**Definition Assignment**

**By Erica Friedman**

**Term:** Donor Development Cycle

**Parenthetical Definition:**

Donor Development Cycle (stages in the fundraiser-donor relationship)

**Sentence Definition:**

The donor development cycle is a fundraising tool that defines the donor-nonprofit relationship; it is also known as the donor lifecycle. The cycle includes four stages: identification, cultivation, solicitation, and stewardship.

**First Visual Definition:**

The following visual definition shows how a potential donor is identified, and enters into the donor development cycle. During “cultivation” a relationship is developed. In the “solicitation” phase, the donor is asked to financially support the nonprofit. If the donor makes the contribution, the nonprofit continues to build the relationship during “stewardship”. If the donor decides not to contribute, the donor re-enters “cultivation”.



**FIGURE 1 Donor Development Cycle**

***Source:***[**https://www.amyeisenstein.com/getting-a-major-gift-moving-from-cultivation-to-the-ask/**](https://www.amyeisenstein.com/getting-a-major-gift-moving-from-cultivation-to-the-ask/)

**Second Visual Definition:**

The following visual shows that potential donors are identified and added to the donor development cycle. Donors are “cultivated” before being “solicited” for a donation. Once a donation is received, the relationship enters “stewardship”, before cycling back to “cultivation”.



**FIGURE 2 The Donor Development Cycle**

***Source:***[**https://adaptivealternativesconsulting.com/2015/06/09/major-gift-fundraising-101-theres-no-magic-drawer-of-prospects/**](https://adaptivealternativesconsulting.com/2015/06/09/major-gift-fundraising-101-theres-no-magic-drawer-of-prospects/)

**Third Expanded Definition: Stages of the Donor Development Cycle**

**Stage 1: Identification**

Includes efforts to:

* *Understand the nonprofit’s needs****:*** Which program requires funding? What is the budget/financial need of the program?
* *Research which current donors/potential donors might be interested in funding the program.*

**Stage 2: Cultivation**

Activities include:

* Building a relationship with the donor, and preparing for donation solicitation.
* Contacting the donor either by email, telephone, or arranging a face-to-face meeting.
* Ensuring that the donor is updated on current developments in the organization, specifically for the program of interest.

**Stage 3: Solicitation**

* The donor is asked to make a contribution.
* The amount of the requested donation should be appropriate; it should fit with the program’s budget and the donor’s ability to give.
* Solicitation can be done in different ways and depends, most importantly, on how the donor prefers to be approached.
* If a donor declines to contribute, further cultivation is needed.
* If the donor agrees to contribute, quick follow-up is needed to receive the funds and to thank them.

**Stage 4: Stewardship**

Efforts include:

* Maintaining a good relationship with a donor.
* Keeping the donor updated on the specific program that they contributed to, and on the organization as a whole.
* Making the donor feel confident that their contributions are being used efficiently, and for the purpose that they were solicited for.

**Third Expanded Definition: Application**

Following is a real-world example showing how the donor development cycle works:

Tom is the Resource Development Director at his nonprofit organization, Holding Hands. Holding Hands provides tutoring services for children coming from low socioeconomic conditions.

**Stage 1: Identification -** Tom meets with Holding Hand’s English as a Second Language (ESL) Program Coordinator. He learns that there are 200 children who could benefit from the service. Holding Hands doesn’t have funds to expand the program; they need $10,000.

Tom remembers hearing about a philanthropist (donor), Ms. Jenny Wong, who donated a library to a school. Tom uses online resources and personal contacts to find out more about Ms. Wong and her philanthropic interests.

**Stage 2: Cultivation -** A meeting is scheduled between Ms. Wong and Tom. Tom prepares a 2-page document that introduces Holding Hands, its mission, programming, and a statement of the current financial need. The document is sent to Ms. Wong before the meeting.

Tom meets Ms. Wong. He introduces Holding Hands, making sure to highlight points that might interest her. Tom invites Ms. Wong to visit their program in action. After the meeting, Tom sends an email to Ms. Wong thanking her the for the meeting.

Ms. Wong arrives for the tour. She speaks with the Program Coordinator and some of the children. Tom takes a photo of Ms. Wong during her visit. Following the visit, Tom sends a thank you email to Ms. Wong with the photo attached.

**Step 3: Solicitation** - It is clear that the program is a good fit for Ms. Wong. Tom calls Ms. Wong to ask her to contribute $10,000 to the program. Ms. Wong agrees to the ask.

**Step 4: Stewardship –** After receiving the funds, Tom sends a thank you letter. Tom notifies the Program Coordinator; the program expands to service another 200 children.

Tom updates Ms. Wong regularly on the program and Holding Hand’s other programs. He also writes to congratulate her when he hears that she has received an Honorary PhD from a local university. Tom will maintain the relationship with Ms. Wong and when another need arises, he will “cultivate” her again, before asking for further contributions.

**Sources:**

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