but also the culture and values of your organization.



Finding ways to marry donor recognition with your organization’s mission or programming is another example of fit. For instance, a theatre might think of putting pictures of their major donors on the playbill as part of the “cast”. A museum might think about making its donor recognition an exhibit, talking about how philanthropy has played a role in its history. Or a hospital could bestow the honour of Doctor of Philanthropy on its major donors. Finding ways to weave your reason for being into the recognition you give your donors can be a great honour for donors and can further reinforce the impact of the gifts that they make to you.

But whatever you do to recognize your donors, keep one thing top of mind - ensure that you are being sincere and authentic. Being genuine in your thanks and recognition is the best way to celebrate the relationships with your donors and cement them for the long term.

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