

Nonprofits Move at the Speed of Trust

BY RICHARD TOLLEFSON



The bedrock of trust building is truth.

Integrity, authenticity, accountability and trust — these are the hallmarks of any strong relationship, including the relationships between nonprofit organizations and the donors who invest in them.

Start with the Right Question

Trust starts with a simple question, says Ron Schiller, founding partner of Aspen Leadership Group and author of *Belief and Confidence*. “Ask your major donor: What are you trying to accomplish with your philanthropy and how can I help?” That’s a whole different opening, he says, than ‘Have you heard about our campaign?’

Schiller also cautions the nonprofit that accepts a large gift simply to meet a campaign goal, when the organization is not set up to successfully execute the gift. “Trust can easily slip in those situations, and the more bad experiences donors have, the less likely they are to trust your organization or the next.”

Mark Stuart, president and CEO of San Diego Foundation, agrees. He points to fundraising statistics that state only three in ten first-time donors make a repeat gift to a nonprofit organization.

What happened to the other seven? Did the organization fail to follow through on its commitments, not thank the donor, or use the money in a way not intended? “This lack of care for the donor — which is



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really a foundational element to trust — is the reason nonprofits can find themselves in precarious situations,” Stuart says.

Honesty is always best: If an organization isn’t equipped to support a donor’s interests, it should suggest a nonprofit that is. “If the donor has a great giving experience with that other nonprofit,” says Schiller, “they will trust you next time when they have another idea you can support. That kind of honesty breeds loyalty.”

Share, Share, Share

“Philanthropy is a partnership,” says Schiller. “The donor and the organization work to accomplish



something neither could do without the other. Trust happens by sharing with the donor — by approaching them in the spirit of partnership.”

Donors want their gifts to succeed and don't want to waste their money, which means they expect to hear what's working, what isn't, and how the nonprofit is measuring success. Some donors require a quantitative financial report, while others opt for testimonies and stories, or personal interaction with those impacted by their gift. For others, it's a simple-but-professional scheduled phone call. “If you don't ask, ‘What do you really care about?’ you may be reporting too little, too much, or too often,” says Schiller. “If a donor is asking for more and more information, it's probably an indication you haven't asked what matters most to them.”

Stuart says part of sharing is asking, “How are we doing? Are we treating you as you'd expect?” Nonprofits can also rely on customer loyalty and satisfaction surveys

like Net Promoter Score that allow for anonymous responses. “That data can be invaluable,” he says. “The nonprofit can tout stats such as ‘95% of our donors would recommend us to others.’”

Also not to be overlooked are external organizations that profile nonprofit behavior — like Candid (previously GuideStar) and Charity Navigator. “Make sure you have profiles here and that all your data is updated frequently, and that you're working toward earning a four-star rating,” says Stuart.

The Cost of Trust

“It can cost up to \$2 on the dollar to bring in every new gift — and that's just acquisition,” says Stuart, through campaign appeals, staff salaries and other expenditures. “So, it costs twice the value of that first donor to even get him or her in the door. That means you need to provide a really great experience — build trust — so the individual becomes a multiyear



donor, which can cost as little as ten cents on the dollar, allowing the nonprofit to do the real work it's committed to.”

Worse than never getting a donor gift again from broken trust, Stuart says, is the possibility of permanent damage. “That donor may start to say, ‘I’m going to GoFundMe and will just give that way, because I’m not feeling a whole lot of love from nonprofits.’ That, hurts the entire nonprofit ecosystem.”

Trust is not simple. “It’s not just a report, not just saying thank you, not just knowing people and building relationships,” says Schiller. “It’s all these things.”

Nonprofits can advance relationships and ask for philanthropic support only as quickly as they can build shared vision, confidence and trust.

Three Pillars of Trust

What engenders trust in a nonprofit? “Donors really need to have confidence in the nonprofit’s mission,” says Ron Schiller, founding partner of Aspen Leadership Group and author of *Belief and Confidence*. “So, it’s important to target individuals who really care about your mission.” Beyond that, Schiller and Mark Stuart, president and CEO of San Diego Foundation, contend that donors, invariably, want three things:

- Leaders they can trust,
- Visions they can trust, and
- Plans and strategies they can trust.

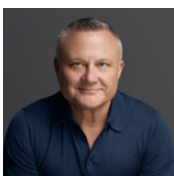
When the three come together, it’s akin to magic. Stuart often refers to the law of vision. “If your nonprofit provides little visions, you’re going to get wee-little gifts.” If it provides larger visions, woven together with dynamic leaders who possess integrity and well-articulated plans and strategies tied to your mission, trust is built. The result: big visions with credible plans, bigger gifts.

Ways to Build Trust

- Put the right staff in front of donors.
- Surprise the donors by exceeding communication expectations.
- Within 24 hours of a gift, send a thank you or email, or call with personal thanks.

Did You Know

Entire organizations and institutes have risen up around the idea of trust-based fundraising, including [The Trust-Based Philanthropy Project](#).



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