

Solutions for the Development Office

Tiffany, Women, and Philanthropy



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Lately, I have been seeing a lot of research studies on the topics of how women save money, invest money, and spend money—studies done by Fidelity Investments, U.S. Trust, and similar financial services organizations, on a regular basis.

It doesn't take the proverbial rocket scientist to understand why the financial industry is spending money on studies analyzing women's money habits. A significant number of women—often the financial decision makers in their families—now contribute to the economy with their earnings. The nonprofit world is not untouched; Fidelity Investments reports that 70 percent of all nonprofit workers are women. Women represent a growing economic segment, a trend that will likely continue into the future. The U.S. Department of Labor predicts that by 2022 women will represent 46.8 percent of the labor force.

In the past decade, there has been an increase in philanthropy networking groups for women. One example is the Tiffany Circle, created for women leaders and philanthropists by the American Red Cross in 2007. That same year, the Women's

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Tags & Key Words

- Prospect research
- Giving circles
- High net worth women
- Women
- Operational support
- Philanthropy
- Impact 100

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Funding Network, in partnership, launched Women Moving Millions. Two years after that, the women's philanthropy network, Impact 100 Philadelphia (the first Impact 100 city was formed in Cincinnati in 2001), made its first gift.

Today there are 20 cities/regions, including three in Australia, that have embraced the Impact 100 model. A 2011 study of High Net Worth Women's Philanthropy made by The Center on Philanthropy at Indiana University (CPIU) looked at women who give as part of a philanthropy network. The study found that women like to give back to the community—and in places where they can make a difference. They prefer to give to organizations that are efficient. They are more likely to give to an organization they are connected to through volunteering.

High net worth women who participate in philanthropy networking groups are more thoughtful about their giving; they are more likely to have a strategy and budget for their philanthropy. What does this tell us? Women in philanthropy networks are comfortable with evaluating an organization's effectiveness and

efficiency. As fundraisers, our case for support needs to clearly articulate how we operate while we tell stories about our impact on the community.

The CPIU study also found that women who are part of a philanthropy network expect organizations to follow sound business practices and honor the intent of the gift. Women also expect good stewardship and ongoing communications, and to receive a gift receipt. Women philanthropists are also more private; the privacy translates to women expecting their name will not be sold or rented to another organization, or if they give an anonymous gift, their anonymity will be honored.

Behaviorally speaking, the 2011 CPIU study showed that women are more likely to make gifts to general operating support (60.2 percent) than to support the growth of an organization (22.2 percent).

Even though high net worth women are thoughtful in their philanthropic decision making, understanding some of their investment behavior will give us some insight into their strategies and challenges. U.S. Trust's 2014 Women and Wealth study notes that women are more likely to save money for emergencies than men will, and a full 65 percent of high net worth women have provided financial support to an adult member of their family. Like

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Resource Links

The Center on Philanthropy at Indiana University's 2011 study of High Net Worth Women's Philanthropy

- <https://goo.gl/FZHLzz>

U.S. Trust's 2014 Women and Wealth study

- <https://goo.gl/6lGldJ>

U.S. Department of Labor, Women's Bureau

- <https://goo.gl/99kFfy>

Tiffany Circle, created for women leaders and philanthropists by the American Red Cross

- <https://goo.gl/hjvBMF>

Impact 100

- <https://goo.gl/PKZkuB>

Prospect research evaluation tool

- <https://goo.gl/EiNIS9>

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most women, high net worth women put their own needs last and have multiple demands on their time and financial resources. The U.S. Trust study also found that high net worth women are more aware of the tax consequences of their investments when compared with men. The study indicates that reducing tax consequences matters to them—an important clue for fundraisers. When approaching women for major gifts, fundraisers should suggest that they consult their accountant about the tax benefits of their gifts.

The U.S. Trust study also noted that it is women who are often in control of intergenerational wealth partly because they outlive men and are often the executor or trustee of an estate. Women are keenly aware of the disagreements that surround the use and distribution of family wealth—and they are more likely to worry about how the issue of wealth contributes to negative family relationships.

The 2014 U.S. Trust's Women and Wealth study also indicated that women are more likely than men to make investment decisions that express their social, political, and/or environmental values. Women are more likely to embrace social impact investing.

Women are a powerful economic segment—a segment that will continue to grow over the next few years. Fundraisers should be actively cultivating women, but we need to consider the gender differences. After researching the topic, I have several dos and don'ts to share with my fundraising colleagues:

Do and Don'ts:

- Women who are part of philanthropy networking groups are more deliberate and analytical in their giving. Do be able to articulate the organization's or project's outcomes before asking for a gift.
- Women want good stewardship. Do send the receipt and a thank you as soon as possible. Use the gift as intended. Add the donor's name to your mailing list. Be sure to follow up after the gift has been made and share success stories with the donor.
- Women want privacy. Don't sell or rent their information. Do honor anonymity when requested.
- Women are concerned about tax consequences. Do point out potential tax savings that come with making a gift, but make sure you refer the donor to their own accountant for professional advice.
- Women embrace social impact investing. Do consider a gift to your organization as an investment and make sure you are able to explain the social/political/environmental impact of the gift.
- Women are more likely to provide operational support. Don't try to sell them on expanding the organization or its programs unless you are able to connect the expansion to significant benefits.
- Women give more when they are engaged with the organization. Do find volunteer opportunities for the woman donor that fit her expertise and experience.
- Women often support adult family members. Do spend time understanding the woman donor's family structure and its impact on her finances to gauge the timing of a philanthropic gift request.
- Women worry about the negative impact wealth has on family relationships. Do involve the family in the philanthropic gift request.

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Do you want to find the best prospects for major gifts?

Do you want to find the best prospects for major gifts or planned giving among your existing donors? Do you work for an independent school, a small college, or a university? Do you want to jump start your parent campaign? Electronic wealth screenings can be used to help quickly and cost-effectively identify the best prospect from your incoming student parent pool.

Wealth screenings compare your prospects to more than 25 databases to provide insight into the giving potential of your donors. Unlike large screening companies, InfoRich Group, Inc. will screen donor pools as small as 500 donors or as large as 7,500 donors, and we provide you data that is immediately actionable. We screen the data and then segment it so you know where and with whom to spend your time and energy.

Contact us for a free consultation and quote at info@inforichgroup.com

Suggestions? Send us your comments.

I welcome your ideas, comments, and suggestions.

If you've enjoyed this issue of my newsletter, please tweet about it, send it to a friend, or otherwise pass the newsletter on to your friends, family, and colleagues.

Sincerely,



Margaret King
President, InfoRich Group, Inc.

About Marge King

Marge King is founder and president of InfoRich Group, Inc. Under Marge's leadership, InfoRich Group has been providing donor insights and analysis since 2000. She frequently speaks and writes about prospect research and prospect management issues. She is an expert trainer and has spoken at a wide-variety of professional conferences, including Association of Fundraising Professionals (AFP), Association of Professional Researchers for Advancement (APRA), and the Association of Independent Information Professionals (AIIP) conferences. Marge is the Editor-in-Chief and InfoRich Group is the publisher of *Prospect Research Review*. *Prospect Research Review* is the only publication that reviews and highlights the products that prospect researchers use. She is an active member of AFP, APRA, and AIIP. She currently serves as a member of the Greater Philadelphia Chapter of AFP's board of directors.



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