



# THE CENTER FOR CREATIVE RESOURCES

## THE PYRAMIDS

By Will Maitland Weiss

Want to raise money? Take out a dollar bill. Turn it over. On the left, "The Great Seal," there is a pyramid, topped by a radiant eye. Something to do with Masonic rites—Freemasonry being big in the (new) United States, in the late eighteenth century.

Back to fundraising: you need two pyramids.

### THE PYRAMID OF GIFTS.

If you have an individual giving base, you already know who gives how much, how often, and has been doing so (at what rate of increase or decrease, if any) for how long. You are paying attention to these factors (and your donors' attendance at your performances/events, and their home zip codes, and their ages and familial status) and planning a strategy to (a) raise more \$\$ from these same donors next season and (b) find—and raise \$\$ from—new donors.

But what if you are just starting an individual donor base? How to guess at what might come in? Start by using the Rule of 80/20. Also known as Pareto's Principle, also known as the Principle of Imbalance, also other things. 80% of your contributions will come from 20% of your donors. When development officers get together after work, they grumble that they are now seeing 90% of income from 10% of donors... When they go back to their desks, they draw up **GIFT PYRAMIDS**, which might look like this:

1 donor	@	10,000 =	\$	10,000	
3 donors	@	5,000 =	\$	13,000 *	
6 donors	@	2,500 =	\$	15,000	
15 donors	@	1,000 =	\$	17,000 * *	some gifts higher or lower than "average"
30 donors	@	500 =	\$	15,000	
45 donors	@	250 =	\$	10,000 *	

100 donors @	100 =	\$ 10,000
300 donors @	< 100 =	\$ 10,000
<b>500 donors</b>	<b>=</b>	<b>\$ 100,000</b>

Pay 80% (or 90%) of your attention to those few who give you the majority of the contributed income. Once you have an individual giving program, it will be easier and less costly to get \$10,000—or more—out of one donor than to get \$10 out of 1,000 donors. Add or subtract zeroes as necessary, according to budget, the relative shape of the pyramid will remain the same.

### **THE PYRAMID OF PROSPECTS.**

For each of those donors, you need four or five prospects. For the top ones and for the smaller ones. At the lowest level of all, you may be looking for 40 or 50 prospects for each donor—a 2% or 2.5% return on direct mail to an un-proven list(s). Don't worry about those. Start by worrying about who are the four or five people you can ask to consider a gift of \$10,000. Then about the dozen or more people you can ask to consider a gift of \$5,000 (including some of those who turned down your request for \$10,000)... and so on.