Initial results from Donor Dominance survey

Heather Hill and Ian MacQuillin
June 2019

Donor dominance

• An imbalance of power wherein the donor exhibits controlling behaviour that compromises the mission of an organisation and/or its ability to serve its beneficiaries

• “Donors, certainly, should not be harmed or manipulated, but the purpose of the organization—and of the donation—is the association’s mission. If anything comes first, should it not be the mission?”

Donor dominance

Type 1 – Dominance in Direction

• Governance
• Policy
• Administration
  • Operations
  • Personnel
  • Programs
Donor dominance

Type 2 – Dominance in relationships

• Leadership (Board, administration)
• Fundraising staff
• Program staff
• Peers/other donors
Donor dominance

Type 2 – Dominance in behaviour

• Expectations of treatment
• Regard (or disregard) for beneficiaries
• Public influence
Donor dominance

• What are symptoms/effects?
  • Internal - “Friends” societies
  • External - The curious case of the President’s Club
Donor dominance – research

- 44 questions
- 247 responses (so far)
  - 76 USA, 56 UK, 30 Canada (of 198 who told us where they worked)
- 74 per cent completion rate (not bad, eh?)
- Topline analysis only

Non-random, self-selecting sample, so not representative and not final.
Have you ever experienced an imbalance of power in your relationships with one donor or a group of donors, wherein the donor(s) – of any type, individual or organisational – exhibit(s) controlling behaviour that compromises the mission of an organisation and/or its ability to serve its beneficiaries?
Have you experienced DD?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have never encountered this situation and didn’t know about this issue</td>
<td>7.29%</td>
<td>18</td>
</tr>
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<td>I have never encountered this situation but I am aware of it because I have heard other fundraisers talk about it.</td>
<td>21.05%</td>
<td>52</td>
</tr>
<tr>
<td>It’s only ever happened to me once and it didn’t cause any particular problems.</td>
<td>4.05%</td>
<td>10</td>
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<td>6.88%</td>
<td>17</td>
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<td>25.10%</td>
<td>62</td>
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<td>26.32%</td>
<td>65</td>
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<td>It has caused me serious problems on more than one occasion.</td>
<td>8.10%</td>
<td>20</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>1.21%</td>
<td>3</td>
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Mission creep

Has a donor (or group of donors) – of any type, individual or organisational – ever tried to influence how their donations would be used in a way that you considered not to align with your organisation's mission and/or strategy (so-called 'mission creep')?
### Mission creep

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Mission creep

From what type of donors has this behaviour been encountered?
Mission creep

Q6

How serious do you consider the problem (if it is a problem) of donors trying to influence a charity’s mission/strategy to be, where 1 is not at all serious and 5 is very serious?

Answered: 223  Skipped: 23
Sexual impropriety

Has a donor ever behaved in a sexually inappropriate manner towards you?
## Sexual impropriety

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Sexual impropriety

I have not encountered sexually inappropriate behaviour by a donor. 50.00% 111
Sexual innuendo or banter or unwanted comments. 24.32% 54
An improper proposition. 9.91% 22
Inappropriate/unwanted touching or other physical contact. 15.32% 34
Sexual assault. 0.45% 1
Sexual impropriety

From what type of donors has this behaviour been encountered?
Sexual impropriety

• 105 respondents answered a question about how their charity handled this.
• 40 (38 per cent) did not report the matter
• 32 (30.5 per cent) said the charity made no attempt to engage with the donor about their behaviour and carried on as if little had happened.
Sexual impropriety

Have you ever been told, or has it ever been suggested or implied to you, that you should keep quiet about, not report or not pursue an allegation of inappropriate behaviour so as not to rock the boat with the donor.

Answered: 105   Skipped: 142
Sexual impropriety

How serious do you consider the problem (if it is a problem) of sexually inappropriate behaviour by donors to be, where 1 is not at all serious and 5 is very serious?

Answered: 215   Skipped: 32

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<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>TOTAL</th>
<th>WEIGHTED AVERAGE</th>
</tr>
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<tr>
<td>(no label)</td>
<td>11.16%</td>
<td>18.60%</td>
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<td>33.02%</td>
<td>215</td>
<td>3.44</td>
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Rethinking Fundraising
Unentitled benefits

Have you ever experienced a situation in which a donor or group of donors has sought to use their influence to gain tangible or intangible benefits that you considered they were not entitled to, which will often come at cost to the charity?
## Unentitled benefits

1. I have never experienced such a situation. (Do not check this box if you have checked other boxes on this list.) - 22.82% (47 responses)
2. A higher level of membership benefit than they currently subscribe to. - 23.30% (48 responses)
3. Behind the scenes or privileged access to events (e.g. exhibitions, arts events etc). - 27.67% (57 responses)
4. Behind the scenes or privileged access to the charity’s work (e.g. scientists, campaigners etc). - 17.48% (36 responses)
5. Access to the charity’s beneficiaries. - 16.02% (33 responses)
6. Access to the charity’s mailing/contact list. - 26.70% (55 responses)
7. Extra places at events for friends and associates. - 36.89% (76 responses)
8. Use of event space at no or heavily-subsidised cost. - 21.84% (45 responses)
9. Use of charity resources (e.g. services, printing, PR). - 20.87% (43 responses)
10. Disproportionate amount of staff time/attention. - 58.25% (120 responses)
11. Recognition (e.g. naming). - 31.55% (65 responses)
12. Use of charity intellectual property (e.g. charity logo/branding to imply an association). - 20.87% (43 responses)
13. Have the charity subsidise or support their own event(s). - 24.76% (51 responses)
14. Other (please specify) - 6.80% (14 responses)
Unentitled benefits

From what type of donors has this behaviour been encountered?
Unentitled benefits

How serious do you consider the problem (if it is a problem) of donors seeking benefits to which they are not entitled to be, where 1 is not at all serious and 5 is very serious?

Answered: 202  Skipped: 45

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<td>10.40%</td>
<td>14.36%</td>
<td>26.24%</td>
<td>27.72%</td>
<td>21.29%</td>
<td>202</td>
<td>3.35</td>
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<td>21</td>
<td>29</td>
<td>53</td>
<td>56</td>
<td>43</td>
<td></td>
<td></td>
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</table>
In which disciplines of fundraising have you experienced any of the issues explored in this survey? Tick all that apply.

Answered: 177   Skipped: 70

- Direct marketing/in...
- Field force fundraising...
- Trusts and foundations.
- Major gifts.
- Legacies.
- Corporate.
- Community fundraising.
- Events.
- Statutory.
- As a volunteer.
- As a board member.
- Other (please specify)

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Rethinking Fundraising
Withholding donations

Have you ever been in a situation where a donor or group of donors implied (or explicitly stated) that they would not make a gift unless they got what they wanted?

Answered: 202    Skipped: 45

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
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<tbody>
<tr>
<td>Yes</td>
<td>60.89%</td>
</tr>
<tr>
<td>No</td>
<td>39.11%</td>
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TOTAL 202
Donor demands – examples

• Admission for child into medical school; we did not accept the gift

• They only wanted to fund a program that they had come up with, not any existing program. But, they would only providing funding for the first year of the new program.
Donor demands – examples

• A board member and donor had a check ready to write and he looked at me and said, "What will this get me with you?"

• Our lead gala sponsorship would not happen unless we used the caterer that the donor insisted upon, despite the caterer having been extremely unreliable in the past.
Donor demands – examples

• Donors wanted to fund an internship program related to marine science that their family could participate in as well. Basically, it would be a vacation for the family with a tiny bit of scientific research/education component for the org's interns.
Donor demands – examples

- Donor giving to support a new play - but not enough to actually cover all those costs - who wanted a party thrown in his honor and for us to use the dollars from his gift for that party. This donor also wanted undue access to the playwright. The organization went along with his demands because of his connections in the community and reputation for spiteful gossip.
Donor demands – examples

• Several donors stated that they would stop donating if our organisation would go on doing business with a certain bank they didn't like.

• Withholding donations until organizational leadership was changed.
Donor demands – examples

• A donor told me he would make a major gift if we violated tax law and acknowledged his gift at a higher level.

• Were we to use their consulting firm we could expect a very nice donation
Donor demands – examples

• Board member wanted tickets to a sold out concert and threatened to take away underwriting for a different event unless I put her to the front of the wait list and got her in.

• Lead members of a friend group threatened to not make their gifts or seek other support unless the charity let them run the fundraiser themselves, using significant charity resources but without any staff oversight.
Donor demands – examples

• A board chair funded a research cause our university was not prepared to host and later the same chair rejected the application of a very strong research proposal over his pet project, which was not funded. A big loss for us.
Donor demands – examples

• A board chair funded a research cause our university was not prepared to host and later the same chair rejected the application of a very strong research proposal over his pet project, which was not funded. A big loss for us.
Donor demands – examples

- A demanding volunteer board member used charity resources for his own events. These were badged as supporting the charity but did not result in any income. He implied that I should do what he wanted if we were to continue to count on his support.
Donor demands – examples

- Primarily this has happened with corporate partners. They often blur the lines between philanthropy and sponsorship. They are not used to not influencing a decision or having control over brand.
Donor demands – examples

• Particular couple of individuals who never make a gift without a request for special treatment above and beyond their membership benefits that my organization constantly allows because they don't want to turn down the gift.
Donor demands – examples

• A major donor who historically underwrote most of our annual event costs refused to do so unless we moved the venue (where we had always had it) to another location because the donor disliked the new chef at the venue we had always used. We didn't move—and they didn't give ever again.
Donor demands – examples

• In attempting to update to a more progressive lens of history, a donor said that we would lose their support if we at all were explicitly non-negative (neutral to positive) on LGBTQ+ identities and race. The staff did so for years up until the point I left.
Donor demands – examples

- Lead members of a friend group threatened to not make their gifts or seek other support unless the charity let them run the fundraiser themselves, using significant charity resources but without any staff oversight.
Why does DD exist?

- Does the perceived competition for donations make organizations more prone to accept a gift no matter the [direct or indirect] cost to the mission, beneficiaries, staff, etc?
- Is this a problem that current professional ethics codes do not address? Does that leave fundraisers ill-equipped to respond?
Initial conclusions

- Donor dominance *is* an issue.
- Board members and major donors are main culprits
- But elite givers come out of this comparatively well
Next steps

• More in-depth analysis
• Reviewing literature to explore possible causes of and explanations of donor dominance
• Possible further qualitative research to get ‘thicker’ data
• Full report published late fall/autumn
Next steps

- The survey remains open. Please take part here:
  - [https://www.surveymonkey.co.uk/r/Rogare-DD](https://www.surveymonkey.co.uk/r/Rogare-DD)