
“Recognition is the greatest motivator.”

GERARD EKEDAL

Donor Recognition: Calculating ROI in Dollars — and Sensibility

Done well, the cost of donor recognition will more than pay for itself, especially in terms of donor loyalty, patient confidence, staff morale and community goodwill.

Part I: The Best Return on Investment

by Penny Cowden, fundraising consultant and founder of Philanthropy212.com

Marketing, branding, public relations, literature, websites, even tweeting: our organizations spend a lot of time and money telling people who we are and striving to engage them in our work.

But as I’ve learned in 20+ years as a Career Development executive with hospitals and healthcare systems, one strategy can accomplish the goals of all these identity-building efforts for less than one-third of the cost. What is it? Top-quality Donor Recognition Art.

Imagine you’re walking through your organization’s front door. What does the lobby tell your patients, their families, your Donors and staff members about you? What *could* it tell them?

It could deliver a powerful message — both verbally and visually — to every person who walks into your lobby, 24/7 and 365 days a year: “WE TRULY CARE ABOUT YOU. WE ARE UNITED IN OUR COMMITMENT TO EXCELLENCE. THIS IS THE PLACE YOU HAVE BEEN LOOKING FOR.”

Like all art, Donor Recognition Art doesn’t speak to the rational

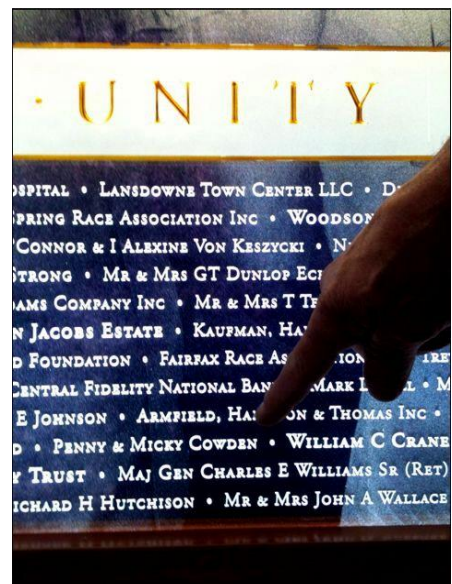
mind. It goes straight for the heart. When the first thing people see is so beautiful it takes their breath away, they stop and pay attention. They read and visually absorb your message about who you are, what you believe in, and how you go about doing what you do best.

I discovered this strategy when I met Christina Amri, an artist who has infused her education and innate gifts, nurtured in an apprenticeship in Europe in Art Glass, with her deeply held spiritual values of gratitude and love of humanity. Amri specializes in creating one-of-a-kind Donor Recognition Art in luminous crystal panels that honor Donors’ philanthropic spirit and heartfelt generosity.

In all three of the large-scale projects I’ve done with Amri, her designs have been interwoven with storytelling elements, vision statements and lyrical quotations that honored our Donors *and* told every visitor to our institution who we are. What we believe in. How we live our values. These pieces also engaged our employees’ pride and supported their efforts.

This kind of art serves the institutions where it is installed both by increased fundraising and in intangibles like patient confidence, community goodwill and staff morale.

I had wasted so much time and money trying to honor Donors and inspire continual giving, and trying to tell people why we’re unique, why they should come to our hospital. The day we unveiled the Donor and Heritage Art, I knew I had finally found the secret to successful Donor Recognition.



*Most organizations allocate **8 to 14 percent of their total annual budget to full-scale, organization-wide Donor Recognition.** If your budget is \$500,000, you would typically set aside about \$50,000 for annual recognition.*

When estimating recognition budgets, consider the number of Donors to be recognized and your organization's size. The larger the organization, the bigger the budget should be, since there will be more centers funded through philanthropy.

*For capital campaigns, the budget for recognition should be between **10 and 20 percent of the amount raised**, depending on how many Donors you're recognizing and the dollar-level of gifts you're trying to raise.*

A capital campaign is a great time to put an overall Donor Recognition system in place. Donors will appreciate the time and thought that goes into recognizing their gifts. Donors named on other plaques or recognition pieces will be excited to learn about the "upgrade" and will likely want to be transferred to the "new" recognition wall, often increasing their giving to do so.

*It's critical to allocate enough funds to recognition so that Donors know they are valued members of your organization. This also tells Donors **and everyone who enters your doors** that your organization fosters a culture of philanthropy — which leads to more and higher-level gifts every time!*

Return on investment (ROI) for Donor Recognition is based on the size of the budget, the number of Donors and, most importantly, the total dollars raised. Based on these factors, you can calculate an expected return on overall investment. For an organization five years old, an expected return would be 3:1, or \$3.00 for every \$1.00 of investment. For an organization in existence for 20 years, the ratio would be 6:1.

At one institution, we spent \$400,000 to recognize about 300 Donors with Recognition Art and ended up raising \$10,000,000. Even after factoring in Donor prospecting and support costs, that's a huge return on investment. It was the best money we've ever spent.

Let's look at the numbers.

Sample Budget

Total Budget:	\$500,000
Recognition:	\$100,000
Raised:	\$1,500,000
ROI:	15%

As this sample shows, comparing the specific investment in recognition against budget, and then comparing industry benchmarks against amounts raised, will provide a good guideline for recognition budgeting.

But all too often we forget what the "I" in ROI stands for. **Donor Recognition is an investment.** It produces measurable financial returns (and intangible but quantifiable other returns) *over time*. When money is tight, you cut costs, but not investments. And you don't make investment decisions based on lowest cost per share. You look for top performers, blue chip companies with blue chip products. The same is true for Donor Recognition.

Part II: More Value Through Intangible Returns

by Christina Amri, CEO and Lead Designer, Amri Studio

Let's look at some of the other ways in which well-designed and executed Donor Recognition Art can generate intangible but extremely valuable returns.

Cultivating relationships with high lifetime value (LTV)

LTV is a measure of how much a Donor will be worth to an organization over the duration of the relationship. Huge amounts of time, effort and money go into attracting new Donors to any organization, so we need to keep these Donors active and interested in our organizations.

"It is now not uncommon for organizations to lose between 40 and 60 percent of newly acquired donors between their first and second solicitation ... Even in subsequent years of a donor relationship, attrition rates of 30 per cent are common ... [However] even small improvements in loyalty can have a profound impact ... **Increasing donor loyalty by as little as 10 per cent has been shown to improve ROI by between 100 and 150 percent.**" — from "Building Donor Loyalty" by Adrian Sargeant and Lucy Woodliffe, *Journal of Nonprofit & Public Sector Marketing*, 18(2), 2007

As many development and foundation officers have found, Donors who have been sincerely and beautifully recognized on a Donor Wall feel appreciated every time they enter your building. "This new Donor Wall has brought attention to the importance of philanthropy to our organization," says Chief Development Officer Albert Alvarez, of the Community Hospital of the Monterey Peninsula Foundation. "Not a day goes by that we don't hear positive comments from passersby."





Donor Recognition Art by Amri Studio, with images from nature and inspirational text, at the University of Utah Hospital. Says Foundation President Mary Lou McCaa, "This fell into a different category than any of the other Donor Recognition companies I was familiar with. The work is so creative. You can have so much more than names on a wall."

Patricia Burns, president of the Miller-Dwan Foundation, which built two healthcare facilities in Duluth, Minn., shared why she chose Donor Art as the best way to thank supporters of their hospice house and community care center for troubled children and teens.

"We felt the Donor project demanded the ability to not just make an intellectual connection with people, it needed to make **an emotional and spiritual connection**. The engagement of Donors in philanthropy is one that comes from the heart, and unfortunately so many recognition systems come just from the head ... Philanthropy is really an act of love. So it needs to be recognized in a way that is loving and beautiful and reflects the greater part of us."

The fundraising experts at JCC Consulting concur with Burns. "Stewardship means acknowledging and affirming the donor. A more accurate definition is that it means reminding the donor *of the joy of making the gift.*"

Attracting new Donors

"Stewardship extends in two directions, back to the current donors and forward in an implied context to those who would consider the charity with their next gift." — Terry Burton, Donor research specialist

It's human nature: When you see how well someone is treated for participating in a cause, you want to be part of that cause too. "The wall that Amri Studio did for us has such great appeal to our Donors that they now aspire to have their names included in the listing. A month after completion, we were already receiving gifts directly related to inclusion on the wall," says Interim Dean Karen Kinney of San Diego State University about their updateable Art Glass Donor Wall.

Jo Lee Heaton, Executive Director of the University of Utah Hospital Foundation, agrees. "Our Naming Donor's son couldn't stop talking about how wonderful he thought [the art] was. I think we hit a home run."

Delivering your message

"In healthcare's highly competitive marketplace, your brand has to be something extraordinary. **It must evoke a positive rational as well as emotional response** from all your stakeholders, including patients, physicians, employees, and Donors." — Gabrielle DeTora, Healthcare Marketing Strategist

Art communicates without words, although Donor Recognition Art includes elements of text — appreciation statements, statements of your institution's values, inspirational quotations or lines of poetry — to communicate and enhance your branding message.

Top healthcare interior designer Jain Malkin explains, "Real art — as opposed to decorative art — touches the soul and reaches the viewer emotionally. It expresses energy, life force, and has deep spiritual meaning that can help the viewer transform pain and suffering to reach a higher state of consciousness."

True Donor Art works on many levels. It communicates explicitly and implicitly. It thanks, honors, recognizes, and acclaims. It inspires and comforts. It touches on our shared history and points toward a mutual and positive future.

Building community support

Because your lobby art is seen by everyone entering your main door, it can deliver a warm, welcoming message about your institution and generate positive feelings in all who arrive. It can also underline your brand as a caring, accomplished, and user-centric organization.

Often the silent language of the symbolism in Donor Art speaks as loudly to viewers as the literal words we carve into the surface of the crystal. This is because we choose symbols and images rich in associations to centuries of human experience and to the cultural and spiritual history of the specific institution.

“A plaque on the wall simply fades into the background. By contrast, art tells a story that never grows old. It’s a story that can be shared and understood by all.”

— R. Bruce Miller, University Librarian,
University of California, Merced

Boosting patient confidence and well-being

“People’s first impressions when they walk into a building have a disproportionate impact on the rest of their experience there.” So said architect and keynote speaker Knut Bergsland as he addressed the HealthCare Design Conference about the impact of hospital lobbies — for good or ill — on patients, visitors and staff entering the building.

According to an article in the Journal of Psychiatric and Mental Health Nursing (2010), “There is a significant body of research in place today on the impact of art and its healing potential in acute-stress settings using clinical outcomes such as heart rate, blood pressure and pain perception.”

In fact, Donor Recognition Art for healthcare facilities recently won the prestigious Nightingale Award for “innovation and product design that contributes to healing,” the first time an artist — in this case, our Studio — has won this distinction.

Two staff members at one of the hospitals we worked with commented on this aspect of Donor Art. “You and your team have done a piece that touches the hearts and minds of those who see it,” reports Stephen Price, R.N., of the Community Hospital of the Monterey Peninsula (CHOMP). “As a nurse, I thank all of you for the sake of the many patients and their families who are fed by your work.” CHOMP Chief Development Officer Albert Alvarez adds, “Patients and staff often stand silently in front of the lobby wall, as if they were in church.”

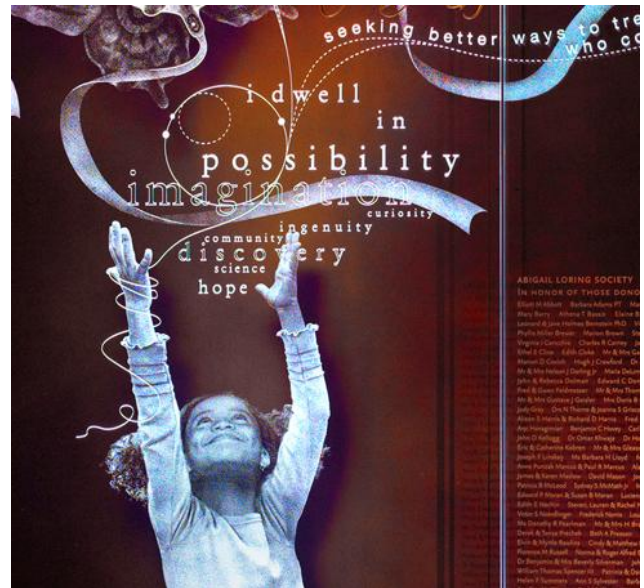
Improving staff morale

Donor Art also improves employee morale. It reflects your institution’s values, honors the contributions of your team members, reminds your staff of the purpose behind what they are doing, and shows that they work for an organization that is full of appreciation and heart.

“The theme of giving leaps off the glass to remind me of the importance of my work as a nurse and its true reward,” says Stephen Price of CHOMP. Helen Brooks of Rockford Hospital had a similar experience. “I don’t know if I can convey the pride and excitement from everyone who has seen the new Heritage Center and Donor Wall.”

Conclusion

At its best, Donor Recognition Art shows the world your soul. It inspires partnership and lifelong giving. It speaks about the things that move people to greatness. It not only tells your story, it invites important people to help write your next chapters. In our experience, taking just a fraction of the millions spent on branding, marketing and advertising, and putting them into Donor Recognition Art and Heritage Walls will tell your story in a way that is priceless.



Poetry, mission statement and images combine to send a joyful and uplifting message to families arriving at Children's Hospital Boston

