

The Mechanics of Creating a Scale of Gifts – Or – What Is a Gift Pyramid
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It is an age-old question – How many prospects does it take launch a successful campaign?

“Unfortunately,” according to John Taylor, Principal, Advancement Solutions Consulting Group (Durham, NC), “this question isn’t even considered by many organizations before they announce a campaign goal.” John reports that within the past 2 months he has worked with three clients that clearly will not achieve the goal they previously established (and will have to do some creative campaign management), because they simply chose campaign totals that “felt good” – and, of course, were larger than previous goals.

“The first thing we have to consider,” John contends, “is the burn-out factor. How long has it been since the last campaign and how successful have you been cultivating current non-donors along the way? The reality is that if it has been a short time since the last campaign, and you have not developed a stable of untapped donors, the number of prospects – and the size of gifts needed for the next campaign – are going to be much larger than you might have anticipated.”

Developing a gift pyramid – or scale of gifts – is an imprecise science, John reports. In fact, he refers to it as more of an art. What works for one institution may not work for another – it all depends on the “culture of philanthropy” at the organization.

“There are some general ‘rules of thumb’,” John suggests. “For example, once you have determined your scale of gifts you can pretty much figure that you will need four times the number of prospects at each level for the number of actual donors.”

So how do you come up with the gift scale? John tells us that this again depends on the institution. “Let’s pretend we want to raise \$100,000,000, but we know absolutely and positively we are going to receive a lead gift of \$25,000,000. Your pyramid should then be built based on a \$75,000,000 campaign. This makes a huge psychological difference,” John continues. “Campaigns hope to have a lead gift ‘in the bag’ in the 10-25% range. In the example above, if we have the \$25MM commitment in-hand, then the pyramid starts with four prospects, each of whom we think could commit \$7.5 million. If no lead gift, then we need to find 4 prospects who can give \$10MM!”

John reports that while much of this may be an “art,” there are some tools available to assist us in building pyramids. “The best one I have found is on Blackbaud’s website – again, actual needs will vary between institutions but if you need a starting place, try this (URL updated 11/2016):

<https://www.blackbaud.com/nonprofit-resources/gift-range-calculator>