

Donor Giving: Head or Heart? August 15, 2018

We have discovered what works and engages donors and the facts are surprising.

For decades, nonprofits have been squeezing as much data and facts as possible into brochures, leaflets and internet sites. The basic drive was to convince donors of the need and urgency. Like drinking from a fire hose, donors were expected to give if nonprofits shared enough critical information.

What does research tell fundraisers about the practice of philanthropy?

With the innovation of fMRI and other similar technological breakthroughs, scientists for more than ten years have been studying why and how we give. Even though scientists still have much to learn on the subject, their findings are starting to unravel the mystery of what makes donors give.

The answer to these fundamental questions was heralded in a Wall Street Journal headline in August 2013. Elizabeth Svoboda announced to the world that the brain is hard-wired for generosity. The article cited the growing evidence that giving is driven by emotions. (1)

As Tom Ahern, noted philanthropy writer, found after examining the research using diagnostic tools, "[O]ur minds have run a lifelong scam." (2) Philanthropy is motivated by emotions, not by analysis.

What Works and Why: It's About Emotion

There are a growing number of studies that support the Wall Street Journal pronouncement that generosity is driven by emotion.

The Food Bank Study

What They Found: W.T.Harbaugh, U. Myer and D.R. Burghart found donations created activity in the ventral striatum which is a region of the brain lit up by stimuli from such other things as arts, an attractive face, or a winning lottery ticket. (3) Essentially, they found that giving is emotion driven.

What They Studied: They gave each individual participant \$100 and then suggested he or she may want to support a food bank. When individuals gave to the food bank, they knew they could keep the money for themselves. Despite this fact, a vast percentage of individuals gave to the food bank. The study also showed individuals were more likely to give when the suggested amount was low. Not all of the subjects acted in the same manner when making their decision to keep the money or to give it to the food bank.

Why It Works: What science has boiled it down to is that there is an electrical highway that links to a chemical highway. These highways end up affecting emotion centers of the brain.

The research points to neural signals that come together in a brain area called the medial forebrain pleasure circuit. (4) Linden traced generosity pleasure to the neurons in the brain called the ventral tegmental area (VTA) where electrical impulses race along thin fibers called axons. When they reach the axon terminals, the electrical impulses trigger the release of molecules.

These molecules spread and bind to receptors on target neurons which find their way to the emotion centers such as amygdala and anterior cingulate cortex. It is a vast, complex highway of actions and interactions which will be felt as pleasure by a donor. "[T]he sensory cues and actions that preceded and overlapped with those pleasurable experiences will be remembered and associated with positive feelings."(5)

Giving is tied to a complex network of electrical and chemical interactions within the brain.

The Carnegie Mellon University Rokia Letter Study

Instead of facts being the determining factor for many donors, it turns out that facts and figures are selectively chosen to support the emotional leaning of the individual donor (which often happens unconsciously). What this means for fundraisers is that giving is about the story and the emotions of the cause. Does it mean that donors will respond where emotion is effectively used? If people are very interested in animals, they are likely to be very receptive to emotional cues about causes for pets while possibly less interested in causes regarding healthcare. Where donors are not as interested in a specific cause such as international causes, they will be less likely to respond to emotional communications.

What They Found: Emotions generate the most gift revenue response. Facts and figures with emotions do not create greater results than just emotions. However, facts and figures with emotions will generate higher average gift results than just facts and figures.

What They Studied: Carnegie Mellon University pursued a study in 2004 regarding facts versus emotion. The study participants were given five dollars and the opportunity to donate some of their money to Save the Children. Participants read an emotional letter about an individual named Rokia. These study participants contributed \$2.38. The participants who received a letter with only statistics and facts (abstract/analytical letter) gave just \$1.14. When a group of participants were given both the emotional and the factual appeals, they gave \$1.43. The study underscores the importance of leading with emotion. After a gift is given, facts and outcomes can be effective to show the donor their decision was the right thing to do. (6)

Emotion letter about Rokia	\$2.38 average gift	
Emotion and Facts	\$1.43 average gift	40% lower than Emotion
Facts	\$1.24 average gift	52% lower than Emotion

Why It Works: Giving activates the emotional center of the brain where electrical and chemical responses provide a “giver’s high.” Facts and figures activate the donors' analytical side of the brain. A number of research studies indicate that when donors are pushed to think in analytical terms, they tend to give less of their resources.

Key points to remember:

- Emotions lead in generosity, and
- Facts follow.
- Know when to use each of these. Facts are less effective where used when asking for a donation but more effective when associated with the impact or outcomes from use of a donation.

Knowing when and how to use emotions and facts requires both art and science.

What We Have Learned From Research

- Generosity is largely a venture of the heart;
- Emotional communications help individuals to care and those feelings prod them to act and support a cause;
- Even the best crafted emotional communication will not connect with every individual. The emotional connection depends on the potential donor's past experiences and worldview, likes and dislikes, and current situation as to whether she will make a gift. It also may depend upon facts which indicate the outcomes from past giving. This is why some individuals will give while other individuals will not give. This is why some individuals will give generously while others will give a smaller amount; and
- Generosity communication is more complex than we may have originally thought in the past. It is an interplay of emotional cues and communications sprinkled carefully with facts and figures. You will also find in the Image Section of this website that images will have an effect upon giving as well. Therefore, we need to think of emotion in broader terms than just copy and figures. We need to consider images or videos in terms of emotional impact upon donors.

Toolkit Suggestion: Review how you do or do not integrate emotion into your fundraising. Where you have a gap, consider how you can improve.

NOTES

(1) Elizabeth Svoboda, "Hard-wired for Giving: Contrary to Conventional Wisdom that Humans are Essentially Selfish, Scientists are Finding the Brain is Built for Generosity," The Wall Street Journal, August 31, 2013.

(2) Tom Ahern, *Seeing Through a Donor's Eyes: How to Make a Persuasive Case for Everything from Your Annual Drive to Your Planned Giving Program to your Capital Campaign* (Medford, MA: Emerson & Church, 2014), 54.

(3) W.T. Harbaugh, U. Myer, and D.R. Burghart, "Neural Responses to Taxation and Voluntary Giving Reveal Motives for Charitable Donations," *Science*, 3016 (2007): 1622-1625.

(4) David G. Linden, *The Compass of Pleasure: How Our Brains Make Fatty Foods, Orgasm, Exercise, Marijuana, Generosity, Vodka, Learning and Gambling Feel So Good* (New York: Penguin, 2011), 3.

(5) Linden, 18.

(6) Chip and Dan Heath, *Made to Stick: Why Some Ideas Survive and Others Die*. (New York, Random House, 2007), 166-167.

How Emotional Is Your Appeal to Donors? August 15, 2018

Since emotion plays a major part in the donor gift situation, it is important to consider how "emotionally" you appeal to donors.

There is a method to help you appreciate how much work you need to provide a strong emotional presence. We have created a brief survey below that will allow you to identify your current situation and how firmly emotion is a part of your approach to donors.

In the following basic survey, answer yes or no to the brief question. When finished taking the survey, add up all of the "yes" answers. Use the following list to consider how much work you need to pursue to improve your integration of emotion into your nonprofit.

0 to 2 There is need for a substantial amount of improvement

3 to 4 Improvement is needed and should be a focus of your organization.

5 to 7 Continue to improve upon integration of emotion

- A. Do you focus upon the needs and interests of potential donors, donors, clients or volunteers instead of your organization in your information provided to the public?

- B. Does your material used in presentations, brochures, letters/note cards and newsletters focus upon one person or a small number of individuals who are in need or providing support (clients/patients, volunteers, donors)?
- C. Are you communicating emotional arguments in your materials and presentations when cultivating or asking donors?
- D. Do you share information with your donors about the impact of their donations upon those in need in addition to thank you's?
- E. Do you meaningfully touch your mid-level and major-level donors at least five times per year?
- F. Do you provide recognition for your donors and volunteers?
- G. Do you share information about impact of donors and stories to your board and staff members on a regular basis?

Toolkit Suggestion: For those areas where you are weak in use of emotion, create and implement a plan regarding how these areas will be improved.

Emotion and Giving Versus Receiving Donations August 15, 2018

What creates greater emotion, giving or receiving donations? Studies revealed the same activity in the pleasure centers of the brain whether one was giving or receiving a donation. The fact that receiving a gift generated a positive response in the pleasure centers was not surprising. However, the data on giving was more stirring.

From a John Templeton Foundation grant of \$5 million to Notre Dame University in 2009, extensive research was pursued into the relationship of the brain and generosity. Researchers basically discovered from countless studies and other initiatives in the United States that the brain is "designed to be generous." (1)

In his research at the National Institutes of Health, Jordan Grafman found there is a strong positive impact upon the giver. While monitoring people by use of fMRI scanning when making different decisions, he noticed the mid-brain area lit up where the chemical dopamine is generated; the mid-brain center is where such basic needs as eating, exercising and sex are met. Another part of the brain was also activated. This is the area where the chemical oxytocin is generated which is shown to increase levels of trust, loyalty, connection and compassion. Oxytocin is known as the love or cuddle hormone which promotes human bonding. Grafman found there is joy in giving. (2)

In fact, Dr. Stephen Post found from his extensive research and review of numerous scientific studies the following:

- Giving reduces mortality significantly in later life

- Giving reduces adolescent depression and suicide rates
- Giving is more powerful than receiving in its ability to reduce mortality
- Giving to others helps us forgive ourselves for our own mistakes (3)

Toolkit Suggestion: In addition to the impact of a gift upon others, the above information shows there are other important impacts from being generous:

- Do you share these outcomes with your donors in addition to the impact upon the donor's gift?
- Do you remind donors of the healing impact of generosity for both the giver and the receiver of generosity?
- These results clearly underscore the importance of emotion and giving. It underscores the importance of including a strong emotional message in materials and presentations.

NOTES

(1) Fred Smith, This is Your Brain on Giving, (thegathering, January 24, 2014) accessed by <https://thegathering.com/this-is-your-brain-on-giving/>.

(2) by B. Vainshtein, The Science Behind Altruism Part II, (AltrUHelp blog, April 1, 2011) accessed by <https://blog.altruhelp.com/2011/04/01/altruism-the-new-high/>.

(3) Stephen Post, Ph.D. and Jill Neimark, Why Good Things Happen to Good People: How to Live a Longer, Healthier, Happier Life by the Simple Act of Giving, (Broadway Books, 2007), 8-9.

Limits of Emotion August 15, 2018

If I look at the mass, I will never act. If I look at the one, I will. Mother Teresa

There is a limit to our emotions. If fundraisers appreciate this fact, we can provide information and share stories in a way that will more strongly connect with potential and existing donors.

There is a substantial, growing amount of research that indicates a donor can identify more easily with one individual in need than she can with a large group of individuals in need. This experience is described by R. Peterman as the Collapse of Compassion Model.

The rationale for the model is based on the emotional ability of an individual to feel for one person rather than a large group. That is not to say, however, that one individual does not feel for large groups of individuals who suffer from disease, weather crisis or war. However, it

does indicate that the connection to a large group is generally weaker than with one-on-one relationships.

From years of research, Paul Slovic, psychologist at the University of Oregon, has found that individuals can better identify with the needs of one or a small number of individuals in need. We loosely refer to this as the “power of one.” Slovic has found our mind is unable to empathize with large numbers of victims or individuals in need. In other words, we can connect with one person but we have trouble empathizing with hundreds of thousands of individuals or more.

For example, in one study empathy or positive affect was measured. The study showed that the empathy level dropped from .41 for one child to less than .1 for eight children. In other words, empathy dropped by one-fourth from one to eight children. In other words, where one child was included in the narrative, empathy was more than four times greater than empathy felt for eight children.

What creates this limit of emotion? Slovic identified three points:

- Psychic numbing - it is easier to visualize and connect to one person than to many more people
- False sense of inefficacy – individuals feel that what they are doing won’t matter or cannot impact the situation
- Prominence effect – individuals make choices with a bias toward decisions where a decision is more defensible (for example, individuals would select cash versus cash and a coupon because cash in hand is argued to be more valuable)

Toolkit Suggestion:

- Review your materials and presentations. Do you use large numbers to talk about your nonprofit, instead of individual stories that will more likely stick with listeners and readers? If so, craft different information to share that builds upon the “power of one.”
- Does this mean you should never use the large numbers? No. However, lead with emotion by focusing upon one person. The large number can be stated to show the prominence of the problem, but be prepared to show how one gift can make a major difference.

NOTES

For more information about limits upon emotion, see the following: Brian Resnick, A Psychologist Explains the Limits of Human Compassion: Why Do We Ignore Mass Atrocities? It Has to Do with Something Called “Psychic Numbing”, Vox, September 5, 2017, accessed at <https://www.vox.com/explainers/2017/7/19/15925506/psychic-numbing-paul-slovic-apathy>.

Emotional Cues August 15, 2018

The impact of business objects upon giving was highlighted by Roger Dooley in his book, *Brainfluence: 100 Ways to Persuade and Convince Consumers with Neuromarketing*. Dooley shared that Stanford and Yale researchers tested the impact of pictures of business objects (briefcase, business suits, boardroom tables, etc.) versus neutral pictures (kites, sheet music, backpack, etc.). Individuals in the study were divided into two groups.

One group reviewed business pictures and the other group reviewed neutral pictures.

Individuals from each group (business objects versus neutral objects) were then asked to participate in a game where they would decide how much money they would share with other people. Just 31% of the business primed group agreed to evenly split money with other people while 91% of the neutral primed group proposed an even split of the money with other people. This was tested also using real business and neutral items. Once again, there was greater sharing by the group where neutral items were used.

Toolkit Suggestion:

- Emotions are affected by the environment and cues.
- Avoid the use of business cues and any obvious images that are associated with money when asking for donations. This means you want to select an environment that creates an emotional setting like a home or a room with no business equipment when approaching donors for gifts.

NOTES

Roger Dooley, *Brainfluence: 100 Ways to Persuade and Convince Consumers with Neuromarketing* (Hoboken, New Jersey, John Wiley & Sons), 145.

Emotions, Planned Giving, and Words That Work August 15, 2018

Fundraising for legacy gifts or planned gifts shares a common pattern with general giving.

There are many legal terms and legal instruments associated with planned giving. Because of this, many fundraisers tend to focus upon the language and the legal instruments in written materials and verbal presentations. For many fundraisers and volunteers, this may also create a sense of discomfort because of the lack of familiarity with the legal terms and application.

Research from one of the leading experts in this field, however, should offer relief to fundraisers and volunteers and point toward the importance of using an opposite approach from tradition. Dr. Russell N. James, III, Professor, Texas Tech University, has pursued extensive

research of what works and what doesn't work when working on planned giving. He has compared the impact of certain words used with potential legacy donors upon their interest in giving and giving levels.

And what Dr. James found may surprise fundraisers and volunteers. Potential donors respond best to what is called "front porch language." In other words, fundraisers and volunteers should avoid the use of legal terms and technical instruments, using stories and simple words instead. It is important to focus upon the simple, potential long term impact a person can make through their planned gift. The use of jargon will substantially decrease the potential for a gift and in most cases the size of the gift.

For those of you who would like to see more information, you can review comparative data from Dr. James (see NOTES below) to appreciate the dramatic impact of using certain front porch words (no legal or technical words) in print or verbally. The data was developed from Dr. James' research of more than 14,000 total participants in 20 survey groups from 2013 to 2016.

Examples of some of the more effective words in comparison to less effective words are provided below in a chart. "More effective words" have a more dramatic positive impact upon donor interest and legacy giving than the "less effective words." In many cases, the difference is 50% more positive response by donors for "more effective words" and up to as many as two to three times the "less effective words." So, if you are a fundraiser or volunteer who has been hesitant about talking with donors about a planned gift due to personal lack of comfort with legal jargon and planned giving instruments, you can rejoice. Simple words and stories are more effective when approaching potential legacy donors.

Words That Work, Dr. Russell James (1)

More Effective Words	Less Effective Words
Make a gift now	Make a transfer of assets
Make a gift to charity in my will	Make a bequest gift to charity
Make a gift now . . .	Make a Charitable Gift Annuity or Charitable Remainder Trust. . .
<ul style="list-style-type: none"> • Other ways to give. • Other ways to give smarter. • Other Ways to give cheaper, easier, and smarter. 	<ul style="list-style-type: none"> • Planned giving • Giving now or later • Gift planning.

The research from Dr. James—who is also an attorney—strongly emphasizes the importance of focusing upon emotion, not fact, figures and legal jargon. There is a time for legal instruments and jargon once a commitment is developing.

From Dr. James' research, it also is important to emphasize that the average annual giving increases after a nonprofit is added as a charitable beneficiary in estate plans. In other words, once a donor is connected to a nonprofit with a long-term commitment, there is an emotional attachment that appears to increase annual generosity.

A final key point when considering legacy language to use is to avoid reference to death. In the United States especially, there is a strong aversion to considering one's own demise. Instead, focus the discussion upon the impact one can have upon the community for a long period of time.

Toolkit Suggestion:

- The words fundraisers and volunteers use will affect donor willingness to give and the amount given in the area of legacy gifts. Words have a hidden impact that is unknown and unappreciated unless a nonprofit reviews the data provided by Dr. Russell James.
- Review the printed materials you have for planned giving. Do you refer to "planned giving" or "gift planning" which is less effective than other approaches? If your materials lead with and focus upon legal jargon and instruments, a major revision is needed. In discussion and materials, use stories to tell about other community donors who have made a difference through their commitment. Also, simplify the language used in the communications.
- Emphasize the difference that a legacy donor can make upon the community. Avoid reference to death and dying.
- Carefully consider what language is used in approaches to potential donors. Use "front porch" language for printed materials and discussions. Front porch language means one should use stories and simple language to approach the subject of legacy giving. Legal jargon and legal instruments are best left for once there is a commitment to give.

NOTES

(1) Dr. Russell James, Talking Planned Giving: Words That Work, October 21, 2014 accessed at <https://www.slideshare.net/rnja8c/talking-planned-giving-words-that-work>.

(2) See other presentations from Dr. Russell James about words that work by accessing <https://www.slideshare.net/rnja8c/presentations>.