How Charities Talk to Donors After Getting a Huge Gift

By Debra E. Blum

Fundraisers at Montage Health Foundation had their talking points ready. The hospital and health system was about to announce a $105.8 million gift, and while the fundraisers were thrilled with their donor’s enormous generosity, they fretted that it might turn off other supporters convinced their gifts were no longer needed.

That the donor making the huge contribution was Warren Buffett’s sister added to their worries: Would other donors shrink from an organization with such a high-profile and deep-pocketed benefactor?

"Going into the cultivation of this gift, we had in mind the possibility of what could get into the heads of donors," says Kevin Causey, the foundation’s chief development officer. "We thought: This could happen."

The "this" Causey was referring to is the challenge fundraisers face after their organization receives a truly large, even transformational, gift: How do you spread the good news while also making sure other donors stay motivated to give?

At Montage, the plan was to be prepared to remind supporters that the nonprofit provided many and varied health services in the Monterey, Calif., area, and the gift, while more than 13 times the
size of Montage's largest-ever donation, was earmarked for just one area: mental and behavioral health for kids.

Causey says he had "deep and ongoing dialogue" with his staff and members of the governing board, "preparing everyone to talk about [Montage's] broad footprint and how the gift doesn’t support any other parts of [the] mission."

To extinguish expectations that there could be more money from the donor, Bertie Elliot, or the Buffett family, Causey says he also described to his colleagues Elliot's laser focus on this one large gift and reminded everyone that she is the only member of the Buffett family living in the Monterey area and that the organization has a relationship only with her, not the family.

It turns out, though, that the Montage fundraisers’ concerns were unwarranted. Since Elliot's gift in January last year, both annual giving and major gifts have continued apace, with a few six-figure contributions owing directly to inspiration from Elliot’s largesse. Instead of scaring off other donors, Causey says, the gift has seemed to motivate them.

Here’s a look at how four other nonprofits around the country have recently navigated the aftermath of a huge gift.

**University of Dubuque: An Emphasis on Investment**

At an alumni event in the Twin Cities last year, a longtime donor to the University of Dubuque needled Peter Smith, vice president for advancement, saying that perhaps the school no longer needed his money since it had recently received a $60 million bequest from the estate of trustee Edward Babka and his wife, Shirley, the university’s largest-ever estate gift. Smith says that while he knew the donor was teasing, he took the comment seriously and answered it fully.

"When people say, ‘You have John Smith, you don’t need me,’ I love those conversations," Smith says. "It opens the door, and I say, ‘I want to tell you this.’"

His response, he says, is an authentic, albeit well-rehearsed, case for broad-based support for the growing university. Campus buildings are already dotted with the familiar names of a handful of big donors, so he is used to making the case. In fact, he and his colleagues have deliberately switched their language in recent years from talking about donors and their contributions to talking about investors and their investments. That way, he says, supporters understand that investments of all sizes can make a difference, and you can’t have too many of them.

"It’s not like a red kettle at Christmas that fills up with donations, then you’re done," Smith says. "We talk about investments that can continue to do more and more for students, faculty, the institution."
That message, he says is "embedded in everything" — such as how information about gifts is shared in newsletters or discussed in estate-planning meetings — and is heightened when an especially big donation is announced.

"Every person we talk to, we make sure they hear the message that they are our active partners, investors at $5 or $5,000 in helping us to live in our mission," Smith says.

**Home Sweet Home Ministries: The Quiet Approach**

At Home Sweet Home Ministries, which serves homeless and low-income people, talk about gifts to the 101-year-old social-services organization is much more muted. Mary Ann Pullin, the charity's chief executive, says the Bloomington, Ill., group rarely names supporters of any size or trumpets any single gift. Its 2018 annual report says simply, "Thousands of donors provided food, shelter, and hope to those we serve."

So when Home Sweet Home learned last year that it would be receiving at least a few million dollars from the auction proceeds of farmland owned by a donor who had died, Pullin didn’t expect to make a big deal of it, even though the gift would dwarf any other in the group’s long history. The money, which has yet to be disbursed, will come from the estate of Cyril Frevert, who had no heirs and who wouldn’t want the publicity, Pullin says.

Plus, she does wonder what other supporters will think of the windfall.

"I’m not intending to draw too much attention to it," Pullin says. "It may make people think: They have $3.5 million; they don’t need my $20."

Home Sweet Home has formed an investment committee of the governing board that will likely oversee the creation of some sort of endowment, Pullin says, and so if she does face questions from would-be donors, she’ll be able to highlight the group’s careful stewardship.

As for ongoing needs, those are easy to demonstrate, she says, pointing to a brand new Home Sweet Home initiative, called Rapid Rehousing, that is already working at close to capacity to help participants secure affordable places to live.

"There is a danger in people thinking we don’t need their money," she says, "but I think as soon as they look closer, they’ll see something different."

**Children's Home Society of South Dakota: Going for Total Transparency**

Rick Weber, development director of the foundation that raises money for the Children’s Home Society of South Dakota, has been leaving nothing to chance about how donors might react to the group recently getting its largest-ever gift.
Before going public with the $55 million contribution from T. Denny Sanford, a businessman well known in the state, Weber distributed a one-page document to staff and board members at Children’s Home detailing what the gift would — and would not — cover. He then carefully crafted the January press release announcing the gift to emphasize that the money would pay for only two specific expenses: staff recruitment and development, and expanding the group’s children’s shelter. Children’s Home runs three facilities and a number of community-based and in-home services for children in need.

"This gift is big news in South Dakota, and people who see the headlines and don’t fully understand the details of the gift could wonder if their own gifts are still needed," Weber says. "We hope to have opportunities to explain the details of the gift: This is an amazing gift, it will have a major impact in many ways, but it will not offset the important support we receive from so many other friends."

But while he is aiming for total transparency, he worries about overkill. He has recently emailed 15 of the foundation’s board members seeking their advice on striking a balance in messaging. Should Children’s Home make note of Sanford’s gift on a save-the-date card for an event later this year? Should it include information about the gift in the event program distributed at an upcoming golf fundraiser? How big a splash should it make in the group’s spring newsletter to all its supporters?

"We are having conversations about when and how to communicate with our donors and potential donors," Weber says. "We don’t see a clear right or wrong way to do this, so we are trying to be very careful about our decisions."

**University of Hawai’i at Mānoa: A Focus on Impact**

Fundraisers at the University of Hawai’i at Mānoa’s Shidler College of Business were also careful about their decisions following a mega-gift, but, lucky for them, they had been through the drill before.

In fall 2017, Jay Shidler, a real-estate investor who had given $25 million in 2006 and a gift worth $69 million in 2014, made an additional $117 million commitment to the school consisting of cash and real-estate leases. The total value of the leases over their 99-year terms is expected to be at least $7.2 billion.

"How do you celebrate that the way it deserves, but not so much that it hurts future fundraising efforts?" says Unyong Nakata, the school’s executive director of development.

To answer that question, she says, she and her colleagues turned to the college’s own experience with Shidler’s previous gifts and also relied on the groundwork they had laid since then.

"We didn’t have to be defensive or even particularly proactive with our messaging this time because we had developed the messaging and the brand strength and the trust all along," Nakata says.
"With this, we just were sure to share every detail of the commitment and its value, and then we could focus where we wanted to, on its impact."

Jeffrey Shonka is a donor to the business school and is the CEO of the First Insurance Company of Hawaii, one of the institution’s top corporate supporters. He says he and his company have continued to give to Shidler because the school fills an important role in the community and the business world and because it has gained his trust over the years with the way it raises and spends money.

Also, he says, giving to Shidler feels like giving to a winner.

"Maybe paradoxically, a billion-dollar gift makes you want to give more yourself because you know you are aligning yourself with something that is stable, growing, and going to be around fulfilling its mission for a while."

A previous version of this article contained a caption that gave an incorrect amount for Bertie Elliot's donation.