Abstract

This quantitative correlational study evaluated the strength and direction of relationships between the dependent variables: major giving since September 1, 2009 and average elapsed time between major gifts in relation to the independent variables: number of stewardship activities, stewardship activities occurring within one-month of a major gift, and duration of major giving relationship. Using a multiple regression, a relationship was found between the independent and dependent variables. These results were then affirmed by Pearson r evaluations in an effort to reinforce the importance and significance of the independent variables in spite of the multicollinearity shown for the subset of stewardship activities, activities within one month. Both total giving since September 1, 2009 and average elapsed time between major gifts had a significant relationship to the number of stewardship activities provided. Total giving also showed a significant relationship to stewardship activities occurring within one-month. Both results were positively correlated, and total giving since 2009 had a high strength R² while elapsed time between major gifts was low to medium R². These results mean that stewardship efforts were indeed statistically significant in giving totals and the time between a donor’s major gifts.
Dedication

To my son, Ryker. You have provided a tremendous blessing to your father’s and my life. You have taught me to appreciate the people and things around me more, and to enjoy every opportunity of life. Watching you grow has taught me how quickly life’s moments pass.
Acknowledgments

My educational journey has been long and difficult, but a highly rewarding accomplishment. No one has played a larger role in this accomplishment than my husband, Ryan. Even in the times when I wanted to concede defeat because the responsibility of an education, employment, loved ones, and the addition of our first child, Ryker, you pushed me to never give up, even if I was experiencing a discouraging setback.

My friends and family have also played a pivotal role by providing prayers, encouragement, and babysitting. I would like to thank my mother, Dori, for watching Ryker while I returned to work and anytime I needed to study. My father, Bill, for always asking how my dissertation was progressing, which encouraged me to always write something new. My brothers, William and Timothy, for keeping me humble. My sister, Katya, for our times commiserating and offering each other support during our educations. My in-laws, R.C. and Diane, for the time you spent with Ryker on the weekends, which became a prime opportunity to study. I would like to express appreciation to my friends who have offered continual support and prayers: Maxwell, Kenly, Alena, Branden and Alyssa, and Cohort 3. Finally, I would like to express my deepest appreciation to my chair, Dr. Moore. Your guidance and dedication were indispensable. Thank you!

Thank you everyone for your support in my trials, your cheers in my victories, and your loving kindness at every turn!
# Table of Contents

Abstract ................................................................................................................................. ii

Dedication ............................................................................................................................... iv

Acknowledgments ................................................................................................................... v

List of Tables .......................................................................................................................... xi

List of Figures ......................................................................................................................... xii

Section 1: Foundation of the Study ...................................................................................... 1

  Background of the Problem ................................................................................................. 1

  Problem Statement .............................................................................................................. 2

  Purpose Statement ............................................................................................................. 3

  Nature of the Study ............................................................................................................ 4

    Discussion of Method ....................................................................................................... 4

    Discussion of Design ....................................................................................................... 5

    Summary of the Nature of the Study .............................................................................. 6

Research Questions ............................................................................................................... 6

Hypotheses ............................................................................................................................. 8

Theoretical Framework .......................................................................................................... 9

  Discussion of Relationship Management Theory ............................................................... 9

  Discussion of Stewardship Theory .................................................................................... 9

  Discussion of Donor Motivation Theory .......................................................................... 10

  Discussion of Relationship between Theories and Variables .......................................... 11

  Summary of Theoretical Framework ................................................................................. 12

Definition of Terms ............................................................................................................. 15
Assumptions, Limitations, and Delimitations................................................................................. 16
Assumptions................................................................................................................................... 16
Limitations ..................................................................................................................................... 17
Delimitations .................................................................................................................................. 17
Significance of the Study.................................................................................................................. 18
Reduction of Gaps............................................................................................................................ 18
Implication for Biblical Integration .................................................................................................. 19
Relationship to Field of Study .......................................................................................................... 20
Summary of the Significance of the Study ....................................................................................... 21
A Review of the Professional and Academic Literature................................................................. 22
Donor Development......................................................................................................................... 22
  Prospect research. ......................................................................................................................... 23
  Discovery. .................................................................................................................................... 23
Cultivation.......................................................................................................................................... 24
Solicitation.......................................................................................................................................... 29
Stewardship...................................................................................................................................... 32
  Reciprocity................................................................................................................................... 34
  Responsibility. ............................................................................................................................. 35
  Reporting. ..................................................................................................................................... 36
  Relationship nurturing. ................................................................................................................ 37
Donor-Centric .................................................................................................................................. 37
Donor Types...................................................................................................................................... 38
Philanthropic Motivation .................................................................................................................. 40
Recipients of Philanthropic Giving ................................................................. 44
Organizational Challenges ........................................................................ 45
  Alumni giving ......................................................................................... 46
  Online giving ......................................................................................... 48
Loyalty ................................................................................................... 49
Donor Fatigue ......................................................................................... 50
Retention ................................................................................................. 51
  Retention intervention ......................................................................... 53
One-time donors ...................................................................................... 55
Lapsed giving .......................................................................................... 56
Variables in the Study ........................................................................... 56
Summary .................................................................................................. 59
Transition and Summary ......................................................................... 60
Section 2: The Project ............................................................................ 62
  Purpose Statement ................................................................................ 62
  Role of the Researcher ......................................................................... 63
  Participants ............................................................................................ 64
Research Method and Design ................................................................. 65
  Discussion of Method ........................................................................... 65
  Discussion of Design ........................................................................... 65
  Summary of Research Method and Design .......................................... 67
Population and Sampling ........................................................................ 67
  Discussion of Population ...................................................................... 68
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship of Hypotheses to Research Questions</td>
<td>91</td>
</tr>
<tr>
<td>Summary of Findings</td>
<td>91</td>
</tr>
<tr>
<td>Applications to Professional Practice</td>
<td>92</td>
</tr>
<tr>
<td>Recommendations for Action</td>
<td>94</td>
</tr>
<tr>
<td>Recommendations for Further Study</td>
<td>96</td>
</tr>
<tr>
<td>Reflections</td>
<td>97</td>
</tr>
<tr>
<td>Summary and Study Conclusions</td>
<td>98</td>
</tr>
<tr>
<td>References</td>
<td>100</td>
</tr>
</tbody>
</table>
List of Tables

Table 1. Descriptive Statistics Hypothesis 1 ................................................................. 80
Table 2. Correlations Hypothesis 1 .................................................................................. 80
Table 3. Descriptive Statistics Hypothesis 2 .................................................................. 81
Table 4. Correlations Hypothesis 2 ................................................................................ 81
Table 5. Regression Statistics RQ1 .................................................................................. 82
Table 6. Beta RQ1 ........................................................................................................... 84
Table 7. ANOVA RQ1 ...................................................................................................... 85
Table 8. Regression Statistics RQ2 .................................................................................. 87
Table 9. Beta RQ2 ........................................................................................................... 89
Table 10. ANOVA RQ2 .................................................................................................... 90
List of Figures

Figure 1. Theoretical framework ........................................................................................................... 13
Figure 2. Variable diagram ...................................................................................................................... 14
Figure 3. Variable diagram ...................................................................................................................... 58
Figure 4. Number of activities ................................................................................................................ 83
Figure 5. Activity within 1 month .......................................................................................................... 83
Figure 6. Days since first major gift ...................................................................................................... 84
Figure 7. Number of activities ................................................................................................................ 85
Figure 8. Activities within 1 month ........................................................................................................ 86
Figure 9. Number of activities ................................................................................................................ 88
Figure 10. Activity within 1 month ........................................................................................................ 88
Figure 11. Days since first major gift ..................................................................................................... 89
Figure 12. Number of activities .............................................................................................................. 90
Section 1: Foundation of the Study

This study was a method to address a specific gap in donor stewardship efforts at a four-year, public university in the southwest, hence forth referred to as the Study Institution. It was an underlying goal of this study to better understand stewardship efforts at the Study Institution as a premise for developing a program that would be more meaningful and engaging for donors. The results of this study will guide best practices and the development of new stewardship protocols. The university uses stewardship practices, but they are not fully leveraged to create optimal outcomes.

Background of the Problem

The Study Institution is a growing university that has several nationally ranked programs, which creates a need to increase financial support. The gifts given to the Study Institution necessitate an expression of appreciation. Stewardship from the Study Institution’s foundation staff is imperative in maintaining relationships with existing donors. Stewardship efforts help to maintain a relationship, which can result in sustained giving by existing donors and establishing a foundation upon which giving can increase.

Four dimensions exist through which a quality relationship can be identified or potentially measured: trust, commitment, satisfaction, and control mutuality (Hon & Grunig, 1999). These quality relationship indicators must be strengthened to encourage subsequent gifts. Similarly, stewardship can be broken into four areas that aim to aid in the maturing of quality relationships: reciprocity, responsibility, reporting, and relationship nurturing (Waters, 2008).

According to Kelly (2001), stewardship is the second most important step in the fundraising process because it is the continuation of relationship building. Cultivation is the most important step because it creates the initial groundwork on which a relationship with a
potential donor is built. Because stewardship is so important for maintaining relationships, it is meaningful for the Study Institution to understand the relationship between stewardship interactions and major donor retention, as seen in future major giving.

At the time of this study, the Study Institution did not extensively track stewardship activities provided to major donors. The incomplete tracking has caused some donors to be under-recognized and future donations have been lost, known as lapsing. In addition to donors being under recognized, poor tracking of stewardship activities typically needed to reach a subsequent successful solicitation has caused the Study Institution’s development staff to have insufficient data to guide the improvement of professional practices. By learning how to promote better fundraising efforts through marketing-based techniques, the fundraising outcomes for the organization might improve to ensure the greatest potential benefits. Transitioning donors to loyal donors is important because loyal donors are 8-9 times more likely to become top donors, and they give 60% of the time (Henze, 2011). In addition to loyal donors becoming top donors, O’Conner (2016) found that top donors who make large financial contributions lapse less often.

As a part of a cooperative agreement, the Study Institution’s foundation handles and processes donations made to the university. As a portion of this agreement, the university provides a budget to the foundation for operations and hires staff. Each year over $9 million are received by the foundation from various donors including corporations, foundations, or individuals and in various forms such as standard gifts, naming gifts, planned gifts, and gifts in-kind.

**Problem Statement**

For every 100 donors gained, 99 lapsed (Levis, Miller, & Williams, 2017). For every
$100 raised, $95 were lost through gift attrition. The 2017 Fundraising Effectiveness Survey Report, which summarizes data from 10,829 nonprofits, showed of 8.91 million total donors in 2016, 4.882 million new and recovered donors were offset by 4.832 million lapsed donors, meaning only 45% of donors persisted from 2015 to 2016. The general problem to be addressed is that decreasing government spending in higher education (Miller, 1994; Boverini, 2006; National Center for Education Statistics, 2011) leaves budgetary shortfalls that must be offset with philanthropic donations, which can be difficult to retain (Levis et al., 2016; Levis et al., 2017). Burk (2003), supports a retention rate of 45% and estimates that 40-60% of donors will lapse. Sargeant (2001) found that financial reasons caused approximately 20% of respondents to lapse while another 26% stopped giving to support other causes. A large portion of donor turnover emanates from nonprofits repeatedly soliciting without thoroughly thanking donors (Collins, 2016). Sargeant and Woodliffe (2007) stated that a 10% increase in donor loyalty can provide a 100-150% return on investment. Expressing thanks to a higher-education major donor was found to predict organization-public relationship outcomes to boost trust, commitment, and satisfaction (Harrison, 2014). Stewardship is an important process for a nonprofit to keep donors. The specific problem to be addressed was a lack of understanding of the relationship between stewardship, and donor retention and giving.

**Purpose Statement**

The purpose of this quantitative correlational study was to evaluate the direction and strength of any relationship between stewardship activities and major donor retention, as measured by repeat major giving. Understanding the relationship between these variables will provide information that can allow the nonprofit to evaluate the situation and invest its time and money better. The Study Institution’s stewardship protocols were intended to embody the four
areas of stewardship (Waters, 2008) to build a quality relationship (Hon & Grunig, 1999). It was generally a belief held by the employees of the Study Institution that these financially tiered protocols were impactful in improving relationships and retention. Creating stronger, more meaningful relationships through appreciation can lead to a decrease in donors who lapse (McDaniel, 2016; Nathan & Hallam, 2009). More information to guide the stewardship process to reach a repeat donation will allow institutions to improve potential outcomes on donor retention, satisfaction, and repeat philanthropic giving behavior. This study aimed to understand the importance of stewardship activities when satisfying donors in order to maximize contributions made to the Study Institution by evaluating the strength of relationship binding the variables.

**Nature of the Study**

A quantitative correlational study design was used for this research project. Database analysis provided the information needed for evaluation in this research case.

**Discussion of Method**

A qualitative research method can be used to answer the questions as they are stated in this study. Qualitative studies are generally used for “exploring and understanding the meaning individuals or groups ascribe to a social or human problem” (Creswell, 2009, p. 4). A qualitative method, or interpretive research, requires interpretation (Stake, 2010). This approach can allow the researcher to learn how multiple people view a problem or situation. Qualitative research brings about greater theoretical comprehension, which can then be turned into direct application. Performing a study with a qualitative method requires collecting large amounts of data from a limited number of participants, which can be sifted down in an attempt to find common threads (Adams, Khan, & Raeside, 2014). Meanwhile, quantitative research is means for “testing
objective theories by examining the relationship among variables” (Creswell, 2009, p. 4). Quantitative research is said to be more objective due to its reliance on hard numbers and easily classified information while qualitative research depends on more interpretation of information and is therefore more subjective (Gliner & Morgan, 2000). Qualitative research relies on the use of data in a text or image format rather than using numerical descriptions (Creswell, 2009). Because extensive numerically based information was already in existence at the Study Institution, dating back multiple decades, a quantitative study allowed for a greater evaluation of the proposed research questions over a period of time. Next, various quantitative designs were discussed so an informed decision could be made.

**Discussion of Design**

Survey research is done over a large portion of the population by using samples and cross-sectional and longitudinal studies. The purpose of this form of study is to find generalizations from the sample to the population (Creswell, 2009). A survey design would have been useful in this research study, but it was not selected because it was the belief of the researcher that evaluating existing data collected by the instruction holds higher value at this time.

A descriptive design requires a generalized focus that would not aid in the creation of a donor profile within a single institution. A descriptive design is used for present time studies, and it can be used to identify and address practice problems. A descriptive design does not allow for independent variables and does not allow for “relationships between variables or comparison of groups” (Gliner & Morgan, 2000, p. 64). A correlational study design was selected because it was more appropriate for focused research on the specific issue and within the Study Institution, and because it allowed for the evaluation of relationship between variables.
Experimental research is meant to look at how some specific treatment influences outcomes. This is achieved by having at least two groups with one being a control (Creswell, 2009). Experimental research falls into two different categories, quasi-experimental and randomized experimental. In quasi-experimental, participants are not randomly assigned to groups and the independent variable is only sometimes controlled by the researcher. In a randomized experimental study, participants are randomly assigned to groups and the independent variable is usually controlled by the investigator (Gliner & Morgan, 2000). Although either of these experimental designs was a fit for this study, a correlational study was selected as a better fit.

**Summary of the Nature of the Study**

In summary, a correlational study design was selected because of the data that were the focus of this study. A correlational study design with database analysis allowed for questions to be asked about the current and needed actions of the Study Institution. The database analysis looked for the direction and strength of relationships between the independent and dependent variables.

**Research Questions**

This quantitative correlational study was designed to provide information that could be used by staff to improve the Study Institution’s stewardship program to enhance donations from existing donors. The basis of the study looked at the relationship between the independent and dependent variables to review how strongly and positively related the variables were. This was specially evaluated from the perspective of the Study Institution, with a goal of greater donor, or customer, relationship outcomes to create a higher positive response rate to repeat solicitations. Understanding the stewardship needs of the donor better will aid in creating donor loyalty as
expressed by sustained or increased repeat giving among major gift donors during their lifetime.

A number of sources showed that donor lapse rates are high (Urban Institute, 2016; Sargeant, 2001; Burk, 2003) and that lapsing occurred for a number of reasons including a lack of appreciation and donor financial resources (Nathan & Hallam, 2009; Burk, 2003). Additionally, many sources suggested that a variety of components, comprised of both specific suggestions and general practice theories, could be employed by a nonprofit to build a strong relationship with a donor (Waters, 2008; Hon & Grunig, 1999; Kelly, 2001; Bartolini, 2017; Michael, 2015; Card et al., 2016). Finally, multiple sources covered that the time required to make a solicitation varies based on the individual donor and the size of the solicitation (McDonough, 2013; CASE, 2016; Michael, 2015). The following research questions were intended to evaluate the strength of the relationship between stewardship efforts at the Study Institution and continued major giving. This study was an attempt to review the strength of these relationships to better identify actions in response to the problem statement: state funding for institutions continue to decrease and donors are lapsing nation-wide at alarming rates. If a strong relationship between the study variables was found, it could provide evidence supporting a need for improved stewardship efforts to combat donor retention issues.

The following research questions covered a gap in the literature by evaluating the above components in tandem with the understanding that poor stewardship can lead to dissatisfied donors who may not only lapse, but potentially give less often or less financially. This research also endeavored to evaluate how the length of a relationship altered giving patterns over time when evaluated with consideration to building a strong relationship.

1. Was there a relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift
relationship with the Study Institution and donor major giving since 2009?

2. Was there a relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and the elapsed time between major gifts?

**Hypotheses**

Based on the research questions above, the following hypotheses were what this research aimed to evaluate, understand, and validate for practical application through this quantitative correlational study.

H1: There was a statistically significant relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and donor major giving since 2009.

H1₀: There was no statistically significant relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and donor major giving since 2009.

H2: There was a statistically significant relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and the elapsed time between major gifts.

H2₀: There was no statistically significant relationship between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and the elapsed time between major gifts.
Theoretical Framework

This quantitative correlational study was intended to research stewardship relationship strength and direction. Understanding the degree of relationship strength and direction helped the Study Institution understand the degree of importance when budgeting for stewardship activities. Evaluating this relationship provided the basis for practice improvements to advance donor loyalty as expressed by sustained or increased repeat giving among major gift donors during their lifetime. This study built upon the theories of Relationship Management, Stewardship, and Motivation theory.

Discussion of Relationship Management Theory

Relationship Management Theory is focused on public relations maintained by an organization. A relationship involves two parties, in this case an individual and a nonprofit. Balancing the interests of the public and an organization can be achieved through organization-public relationships (Ledingham, 2006). Properly managing these relationships can affect the “attitudes, evaluations, and behaviors of key public members” (Bruning, Castle, & Schrepfer, 2004, p. 445). Hon and Grunig’s (1999) four indicators of a quality relationship: trust, commitment, satisfaction, and control mutuality, were important in better understanding the stewardship process. These four markers of a quality relationship are commonly achieved by nonprofits through a focus on stewardship, which is used as a method of establishing loyalty (Waters, 2008).

Discussion of Stewardship Theory

Stewardship Theory connects with Relationship Management Theory because both are intended to strengthen relationships. Kelly (2001) developed her ROPES method based on Jerry
Hendrix’s existing ROPE method. In Kelly’s public relations ROPES model, relationships are managed using research, objectives, programming, evaluation, and stewardship. The final step was added to this process because Kelly believed that relationship development should be a continual process. Stewardship can be broken down into four components: reciprocity, responsibility, reporting, and relationship nurturing (Waters, 2008). These four parts of stewardship can even be used to predict Hon and Grunig’s relational outcomes (Waters, 2008).

To the researcher’s knowledge, a concise theory had not been developed on frequency of solicitation, but a few researchers had studied the frequency of solicitations and reminders to give, on donor philanthropic habits. The frequency at which a nonprofit makes solicitations appeared to vary by giving as differentiated between annual donors or major donors (McDonough, 2013). It is possible it also varied by other factors that might include the size of a donation, how large a donation was in comparison to the donor’s income, and any number of other factors that could be nearly impossible to account for fully.

**Discussion of Donor Motivation Theory**

As stated above, relationships are two-sided. Understanding theories that impact nonprofits, it became important to discuss motivations to donors. Donor motivation in philanthropy was built on multiple models, including the rational choice model and social exchange theory. Under rational choice, Drezner (2013) outlined that decisions are made based on the believed best and most efficient approach to achieve a goal. Donors are believed to gain something from the exchange such as a benefit to their community or satisfaction. Under social exchange theory, goods are exchanged and believed to reach an equilibrium between parties (Homans, 1958). The model was built on the idea that giving and receiving both have expectations. A student who receives a scholarship might be expected to provide a letter of
The letter, or goods, bring satisfaction to the donor. The exchange of goods in social exchange theory can also be used to explain the transition of recipients into donors. Later in life, the scholarship recipient might look back on how impactful a scholarship was on their education and decide to use their financial success to become the donor. One study created a framework of philanthropic motivations which included, “donor altruism, personal benefits, psychological benefits, reciprocity, attachment, giving capacity, and culture” (Drezner, 2013, p. 42). Several of these motivations were certainly similar to those of Prince and File’s (1994) *Faces of Philanthropy*, which explains why each of seven different donor types were motivated to give.

**Discussion of Relationship between Theories and Variables**

Damgaard and Gravert (2016) found that frequent communications reminding donors to give increased giving rates, but also increased the rate at which donors unsubscribed from the email reminders. These reminders caused contributors to lapse who might otherwise remain donors, even if the individual was not exceedingly committed. In contrast to Damgaard and Gravert’s findings, Sonntag and Zizzo (2015) found during their three-month study that reminders to give not only increased the likelihood of giving, but also the amount given. The increased proportion of a person’s income donated was significant when they eliminated drop-outs from their statistical calculations. The research all seemed to indicate that more donations can be received by increasing the frequency of solicitations. However, some disagreement appears to exist on if this is a financially advisable action because it is unknown if the donors who lapse will cause unrealized financial loses that exceed the potential increase in giving.

Burk (2003) is a noted researcher on the topic of donor-centric fundraising who espouses the benefits of focusing on strong relationships and putting the donor’s interests first to build
long, financially beneficial relationships. Among other things, Burk suggests taking a donor-centric approach to stewardship activities through many means including using separate reciprocity techniques between corporations and individuals. The desired outcome of using different reciprocity techniques for each type of entity (i.e., corporations, foundations, and individuals) would be to foster more appropriate stewardship plans based on the recipient’s perception of different reciprocity activities. Although Burk espoused individual treatment of donors, this quantitative correlational study was intended to evaluate if stewardship needs followed a predictable pattern that could be implemented for more effective use of resources while optimizing the outcomes of the relationship.

**Summary of Theoretical Framework**

The level of reciprocity shown to an individual traditionally varies based on the amount of a single gift, cumulative giving, and known expectancies of the donor to the beneficiary organization, which means the type and number of activities taken to steward a donor will vary based on his or her giving and an organization’s available resources. Organizational reciprocity activity lists are typically tiered to giving levels within an institution and considered the appropriate set of actions for any donor to receive in response to a particular gift amount. Only in the case of the very few top donors are stewardship activities highly personalized. This lack of individualized attention is necessitated by resource restrictions inherent in any nonprofit.

In higher education, larger universities may have a staff member(s) dedicated to stewarding only the top donors of an organization while smaller institutions such as the Study Institution, a regional university, did not have a position dedicated to such activities. Because universally applied individualized stewardship is cost prohibitive, this study was designed to evaluate the strength and direction of relationship between variables to reach greater financial
outcomes for the Study Institution.

Based on the literature reviewed for the sake of this research, Figure 1 depicted the theoretical framework for this study. Stewardship theory, relationship management theory, and donor motivation theory all play a role in impacting a donor’s desire to give again. This idea was taken further in Figure 2, which shows a diagram of the variables for this study. It was the aim of this research to study the strength and direction of the relationship between the collective independent variables: stewardship activities, timely stewardship activities, and the length of major giving relationship with the study institution in consideration to each dependent variable: average elapsed time between major gifts and total giving for each major donor since September 1, 2009. These variables related to the theoretical framework because through stewardship, relationship management, and donor motivation, the independent variables provided tracked donor information on stewardship activities and giving habits, which provided insight into donor continued giving.

Figure 1. Theoretical framework.
Figure 2. Variable diagram.
Definition of Terms

This was not intended to be an exhaustive list of terms within the fundraising profession, but to serve as a point of reference for terms discussed within this paper.

Acknowledgement: a written expression of thanks from a nonprofit for a monetary or in-kind gift (Tempel, Seiler, & Aldrich, 2011).

Commitment: the degree to which one party feels positively about the other because their relational expectations were met (Hon & Grunig, 1999, p. 3).

Competence: a belief that an organization is capable of completing what it commits to do (Hon & Grunig, 1999, p. 3).

Control Mutuality: The level of agreement between parties on who has the power to influence the other (Hon & Grunig, 1999, p. 3).


Dependability: a belief that an organization will complete what it committed to do (Hon & Grunig, 1999, p. 3).

Integrity: a belief that an organization is honest and fair (Hon & Grunig, 1999, p. 3).

Major gift/major donor: According to the Study Institution, a major gift is a gift of $10,000 or more that can either be a pledged gift that will be paid within three calendar years, one-time donation, planned gift, or in-kind donation.

Reciprocity: how an organization expresses appreciation to stakeholders (Waters, 2008).

Relationship Nurturing: developing a deeper relationship with a donor (Tempel et al., 2011).

Relationships: relationships are the result of interactions and reciprocity that cause them
to mature (Broom, Casey, & Ritchey, 1997, p. 95).

*Reporting:* sharing meaningful information concerning a contribution (Tempel et al., 2011).

*Responsibility:* accountability for a contribution by using it as the donor intended (Tempel et al., 2011).

*Satisfaction:* the degree to which one party feels positively about the other due to the reinforcement of relational expectations (Hon & Grunig, 1999, p. 3).

*Stewardship:* Stewardship consists of four distinct categories of activities that should be taken by a nonprofit that receives a donation:

*Trust:* the degree to which one party is willing to open itself to the other (Hon & Grunig, 1999, p. 3):

**Assumptions, Limitations, and Delimitations**

The following assumptions, limitations, and delimitations were the opinion of the researcher based on first-hand knowledge of the issue and the institution.

**Assumptions**

An assumption made within this study was all stewardship activities had either a negative, neutral, or positive impact on the relationship that a nonprofit developed with an individual. These activities determined if an individual was more inclined to give again in the future. In other words, it was assumed every stewardship activity caused regression, growth, or had a neutral impact on the relationship. Another assumption made through this quantitative correlational study was that common giving behaviors among donors existed, meaning correlational findings should be relatively consistent among donors.
Limitations

An important limitation of this study was that the population being surveyed was from a single institution of higher education. The Study Institution is located in the southwest, has a size and setting of a medium four-year school that educates primarily nonresidential students, and has a Carnegie Classification of Master’s Colleges and Universities (College Portrait, 2015). This specific design might lead to results that are less meaningful in other nonprofit sectors or not consistent with other institutions of higher education, especially those of varying size and classifications.

Not all records covered in this study were believed to be wholly accurate. Although it was the intention of all individuals working at the Study Institution to track all pertinent donor information, some information may not have been recorded without knowledge of the oversight. This inaccuracy may have arisen from a lack of entering information into the database, an inaccurate belief that a piece of information was unimportant, an oversight that caused the information to be forgotten for entry, or other potential pitfalls. Although errors or omissions may have existed, it was believed at the time of data retrieval that the information was free from avoidable inaccuracies.

Delimitations

The scope of this research was donors at the Study Institution who had given a major gift since 2009. Donors of gifts not termed a major gift and donors outside of this organization were not considered. Major gift donors at the Study Institution were likely to receive stewardship activities, and in greater quantity than non-major gift donors. Stewardship is an activity that follows a gift. Due to a limitation of resources, only major donors, those giving $10,000 or more to the Study Institution, were the responsibility of the development staff. Unless a donor was
assigned to a specific college as a major donor, they were unlikely to receive extensive
stewardship activities and it was unlikely that stewardship activities rendered were tracked in the
database.

Other organizations were not a portion of the study because the evaluation of the
stewardship activities at the Study Institution and those of another higher education institution
varied, creating variance in the populations evaluated and the results of the study, which would
create unreliable results.

**Significance of the Study**

**Reduction of Gaps**

This quantitative correlational study focused on donor retention and repeat philanthropic
giving behavior achieved through stewardship efforts to determine how many stewardship
activities typically appeared to create greater philanthropic outcomes at the Study Institution.
O’Conner (2016) researched donor retention finding that investing in existing donors provided
greater sustainability to the study nonprofit. This study was focused around archival and
interview data, and it rested on communication efforts at a single institution. However, this
study was not focused specifically on major gift donors. Loyd (2010) looked at stewardship
practices and its correlation to dollars raised, but the study evaluated 45 different bachelors and
masters universities.

This study looked at similar information, but focused on a single institution of higher
education and only on major gift donors. The intention of this study was to evaluate data
emanating from a single institution of higher education to reduce discrepancies that could be
created due to the variance in tracking efforts between universities. Further, by keeping the
study focused to a sole institution, it was possible to use the results to directly impact policy and
procedure changes. The results of this study may also be generalized to other similar institutions or nonprofits even though the study’s findings were specifically about the Study Institution.

**Implication for Biblical Integration**

God expects man to give and to give with cheer “Each one must give as he has decided in his heart, not reluctantly or under compulsion, for God loves a cheerful giver” (2 Corinthians 9:7, ESV). The Lord also promises that the gifts given by followers will be blessed and multiply; Proverbs 3: 9-10 commands that Christians “Honor the Lord with your wealth and with the first fruits of all your produce; then your barns will be filled with plenty, and your vats will be bursting with wine.” Many individuals, Christian and non-Christian, give to nonprofits. However, Christians are commanded to give out of the blessings received from their Lord and Shepherd, and with a joyful heart. This means that giving should not only occur as a method of honoring God’s will, but it should also be something that brings the person joy. By helping others find a passion in giving, nonprofits can help people to give joyfully and freely as commanded.

On the other side of the command to give are the intermediaries receiving the gifts; who care for and multiply the financial gifts for increased impact. This service to those in need (e.g. orphans and widows) is service to God. Proverbs 28:8 states, “Whoever multiplies his wealth by interest and profit gathers it for him who is generous to the poor.” A nonprofit that strives to maximize financial holdings is more prepared to help its cause. Reducing financial waste through the elimination or reduction of less impactful reciprocity activities is a method through which nonprofits can honor the Lord’s call to serve others while being responsible with the finances entrusted to the entity.
**Relationship to Field of Study**

A concept in marketing is the idea of customer value and how that value can be optimized to create greater relations and therefore better financial outcomes. Goldsmith, Labroo, Lee, and Rucker (2014) believed that nonprofits should use customer insight and targeting to refine their messages. This study was intended to discover how to optimize consumer value that results in increased giving amounts from retained donors. A company views value in terms of financial outcomes. Retaining a consumer, in this instance a donor, as compared to the cost of acquiring the individual has different costs associated (Best, 2013). Determining the importance of stewardship activities means improving financial benefit to a company and the consumer value can be increased. This increase would be reached through repeat philanthropic giving and at higher giving levels. When considering repeat giving, it is important to understand that a returning donor would like to be approached differently than a new donor (Goldsmith et al., 2014). Appropriately targeting repeat donors with meaningful messages could lead to an increase in repeat giving and expand the benefit to retaining a donor over the cost of acquiring them.

From a consumer perspective, a higher value is derived when their perceived benefit exceeds the compared cost of acquiring the benefit. In this context, the benefit a donor derives comes from giving through a nonprofit to a cause that is meaningful to them personally. If the donor feels the benefit outweighs the cost of reaching the benefit, then the donor has a more valuable experience. Much like high-level giving programs, consumer relationship marketing aims to add things like services that increase the value a consumer receives from giving, such as personalization or customization (Best, 2013). A nonprofit is likely to achieve greater performance and/or cost efficiency than an individual donor can on their own. This
improvement in value can increase the benefit a donor feels they receive in comparison to their cost of acquiring the same benefits autonomously. Finding ways to further increase the value a consumer/donor receives from a nonprofit through their donation is a fundamental method through which a deepened focus on donors and their outcomes can take root, and future funding for a nonprofit might become more stable.

Target marketing is the idea of breaking down a broad segment of customers into more specific and intentional markets. Target marketing can be used to segment the most profitable markets as a focus area for marketing efforts (Smith & Taylor, 2004). Although target marketing is used heavily by for-profits, the concept of segmentation can be applied to nonprofits. Nonprofits can benefit from viewing donors as consumers to target and refine the fundraising message to distinct groups of donors (Goldsmith et al., 2014). Rucker found that tailoring a message based on the consumer led to different donation results among his participant groups. Target marketing is utilized to provide marketing efforts to a specific segment of the population. By investing time and energy into target marketing, an institution could improve financial results. Target marketing applied well in a nonprofit could lead to a greater return on investment by focusing on higher probability donors and increasing the financial commitment of existing donors by providing them with the best message. The wise use of stewardship and cultivation resources through a target market approach could be used to help build relationships with the greatest potential financial reward.

Summary of the Significance of the Study

In summary, this study will be useful in closing some of the many gaps in professional literature for donor stewardship. Because a limited number of studies exist on the topic of donor stewardship, this research will aid in developing future studies and professional practices. The
Lord calls His people to be good stewards of the things He provides. To steward His financial provisions is important, but it is also important to steward the donors and relationships He provides for the works of His hands. Stewardship also ties into the importance of creating customer value with a focus on donor retention. Through customer value, nonprofits can improve the value that donors assign to their relationship with a nonprofit, thus investing in donor retention.

A Review of the Professional and Academic Literature

The intent of this review was to examine literature that related to the purpose of this study; examining the relationship direction and strength of variables related to stewardship to have the greatest impact on a relationship and optimize retention and increased giving while improving the donor experience by more ably meeting donor expectations. The literature review presented in this paper covered a variety of topics to allow for a deeper understanding of stewardship and the many concepts that relate to donors and nonprofits. The topics covered below all relate to content for a successful fundraising and stewardship effort. The topics offer a background on what ideas other studies suggest implementing and why stewardship is viewed as important by so many scholars. In addition, the review of the literature gathered here was intended as a foundation for the proposed quantitative correlational study covered in the following sections.

Donor Development

Although donor stewardship was the focus of this quantitative correlational study, it was useful to gain a greater perspective on all the steps in the donor development process that have brought a donor to the stewardship phase of a relationship. The four areas of donor development greatly mimic Altman and Taylor’s (1973) Social Penetration Theory. The model was built on a
premise of always increasing levels of intimacy with the other party. The model begins with small talk and progresses to a deep relationship in which more information is shared, much like the donor cultivation model (Altman & Taylor, 1973 as cited in Griffin, 2011).

**Prospect research.** “Prospect identification, evaluation, and cultivation play critical roles in an ongoing cycle of building resources for all organizations” (Ginn, 2005, p. 11). While looking for potential donor prospects, it is important to understand who gives. Of the general population in the United States, only 58.8% give financially at any amount. However, high net worth individuals give at a considerably higher rate of 91%. In addition to a greater percentage of high net worth individuals giving, they also give roughly 10 times as much as the general population with a high net worth individual giving an average of $25,509 in 2015 (Card et al., 2016).

**Discovery.** The discovery phase is a multifaceted vetting process for prospective donors. One of the most important components of the discovery process requires setting a meeting with a potential prospect. In higher education, positions of power can be leveraged to obtain an initial meeting. For example, meeting with a dean or senior administrator may be an exciting prospect for a potential donor, which aids in setting an initial meeting. The donor would likely look forward to meeting the respected, influential individual (Burk, 2003; Hunt, 2012). During a discovery meeting, the intention is not to share extensive information about the university or to solicit a gift. Rather, a relationship should be started, which can be a slow process. If an initial meeting goes well, the relationship will have adequate time to grow over several meetings; therefore, ample time will exist to share important information about a nonprofit over the subsequent meetings. The initial meeting should be concluded by determining the interests of the prospect and by identifying a potential follow-up action on which the relationship can
continue to be developed (Hunt, 2012; Perry, 2013).

Once a meeting has been set, three goals underlie the initial meeting. The discovery process is meant to enter potential donors into the funding pipeline for cultivation and solicitation efforts (Perry, 2013). This desire to enter prospects into the development process is the reason that any useful discovery meeting should conclude by identifying an action to take, an underlying motive shared by Hunt (2012). Identifying information that a potential donor has interest in learning about functions as a method of starting the next development meeting and building a relationship (Perry, 2013).

**Cultivation.** Cultivation done right leads to a stronger relationship between a nonprofit and a potential donor, and it impacts the potential outcomes of the relationship, which a nonprofit views as especially important as it builds towards solicitation (Ahern & Joyaux, 2011). Bartolini (2017) views cultivation as the process of getting to know a prospect and their wishes better in order to act as a conduit to aid in fulfilling those desires. Identifying what areas a donor is interested in learning more about can also be helpful in sorting their giving interests. Burk (2003) and Weerts (2007) both maintained the importance to letting donors self-identify their giving interests. It is important to not sort a donor into a prescribed giving category too early based on preexisting information. Michael (2015) stated that cultivation can be achieved through a number of activities, but these actions should be built on developing the foundation for a solid relationship. A donor’s cultivation process should include the development of trust, learning about the nonprofit and its causes, and engaging the potential donor in these efforts. By building on these three areas, a nonprofit will be positioned to nurture a donor relationship in a more optimal fashion.

According to Altman and Taylor (1973), developing a relationship becomes slower the
deeper the connection becomes. Early connections move quickly but are more superficial; as a relationship grows deeper, progress slows (Taylor & Altman, 1973 as cited in Griffin, 2011). This level of effort coincides with donors entering as annual gift donors and later transitioning to major gift donors. An important method for identifying donors to be cultivated for a major gift is to look at annual gift donors. Being an annual gift donor is a high predictor for a major gift donor (Schroeder, 2002). Donors typically begin giving at a lower level, but a nonprofit that demonstrate responsibility and effective use of funds may be able to transition its donors to higher giving levels (Waters, 2009; Schroeder, 2002).

Slowing in the relationship requires additional effort for progress to be made and can cause a relationship to dissipate or even dissolve (Taylor & Altman, 1973 as cited in Griffin, 2011). As a seasoned fundraiser, Bartolini (2017) believes that developing a relationship further is achieved by sorting information into one of three categories: predispositions, engagement within a cause, and how a donor decides to support a nonprofit. He uses these nuggets of information to become more familiar with his prospects and transitions them to a donation. Understanding a donor well before making an ask can help a fundraiser to not make a request that will be inappropriate in amount, timing, and even program focus (Hiles, 2010; Grace & Wendroff, 2001). Bartolini’s approach of sorting information provides a framework for a development officer to assess the appropriateness of an ask.

Having donors who fully understand and even participate in addressing a specific problem will increase the trust built in the relationship and increase the passion of those engaging in and supporting a cause (Michael, 2015). In addition to a deeper understanding of a mission or programs that can be achieved through volunteering or other forms of involvement, at least in high net worth individuals, it has been found that donors who volunteer with a nonprofit
also give more (Card et al., 2016). Since involvement can have an impact on how much a donor buys into supporting a nonprofit and even how much they want to give financially, volunteering can be seen as a method of cultivation in itself, which certainly ties into Bartolini’s (2017) idea of engaging donors in a cause.

In contrast with Bartolini’s (2017) approach of cultivation focused on a donor’s predispositions, engagement, and decision making, Michael (2015) used a method with three key areas: trust, engagement, and learning. In addition to his three areas of cultivation, Michael mentions the importance of timing as an important concept in cultivation. However, it is a concept that cannot always be controlled by a nonprofit (Michael, 2015). When asking for a major gift, a nonprofit might avoid soliciting an individual whose primary source of income originates in crude oil when this market is down.

According to CASE (2016), the cultivation phase typically takes approximately 18 to 36 months to complete. Michael (2015) believed this number could even be 60 months if a new relationship is established with the intent of a seven-figure solicitation for a potential donor who has never contributed to that nonprofit. This extended period comes from a break in traditional moves-management giving. In moves-management, an agenda is developed to move a prospect to greater levels of awareness, interest, involvement, and commitment with a goal of changing a person’s perspective to one in which they want to give. This method can also be used with existing donors to progress them to increased giving levels over time. Moves-management is a structured approach that involves front end planning concerning the contacts that an organization will make with a donor/potential donor over a yearlong period (Vasic, Jelavic, & Silic, 2012).

The time-consuming nature of cultivation is due to the need to build a strong foundation before making a solicitation. Building a relationship well the first time can lead to a greater
longevity in the relationship and repeat giving. The number of months spent on cultivation is important to understand and abide by for the simple reason that over 94% of donors feel nonprofits do not call or visit them without making an ask (Burk, 2003). Unfortunately, even high net worth individuals that stopped giving to a nonprofit most often (40.7%) cited their reason for discontinued financial support as solicitations that came in too great a frequency or in too short a time (Card et al., 2016).

An approach that could lead to greater giving without overly taxing financial requests is engagement. Gardner and Rhodus (2015) found that donors to the Eastern Kentucky University Library want to be engaged by meaningful information at least monthly, and the result of the library’s new communication effort led to increased giving. This approach is supported by information from Tempel et al. (2011); donors want to be engaged, learn about what they are supporting, and build a relationship of trust with an organization. These three efforts are aimed at building a relationship, not constantly requesting funding.

The area of cultivation and stewardship are greatly similar as they both build on relationship development. A donor returns to the cultivation phase after stewardship to be engaged, often with the intent of developing the donor for another solicitation (CASE, 2016). Returning to cultivation will bring with it a lessened focus on expressing thanks than is covered in stewardship while pushing for greater engagement, trust, and learning to expand the relationship further (Michael, 2015).

Trust between an organization and a donor is built through transparency. Improved donor retention depends upon an organization’s authenticity with its donors (Goulart, 2014), a point agreed upon by Taylor (2016). Due to the scandals that appear in the headlines of nonprofits with embezzling issues or scammers profiting through those wanting to aid
individuals impacted by a situation, such as a natural disaster, transparency and trust become important factors in cultivating a meaningful relationship (Taylor, 2016). In the nonprofit sector, “once trust between a charity and a donor is broken, it can be difficult, and sometimes impossible, to repair” (Taylor, 2016, p. 14). However, transparency in an organization can prevent the breaking of trust that might end a meaningful relationship. Griffin (2011) believed “dialogue is a synonym for ethical communications” because it “requires self-disclosure to, confirmation of, and vulnerability with the other person” (p. 79).

According to Taylor (2016), providing information to the public on finances and governance are important steps in the transparency process, which will provide deeper levels of trust and relationship development with donors and the public. Building a strong and trusting relationship with a donor can be supported through three steps. First, fundraising goals and appeals should be clear and provide information on how funds are used. Second, communication should always flow in both directions by providing potential donors and current donors an opportunity to provide feedback. Third, developments in technology have provided an opportunity for organizations to use social media more to provide organizational information and demonstrate the impactful use of funds to a large audience. Frequent and consistent use of communication provides a feeling of engagement and knowledge along with transparency (Griffin, 2011; Taylor, 2016).

Hon and Grunig (1999) suggested that one important component to building a quality relationship is trust. In their research, trust was broken into three areas: integrity, competency, and dependability. To administer a Likert scale-based questionnaire, Hon and Grunig made these three areas of trust into multiple questions each. Integrity questions aimed to determine if respondents felt the company was fair and just. Dependability sought to determine if
respondents felt the company would do as it promised. Finally, competency focused on if a company had the ability to carry out its promises. Integrity, dependability, and competency contribute to the relationships that a nonprofit builds with their constituents and if trust will exist (Hon & Grunig, 1999). Expanding on this point, an ability to express dissatisfaction can potentially improve the level of trust a donor feels and decrease donor lapse (Sargeant, Hudson, & Wilson, 2012). The ability to express dissatisfaction ties back to the concept of Taylor (2016) that a donor should be able to provide feedback as a part of trust building.

**Solicitation.** Before stewardship of a donor can occur, a gift must be made to an institution. An ask, also commonly called a proposal or solicitation, is made during the solicitation phase of donor development. During typical donor development, the number of cultivation visits a donor will receive varies based on certain factors, especially how new the relationship is and how much will be requested (Michael, 2015). This point loops back to the earlier section on cultivation in which CASE and Michael stated that cultivation leading to an ask would typically take approximately 18 to 36 months to complete (CASE, 2016), but could be as high as 60 months in a newly established relationship with the intent of a high dollar request (Michael, 2015).

If a development officer and a donor have differing expectations for a gift, it is important to discuss potential funding options during the solicitation phase until a project, time, and amount can be found that satisfies the donor (Hiles, 2010; Grace & Wendroff, 2001), is feasible for the institution, and improves proposal closure rates (Hiles, 2010). Not closing a proposal with a yes or no means that something in the donor development process has gone wrong, which means the relationship could be damaged by being unable to agree upon an amount or timetable that satisfies both the project and donor (Hiles, 2010).
Making a formal solicitation can be done using a three-pronged approach. First, a solicitation should be started with a compliment. Second, verbally express an understanding of the donor’s strong connection to the cause, while mentioning if a reason for that connection exists. Finally, make the solicitation and then do not speak so the potential donors have time to process the information and respond of their own accord. This three-step approach is entirely donor focused because it talks about their involvement and things important to them. A solicitation should be about a donor and providing a method of meeting their needs, not about the nonprofit and the good things it does (Collins, 2017a). Different suggestions for making a solicitation recommend having a strong, personal relationship with the prospect prior to making an ask, achieved through cultivation. Further, solicitations can be more successful if done by someone who would be a peer and friend to the prospect, and who has a similar level of interest and financial involvement with the organization (Sargeant & Jay, 2014). After the donor has decided to donate, he or she should receive stewardship activities and further relationship development before being solicited again (CASE, 2016).

The frequency at which communication and solicitations come can vary by non-profit and by giving level. In a communication chart for Habitat for Humanity (2013), major gift communications total seven messages annually. These communications include five contacts classified as cultivation and two solicitation requests. This is a decrease from their direct mail communications that dictate five solicitation requests will be made annually (McDonough, 2013). One issue of frequent requests or reminders to give is that it often presents a double-edged sword. Donors who are asked too often to give are increasingly deciding to stop giving. Of the surveyed group, 50% of the donors were less likely to continue giving to an excessively requesting nonprofit than they would have been even five years before (Hall, 2013). Damgaard
and Gravert (2016) found that sending reminders to donors increased the number of donations received while simultaneously increasing the number of donors who unsubscribed from the email list.

In their first study, Damgaard and Gravert (2016) sent emails to the sample group requesting a donation be made in the next ten days to be eligible for a matching gift. A follow up email was then sent a week later to a sample. Of those who received the reminder, 0.53% gave in comparison to 0.35% who did not receive the reminder; however, those who received the reminder unsubscribed at a rate of 3.7% with the reminder compared to 2.1% in the control group. In their second study, an email was sent to three separate groups, including the control group. Each email mentioned the fact that email reminders were sent monthly. In the Low Frequency group, the selected sample was informed that for the following three months reminders would be reduced from the typical three to a single email. This group experienced an un-subscription rate of 0.30% reduced from the 0.49% from the remainder of the second study. Further, the study found no significant difference in the average amount given between their treatments. In contrast to these findings, Sonntag and Zizzo (2015) conducted a three-month study which found once drop-outs were eliminated from their dataset the amount donated increased with monthly reminders, and at a significant level with the restricted dataset. Their study looked at three options in which reminders were sent: weekly, monthly, or not at all. Both monthly and weekly reminders had a significant, positive outcome on the amount given. In agreement with Damgaard and Gravert’s (2016) study, Sonntag and Zizzo (2015) also found that reminders increased the likelihood of a donation being made, which they placed at increased odds of 10%. Henze (2009) stated the frequency of solicitation tends to have an inverse relationship with donor retention.
Stewardship. After a donor makes a gift, an institution endeavors to retain donors by means of the stewardship process (Harrison, 2014). The reason an organization utilizes stewardship is because donors give again based on how their previous contribution made them feel. They want to see their gift has made a difference in order to experience emotional fulfillment (McDaniel, 2016). One approach to stewardship is the ROPES model, in which relationships are managed using research, objectives, programming, evaluation, and stewardship (Kelly, 2001). The ROPES model used by Kelly added stewardship to an existing theory because Kelly believed that relationship development should be a continual process. Wester (2014) believed stewardship is an overarching and dated umbrella term often used in place of donor relations. Stewardship is the reactive process of caring for and properly using a gift, while donor relations is proactive and aimed at engaging, cultivating, and connecting with donors. She continues, “Donor relations encompasses so much more, both in anticipation of the gift and in preparation for a long-term relationship that must be nurtured in order for positive philanthropy to occur” (Wester, 2014, p. 17).

Major gift donors view the four components of stewardship to be more important than smaller donors, often referred to as annual donors (Waters, 2008, 2009, 2011). To encourage a second gift, an organization should aim for donor emotional fulfillment through the stewardship process. Stewardship includes methods meant to improve the quality of a relationship over time. Stewardship is a multi-faceted approach meant to show appreciation and further develop the important markers of a relationship: trust, engagement, and learning (Michael, 2015). While research and professional suggestion points towards stewardship, in Loyd’s (2010) research of 45 institutions of higher education concerning stewardship and its impact on annual giving in scholarships, no significant relationship was found.
Due to the annual variability in dollars raised and the lack of a significant relationship between stewardship and giving, it was concluded that stewardship practices are exercises in long-term relationship building, and the outcome cannot be measured at a given point in time. (Loyd, 2010, p. 89)

The results of Loyd’s study were very important given the focus of this quantitative correlational study, but, as Loyd stated, the lack of a significant relationship may have been the result of attempting to measure outcomes at a given time and not due to a lack of importance in implementing stewardship activities. In contrast with Loyd’s findings, Chung-Hoon, Hite, and Hite (2005) believed that building long-term relationships does impact fundraising outcomes.

Cultivating existing donors through stewardship practices can lead to the retention of donors, which is less costly than acquisition, while also improving a donor’s level of knowledge in an organization and therefore their ability to share the nonprofit’s message (Barber & Levis, 2013). Properly managing public relations between a nonprofit and individuals can affect the “attitudes, evaluations, and behaviors of key public members” (Bruning et al., 2004, p. 445). Weerts (2007) also supported the idea of organizations using donors as partners in creating and sharing a message. Furthering the point, Harrison (2014) found that stewardship can positively impact organization-public relationship outcomes. Organization-public relationship outcomes in Harrison’s study were considered to be the relationships that a nonprofit maintains with its public, or donors, and the impact of the relationship on retention and cultivation of a donor to another gift (Harrison, 2014). According to Grant and Wolverton (2003), communication gaps in the stewardship process can leave a donor with poor perceptions of the stewardship process and staff at an institution. In addition to finding the use of stewardship predicts positive relationship outcomes, the study found each of the four categories of stewardship, covered in the
following section, all functioned as predictors to organization-public relationship outcomes, at varying levels of importance (Harrison, 2014).

The topic of donor stewardship is typically broken into four categories. These methods of refining a relationship can be used to reach greater financial gifts and commitment over time. Stewardship activities provided fit into one of four categories: reciprocity, responsibility, reporting, and relationship nurturing (Waters, 2008). Although the four categories were covered in their traditional context during this literature review, Harrison (2014) believed that in higher education these four categories should be altered so reporting and relationship nurturing are combined into a new category labeled respect. Respect focuses on using donations wisely, showing a greater concern for a donor than the organization’s own fiscal wellbeing, expressing sincere thanks, using donations as they were intended by the donor, providing personalized attention to donors, and communicating beyond solicitation. Based on these criteria, respect is a merged version of Waters’ (2008) reporting and relationship nurturing. Because the new classification is a combination of two stewardship categories already covered in this literature review, respect, whose combination was based on a factor analysis (Harrison, 2014), would be redundant to cover here.

Reciprocity. The reciprocity that a donor receives from a nonprofit can come in many different forms. A 2014 study of young alumni and reciprocity activities at both Grinnell College and Macalester College showed that out of four statements provided to survey respondents, many of the institution’s reciprocity activities did not score well on a Likert scale. Young alumni donors were asked about: the physical tokens of appreciation sent in response to their gift, if the nonprofit considers them a friend, the receiving of timely gift acknowledgments, and being published on donor lists. Of these four reciprocity questions, the study found only one
statement was ranked with over 50% of respondents viewing the activity positively, the timely acknowledgment of their gift (Underwood, 2014). Supporting this finding, a letter acknowledging a gift is important to building a relationship and can even be deleterious to a relationship if not sent (Merchant, Ford, & Sargeant, 2010). Further, the finding that donors are unmotivated to give by receiving tokens is supported by John List who shared that endless statistics, matching donations, and providing tokens in return for giving is not a successful method by which a nonprofit can fundraise (Anft, 2015).

Donors determine their giving based on the warm glow theory or how they feel after making a gift (Anft, 2015; McDaniel, 2016). A study of public relations strategies and building symmetric donor relationships by Spack (2011) received several verbal responses focused around how a nonprofit says thank you. Donors want a personal thank you note, possibly including a message from someone who directly benefited from their donation. Further, donors would like to know specifically how their donation was used by the nonprofit (Spack, 2011; Puyvelde, Caers, Du Bois, & Jegers, 2012; Wester, 2014). These areas of importance provide a deeper understanding on how the donor is personally making an impact.

**Responsibility.** Responsibility reflects the nonprofit’s behavior. The area of responsibility contains two main objectives: the nonprofit is expected to behave in a socially responsible manner and to use gifts in accordance with the donor’s intentions (Waters, 2008). A nonprofit should always use funds received in the same fashion that it tells donors the funds will be used. When a donor gives to a specific account or project, a nonprofit organization acts responsibly by completing the action as the donor expected. Responsibility is built on the premise that all donations are to be used for the specific reason the gift was given by the donor. This is a very simple concept and an important method through which an organization shows
responsibility (Puyvelde et al., 2012). Accepting a donation that cannot be used means a nonprofit will later report that the funds were not used. Nathan and Hallam (2009) believed a nonprofit can create better stewardship outcomes by only promising to do what it can deliver.

**Reporting.** Under reporting, a nonprofit is expected to share information about a gift with the donor. When a gift is received by a nonprofit, it is standard for some form of receipt to be sent to the donor. This immediate report is one of many reports that a donor could receive concerning a donation, but it offers immediate feedback and notification of basic information (Tempel et al., 2011). Sending a gift receipt to acknowledge a gift is a simple response that donors view as important (Underwood, 2014) and can be damaging if not sent (Merchant et al., 2010). Reporting is an important component to a nonprofit making a solicitation because it “reinforces positive stakeholder attitude and behaviors, and it increases the likelihood that supportive publics will react similarly in the future” (Waters & Feneley, 2013, p. 220).

Reporting is a method of demonstrating accountability to a donor to positively reinforce giving habits. Using a customer service driven approach, many nonprofits are attempting to provide more information to donors on how their donations were used, and how the individual might become more involved (Blum, 2014). Another example of reporting is an annual report. An annual report provides donors with insight into the health of the nonprofit to which they are giving and even a glimpse into what categories or funding priorities are receiving increased funding (Tempel et al., 2011). Finally, if a gift is endowed, invested by an organization for earnings to be spent towards the donor’s interest rather than spending the principle, it is expected of nonprofits to send ongoing reports to the donor to show responsibility. Much like an annual report, an endowment report can be personalized further to take on relationship nurturing qualities by adding stories from an individual specifically impacted by the donation such as a
student that receives a scholarship given by the donor (Tempel et al., 2011). “Good fundraising and good investor relations will make your organization more resilient, more secure, better able to lead, and more effective at creating the kind of impact you want to have in your community” (Blansett, 2015, p. 39).

**Relationship nurturing.** The broad goal of all stewardship activities is to nurture a relationship. However, relationship nurturing is also a specific category of stewardship activity. Although relationship nurturing sounds like a combination of reciprocity, responsibility, and reporting, it is a category of its own (Pressgrove, 2013). During relationship nurturing, a nonprofit is expected to regularly let the individual know that they are important to the organization. This effort ensures that the donor knows that they are respected, cared for, and that their involvement is appreciated. Kelly (2001) explained relationship nurturing as recognizing the support of donors as important to an organization by keeping the mutual goals of the donor and organization as the focus of actions.

**Donor-Centric**

According to Barman (2007), beginning in the late 19th century the efforts of nonprofits were driven by the needs of recipients and donors were considered underqualified to determine how their contributions should be used. However, an increasing level of business understanding has driven donors to be more involved in the philanthropy process and designating how their contributions should be used. Nathan and Hallam (2009) believed charities should treat donors individually because each donor’s reasons for giving and relationship needs will vary. By making donor interests and needs the focus of an organization through a donor-centric approach, donors will be committed because their needs have been respected and they will be more likely to support the charity. Sargeant and Woodliffe (2007) shared from their review of studies that
the following antecedents produce commitment: confidence, fulfillment, investment, personal relationships, reliable interactions, and the contractual terms. By meeting these antecedents, organizations can gain donor commitment and focus on helping them give to their passion rather than convincing a donor that a project matters.

Taking a donor-centric perspective means that a nonprofit should attempt to understand its donors and the donors’ needs. A nonprofit focusing on a donor’s goals and interests can cause a deeper relationship to be created (Griffin, 2011). Newer research shows that what a donor needs and expects from a relationship with a nonprofit will change over time. Early in a donor’s relationship with an organization the donor is concentrating on a cause and the organization. However, with time, the donor’s focus will shift. Although the cause the donor is supporting and the organization helping them in supporting this cause is still important to a donor, the relationship they expect to have with a nonprofit will develop beyond this level of simplicity (MacQuillin & Sargeant, 2016). After the relationship has become more established, the donor becomes interested in what the outcomes of their support means for them, or what they receive from the relationship. This does not necessarily translate into tangible items (quid pro quo) such as a donation translating into an award, but the donor’s expectation of returns could also equate to wanting the relationship to bring them self-fulfillment (MacQuillin & Sargeant, 2016). A donor-centric approach to fundraising does not end with making stewardship efforts aiming towards a donor achieving fulfillment. It should also extend to understanding a donor and their motivation, expectations, and needs for the relationship (Prince & File, 1994).

**Donor Types**

Embracing a donor’s “individual talents, influence, and motivations” is an important component of engaging a donor deeply, which can increase the value at which the donor assesses
their relationship with a nonprofit (Blansett, 2015, p. 40). To best understand a donor’s motivation, Prince and File (1994) have categorized donors into the following seven categories: *communitarian, devout, investor, socialite, altruist, repayer*, and *dynast*. Each of these donor types are motivated by different causes, give for different reasons, and expect different recognition. Although donors are impacted by numerous factors, each donor gives for a purpose, which provides information to categorize the individuals into one of the seven donor types. Understanding donor types is important for an institution because no two categories of donors will expect identical treatment. An example of this is an altruist gives because it is the right thing to do and will not want excessive thanks; conversely, a socialite gives because it is fun and expects sizeable recognition, especially before their peers (Prince & File, 1994). This model has remained the standard for more than two decades now as an approach to categorize and better understand a donor base. However, Ali and Wilkinson (2016) have also created a model for segmenting donors.

Building on the donor categorization ideas of Prince and File (1994), the *What Canadian Donors Want* study compared the general population with donors to CanadaHelps, a portal of numerous charities. This study revealed six donor segments, versus the Prince and File model of seven. These categories are listed in descending order of segment size: *pragmatist, affiliative, communal, benevolent, reactive*, and *adherent/reverent*. One result of this more modern study of donor segmentation is the reactive categorization, which does not fit any model for Prince and File’s previous research (Ali & Wilkinson, 2016). Additionally, Williams (2007) suggested another framework through which donors can be organized. In her study, Williams found that donors could be split by age groups to help determine what form and level of interaction would be expected. Because every donor will give to a cause for different reasons, it is important to
understand the driving force behind the gift in order to care for them in the most meaningful manner. Thus, categorizing donors allows for a deeper understanding of the driving factors behind a donation and the likely relationship outcomes that the donor will be more interested in receiving.

**Philanthropic Motivation**

From the Prince and File list of donor types, the following list respectively contains the main motivating factor for each face of philanthropy. A communitarian, who accounts for roughly 26% of donors, gives to a cause because giving makes sense as a method of supporting those around oneself. The devout, at 21%, give primarily to religious causes and with the underlying motivation that it is God's will. Investors, third largest at 15% of donors, give for a reason that matches their name sake, they give because it is good business sense to invest in the cause. A socialite, at a narrowing 11% of donors, gives to gain attention and because it is fun. The main results of giving that socialites find to be enjoyable are the parties and being recognized by their peers. Conversely, the altruist, making up 9% of the donors researched by Prince and File, gives because it feels right. It is possible that altruists will give anonymously because they do not seek recognition for their generosity. The re-payer makes up 10% of donors and views the act of doing something nice as a method of reimbursement for a kind act once done for them. Finally, the dynast, at only 8%, gives out of tradition, likely because such giving was common in their family growing up and the activity has become a tradition the individual wishes to continue (Prince & File, 1994).

The *What Canadian Donors Want* study also evaluated philanthropic motivation. Pragmatists, who accounted for 25% of respondents, give to gain a tax credit, and like a dynast, because of tradition. Affiliative were the next largest group and accounted for 24% of
respondents. Affiliative donors are much like socialites and re-payers because their philanthropic motivation stems from a desire to attend events and give to something that benefited them or someone they know. Communal donors, at 16%, are a close match with communitarian donors because they give locally to benefit those around them. Communal donors also appear to be the closest fit to the investors group. The benevolent category of donors account for 13% of respondents and give out of moral obligation to those in need. This makes benevolent a close fit to the altruist donor’s category who give because it is right. Reactive donors accounted for 12% of the study respondents and did not fit any donor category created by Prince and File. Reactive donors do not maintain a strong association with charities that they support, and they wait for a charity to approach them for donations. Finally, adherent/reverent donors accounted for the final 10% of respondents and give out of religious motivation and to charities that share their beliefs. This category of donors most closely mirrors the devout donor (Ali & Wilkinson, 2016; Prince & File, 1994).

An important result of the What Canadian Donors Want study is the altered donor categories provided through the study, which have changed the lines used to explain why a donor gives. In addition to the changes of lines drawn between donor types, changes in the percentage of donors who most closely fit a category changed between the studies. Dynasts give out of a sense of tradition, one of the factors considered to be important in the pragmatist’s category. Dynasts were the smallest category for Prince and File (1994), but pragmatists were the largest category for Ali and Wilkinson (2016). This change could be based on the breakdown of categorization, change of respondents over time, geography, the sample respondents, or any number of other factors. While several changes exist between the two studies, many of the key words and details through which donors were categorized remained the same between both
studies.

Understanding a donor’s motivations is important for developing a relationship fully. Naskrent and Sieblet (2011) categorized a donor’s perception on giving into one of three categories. A donor will give because they want to, need to, or should. Donors who give because they want to tend to be more generous with their contributions. Donor motivations are important because the reason a donor gives will influence how they viewed their giving experience and if stewardship efforts were effective. Other motivating factors in philanthropy identified by Sargeant and Woodliffe (2007) included an individual sharing the beliefs of the organization, personal linking, trusting an organization, service, and the donor’s perception of risk to the beneficiary group. In Kuhr’s (2015) study of mid-level donors at Lourdes University, it was found that approximately 70% of survey respondents did not feel connected to the campus. Meaning that a large number of donors to an organization might not feel connected to the entity in a significant fashion, but still give. If a donor does not feel connected to a campus or a cause they support, it is possible their giving is not out of a feeling of want and untapped potential is wasted.

Lasher and Cook (1996) believed donors and institutions are interdependent as explained in social exchange processes. Homans (1958) developed the social exchange theory. This theory is based on the exchange of goods between donors and recipients. Those who give much tend to want much in return and a balance is sought between the exchanges. The mixed motive model, based on the social exchange theory, explains that donors will give to support a common good while also being concerned with personal returns (Kelly, 2002). An example of this mixed motive would be a donor who gives to aid a school in the construction of a new building but wants their name on the structure. This is similar to the rational choice model in which
individuals seek the most effective method of reaching a goal. This method of efficient goal achievement includes the idea that donors want to gain both tangible and intangible benefits for their philanthropy (Drezner, 2013).

U.S. Trust found while high net worth philanthropists are driven to make decisions based on its anticipated impact (94.3%), a larger segment (97.2%) give to a nonprofit because they believe in its mission (Card et al., 2016). Even if a university like Lourdes is successful, the mission of an entity could have a greater impact on giving decisions than the extent to which the nonprofit is successful. The importance of community impact would also tie back to the idea of service presented by Sargeant and Woodliffe (2007) as a meaningful factor in giving decisions.

Factors that do not appear to have an impact a donor’s decision to give included nonprofit performance and a thorough knowledge of the charity (Sargeant & Woodliffe, 2007). This does not mean organizational performance and an extensive understanding of a nonprofit’s mission, vision, or service area is not important, but research shows it does not typically make an impact on a donor’s decision to give. Organizational performance not being a significant factor in giving decisions is an interesting result that explains why some national nonprofits still receive overwhelming philanthropic support despite a poor ratio of spending towards the service cause due to substantial overhead. This is certainly supported as a less important factor in giving decisions when the top 50 nonprofits in the United States are considered. One nonprofit on the list has a spending percentage towards projects as low as 36.8%, yet the YMCA still received nearly $400 million in public support in 2011. The American Heart Association only spent 53.3% of funds raised towards projects but managed to raise over $500 million in 2011. Meanwhile, one of only two organizations that boast a 100% project-spending rate, Public Broadcasting Services, only raised $173 million from public support (Velasco, 2010). Although
it is possible that PBS’s numbers might be capped by a lack of need beyond $173 million due to other funding, these numbers do appear to support Sargeant and Woodliffe’s (2007) claim that organizational performance is not a significant factor to donors in philanthropic decisions.

**Recipient of Philanthropic Giving**

According to the National Center for Charitable Statistics, over 1.5 million nonprofit organizations are registered within the United States. This number includes organizations such as private foundations and nonprofit organizations such as civic organizations, but this number is predominately charities with over 1 million public charities. This means the competition for dollars and donors would naturally be high as these one million plus nonprofits maneuver for the $1.74 trillion given in 2013 (National Center for Charitable Statistics, 2016). One reassuring trend given the large number of competitors is according to the *Blackbaud* Index, in 2013, philanthropic giving in the United States increased 4.9% across the board. The one million public charities fall under a number of service categories, all of which experienced different levels of growth, but almost 5% growth spread among these categories certainly can aid in sustaining this monstrous number of nonprofits. Blackbaud classifies giving into several categories on an annual basis. For 2016, the categories were in the following ascending order of giving increases. From greatest to lowest negative growth is healthcare, public and society benefits, and environment/animal welfare. From smallest to largest in positive growth is human services, faith-based, higher education, international affairs, medical research, arts and culture, and k-12 education (MacLaughlin, 2017). National fundraising totals continuing to increase is a trend seen each year. In 2016, giving increased 1% from 2015, and higher education again beat the average with growth of 1.5% (MacLaughlin, 2017). This increase in the area of education is very helpful in shoring up budget shortfalls given the reduction of government funding, which is
covered in organizational challenges below (Miller, 1994; Boverini, 2006).

**Organizational Challenges**

Decreased government support and increased student service and operation costs further complicate higher education as the billions raised in the industry yearly no longer provides for excellence, but instead meets necessity (Miller, 1994; Boverini, 2006). Funding that once aided a program in producing exceptional students might now merely keep the program operational as state and national budgets for education reduce. Across the United States, government funding continues to decrease in the area of higher education causing serious budget shortfalls for institutions of higher learning (National Center for Education Statistics, 2011).

A reduction in funding has a variety of effects on a college. Included in these potential outcomes is the reduction of skilled faculty members (Stephenson & Bell, 2014). If private dollars are not sought to maintain the status quo, the only other funding option in place of budgetary reductions is passing the increased costs on to students. Passing on these expenses is not a desirable option for a system in which the majority of students increasingly feel burdened by student loans. From 2004 to 2012, the national student debt in the United States nearly tripled to a dizzying $966 billion. It seems likely that budgetary cuts are already being passed along to students, but it is worth considering how much this system is capable of maintaining (Brown, Haughwout, Lee, Scally, & Van Der Klaauw, 2015). Whatever the potential outcomes, one solution available is the addition of private dollars to an institution’s operating fund. This means increasing the need to locate and heavily utilize alumni, organizations, foundations, and any other source interested in supporting the high cost of a modern education.

Due to the growing pressure for universities and colleges to continue offering the same or better quality programs while experiencing budgetary cuts that continue to tighten, public
institutions are increasingly pushed to follow the methods of private institutions by raising funds from donors, foundations, and companies (Stephenson & Bell, 2014). As seen by national surveys, state funding varies by year and can be unreliable (Kelderman, 2009). By finding new sources of revenue often not tapped, the variety and quality of programs have the potential to remain relatively intact. In many cases, the addition of private dollars to a public institution allows for a program that would be satisfactory to become exceptional. An important finding showed that alumni who identify with a university are not donors for financial reasons 43% of the time. Over time and with continued engagement, these alumni may someday have the potential, and presumably, the inclination to give (Stephenson & Bell, 2014), this could potentially help in addressing the unreliability of state funding mentioned by Kelderman.

**Alumni giving.** As institutions are further encouraged to search for alternate funding sources, they should certainly utilize their alumni since a built-in relationship already exists and a greater sense of commitment could lead to giving. One method being implemented by institutions to develop alumni giving is to start philanthropic engagement with future alumni during their education. Engaging students in activities during their time in higher education increases the probability that they will give post-graduation (Monks, 2002; Sun, Hoffman, & Grady, 2007). Participation in groups like student government, Greek life, athletics, or other affinity groups can create a feeling of connection to campus that can last well beyond a student’s years in higher education (Monks, 2002). In a social work program at Rutgers University, a student-led effort was made to engage students and faculty at higher rates to aid in raising scholarship dollars. A three-year campaign for *students supporting students* was instituted that ended with an increased percentage of givers in both the student and faculty categories. Before the campaign was started, the program saw alumni giving one-year post-graduation at 1-2% and
two-year post-graduation giving at 1-1.8%. The first year of students engaged in the three-year campaign saw giving one-year after graduation at 4.5% and two-year giving at 4%, more than double the percentage of alumni giving before the campaign and in other alumni giving programs university-wide. These results are supportive of the above statement that students can be engaged during their education to better aid, post-graduation, in closing the gaps caused by increasing tuition expenses (Pottick, Giordano, & Chirico, 2015).

A point of debate for creating alumni giving is offering scholarships. Marr, Mullin, and Siegfried (2005) suggested that institutions of higher education can make efforts to gain future donors and dollars by means of offering additional scholarships rather than students purely taking loans to pay for their education. However, McDearmon and Shirley (2009) do not believe this to be the case. McDearmon and Shirley found that students who received scholarships were not necessarily more charitable, and cited the rise in student loan debt as the root cause of an increasingly difficult financial situation for graduates.

Another suggestion that builds on the idea of engaging students and younger alumni is the creation of a metric that can be used to identify especially promising alumni. At Queen’s University, such a method has been created with the intent of identifying young alumni who are rising quickly in ranks to reach early success. These alumni make ideal candidates for earlier solicitation and development efforts that will prepare them for solicitation later in their careers as well (Wowk, 2016). This method is dependent on creating strong relationships with promising students, who are future alumni, with the intention of improving solicitations. However, alumni affiliation appeared to be a split factor in giving to an institution with roughly 40% saying their alumni affiliation was a strong factor and roughly 42% saying it had no influence on the decision. Survey respondents at Lourdes University disclosed their perceived most important
factor for giving to the institution was not alumni status, but the impact the university had on the community (Kuhr, 2015).

Although competition will increase as the need to have private dollars account for a greater percentage of an operational budget also increase (Stephenson & Bell, 2014), some in the nonprofit sector espouse the idea of plenty rather than competition. Some believe that the nonprofit world needs to view money and giving differently. A part of this belief leads to an acceptance and perception of abundance. The idea of sufficiency suggests if each person is more reflective they will find they have what they need, “sufficiency is a context we bring forth from within that reminds us that if we look around us and within ourselves, we will find what we need” (Twist, 2003, p. 75). Applying this idea to the context of giving, finding sufficiency provides an outcome of feeling free to or even compelled to give:

When we live in the context of sufficiency, we find a natural freedom and integrity. We feel naturally called to share the resources that flow through our lives- our time, our money, our wisdom, our energy, at whatever level those resources flow- to serve our highest commitment. (Twist, 2003, p. 75)

This means that nonprofits may still have to compete for funding sources, but plenty of sources and funds can potentially exist based on the sufficiency perspective that their donors have or that the nonprofit can inspire in donors (Twist, 2003). Although this idea is not broadly shared, the general notion could potentially be supported, in theory, by the fact that national giving continues to trend upwards annually, as seen earlier in the Blackbaud Charitable Giving Report (MacLaughlin, 2014).

**Online giving.** Online giving has been in place for nearly 20 years, but it is still less than 10% of fundraising totals. However, as technology continues to grow, online giving has become
an increasing trend. With the exception of a decline from 2012 to 2013, online giving as a percentage of a nonprofit’s donations has been rising steadily through recent years. In 2013, online giving consisted of 6.4% of gifts received. The number grew to 7.2% by 2016. Also, a part of the online giving trend is a steady rising of gifts made from mobile devices. Of the 10 nonprofit sectors evaluated, higher education was ranked as the lowest recipient of online gifts as a percentage of total gifts received (MacLaughlin, 2017). This low percentage could equate to a trend indicating higher education has fallen behind other sectors in online fundraising efforts. Wiencek (2011) found a relationship between how much money a nonprofit raises through its online presence and the number of features it implements online to build a relationship. Waters and Feneley (2013) found of the Nonprofit Times 100 organizations they evaluated, many are using stewardship strategies to cultivate stakeholders. Evaluating online giving and stewardship efforts against those of peers might be necessary if institutions of higher education have indeed fallen behind the pack.

Loyalty

With increased funding needs and decreased funding sources, donor loyalty through stewardship becomes an imperative need. However, according to Sargeant and Woodliffe (2007), one of the large challenges facing charities is donor loyalty. Burk (2003) shared that 40-60% of newly recruited donors will never fund an organization a second time. Of donors that give multiple years, Sargeant and McKenzie (1998) found only 8% still responded to cash appeals five years later. These are concerning numbers for institutions that must find alternate funding sources on a yearly basis and in growing quantities. These factors only aid in perpetuating the cycle of financial need and funding uncertainty currently experienced by higher education institutions.
**Donor Fatigue**

Donor fatigue is the concept explaining that if donors are depended upon too frequently to make donations towards a cause that the donor will feel burnout. A factor in donor fatigue, Hall (2013) believed a high rate of direct mailings sent creates a negative experience for a donor, which could stop giving. Over-solicitation has become the most common response for a donor to stop giving. Patel and Weberling McKeever (2014) studied the idea of donor or compassion fatigue from a medical field standpoint. The area of medicine is frequently making public requests for funding in areas like disease treatment or research. The category of U.S. health organizations experienced a downturn in contributions during 2009 that is believed to be caused by a number of factors, such as economic recession. A factor theorized to be contributing to the reduction in financial contributions is compassion fatigue caused by over-communication and negatively framed communications (Patel & Weberling McKeever, 2014). If compassion fatigue is contributing to donation reductions in any amount, it appears consistent with Patel and Weberling McKeever’s research for an organization to consider and implement a more positive framing of the funding need and pair this approach with extensive stewardship efforts, digitally as well as physically.

Beyond Hall’s (2013) finding that a high number of direct mailings can reduce giving, the idea of over solicitation is certainly agreed upon as a cause of fatigue. One proposed method of reducing donor fatigue is the use of the *driving towards a goal* (DTAG) method. A study by Jensen, King, and Carcioppolo (2013) compared the use of a goal, and proximity to said goal, as a method of motivating donors to give. The DTAG method is built on an ability to gain momentum and support by providing reports of progress made towards a set goal. This method was compared to *legitimizing a paltry contribution* (LPC), which draws its ability to motivate
donors from the position that everything, even a penny, can make a difference. In the field research portion of the study, the research showed results of LPC raising a larger number of donations while DTAG received fewer but larger donations. Studied again in a lab setting, the results also showed LPC receiving a greater number of donations that grew smaller with time while DTAG grew larger over time to eventually match funds raised by LPC. Although the study did not appear to offer significant differences in the funds raised during the lab setting through the DTAG and LPC methods, it was the opinion of the researchers that DTAG was indeed more effective in resisting donor fatigue because an end goal was visible to donors (Jensen et al., 2013). Reducing donor fatigue is imperative because although lapsed donors will likely continue to be philanthropic, when they feel disengaged with an organization they will stop giving there (Nathan & Hallam, 2009).

Retention

An important reason to implement stewardship efforts is that donors expect involvement. Major donors want to be involved and maintain a relationship affording them the ability to have influence and control over their gifts and how their gifts steer an organization (Dunlop, 1987). Keeping donors involved and happy is important from several perspectives. Reichheld (2001) found the reason stewardship is important for for-profits is a 5% retention increase could bolster returns by 25-100%. Treating consumers well can reduce attrition thereby immensely improving returns. This principle can apply to fundraising efforts, even if retention and fundraising numbers might not be identical. Reichheld’s general for-profit principle is reiterated by Sargeant and Woodliffe (2007) who stated a 10% increase in donor loyalty can provide a 100-150% return on investment. Without quality service from a nonprofit, charities will stand to lose donors and future dollars that those donors would give. If a donor perceives the service that they receive
from a nonprofit as quality, it can improve the donor’s level of commitment. Conversely, providing poor service can cause a nonprofit to sacrifice donations that a donor would have otherwise made as they reconsider their commitment (Sargeant & Woodliffe, 2007).

A recent shift in operations in the nonprofit sector that is focused on donor acquisition has shifted focus away from maintaining the hard-earned existing donor. Unfortunately, retention rates are falling dramatically and acquiring new donors has become less successful and has an increased cost. The two largest reasons a donor will leave an organization is because their donation was never recognized with a thank you and because the organization was not communicating what outcomes resulted due to the donation (Burk, 2003; Lawson & Lawson, 2015). Some of the donors being lost were once prized acquisitions discussed with a prospect researcher who possessed high hopes of receiving a gift from the individual. However, donors cannot always be retained, and will not be retained if an investment is not made. Only 43% of donors are retained year over year (Levis et al., 2017). Lawson and Lawson (2015) warned against the organizational temptation to always pursue what is new, “While discovery will always be fun- and important- the truth is that there is far more of an upside to keeping the donors you have than finding new ones” (p. 69). The idea of maintaining hard-earned donors is supported by Chung-Hoon et al.’s (2005, 2007) Donor/Organization Integration Model, which encourages the importance of keeping donors through relationship building efforts as a method of creating a competitive advantage.

Maintaining an organization’s current donor base has a strong supporting from multiple sources, but actionable ideas are required for an organization to put this commitment into motion. One important realization for a nonprofit to make is a donor’s relationship will be impacted by life events, such as caring for an adult parent. Recognizing where a donor is in life
will impact their giving habits and relationship needs is important because it could alter if the organization views the relationship as successful and imperative to continue. Another important factor for an organization to recognize when attempting to maintain a relationship is the longer a relationship continues, higher expectations will be anticipated by both parties. An organization should know a donor better with each passing year and make more meaningful contacts and stewardship efforts to meet the donor’s ever-growing expectations of the relationship (Lawson & Lawson, 2015). Supporting this growth expectation, a relationship becomes slower the deeper the connection becomes (Taylor & Altman, 1973 as cited in Griffin, 2011). Knowing that retention can have greater outcomes (Sargeant & Woodliffe, 2007) and be easier than acquiring new donors, along with some factors to consider when evaluating the success of a relationship, it becomes important to know how an organization can impact retention.

**Retention intervention.** With a basic understanding of the incredible importance that retention can make for an organization financially (Reichheld, 2001; Sargeant & Woodliffe, 2007), it is important to explore how retention can be impacted positively. In the area of retention, donors expect three outcomes: the prompt acknowledgement of their gift, knowing that their gift goes to a specific cause, and to be meaningfully thanked before asked for another donation (Collins, 2016). According to an interview conducted by Collins with Penelope Burk, these three simple steps are important to all donors regardless of demographics and presumably gift size. Donors want to be thanked quickly and personally. They also want to be contacted later to know what impact their donation made (Collins, 2016). Fischer (2015) felt nonprofits should make efforts that cause a donor to choose to continue giving. Although not every donor can be retained, efforts can be made to track giving habits to determine a donor’s level of engagement or to conduct exit interviews to identify areas for future development.
An additional suggestion for nonprofits is the use of thank you notes (Burk, 2003; Spack, 2011). According to Burk, a thank you note is possibly the most important method of communication a nonprofit will make to secure a follow-up donation. For this reason, thank you notes should be as personal as possible to express the true thanks of an organization and reinforce a relationship for future giving. These principles are relatively simple for any nonprofit to institute and Burk believes them to each be a piece of reducing donor turnover (Collins, 2016). Therefore, through the implementation of these concepts, it is presumable that an organization will see higher retention numbers and gain the financial benefits that Sargeant and Woodliffe (2007) asserted could be achieved by the retention of even a small number of donors.

Collins (2017b) believed midlevel donors who are often annual fund supporters, are an important piece of the retention puzzle. As donor acquisition becomes more difficult for nonprofits, retaining donors who give at a middle level and are committed becomes more important. This is especially imperative since some research shows mid-level donors account for roughly one-third of the dollars an organization could receive. Another source found of organizations surveyed that mid-level donors made up between 4.7% and 19.8% of the organization’s donor base (McKee & Rovner, 2014). Mid-level donors tend to be more plentiful than major donors and they give at smaller levels. However, if they are loyally giving and accounting for so much of a nonprofit’s financial needs, they deserve additional attention. With mid-level donors accounting for a substantial portion of fundraising totals, it is important to ensure they are cared for and retained (Collins, 2017b). When a relationship with a donor ends, it is likely to happen gradually through a reduction of enjoyment and care rather than in a sudden outburst of anger (Altman & Taylor, 1973 as cited in Griffin, 2011). To prevent this cooling, donors need attention. Lapsing and withdrawal of funds can be lessened by engaging, speaking
with, and showing reciprocity to a donor (Altman & Taylor, 1973 as cited in Griffin, 2011). To successfully retain mid-level donors, it is suggested that programs spend an equal amount of time stewarding the group as they do asking. Since mailings are a frequent method of solicitation for mid-level donors, this means sending as many stewardship pieces expressing gratitude as solicitation pieces (McKee & Rovner, 2014).

**One-time donors.** Especially in the area of disaster relief, it is common to receive one-time donations from donors who are unlikely to give again to an organization. Giselle Holloway, a professional in disaster relief efforts, sums up this retention problem well, “a person doesn’t truly become a donor until they make their second gift” (as cited in Schwartz, 2011, para. 17). A question asked by such organizations, and indeed all nonprofits, is what actions can be taken to turn one-time donors into loyal donors. One suggestion for converting one-time donors is the use of stewardship efforts. Although it is unreasonable to think a large number of one-time donors will be retained, a portion of them might (Lamb, 2011).

Not all donors are destined to become major donors, but “those whose support ends after a single year will have no chance to gain the greater connection that supports a larger commitment” (Barber & Levis, 2013, p. 5). The largest suggestion provided to assist in the effort to transition these moving donors is the use of a timely acknowledgment, just as suggested previously as a method of improving overall retention (Collins, 2016). An idea that varied from other sources is that such a timely acknowledgment should take place through the same method of contact that the donor used to first reach out to the nonprofit (e.g., phone, Facebook, website, or otherwise). In addition to providing prompt thanks to donors, the organization should add the donor to any outreach methods that it currently uses such as newsletters or even an annual fund mailing list. Sharing this information with them provides an opportunity to recruit them as a
repeat donor. In this respect, it is suggested that stewardship efforts can convert otherwise transient donors into potential partners (Lamb, 2011).

**Lapsed giving.** Lapsed giving most often occurs because a charity is not fulfilling its role in meeting donor expectations or a change in the donor's financial situation (Nathan & Hallam, 2009). This is important to understand because an organization has control of only one of these areas, stewarding gifts and donors correctly. Of 10,000 surveyed donors, approximately 20% of respondents stopped giving for financial reasons while another 26% stopped giving to a nonprofit to support other causes (Sargeant, 2001). Sargeant’s expected donor attrition rate is supported by Burk (2003) who estimates that 40-60% of donors will lapse in giving. According to Feng (2014), it is possible to reengage donors in the giving cycle after fatigue and lapsing has occurred. Donors who have expressed an interest in a nonprofit and given before are more likely to be reacquired, and at less cost, than non-donors. Further, lapsed donors tend to benefit from a longer period away from a nonprofit before reengagement is attempted, possibly due to regret felt by the donor for no longer making contributions. Burnett (2002) supported the idea of reengagement costing less, recruiting a new donor costs five times what reengagement of a lapsed donor will cost. For this reason, Burnett suggested nonprofits focus their budgets on the retention of current donors to further reduce these expenses.

**Variables in the Study**

The research questions in this study focused on two main variables, stewardship and retention, which was expressed by repeat philanthropy. Looking more specifically at variables, the independent variables were focused around stewardship and relationship longevity. Multiple researchers have looked at stewardship and donor retention (Loyd, 2010; Harrison, 2014; Burk, 2003; Chung-Hoon et al., 2005; Barber & Levis, 2013; Reichheld, 2001; Sargeant & Woodliffe,

Stewardship has been used in different ways in a variety of studies. Loyd (2010) calculated information for 129 universities using a Pearson r to find no correlation between giving in scholarships and stewardship activities, and only one of five years with a correlation for differences in scholarship giving year-over-year due to stewardship efforts. Morrison (2015) performed a qualitative interview-based study on donor motivations and decision making, and found that of her eleven participants five referenced recognition and benefits from a gift as an influence. A nonprofit that did not make stewardship efforts made the donors feel disconnected and disappointed in the giving experience. One of the donors was quoted as saying, “if you enjoy the relationship, you are more likely to give again” (Morrison, 2015, p. 86).
Figure 3. Variable diagram.

According to a qualitative interview study performed by Myers (2011), donors indicated
each of their previous giving decisions influence their future giving decisions. In essence, each
time a donor decides to continue supporting a nonprofit they are influenced by the outcomes of
their previous decision to give to the nonprofit, creating what Myers called a continuum.
O’Conner (2016) looked at lapsed donors and potential contributing factors, and found that
donors who gave smaller dollar figure amounts were more likely to lapse during the first year
than larger donors. O’Conner offered one explanation for the smaller attrition by larger donors
to include more attention.

Based on the findings for these studies, donors appear to appreciate attention, a
relationship with a nonprofit, and the benefits that these items can afford them. However, based
on Loyd’s findings, it cannot be stated that in the case of scholarship dollars that stewardship and
retention efforts necessarily impact the amount a donor will give. Despite this, each year a donor
makes a decision to continue supporting a nonprofit it appears to be building on all of their
previous decisions to give, almost turning philanthropy into a habit.

Summary

This above literature review was intended to provide an overview. As addressed
previously, higher education institutions increasingly need to seek private funding, but the
success of this process depends greatly on institutions properly understanding their donors.
Along with understanding donors, it is important for a nonprofit to understand the solicitation
process and potential pitfalls.

Not every discovery meeting is fruitful. Discovery meetings might reveal a donor has no
interest in an organization or the individual lacks financial resources to be pursued as a major
donor. Instead, a failed discovery meeting might dictate who continues a relationship with a
donor, such as an annual fund employee. Under a donor-centric approach, an institution’s
representatives should endeavor to understand the potential donor’s passions and interests to
guide what gift will be solicited. Solicitation can be drawn-out over several meetings in an effort
to prepare a donor for a formal proposal or after a solicitation has been presented to negotiate the
terms of a gift. A donor is more likely to give when asked after the relationship has been given
ample time to develop, when the amount is right, and the project is right. One reoccurring theme
from professionals and researchers in the field presented through this literature review was the
perceived importance of stewarding donors. Following a gift, it is important to make a variety of
efforts to ensure a donor has been thanked for their gift, shown what impact their donation has
made, reassured the nonprofit acted according to their wishes, and shown appreciation. Many of
the activities that are considered stewardship even meet more than one of the categories of
reciprocity, responsibility, reporting, and relationship nurturing. Stewardship will not satisfy or
retain all donors, but, done right, it can increase satisfaction and retention levels for an
institution, which translates into additional future giving.

**Transition and Summary**

The purpose of this quantitative correlational study was to evaluate the relationship
strength and direction between variables to further understand the importance that stewardship
appears to play in repeat philanthropic giving behaviors. It is important for a donor to feel
valued and appreciated, which, as was explained in the literature review section, can be achieved
through stewardship efforts. Stewardship can lead to greater feelings of emotional fulfillment,
which can encourage a donor to give again (McDaniel, 2016). Because stewardship creates
beneficial outcomes, it was important to determine if the Study Institution’s current efforts were
reaching this positive outcome. If a strong positive relationship existed, the institution’s
stewardship protocols would require modification and/or better implementation and tracking in
order to reach a stronger relational outcome. This research was used to evaluate major gift
donors at the Study Institution and the stewardship activities that said donors receive. To what
extent a relationship exists between the variables was determined by the results of this
quantitative correlational study, the structure of which was discussed in the following section.
The results of this study should prove useful in creating professional practice changes at the
Study Institution, and could potentially benefit a broader range of nonprofits and institutes of
higher education.
Section 2: The Project

This section explained the research conducted and presented through this study. The structure of the study, data collection and analysis, and the reliability and validity were all covered here to elaborate on the study and its professional merit. With a clear understanding of how the study was developed, the final section, which includes results and conclusions, can be more accurately comprehended.

Purpose Statement

The purpose of this quantitative correlational study was to evaluate the direction and strength of any relationship between stewardship activities and major donor retention, as measured by repeat major giving. Understanding the relationship between these variables provided information that allowed the nonprofit to evaluate the situation and invest its time and money better. The Study Institution has stewardship protocols, which were intended to embody the four areas of stewardship (Waters, 2008) to build a quality relationship (Hon & Grunig, 1999). It was generally a belief held by the employees of the Study Institution that these financially tiered protocols were impactful in improving relationships and retention. Creating stronger, more meaningful relationships through appreciation can lead to a decrease in donors who lapse (McDaniel, 2016; Nathan & Hallam, 2009). More information to guide the stewardship process to reach a repeat donation will allow institutions to improve potential outcomes on donor retention, satisfaction, and repeat philanthropic giving behavior. This study aimed to understand the importance of stewardship activities when satisfying donors in order to maximize contributions made to the Study Institution by evaluating the strength of relationship binding the variables.
Role of the Researcher

The researcher was responsible for working with the Study Institution’s Office of Institutional Advancement, specifically Advancement Services, to create a query capable of pulling the necessary information fields from Raiser’s Edge, the donor database system used by the Study Institution. The research query pulled all the required fields necessary for evaluating the research questions including but not limited to: total giving since September 1, 2009, date of first major gift, date of all major gifts since September 1, 2009, and tracked stewardship activities received, if any. The information for analysis had to be retrieved from the system without creating duplicate records or listing both spousal records for any gift made jointly, commonly listed as a soft credit under one of the spouse’s records. Advancement Services reviewed all records produced from the query to determine if duplicate records were reported, if criteria were indeed met, and to combine any spousal records not removed as a soft credit.

Once the data had been confirmed by Advancement Services, the researcher manually reviewed the dataset for any visible errors to ensure the quality of the data. The researcher specifically reviewed the dataset for any listed gifts with a duplicated gift ID. All donations receive a unique gift ID, which can be used to ensure a gift was not listed twice. From this information, the researcher compiled the data for analysis, conducted an analysis using the multiple regression add-on in Microsoft Excel, reviewed and interpreted the findings of the analysis, and made conclusions and recommendations based on the results. Journaling was done during every step of the evaluation to note any important findings, discovered pitfalls, changes in approach, or for any other noteworthy reasons identified during the study.

The researcher organized all of the data in Microsoft Excel by means of query exportation from Raiser’s Edge. All records were organized by donor ID first and date second.
This allowed for records for a single individual to be lumped into areas of the spreadsheet and then delineated by date for greater visual evaluation. After the data had been sorted, the information was coded for evaluation. Once the data had been analyzed through the statistical tools available in Excel, the researcher compiled the results and created charts showing significant findings in a visually meaningful manner. The statistical findings of the evaluation were then reviewed for significance based on parameters dictated by the multiple regression correlation, determined prior to the initiation of the study.

**Participants**

The direct evaluation of participants was not used in this quantitative correlational study. The research focused entirely on existing data held by the Study Institution’s foundation. Due to the limitations and delimitations set forth in this research to create meaningful results for the Study Institution’s use, only data collected by the university providing the data were evaluated.

The archival data for this study was accessed with the permission of the Study Institution’s foundation. To protect the anonymity of the donor records analyzed, the Gift Accounting Coordinator removed all identifying information, excluding foundation generated donor ID and gift ID numbers, before providing the dataset to the researcher. The Gift Accounting Coordinator oversees the donor database and works with others in Advancement Services to maintain a reliable, current database. Although this study did not necessitate direct interactions with participants, it was important to ensure the information used for analysis did not have information that could be used to identify donors. This was achieved by initially stripping the dataset to be analyzed of all identifying information that could be used by an outside party to determine a donor’s identity. A stripped dataset protected the identities of all parties involved.
Research Method and Design

The following paragraphs provide a greater picture into the research method and design selected for this research. A quantitative correlational study was selected as an appropriate method for a single source of archival information.

Discussion of Method

A quantitative study was an appropriate method to be utilized in this research because the archival data already produced by the Study Institution stretched back over a number of years, allowing for the evaluation of donors over a period of time. A quantitative study was useful in comparing large amounts of data that were numerical. Being able to compare large amounts of data were useful for this study because all major gift donors from September of 2009 to May of 2018 were queried. Further, each queried donor could potentially have multiple data points apiece that were used in evaluation.

Quantitative research is a means for testing theories and relationships (Creswell, 2009). A multiple regression approach was used to take the dated constituent entries going back a number of years and answer the questions posed in this research study. Quantitative research is said to be more objective due to its reliance on hard numbers and easily classified information (Gliner & Morgan, 2000). This means the results of this study should be more reliable because researcher opinion and predisposition did not cloud the results of variable relationship strength and direction found in the multiple regression.

Discussion of Design

A quantitative correlational study was an appropriate design to be utilized in this research because it could be used to evaluate if an anticipated relationship between variables did exist, the strength of said relationship, and direction (Privitera & Ahlgrim-Delzell, 2018). Through the
evaluation of the variables for this study, it was possible to look whether the variables in both of the research questions were related and how strong the relationship was, as seen in the $R^2$ score. The direction of the variable pairs can be seen in the beta score ($\beta$), which indicates if the variables changed in similar or inverse relation. The significance ($p$) of the findings indicates how likely the one variable indicated the score of the second variable. Through the $R^2$, $p$, $\beta$, and F scores, it was possible to discuss the variables of this study and the relationship between them.

The data evaluated came from a single institution of higher education, and as a sample, it is possible the results might not be significantly generalized to other donor bases. Archival data were selected because the raw information already existed for this population and the data spans several years. Finally, a quantitative correlational study was appropriate for the evaluation of this research because the data analyzed was numerical and archival in nature.

The frequency at which a nonprofit solicits gifts has been found to increase the probability of a donor giving (Damgarrd & Gravert, 2016; Sonntag & Zizzo, 2015; Henze, 2009). But, solicitation that occurs in excess frequency will also increase donor lapse rates (Damgaard & Gravert, 2016; Henze, 2009). A correlational study does not show causality between variables, but it can be important for understanding if variables are indeed related (Privitera & Ahlgrim-Delzell, 2018). The information gathered from this design provided the Study Institution greater insight when making important budgetary considerations and changes in policies and procedures. This study looked at the dependent variables (a) major giving since September 1, 2009 and (b) average elapsed time between major gifts. The independent variables were (a) number of stewardship activities, (b) stewardship activities occurring within one-month of a major gift, and (c) duration of major giving relationship.

The data were pulled using a query. From there, the information was recoded to answer
the two research questions inherent to this study. To answer each question, the dataset was recoded manually from the query results. The data pulled included constituent ID, spouse ID, gift ID(s), gift amount(s), gift date(s), giving total since 09/01/2009, activity note type(s), and activity note date(s). The data were evaluated using Microsoft Excel. The evaluation used to answer the proposed research questions was the multiple regression correlation coefficient. From this, the results were presented in both text and visual formats. Visual formats included tables and graphs such as scatter plots, where useful. A theory to be addressed through this study was that providing ample stewardship would typically cause a major donor to give to a nonprofit again without increasing donor lapse rates.

Summary of Research Method and Design

By looking at the strength and direction of the variable relationships used in this study, the researcher hoped to identify if stewardship activities were closely and positively related to future giving, thus indicating the level of importance the Study Institution should assign to these activities. It was the hope of the researcher that this study would be one of many to look at stewardship activity as it relates to future giving to develop a greater understanding of how nonprofits can optimize a donor’s experience and improve professional practice.

Population and Sampling

The target population for this study was all major donors to institutions of higher education in the United States. From the target population, the convenience sample included all major gift donors to the Study Institution. Because the available population was not representative of the target population, this was considered a convenience sample (Gliner & Morgan, 2000).
Discussion of Population

The Study Institution has a database of all donors, companies, foundations, alumni, and other records as determined useful by the institution. These records include all donors who have given to the institution since the introduction of Raiser’s Edge, and even previously imported data, for tracking donor records on campus. At the time of this study, the database included over 150,000 constituent records. The accessible population included all major gift donors at the Study Institution. Using a small, well-defined sample was desired because it allowed for this study to look specifically at major donors to the Study Institution. The sample was estimated to be over 100 records. The use of these records was considered a convenience sample, because the records were available for a single location. A non-probability sample such as a convenience sample can be used to reduce the time and costs associated with a study, and is often selected to evaluate data accessible only from a single location (Gliner & Morgan, 2000). The convenience sample used in this case was a 100% sampling of all donors meeting the specified major donor criteria.

Discussion of Sampling

Sampling occurred through the use of the donor database, Raiser’s Edge. For the sake of this study, the entire database was queried for cases that met the specific criteria needed for the intended evaluation. The participants pulled for the sample were major gift donors who were classified as individuals rather than an entity, such as a company or foundation. Although it was the purpose of this study, it was not necessary for a donor to have received stewardship activities to qualify for the sampling. Stewardship activities were not a necessary criterion for sampling because a donor who was not stewarded might give another major gift, an important piece of data that goes against the anticipated, typically existing relationship posed in this evaluation.
Records sampled for this research included any donor categorized as an individual who has given a major gift, a minimum gift of $10,000, at any point during their association with the Study Institution’s foundation since the start of the 2009 fiscal year. The year 2009 was selected because tracking of donor records continued to become more refined since that time, thus providing more reliable donor activity information for evaluation. Donors evaluated needed not be alive or have accurate contact information to be a part of the sampling, even though accurate information typically exists for active or large donors. Donations received as a planned gift, a gift received from a donor’s estate upon their passing, were not considered if no major gifts preceded the planned gift. This type of gift was not evaluated as a part of the sampling because a donor who makes an initial major gift upon their passing can never receive stewardship activities that may cause them to donate again.

Only major donors were evaluated in this process because major donors are the responsibility of the development officers on staff at the Study Institution; therefore, they are more likely to have received tracked stewardship activities, the focus of this research. Because all records meeting the selection criteria were used, the data should yield results that were less skewed by outliers. However, by means of scatterplot evaluation, extreme outliers were eliminated from the study to reduce skewing the correlational coefficient. Two primary advantages of using archival data in this study were the ability to evaluate a much larger sample and over a greater period of time than might be otherwise possible (Shultz, Hoffman, & Reiter-Palmon, 2005).

**Summary of Population and Sampling**

This study looked at the general problem of a lack of scientific data for stewardship donors to institutions across the United States, but the specific problem was focused on the Study
Institution. To match the specific problem studied in this research paper, the population sampled was major gift donors at the Study Institution since 2009. All major donors, donors who have given a single gift of $10,000 or more since September 1, 2009, were used in this study to provide findings that were less skewed by outliers or a lack of database activity entry.

**Data Collection**

This study used archival data for the sample. All donor records for the Study Institution are kept within software called Raiser’s Edge, which is owned by Blackbaud. This limited scope made the collection of donor stewardship related data concise. The collection process for this study follows in the subsections below.

**Instruments**

Donor stewardship in this study was measured using the *notes* tab in Raiser’s Edge. This tab was used to track activities provided to donors by development officers and foundation staff. All donors who had given a major gift since 2009 were queried from the Raiser’s Edge database. The dataset was then measured in Excel using multiple regression to determine the level of interaction between donor stewardship and subsequent successful donations. Stewardship activities retrieved for this evaluation were limited to any activity listed under the stewardship, thank you, annual report, or reports categories within the notes section of a constituent record in Raiser’s Edge.

Not all records were necessarily accurate. As much as this study was meant for better understanding the correlational value of stewardship variables at the Study Institution, it was also meant to draw attention to gaps in practice. Records were not necessarily an accurate representation of the activities provided because some activity reports may not have been recorded in a donor’s profile due to oversight, poor activity tracking, or a decision that an
activity did not merit tracking. This lack of complete tracking would create some minor discrepancies between the findings and reality. To combat this potential threat to validity and reliability, only donor records that met the evaluation criteria were computed. Major donors were selected due to the higher level of attention traditionally given to these individuals, thus equating to a higher level of accuracy and tracking. In order to reduce possible error, the largest number of records available, under the selected criteria, were evaluated to help reduce any skewing that could occur by poor tracking under a single donor or within a single area of support to the institution.

**Data Collection Technique**

Data were collected from the Study Institution’s donor database. Data were queried from the database using the software’s internal query abilities. This archival data were queried for information that would allow for the evaluation of the research questions involved in this study to look at the problem and purpose encouraging the study. Information retrieved from the database included: constituent ID, spouse ID, gift ID(s), amount and date of all major gifts since September 1, 2009, giving total since 09/01/2009, activity note type(s), and activity note date(s).

**Data Organization Techniques**

All data used within this quantitative correlational study remained in a static, digital format in the following software. Data were retrieved from and kept in query form within Raiser’s Edge. This allowed for the retrieval and manipulation of information by the Gift Accounting Coordinator to create a meaningful dataset for evaluation. Data were then exported to the Microsoft Office program Excel for further review and evaluation by the researcher. Data were kept secure through the strict use of password-protected computers. The data were further protected because only the original data, in query form within Raiser’s Edge, were kept. The
Raiser’s Edge system was kept additionally secured at the Study Institution because only a limited number of individuals receive approval to have access to the program. Because the dataset for this study was provided in a de-identified form, only employees with access to Raiser’s Edge have the ability to match donor IDs with donor records. This eliminated any threat of identifying sensitive information by anyone who does not have access to said information.

**Summary of Data Collection**

Data were queried from the Raiser’s Edge database used by the Study Institution and exported into Excel. Once in Excel, it was possible for the researcher to manually evaluate the data for missing or inaccurate information before performing a multiple regression. A multiple regression provided useful data in this study because it could be used to show a correlation between both the set of independent variables and the dependent variable, and simultaneously the individual relationship between each independent variable and the dependent variable.

**Data Analysis**

Microsoft Excel was used for data calculation purposes. Specifically, this study employed the use of the multiple regression correlation coefficient to answer the identified questions. A multiple regression approach is the appropriate test for associational statistics with two or more independent variables and a scale dependent variable (Morgan, Leech, Gloeckner, & Barrett, 2010). All data were archival and retrieved from the donor database, Raiser’s Edge.

**Scale Variables used in the Study**

Both research questions were evaluated using the multiple regression correlational coefficient method. Question one compared the dependent variable major giving since September 1, 2009, and the independent variables number of stewardship activities, stewardship
activities occurring within one-month of a major gift, and duration of major giving relationship. Question two compared the dependent variable the average amount of time elapsed between major gifts, and the independent variables number of stewardship activities, stewardship activities occurring within one-month of a major gift, and duration of major giving relationship. The findings are presented in table form from the workbook. All resulting figures are provided and an explanation of what constitutes statistical significance accompanies the findings. Finally, an explanation of the results and any useful visual presentations are provided. Speculation on significant findings are limited, but any useful findings such as data outliers are mentioned and, if appropriate, compensated for by rerunning an analysis without the outlier.

**Hypothesis 1**

Hypothesis one was tested using a multiple regression test. By using a multiple regression test, it was be possible to answer if a statistically significant relationship existed between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and donor major giving since 2009. Additionally, it was possible to determine which, if any, of the three independent variables were statistically significant.

**Hypothesis 2**

Similarly, hypothesis two was tested using a multiple regression test. By using a multiple regression test, it was possible to answer if a statistically significant relationship existed between stewardship activities, stewardship activities occurring within one-month of a major gift, and the duration of the donor’s major gift relationship with the Study Institution and the elapsed time between major gifts. Additionally, it was possible to determine which, if any, of the three independent variables are statistically significant.
Summary of Data Analysis

This study evaluated the dependent variables: donor major giving since 2009 and average amount of time elapsed between major gifts, and searched for correlation to the independent variables: number of stewardship activities, stewardship activities occurring within one-month of a major gift, and duration of major giving relationship. Using a multiple regression, it was possible to determine if a statistically significant correlation existed between these variables.

Reliability and Validity

Reliability and validity are two of the most important components of any study; without them, the findings of a study cannot be depended upon and are rendered nearly useless. For this reason, it was important to ensure this study abided by certain expectations of reliability and validity to ensure research outcomes presented value and were viewed favorability as accurate outcomes.

Reliability

Reliability is simpler to achieve than validity. Reliability contains the simple goal of making certain that a study was carried out in a manner that makes it free from error and bias. Therefore, reliability ensures that a study can be repeated by an outsider to produce the same results and that the results are stable over time (Creswell, 2009). Reliability can be assessed by a test-retest approach to determine repeatability (Adams et al., 2014). This study employed a test-retest approach for confirmation. Although the sample used in this study was delimited to major donors at a single institution of higher education, the evaluation of data in this study was handled in a manner that was true to general practice so the dataset should produce identical results no matter how many times it is computed.

Reliability was achieved through this quantitative correlational study by several means.
First, the office of Advancement Services reviewed and re-verified the data before analysis began. Second, the study dataset was used by the researcher multiple times to test and retest for identical results from each evaluation. Finally, the data and researcher’s results were scrutinized by the dissertation committee, who possess experience with statistics and are not involved in the collection or storage of information within Raiser’s Edge. By ensuring the dataset created identical outcomes from each of these three evaluations, reliability for the study was deemed satisfactory.

Validity

Validity addresses the quality of a study and its accuracy, whether meaningful results can be drawn from the information (Creswell, 2009). Adams et al. (2014) viewed validity as a measurement of the strength of conclusions made. It was the intention through this study to offer meaningful results and ideas for professional practice by drawing on the specific practices and the results of said practices used at a single institution of higher education. Although limiting the sample used in the study to a single institution limited the application of the results of this study, it also provided a clearer framing of the issue by not polluting the sample with information that might not have been collected and tracked similarly among other institutions.

An important subcomponent of validity is internal validity. Internal validity is the probability that changes in the dependent variable are caused by manipulation to the independent variable (Adams et al., 2014). Correlational designs do not allow for the manipulation of variables given that correlational designs are intended to measure the strength and direction of a relationship, not determine causality (Privitera & Ahlgrim-Delzell, 2018). The dependent variables evaluated during this research were major giving dates since September 1, 2009 and average elapsed time between major gifts. The independent variables were (a) number of
stewardship activities, (b) stewardship activities occurring within one-month of a major gift, and (c) duration of major giving relationship. A variety of factors can be a threat to internal validity. Personal factors, such as the timing of a solicitation, could potentially skew results due to an unsuccessful solicitation (Bartolini, 2017). Because a correlational design does not allow for variable manipulation, to better account for unknown and uncontrollable variables, the largest sample size available was used to help ensure more reliable results and internal validity.

It is important to address the external validity of a study, or whether the results can be generalized to others (Adams et al., 2014). Given the specific nature of this quantitative correlational study, which looked at the database of a single institution and its current situation and data tracking efforts, the results of this study may have limited external validity. Although it is possible for the same research method to be used by a similar institution to determine its own results, the results of this study cannot necessarily be generalized to other institutions. A contributing factor that affected the generalizability of the research was the definition of stewardship activities by the Study Institution, and therefore what staff members track would most likely differ from that of another institution or nonprofit. Another important factor in external validity is sample size. A larger sample has a higher probability of being valid and therefore generalizable to a broader population (Adams et al., 2014). This study used the largest possible sample meeting the specified criteria; however, the sample did not span multiple organizations or higher education foundations.

**Summary of Reliability and Validity**

This study achieved reliability by using a test-retest approach. Reliability was easily achieved because the only requirement was to have data that consistently gave the same results over time. Due to the greater complexities involved, validity achieved by multiple approaches.
The methodology and sample for this research study were clearly defined. Because a
correlational design did not allow for the manipulation of variables to test for internal validity, a
large sample was used to optimize the validity of the findings. Further, a large sample was used
to account for external validity issues and a lack of generalizability caused by limiting the scope
of research to a single institution.

**Transition and Summary**

This section explained how the study was structured. The evaluation relied on archival
data, thus allowing for the Study Institution to gain a greater understanding of current practices
and changes that might be made while allowing for greater protection of participant information.
Major donors were evaluated using existing activity notes. With an understanding of how this
correlational study was structured and how the data were evaluated, the research and evaluation
portion of this paper follow. The following section evaluated the stewardship data using
multiple regression correlation coefficient to determine potential regressions and associations
between the dependent and independent variables.
Section 3: Application of Professional Practice and Implications for Change

This section details the research conducted and presented through this study. The data analysis, findings, and recommendations are all covered in this section along with reflections and final conclusions. This section brings the study to an end and presents data related to the initial problem statement driving this research.

Overview of Study

For the purposes of this study, three separate queries were run to pull the necessary information from the Raiser’s Edge database. From the three queries, over 11,000 lines of data were collected and reduced to the necessary information. Any activity codes beyond stewardship, thank you, annual report, and reports were eliminated from the spreadsheet as unnecessary to the desired study topic. Once reduced, the queries were combined into a single data set and records were checked for duplicate records. A small number of spousal records were combined into a single record using spouse ID codes. Finally, before analysis was conducted, the data were recoded into a format that could be used in analysis to provide the desired answers. Following all of these steps, a multiple regression was run for each research question using the data analysis add-ins on Microsoft Excel.

For the sake of this research, a stewardship activity only needed to occur a month before or after a major gift. The time before a gift was included because, depending on the donor, the solicitation process can be substantial and it was often known that a gift would be made before every detail was agreed upon or a check was received. Hence, it was decided that a stewardship activity could predate a gift because it was known to the development officer that the gift was imminent. Analysis showed independent variables a and b, the number of stewardship activities provided to a donor and the number of stewardship activities provided to a donor within a month
of any major gift, had a significant outcome on total giving since 2009, according to the low p value of 0.000 and 0.018 respectively. Once three outliers were eliminated from question two, it was found that only independent variable a, the number of stewardship activities provided to a donor, was significant in the average number of days between major gifts, as seen in the low p value of 0.002.

**Presentation of the Findings**

Through this research, it was found that donor stewardship activities have a relationship with both total giving by a donor and an increase in the time between major gifts. Additionally, a relationship was identified between total giving by a donor and the number of stewardship activities that donor received within one month of any of his or her major gifts. With the tests used, neither of these relationships can show causality, but the respective high and low-medium significance levels between research questions one and two and the independent variables showed a relationship did indeed exist.

This study identified statistical significance, detailed by hypothesis below. Although statistical significance was found, not all variables presented with statistical significance. For hypothesis 2, a Pearson r was conducted following the multiple regression to further evaluate the sole independent variable with statistical significance. The adjusted $R^2$ value was high or low-medium for each research question.

**Descriptive Statistics**

The means, standard deviations, and number of records are listed in Table 1. Each area had the same number of records. The total amount of giving and days since first major gift had higher standard deviations showing a greater spread in data points.
Table 1

*Descriptive Statistics Hypothesis 1*

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount of Gifts Since 9/1/2009</td>
<td>113315.751</td>
<td>233551.2947</td>
<td>130</td>
</tr>
<tr>
<td>Number of Activities</td>
<td>3.361538462</td>
<td>4.365125794</td>
<td>130</td>
</tr>
<tr>
<td>Activity within 1 month of MG</td>
<td>0.792307692</td>
<td>1.407048447</td>
<td>130</td>
</tr>
<tr>
<td>Days since 1st MG</td>
<td>2476.730769</td>
<td>2120.043223</td>
<td>130</td>
</tr>
</tbody>
</table>

The correlations table, Table 2, shows how related each of the four variables were. From the table it becomes clear that days since first major gift was the least related to any variable. To the dependent variable, number of activities was most closely related but followed closely by activities within one-month. Unfortunately, the correlations also show a substantial overlap between number of activities and activities within one-month.

Table 2

*Correlations Hypothesis 1*

<table>
<thead>
<tr>
<th></th>
<th>Total giving</th>
<th>Number of activities</th>
<th>Activity within 1 month</th>
<th>Days since 1st MG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total giving</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of activities</td>
<td>0.581</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity within 1 month</td>
<td>0.515</td>
<td>0.662</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Days since 1st MG</td>
<td>0.275</td>
<td>0.357</td>
<td>0.281</td>
<td>1</td>
</tr>
</tbody>
</table>

The means, standard deviations, and number of records for hypothesis 2 are listed in Table 3. Each area had the same number of records. The time between gifts and days since first major gift had higher standard deviations showing a greater spread in data points.
Table 3

Descriptive Statistics Hypothesis 2

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time between MGs</td>
<td>123.05</td>
<td>237.51</td>
<td>127</td>
</tr>
<tr>
<td>Number of Activities</td>
<td>3.33</td>
<td>4.38</td>
<td>127</td>
</tr>
<tr>
<td>Activity within 1 month of MG</td>
<td>0.80</td>
<td>1.42</td>
<td>127</td>
</tr>
<tr>
<td>Days since 1st MG</td>
<td>2478.02</td>
<td>2144.93</td>
<td>127</td>
</tr>
</tbody>
</table>

The correlations table, Table 4, shows how related each of the four variables are. From the table it becomes clear that days since first major gift was poorly related to any variable. To the dependent variable, number of activities was most closely related. Unfortunately, the correlations also show a substantial overlap between number of activities and activities within one-month.

Table 4

Correlations Hypothesis 2

<table>
<thead>
<tr>
<th></th>
<th>Time between MGs</th>
<th>Number of Activities</th>
<th>Activity within 1 month</th>
<th>Days since 1st MG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time between MGs</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Activities</td>
<td>0.357</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity within 1 month</td>
<td>0.204</td>
<td>0.668</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Days since 1st MG</td>
<td>0.205</td>
<td>0.361</td>
<td>0.282</td>
<td>1</td>
</tr>
</tbody>
</table>

The overlaps noted in Tables 2 and 4 are indications of multicollinearity. This high intercorrelation was an indication that predictors were measuring information that was similar or overlapping (Morgan et al., 2010). The independent variables number of activities and activities occurring within one month were considered to be highly correlated (Leech, Barrett, & Morgan, 2014). Because activities within one month is a subset of number of activities, the multicollinearity was not unexpected. Although it could have been suggested that these variables be aggregated, the variables were evaluated separately using a Pearson r below because the
researcher felt that both pieces of information were important for professional practice changes at the Study Institution. Because both independent variables were deemed necessarily, their importance was proven separately through a Pearson r calculation. Knowing how related each of the variables used were, it was appropriate to move on to the multiple regression analysis.

**Hypothesis 1**

A simultaneous multiple regression was conducted to study the predictors of major giving since 2009 to the Study Institution. The combination of variables used to predict total giving included number of activities, activities within one month, and length of relationship. The regression statistics (Table 5), beta coefficients (Table 6), and the ANOVA results (Table 7) are covered below.

As seen in Table 5, the adjusted R² value was 0.357, indicated that 36% of the variance in donor giving was explained by this model. According to Morgan et al. (2010), this is a large effect. Cohen and Cohen (2009) concurred, stating that an R² above 0.25 is rare in behavioral science research. The effect can be seen in the scatter plots below (Figures 4-6), which include a linear trend line that shows positive association.

**Table 5**

*Regression Statistics RQ1*

<table>
<thead>
<tr>
<th>Regression Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
<td>0.610</td>
</tr>
<tr>
<td>R Square</td>
<td>0.372</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.357</td>
</tr>
<tr>
<td>Standard Error</td>
<td>187280.555</td>
</tr>
<tr>
<td>Observations</td>
<td>130</td>
</tr>
</tbody>
</table>
Figure 4. Number of activities.

Figure 5. Activity within 1 month.
As seen in Table 6, the p-values also known as significance, the number of activities and activities within one month both significantly predicted total giving when all three variables were included.

Table 6

<table>
<thead>
<tr>
<th></th>
<th>Beta (β)</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total giving</td>
<td>-7705.806</td>
<td>-0.296</td>
<td>0.768</td>
</tr>
<tr>
<td>Number of activities</td>
<td>21806.731</td>
<td>4.201</td>
<td>0.000</td>
</tr>
<tr>
<td>Activities within 1 month</td>
<td>37691.907</td>
<td>2.405</td>
<td>0.018</td>
</tr>
<tr>
<td>Length of relationship</td>
<td>7.209</td>
<td>0.864</td>
<td>0.389</td>
</tr>
</tbody>
</table>

An ANOVA was conducted to compare the overall fit of total giving with the independent variables: number of activities, activities within one month, and length of relationship. With all variables included, there was a statistically significant effect on the giving totals since September 1, 2009, at the p < 0.05 level for the three independent variables \( F (3,126) = 24.87, \ p = 0.000 \), see Table 7.
Table 7

ANOVA RQ1

<table>
<thead>
<tr>
<th></th>
<th>df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3</td>
<td>2617135959598.32</td>
<td>872378653199.44</td>
<td>24.87</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>126</td>
<td>4419324776135.72</td>
<td>35074006159.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>7036460735734.04</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Because number of activities and activities within one month were the only independent variables in this model to show statistical significance when using a multiple regression, a Pearson r was repeated between each pair of variables. A Pearson was preformed because the descriptive statistics for this hypothesis showed multicollinearity. The Pearson r for number of activities returned a result of 0.58, which is a large effect, Figure 7.

![Number of Activities](image)

Figure 7. Number of activities.

The Pearson r for activities within one month returned a result of 0.52, which is a large effect, Figure 8 (Morgan et al., 2010).
A Pearson $r$ approach eliminated the use of multiple independent variables as was the case in the multiple regression, which had showed overlapping. It is important to note from these two figures and Pearson $r$ scores the number of activities and activities within one month both resulted in a Pearson $r$ score considered to be a high effect. The adjusted $R^2$ for the multiple regression also showed a high effect. From these results, it can be concluded that each independent variable is statistically significant to the dependent variable even though the descriptive statistics indicated multicollinearity.

Due to statistical significance, the null hypothesis was rejected. Meaning, there was a statistically significant relationship found between number of activities, activities occurring within one-month, length of relationship, and donor major giving since 2009 in the regression model. However, as shown above in Table 6, the number of activities and activities within one month had the most significant relationship.

**Hypothesis 2**

A simultaneous multiple regression was conducted to study the predictors of elapsed time between major gifts. The combination of variables used to predict time between gifts included
number of activities, activities within one month, and length of relationship. Three records were eliminated from this evaluation as extreme outliers that would skew the findings. These records were eliminated following a visual inspection of all three variable graphs, which showed the same three records as extreme outliers. These three records each had time between gifts of 1,745 days or higher, well above the next highest result that showed 1,079 days. The regression statistics (Table 8), beta coefficients (Table 9), and the ANOVA results (Table 10) are covered below.

As seen in Table 8, the adjusted $R^2$ value was 0.116, indicating that 12% of the variance in donor giving was explained by this model. According to Morgan et al. (2010), and $R^2$ above 0.116 is low-medium effect. The effect can be seen in the scatter plots below (Figures 9-11), which include a linear trend line that shows positive association.

Table 8

<table>
<thead>
<tr>
<th>Regression Statistics RQ2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple R</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>Standard Error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>
Figure 9. Number of activities.

Figure 10. Activity within 1 month.
As seen in Table 9, the p-values also known as significance, number of activities significantly predicted time between gifts when all three variables were included.

<table>
<thead>
<tr>
<th></th>
<th>Beta (β)</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time between gifts</td>
<td>40.482</td>
<td>1.297</td>
<td>0.197</td>
</tr>
<tr>
<td>Number of activities</td>
<td>20.039</td>
<td>3.187</td>
<td>0.002</td>
</tr>
<tr>
<td>Activities within 1 month</td>
<td>-11.396</td>
<td>-0.605</td>
<td>0.547</td>
</tr>
<tr>
<td>Length of relationship</td>
<td>0.010</td>
<td>1.011</td>
<td>0.314</td>
</tr>
</tbody>
</table>

An ANOVA was conducted to compare the overall fit of time between gifts with the independent variables: number of activities, activities within one month, and length of relationship. With all variables included, there was a statistically significant effect on time between gifts at the p < 0.05 level for the three independent variables $F(3,123) = 6.49$, $p = 0.000$, see Table 10.
Table 10

**ANOVA RQ2**

<table>
<thead>
<tr>
<th></th>
<th>df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3</td>
<td>971876.347</td>
<td>323958.782</td>
<td>6.494</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>123</td>
<td>6135651.380</td>
<td>49883.345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>126</td>
<td>7107527.726</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Because number of activities was the only independent variable in this model to show statistical significance when using a multiple regression, a Pearson r was repeated between this pair of variables. The Pearson r returned a result of 0.36, which is a medium effect, Figure 12 (Morgan et al., 2010).

**Number of Activities**

![Number of Activities](image)

*Figure 12. Number of activities.*

Due to statistical significance, the null hypothesis was rejected. Meaning, there was a statistically significant relationship found between number of activities, activities occurring within one-month, length of relationship, and time between major gifts in the regression model. However, as shown above in Table 9, the number of activities had the most significant relationship.
**Relationship of Hypotheses to Research Questions**

Based on the data presented above, it was possible to answer the research questions presented in this study.

1. There was a positively correlated relationship between stewardship activities and stewardship activities occurring within one-month of a major gift, and donor major giving since 2009. However, there was not a relationship of statistical significance between the duration of the donor’s major gift relationship with the Study Institution and donor major giving since 2009.

2. There was a positively correlated relationship between stewardship activities and the elapsed time between major gifts. However, there was not a relationship of statistical significance between stewardship activities occurring within one-month of a major gift and the duration of the donor’s major gift relationship with the Study Institution, and the elapsed time between major gifts.

These results showed that half of the independent variables tested were statistically significant enough to confirm a relationship and answer the research questions in the affirmative.

**Summary of Findings**

Research question one was answered by rejecting the null hypothesis. With all three independent variables included, the number of stewardship activities provided and activities occurring within one month of a major gift significantly predicted donor giving. The number of stewardship activities provided to a donor, p value of 0.000, and the number of stewardship activities provided to a donor within one month of a major gift, p value of 0.018, both had a significant outcome on total giving since 2009. The adjusted $R^2$ value for RQ1 indicated a large effect in which 36% of the variance in donor giving was explained by this model.
Research question two was answered by rejecting the null hypothesis. With all three independent variables included, the number of stewardship activities provided significantly predicted the average number of days elapsed between gifts. The number of stewardship activities provided to a donor, p value of 0.002 had a significant outcome on time between gifts since 2009. The adjusted $R^2$ value for RQ2 indicated a low-medium effect in which 12% of the variance in donor giving was explained by this model.

The positive relationship for days between major gifts and stewardship activities was not anticipated. The researcher believed that this relationship was positive not as a result of a causational relationship but due to an unknown third variable.

**Applications to Professional Practice**

Researchers tout the importance of individualized donor treatment (Prince & File, 1994; Nathan & Hallam, 2009). However, stewarding each donor with an individualized approach would demand too many resources from a nonprofit, increasing their administrative spending, and making the organization unattractive to many donors. In an ideal world with unlimited resources, time, and employees, each donor can be singled out for highly individualized stewardship activities. Although personalized stewardship is the ideal practice, it is not financially prudent at lower giving levels. A customizable approach based on found relationship strengths and directions, which is feasible to implement, preferably in addition to an individualized stewardship approach for high-level donors, is needed to address the gap between research and practice.

From this research it was found that the number of stewardship activities provided to a donor had a statistically significant relationship with dollars given and the time between major gifts. This finding dictates that professional practice respond with increased donor stewardship
activities. The three largest donors to the Study Institution each had an individual giving total above $1,000,000 since 09/01/2009 and received tracked stewardship activities totaled between 13 and 28 while all other major gift donors to the Study Institution received 16 or fewer tracked stewardship activities and had a giving total below $1,000,000 since 09/01/2009. Further, the only donor queried to have more than 16 stewardship activities received 28 tracked activities. This donor had a giving total in excess of $1,000,000 for the study period and maintained a relatively low average elapsed time between major gifts. With zeros eliminated from the dataset because repeat gifts did not occur from these individuals, this donor’s elapsed time between gifts, 250.83 days, falls under the second quartile mark of 334.23 days. An even lower elapsed time between major gifts was seen for the other two major donors with a giving total over $1,000,000.

Some of the highest-level donors to the Study Institution also give more frequently than the other repeat major donors and receive the most stewardship activities. Although none of this information proves causality, it shows a statistically significant relationship, which could even be considered strong from a behavioral science research standpoint, exists between these points of data. This finding encourages the use of increased stewardship activities.

From this research it was found that the number of stewardship activities occurring within one month of a major gift had a statistically significant relationship with dollars given. This finding dictates that professional practice respond with increased donor stewardship activities occurring close to a gift. Timely stewardship had a statistically significant relationship on giving totals. Interestingly, two of the three $1,000,000+ donors received the highest tracked number of stewardship activities occurring within one month of a gift, eight, while the third received none of their 15 tracked activities within a month of any of his or her six major gifts since 09/01/2009. Even still, a positive correlation was found showing a p-value of 0.018,
encouraging the use of timely stewardship activities in building strong, financially rewarding donor relationships.

**Recommendations for Action**

Based on the statistically significant findings of this research, it was recommended that the Study Institution and other nonprofits use a high number of stewardship activities. Although what constitutes a “high number” will vary by nonprofit, increasing the number from that of typical procedures may prove to be beneficial in addition to efforts to optimize the balance of staff time towards greater stewardship. As was seen in Figure 4, as the number of stewardship activities trended upwards, giving totals also increased. Although this will have a point of decreased return on investment, especially due to donor financial capacity restrictions, this association indicated the Study Institution would likely benefit from increased stewardship activity efforts to optimize the relationship between philanthropy, major giving frequency, and stewardship activities. Beyond increased stewardship efforts, increasing the number of timely stewardship efforts was recommended due to the statistical significance of timely stewardship and giving totals.

Generally, it was the recommendation of this researcher that the Study Institution implement greater activity tracking efforts, increase the number of stewardship activities provided, increase the number of stewardship activities occurring within one month of a gift, tier the number of activities provided based on giving history and capacity (including anticipated planned giving capacity), implement a system for tracking the four types of stewardship activities used by Waters (2008) for further relational insight, and repeat this study at a later date.

The researcher recommended the following specific actions be taken immediately following this study. At the conclusion of this research, the Study Intuition was in the process of
upgrading to Raiser’s Edge NXT. NXT was an upgrade to the current software that allowed for greater use of the donor database and easier activity note entry. The software offered voice-to-text activity note entry, which should improve timely entry of data and improve its quality. Therefore, this upgrade should increase the amount of data entered and track. Once NXT is in place and tracking efforts are improved, the researcher recommended stewardship data evaluation every six months for major gift donors. This effort would provide continuous data showing trends and allowing for practice refinement. Further, the researcher recommended using these biannual review periods to compare the breakdown of all tracked activities to determine the overall percentage of development officer time being spent on stewardship activities in comparison to discovery, cultivation, and solicitation activities, and how the combination appeared to impact giving and retention. Because stewardship is considered the second most important activity a nonprofit can provide to a donor (Kelly, 2001), the researcher believed it should rank as the second largest consumer of development staff time. This recommendation was made even though it did not agree with CASE’s (2016) time use breakdown for fundraising fundamentals.

Finally, the researcher recommended the revision of stewardship protocols at the Study Institution. The researcher believed the protocols were a useful approach, but not fully developed. Given the new insights provided through this research, the protocols will be redeveloped with greater emphasis placed on creating a warm glow feeling by leveraging activities that produce emotional engagement (Anft, 2015) rather than an approach that was often overly reliant on tchotchkes. These new protocols will be developed with input from upper leadership and their desired level and forms of involvement, an effort to create greater opportunities for donor engagement/involvement, more personalization efforts for all major
donors, and customization of stewardship activities for the highest level donors. All of these efforts should be combined with a more vigilant effort to provide stewardship quickly after a gift, and with an ongoing approach, and to track stewardship activities. It was the belief of the researcher that the use of more meaningful stewardship protocols could be an important start to improving the frequency and quality of stewardship activities provided to donors.

**Recommendations for Further Study**

It was the recommendation of this researcher that donor stewardship as it relates to future giving and retention be studied further. Useful studies to continue building on this foundation may include a number of areas, some suggestions follow.

It may prove to be useful to perform studies similar to this one at different institutions of higher education or other nonprofits. This would allow for additional data that can be used to compare the similarities and differences in findings among the donor populations of other nonprofits. Qualitative studies could also be done over this topic to further develop the basic guiding stewardship practices through personal donor feedback. The use of demographic information could indicate differences between gender, race, household income, alumni status, or any number of other demographic measurements. Corporations and individuals could be compared using the same evaluations to determine the differences between these two separate donor groups and their giving tendencies. Studies on stewardship, giving, and retention in relation to a donor dataset categorized by the seven faces of philanthropy could be a useful way to develop specialized donor stewardship practices based on donor proclivities. Finally, it is a recommendation of this researcher that further research be done to develop a system for tracking the specific categories of donor stewardship activities provided at the Study Institution, based on Water’s (2008) four stewardship categories, for later research about the impact specific
categories of stewardship activities have on retention and giving.

**Reflections**

An observation of the data provided through this research was that additional stewardship activities were needed or better tracking of activities should be pursued by the Study Institution. It was the belief of the researcher that certain activities were not always tracked. Additional tracking of activities will lead to a greater understanding of how strong a relationship stewardship activities, the timing of activities, and the duration of a giving relationship have on total giving and elapsed time between gifts. In addition to an observed need for additional activity tracking, it was an observation of the researcher that additional tracking methods should be implemented to allow for richer, more meaningful data analysis. Specifically, the researcher would like to initiate the implementation of tracking efforts that further delineate the stewardship activity category into Waters’ (2008) four subcategories: reciprocity, responsibility, reporting, and relationship nurturing.

Another important reflection on the findings of this study was the degree to which the queried data categories could have been altered. Due to the variety of information tracked within Raiser’s Edge at the Study Institution, the data pulled could have included additional areas, been limited further, or used altered criteria in gift dates, amount, and other ways. This study was conducted based on the researcher’s belief of what information would provide the most beneficial outcomes for implementation at the Study Institution. For this reason, various criteria and limitations were made using professional practice knowledge including the specific categorization of what constitutes a major gift donor, limiting the constituents to individuals, and using a query start date of September 1, 2009.
Summary and Study Conclusions

In conclusion, this research found a relationship did exist between the independent and dependent variables, and these relationships were high to low-medium in strength. Although a relationship did exist, neither hypothesis had all three of the independent variables considered statistically significant. Based on the significant F statistics score and a high or low-medium significance adjusted $R^2$, both null hypotheses were rejected. Both dependent variables, total giving since September 1, 2009, and average elapsed time between major gifts, had a significant relationship to the number of stewardship activities provided. Total giving also showed a significant relationship to stewardship activities occurring within one month. The independent variables used in this study experienced multicollinearity because stewardship activities occurring within one month of a donation was a subset of stewardship activities. To evaluate the multicollinearity, a Pearson $r$ test was used for each independent variable measured as significant in the multiple regression. The Pearson $r$ tests showed that each variable was still significant.

The statistical significance found in this research was not unexpected since stewardship is so important to the donor retention process (Burk, 2003; Chung-Hoon et al., 2005; Kelly, 2001; Harrison, 2014).

This research added to the information guiding professional practices at the Study Institution, reinforcing the impact that stewardship activities have on donor giving and retention. It was the hope of this researcher that this study would continue to close the gap in literature for philanthropy, specifically stewardship, and that professional practices and activity tracking efforts would evolve at the Study Institution as a result of this study. This research was an affirmation of professional practice suggestions and findings from other studies that encourage the generous use of stewardship efforts.
Donors should be cherished and cared for by an organization in order to retain them, which is also less costly than acquiring new donors (Barber & Levis, 2013). To better provide for the donors to the Study Institution, stewardship practices should be increased to maximize the potential returns and to improve the longevity of donor relationships.
References


Collins, M. E. (2017a). The ask: How making the ask—whether you find it exciting, or excruciating or engaging—can be effective. *Advancing Philanthropy, 24*(1), 17-23.


McDaniel, L. (2016). The power of relationships: A conversation with Patrick J. Feeley, MBA,


development process from a donor's perspective (Order No. 10026491).


Sonntag, A., & Zizzo, D. J. (2015). On reminder effects, drop-outs and dominance: Evidence from an online experiment on charitable giving. PLOS One, 10(8), e0134705. doi:10.5255/UKDA-SN-851767


Taylor, H. A. (2016). Building trust between charities and donors: The importance of


