The Seven Faces of Philanthropy – By Russ Alan Prince and Karen Maru File

What motivates major charitable donors to do what they do? This book was intended for charitable development officers and provides valuable tools of discovery. Revealed is a donor framework of behavior affording those charged with raising money for their worthwhile cause better understand the people they hope to work with. The book also makes a monumental contribution to financial advisors and others advising the very affluent. It provides a pathway of understanding to those that wish to service this rewarding, yet often frustrating market by shedding light on the personalities, motivators and processes needed to effectively work with the philanthropic client.

The seven personality types are the Communitarian, Socialites, Investors, Dynasts, Repayers, Altruists, and Devout.

The Communitarian usually comes from a business background. They desire to keep their gifts in the community to which they belong, support networks of other likeminded business owners and take a business-like approach to giving. Communitarians give because it is in their self interest to do so. “A healthy community means a healthy business climate.” They use advisors extensively in the selection process and select the charity on the basis of effectiveness. Communitarians enjoy the accolades and want to be acknowledged for their contribution. They like to be involved in determining where the money is spent. At 26.3% communitarians are the largest philanthropic segment.

The Devout are the second largest group at 20.9%. They give because it is “God’s will” that they do. Giving is a religious act, a moral obligation. They restrict their giving to organizations that support and promote the beliefs that they do but they will give to national and international organizations. The Devout select their charities based on trust and do not make extensive use of professional advisors. They are indifferent to accolades and recognition except within their peer group. The Devout do not usually get involved in the policy decisions but will participate on boards and see this as a form of stewardship.

The Investor donor gives with the intention of doing good as well as for personal estate and tax planning reasons and approach charities in a very business like fashion. They make up about 15.3% of major donor contributions. They give because they are able to do so and the go about their selection of a charity in much the same way they select investments. Investors do not feel morally obligated to give. Relative to the other groups Investors rarely use philanthropic advisors in the process but are interested in the idea. Because of their business like approach to selection they feel little need to be involved operationally yet they do want to be acknowledged and appreciated.

Socialites are outgoing and fun loving donors. They find philanthropy a great way to make the world a better place while having fun doing it. Socialites make up 10.8% of major donors. They enjoy fundraising projects as a way to tap into and develop their social network of friends and look to this network for support and are interconnected throughout to many of their contacts philanthropic interests. Socialites are not just interested in the social interaction but want to contribute to a philanthropy that is part of
their social middle. They give because they are good at heart and happen to have money. Socialites can feel defensive about how people vie their philanthropic activities but to them the measure is the good that comes from their activities. Like communitarians socialites have extensive networks locally and they share similar attitudes in that they believe the government is not as well positioned as charities to help their communities. Socialites use philanthropic advisors to sort through the complexity but rely greatly on their social networks for selection. They enjoy the accolades for their gifts and expect individual attention from the charity which means reflecting back to them the reasons for their giving.

Altruists represent 9% of the major donors. This group eschews publicity. They believe giving is a moral imperative. They give to grow spiritually and tend to support social causes that help the elderly and the poor. While somewhat judgmental about the other groups that give they do understand and tolerate the self-serving behavior of other contributors. Altruists give to non-profits because they believe them to be morally superior to the government. Altruists believe selecting non-profits is a people process and value the quality of the people over the track record. They rely on their own research and little on other groups or professionals. While Altruists refuse accolades they do want to be appreciated for their altruism. They want interpersonal bonds to develop which they expect to grow over time. They do not want to be involved with the operations of the non-profit.

Repayers want to give back. They are made up of people who have directly benefited from the charity and now want to show their gratitude through reciprocation. This group makes up 10.2% of major donors. Repayers feel that the wealthy have a special responsibility to give. They give because good results will follow and believe non-profits are more helpful than government agencies. Repayers don’t usually select the charity. The charity selects them. Maybe they went to school and received some special benefit or possibly had life saving medical procedure. As a result Repayers seldom use professional advisors in the selection process. This decision confidence is due to their personal experience with the charity. They do expect non-profits to focus on their constituents not them so like the Altruist they generally want no accolade nor do they do want individual attention, they simply want their motives understood. Repayers do not want to be involved in the non-profit’s operations.

The Dynast comes from a long tradition of giving. Socialized from early childhood that giving is expected this group is well schooled in the in the importance of philanthropy. Giving is part of their concept of self and they believe everyone has an obligation to give. Dynasts make up 8.3% of major donors. They believe philanthropy is more effective than government programs. They take care before selecting a charity and are likely to use professional advisors. Younger Dynasts will often depart from their elders in the selection opting for benevolences closer to their age groups. They honor the tradition of philanthropy over the specific charity. Dynasts are not particularly concerned over accolades but they do expect non-profits to stay focused on their missions and be well run. Typically they defer day-to-day decisions to the well-run non-profit and only few
want involvement. Dynasts want the non-profit to be consistent in their recollection of the motivations and rational for the gift.

Part two of the book discusses implementing the Seven Faces Framework and breaks this down into four steps that charitable development officers can use to engage potential donors for their cause.

The first step emphasizes the importance of leveraging the charitable network by attracting donors to a particular non-profit. It is important to for fund raisers to ascertain connections between the charitable organization and the donor and how these processes work. This understanding goes a long way to establishing and building lasting relationships.

Each of the Seven Faces connections to the network is reflected in different ways and for different reasons. Word-of-mouth is a crucial connection in all cases but with some more than others. For example peer opinion is greatest for the Socialite and least important to Repayors. The Investor will often seek out advice relating to the mechanisms for giving such as charitable trusts where as the Communitarian business owner that seeks to expand connections in the business community will look to other business owners for their opinions. Repayors are least effected by this connection because their motivations are rooted in personal experience with the non-profit. To influence the Repayor values would come in the form of personal support provided by people in the network that help them make a commitment to the non-profit.

Intermediaries such as financial service professionals and other advisors are also an important source of word-of-mouth as these people are often sought after by many donors for advice on such matters. Fundraisers are encouraged to develop this network in a similar way that that they do with their valued donors.

The implications of step one are that identification of the different personality types is crucial so that appropriate networks can be tapped into in a way consistent with donor need and expectation. Leveraging the existing major donor relationship consistent with their philanthropic personality will help in attracting and keeping other likeminded donors.

Finally nonprofits should emphasize program quality and donor satisfaction through a process of satisfying current donors, monitoring their satisfaction by soliciting regular feedback and then deploying a response management program to remedy points of dissatisfaction. This is essential to protecting and growing the donor base.

In step two “Crafting the Vision” There are three phases. 
First identify the prospective donor's philanthropic personality. This is done by being familiar with the seven faces framework and prior to engaging prospective donors researching their background, then by conducting a series of conversations.
Much time is spent getting to know the donor. The Life Domains Strategy or the four F’s; family history, financial orientation, fundamental beliefs, friends and associates is used in a conversational fashion to identify one of seven personality types the donor may belong to. This assessment allows the development officer to begin cultivating the donor consistent with their specific needs, expectations, backgrounds and beliefs.

In phase two of “crafting the vision”, fundraisers begin to create bridges of understanding. This is where specific positive images are used to communicate the mission and actions of a non-profit to the prospective donor. Different donor types will respond favorably to different positive messages. Done well this message will incorporate empathy by using meaningful language consistent with the specific philanthropic personality.

An example given in the book that could appeal to the Communitarian would be “local interests”, “civic responsibility” and “supporting each other” because these words would imply a community “minded non-profit. Another example appealing to the Investor personality would include, “accountability” and “effectiveness” this would show a well managed business-like non-profit.

In phase three of “crafting the vision”, utilizing appropriate testimonials and endorsements is important because people usually respond to the support of others they respect.

As it relates to each of the philanthropic personalities, importance will be relevant to what they acknowledge as important. As a word-of-mouth process it operates as a proactive device as opposed to reactive (mere network or peer opinion) and will have appeal accordingly. The Altruist shows the least interest in this approach and that being said 60% of Altruists poled in the book felt testimonials were important. So this is clearly integral to eliciting favorable donor participation because it validates the perception of the prospective philanthropist.

To summarize “Crafting the Vision”

Use life domains to identify philanthropic personalities, build bridges of understanding by using positive images and then validate the philanthropist’s perceptions through testimonials and endorsements from people they respect.

In step three “Promoting Charitable Giving Strategies”

In using the seven faces framework it is important to identify appropriate giving strategy consistent with what the donor wants from the experience. Also observed is the fact that many donors are not as well educated in different methods other than cash and bequests.

Part of this may be due to the non-profit’s need for cash to run day-to-day operations and some of the methods are viewed by development officers as less than complementary to their immediate needs, however many donors are expressing interest in foundations and
trusts as a means to satisfy philanthropic needs and are looking for direction in these areas. As a result there is a real need to educate philanthropists to the various giving strategies and the nonprofit can benefit from being helpful in this area.

One area that has gained increasing interest is the use of foundations. Dynasts have used them for years and the benefits range from teaching subsequent generations the responsible handling of money all the way up to and including more flexibility when addressing changes in the charitable landscape.

Some non-profits feel threatened by the foundation approach because it makes them subject to the inclination and whim of subsequent generations changing charitable interests but others see it as an opportunity to cultivate future generations from their early youth to adulthood. This would go a long way to further multigenerational donor support.

Remainder and lead trusts have also taken on prominence in recent years and most donor types have expressed an interest in learning about these methods as well.

Both the foundation and trust methods of giving are fairly complex but represent an opportunity for fund-raisers to begin to develop new sources of funds by tapping into advisor networks already promoting these methods and techniques to their clients. By establishing a program of strategic alliances with advisors to the affluent fund-raisers can serve donor needs more fully without having to develop the internal expertise and the subsequent expense to do so.

As with the other parts of developing the donor relationship, marketing and construction of the benefit configuration for the giving strategy needs to consider donor personality. Some philanthropic personalities could be turned off to an otherwise beneficial strategy without taking into consideration their motivations and giving needs consistent with the seven faces framework.

In the fourth and last step the authors discuss sustaining relationships through donor centered strategies. The idea is to empower the philanthropist in accordance with their needs and expectations. This creates a vesting of the non-profit vision and mission to the donor further committing them to the cause.

Donors want to help in the areas they feel they are best suited. To encourage participation by major donors the non-profit must be sensitive to the personality type. Some merely want to be kept informed while others want to advise, some may even want to roll their sleeves up and do the work. In all cases the donor appreciates being asked and if engaged that the involvement is consistent with what they desire and that their contribution is treated with respect and consideration. Unfortunately once the gift is made all too often the donor is forgotten until the next fund drive with little more than a newsletter to remind them of their participation.

Observed in the book is that donors say that non-profits infrequently involve them in relationships or encourage them to use their networks. Dynasts were excepted here.
probably because of their better integration into the culture of giving from an early age. They know how to subtly get their needs expressed to the non-profit and get things done.

Increased involvement increases commitment because with the more intense feelings resulting from involvement there is an inclination to give more. This includes volunteering and recommending the non-profit to others.

It is suggested that non-profits work to do the following:

- Encourage philanthropists to help decide the content of meetings, where they should be located and when.
- Non-profits should provide frequent and focused updates on the charity soliciting questions, comments and suggestions.
- If a suggestion is implemented bring that to the philanthropists attention and if a suggestion is not implemented a clearly articulated reason why not.
- Encourage philanthropists to use their charity networks by making sure they are familiar with senior management to the degree necessary to establish trust.
- Encourage philanthropists to share experiences with the non-profit, friends, family and business associates.
- Non-profits should selectively introduce major donors to advisors especially financial experts. This allows the non-profit to leverage the advisor skill without paying for it and build good will that can attract future donors through the advisor network.
- Employ print media to create an on-going dialog with major donors consistent with their philanthropic personalities.
- Use public relations to raise perceived value of the nonprofit again with the philanthropic personality in mind to confirm their support of the organization.

In Summary

The seven faces framework is an operating manual for understanding the motivations of affluent individual donors. By understanding the factors that contribute to why donors do what they do, those responsible for working with and advising the philanthropist can be more effective in helping them meet their giving objectives and experience the benefits that only successful philanthropy can deliver.