

How A Federation Lost a \$1 Million Dollar Donor

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<https://ejewishphilanthropy.com/how-the-federation-lost-a-1-million-dollar-donor>

By A Former Donor

I was 25 when I made my first gift to The Federation for \$250. This seemed like a HUGE amount of money since I was making less than \$40,000 a year at the time, but it felt amazing. From that first gift, I was hooked on both The Federation and philanthropy.

Over the next few years my gifts to The Federation increased steadily with each new experience. Attending the young leadership conference in New Orleans allowed me to see my dollars at work and I was moved to give \$1,000.

I was so proud of my thousand dollar gift. I loved doing good and giving back to my community. My midwest Federation made me feel special and valued starting from my very first gift. I received thank you calls from board members and from volunteers on Super Sunday. There was always a personalized note that came with the end-of-year tax receipt. Even though my small midwest Federation received over \$12 million dollars each year, I felt that my \$1,000 made a difference.

A few years later I moved to a bigger city and a bigger Federation. I kept giving \$1000 and jumped into my new Jewish Community head first. I attended every event and before long I knew at least 400 people in the Jewish Community by name. As my involvement continued to grow, so did my giving. My giving increased to \$1,800.

When I started my own company in 2013, I wanted to do more. I steadily increased my gift from \$1800 to \$18,000. It felt so good to share my success with the Jewish Community. When I became a Lion of Judah (The Federation's \$5000 gifting level), I could not wait to wear my lion pin with pride. I remember how good I felt when I gave my first five-figure gift and again when I became a Sapphire Lion (The Federation's \$18,000 giving level).

I hoped that as my donation increased I would receive more communication. I didn't need to be applauded for my philanthropy or have my tuchas kissed.

Rather, I expected that my local Federation would want to share their latest information with me. I expected to be informed about how my donation was being used, how The Federation allocated donations, and their annual funding focus.

That information never came.

A personal thank you never came either. The small, donor cultivation gestures didn't happen at my new, bigger Federation.

I hoped, as a major donor, that I would be solicited personally, face-to-face by a board member. But that never happened either. Year after year I wrote a check and increased my gift to The Federation. I wrote off my Federation's radio silence and the lack of donor cultivation to a transition in leadership, assuming it would get better next year.

It didn't.

I called and requested a meeting so I could get information about how my gifts were being used.

They never returned my calls.

I'm not sure if they didn't like me, if they didn't have time to reach out, or if they assumed that I would just keep giving in perpetuity. Whatever their reason was, it didn't matter. I had experienced wonderful donor cultivation and appreciation before, and understood that great donor cultivation should be at the core of every nonprofit.

Still, I kept giving. 4 years and about \$50,000 in donations later things hadn't changed.

Then one day it hit me, I was in a relationship with an organization that didn't want to be in a relationship with me. I was devastated that the organization I had poured my heart, soul, and dollars into didn't care about me.

I felt like my local Federation had been trying to dump me and just didn't have the guts to do it.

It took a while, but I finally got the hint.

The truth is, it would not have required that much to keep me happy.

I was talking with a friend of mine recently and he asked me a thought-provoking question, "What did you want from your donor/organization relationship?"

I paused and then replied, "Personalization, insight, and acknowledgment."

Three simple things The Federation could have done to keep our relationship healthy and my donation dollars coming for years to come.

Personalization: Every year I received the standard Federation "Thank You" letter. I received this letter at least fifteen times, no matter how much I donated. Clearly, the letter was written once and is sent out to all donors. Except for my name and my donation amount, the letter is not personalized at all. There is nothing about where and why I made my gift, the increased amount, who I am, my family, my Jewish interests or involvement, etc.

Does your organization have one standard acknowledgement or "Thank You" letter? If so, can you remember the last time it was revamped?

Donors read these letters and they can tell when a real effort has been made. If this is your first step in thanking your donors, consider sending them a new letter with new language and new updated information for this year. They will notice and appreciate it.

Insight: Even though I am a young donor, I am very passionate and interested in the inner workings of the nonprofits I support. During my time as a 5-figure donor, I wanted to know how my donation was being used in the community.

All nonprofits should ask their donors if they are interested in having a meeting (not a solicitation) to discuss data and metrics collected as well as funding strategy. Donors today are used to being informed on an ongoing basis and transparency from companies.

Appreciation: A [recent study](#) showed that 79% of people leave their jobs because they don't feel appreciated. That is a staggering statistic. And these people were being paid! Although I couldn't find any research on the reasons why donors leave, we can assume the same statistic is true.

Spend time recognizing and appreciating your donors. Communicate with them regularly and tell them how much you appreciate their gift. Even the tiniest, heartfelt appreciation gestures go a long way.

I was poised to donate over \$1 million dollars to my Federation during my lifetime. That money will go to other local Jewish organizations instead.

My advice to nonprofits everywhere is: pick up the phone and make sure your donors know how much you care about them every chance you get..