



August 24, 2023



from the desk of  
**Jerry W. Henry**  
Managing Partner

## The Match that Ignites the Flame

*"I enjoy setting up a matching gift to encourage others to step up in their giving," the major donor said. "I'm fortunate that I can offer this 'extra boost!'"*

I really enjoyed seeing this donor's eyes sparkle as he described the strategy he chose to implement in a special project campaign for an organization he cares about deeply. I was interviewing him as a part of a [Campaign Strategy Study](#) for a major capital campaign, but he wanted to share what motivates him as a donor. I'm always intrigued by what makes donors "tick" and, more interestingly, what they view as their role in supporting organizations beyond just giving dollars.

In this case, he wanted to encourage others to increase the levels of their giving.

The donor explained, *I decided that I would offer to match gifts of \$5,000 or more on a dollar-for-dollar basis. But, to encourage new donors or donors who may not be able to give that much, I also offered a 2-to-1 match for dollar amounts under \$5,000.*

This conversation led me to thinking about matching gifts. [Note: My emphasis for this article is on individual matching gifts and not corporate matching programs. That is a topic for another day!]

I realize many folks use the terms "challenge" and "matching" interchangeably when speaking about gift strategies such as the one suggested by this donor. Perhaps there are some nuanced differences of which we should be aware.

Often a **challenge** gift is a set dollar amount committed by a donor to a campaign to help stimulate other gifts or to help build momentum in a campaign effort. It sends a signal that there is major support for a particular project or fundraising focus.

In a matching program, the ultimate gift amount depends on how much others contribute to the organization which is then "matched" by a donor or a small group of donors. It truly is a way of saying to constituents your gift amount will be doubled by this generous matching donor.

A study conducted by [Double the Donation](#) and updated this year found that 1 in 3

donors indicated they would give a larger gift to a campaign if a match is applied to their donation.

In today's competitive nonprofit economic environment, organization leaders must take advantage of every opportunity to a) raise additional dollars and b) continue generating a pathway for attracting new donors. I believe that identifying matching gift opportunities can help in both areas – and if 1/3 of donors would like to contribute to being part of a matching gift program, go for it!

I offer a few thoughts on setting up a matching gift for whatever campaign you're considering:

**1)** Don't be afraid of combining individual gifts to create a **matching "fund."** It may be difficult to identify one donor who is willing to offer a match such as the donor I was interviewing. Perhaps you could find two or more donors who would go together to provide additional matching funds.

**2)** Establishing a strategic "match" is a strong approach for **energizing your campaign** during those lulls or times when the momentum seems to be lagging. I've provided counsel on campaigns – annual and capital – during which 2-3 different matching approaches were offered at various stages of the campaign. The important point is to plan in advance, to be strategic in how those matches are employed, and to make sure you're using every vehicle possible to communicate and market the messaging about the matching opportunity.

**3) GivingTuesday** will be here before we know it: November 28, 2023. It's not too soon to begin having a conversation with major donors about setting up a matching gift aspect for that day. Better yet, have a conversation with your Board and invite them collectively to establish a matching gift strategy.

Raising funds can be a "challenge" .... but I believe a "match" can ignite your efforts!

**Please join us in congratulating Jerry on his 25th Anniversary with Alexander Haas. In addition to helping countless clients to achieve success, Jerry has been a great leader, mentor, and advocate for our Firm. Congratulations Jerry. You are such a big reason for our success!**

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Some fundraising observers believe donor codes of conduct reduce sexual and other types of harassment, something more than a quarter of fundraisers say they encounter, according to 2022 research. Experts say nonprofits need to make donors more accountable and set limits to reduce problematic donor behavior — including donors pushing organizations to take on projects that are outside their mission or trying to involve themselves in nonprofits’ day-to-day operations.

Many nonprofits are reluctant to confront bad behavior by donors because they don’t want to endanger gifts.

“A donor code just sets a tone for what the organization is willing to tolerate,” says one fundraiser. “At so many organizations, nobody wants to do anything that will endanger the gift. That’s a real shame because it’s hard to work in an organization where the gift is the most important thing.”

This spring, Rogare, an international fundraising think tank, called on nonprofits to implement codes to reduce sexual harassment. A code helps remind donors this is a professional relationship. Codes also signal to fundraising staff that the organization recognizes harassment as a problem.

Nonprofits hope donor codes of conduct will also curb other types of problematic behavior: donors who try to fund passion projects that don’t align with an organization’s goals or who want to micromanage a project they’ve helped fund.

**Sue Cunningham**, CEO of the *Council for Advancement and Support of Education*, says accepting money from donors whose passion projects don’t align with the organization’s mission is a mistake but that she understands the temptation.

“When a college or university is relatively early in their journey around encouraging philanthropic engagement, it’s really, really hard to say no,” Cunningham says. “Yet having that rigor is critically important because it really doesn’t do yourself any favors in the medium to long term if you don’t show rigor.” Accepting such donations sometimes leads to students openly disparaging a gift as unnecessary, leaving both the donor and the college unhappy. CASE offers guidance on curbing donor influence through its Global Reporting Standards, but not on donor codes of conduct.

Does your advancement department have a Code of Conduct? Have you thought about one?

[Read more here.](#) COP, 7-31

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## US Decrease in Donors & Dollars in 2022

The report mentioned above also finds that although a majority of individuals reported donating time, money, or other valuables in 2022, the US experienced a decrease in both donors and dollars. They found that globally, 84% of people donated time, money, items, or their voice in 2022, with 56% giving in at least three of those ways, and a majority (57%) giving to formal charities, informal groups, and individuals, the three recipient types tracked in the report. In the U.S., however, there was a decline in both the number of monetary donors and the amount of dollars donated, a trend not seen since 2010.

The report also found that the long-term trend of waning donor participation, which started in 2012, worsened sharply in 2022, with donors declining 10% year-over-year. While the leading cause of overall donor decline was an 18% drop in the number of new donors the number of new-retained donors (those who donated in the previous year to an organization,

but never before) decreased 26.4%, and repeat-retained donors showed a decline of 3.5%, bringing the total overall donor retention rate for 2022 to 42.6%, the lowest on record. Almost all of the decrease in donors (nearly 90%) is attributable to losses of donors who donated \$500 and below (which represents 83% of all donors), and while the number of major (\$5,000 to \$50,000) and supersize donors (more than \$50,000) decreased the least, they accounted for a much larger proportion of the decrease in dollars, (26% and 48%, respectively). In addition, the report found a reduction in large donor results in the fourth quarter of the year, which is typically the height of giving season.

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## Vanguard Charitable DAFs Award \$2.1 Billion in FY23

Vanguard Charitable announced that its donors awarded a record \$2.1 billion during fiscal year 2023, an 11% year-over-year increase. Through their donor-advised funds (DAFs), Vanguard donors distributed more than 195,000 grants to over 53,000 nonprofits, with an average grant of \$10,792, a 17% year-over-year increase. Recurring grants—18.9% of all individual grants—totaled \$114 million (or 5.4% of giving through Vanguard), an 11% year-over-year increase. Since its inception in 1997, Vanguard Charitable has awarded more than \$16 billion to nonprofit organizations. *NPD, 8-15*

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