

LIKELY AND UNLIKELY PATHS TO TRANSFORMATIONAL GIFTS

NOCGP PLANNED GIVING DAY, THURSDAY 9/26/24

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Define transformational (or transformative) gift

1. Organization defines – A gift that produces major positive change within an organization; a gift that advances an organization in a significant way; often, a gift with enduring consequences and impact; no specific dollar amount but rather, measured by impact and degree of positive change made possible by the gift.
2. Donor defines – Not infrequently, the largest gift the donor has ever made; the gift may have enduring legacy implications for the donor; might be made during the donor's lifetime, or as a bequest after death.
3. Early American industrialists (Ford, Carnegie, Rockefeller) established charitable foundations through their estate plans and thus, created transformational philanthropic entities that have an ongoing impact.²

1. Transforming to the recipient organization

2. Transforming to/for the donor

Likely Paths

1. SSSHHH!!! Super-secret formula to major gift success: The right person asks the right person for the right amount for the right purpose at the right time.
2. Preexisting relationship between organization and donor
3. Gift opportunity resonates with known interest(s) of the donor
4. Donor has the capacity to make the gift sought by the organization
5. Other factors that make it the “right time” to ask the donor

Unlikely Paths

1. Donor may or may not have a preexisting relationship with the organization
2. Unknown if the opportunity resonates or not with the donor
3. Donor capacity unknown, or only partially known
4. Little knowledge of other factors that may make it the right time (or not) to ask the donor

Likely Path Scenario: William “Bill” Minnich and Family, Rocky River United Methodist Church

1. Bill Minnich died in April 2024, age 93; wife Susan died 2017.
2. Bill was a longtime member of Rocky River United Methodist Church and personal friend of Michael Parry. Bill was a member of Rotary and had a long history of philanthropy.
3. Attended the 10:00 AM traditional worship service and appreciated traditional liturgical music (also attended Cleveland Orchestra concerts)
4. Project/opportunity: rebuild and enhance the pipe organ in the sanctuary at RRUMC. Cost: \$235,000

Process:

1. 2022/23 - Committee at church (including Michael Parry) identifies 5-7 individuals (members, including Bill Minnich) that it feels will have an interest in the project and the capacity to make a gift of \$5,000+ to the project.
2. Letters written to these individuals with overview of the project and request to discuss; follow-up calls made.
3. Bill proactively calls Michael on a Saturday to discuss the letter he received and has some questions about the project, outcomes, what will the rebuilt organ sound like, how will enhance services and concerts, etc. Bill says, "I'll do something, meet me tomorrow after the service in the church parlor."

1. Bill and Michael meet on Sunday; Bill has a few more questions; he then hands Michael an envelope with a check enclosed and says, "Get it done." Bill Minnich and family decide to underwrite the entire organ project in honor of wife/mother Susan who died in 2017.
2. Outcome: the pipe organ in the sanctuary at Rocky River United Methodist Church is successfully rebuilt and enhanced; consecration of the instrument is held during a Sunday morning service and dedication concert is held with guest organist; Susan Minnich and family are honored and recognized for their extraordinary generosity. With regular maintenance, the rebuilt organ will serve the church's needs for 25+ years before another rebuild is necessary.
3. A transformational event for both the church and the Minnich family.

Unlikely Path Scenario: Rothstein Family, The City Mission

1. Donors: Dr. Fred and Jackie Rothstein. Dr. Fred Rothstein is a retired neurosurgeon and the former President of University Hospitals. Jackie Rothstein's accomplishments include work in the field of commercial property management and development; nonprofit volunteer and board service; strong support of her husband's career; wife, mother, and grandmother. Jackie's parents were Martin and Betty Rosskamm, founders of Jo-Ann Fabrics.
2. Dr. Fred and Jackie's first gift to The City Mission was a "Thanksgiving Dinner Appeal" gift of \$51.91 in 2001 (the vast majority of Mission donors started their giving in response to a direct mail appeal at Thanksgiving or Christmas)
3. 2001 to 2019 - Regular support to the Mission but not at the major donor level.

1. 2020 – Annual support increases to the major donor level and stewardship of the relationship increases, I (Michael Parry) served as their donor relations officer.
2. In December 2022 they accepted my invitation to tour Laura’s Home of The City Mission where we serve women and children. They were “amazed” by what they saw and when we described our vision to build sixteen transitional housing apartments for women and children who complete the primary program of 12 months, Jackie became very excited, saying she had been “dreaming of building housing to help the homeless for years!” When we told her it would be a \$4 million project and that we already had a \$700,000 lead gift, she said emphatically “I want the Rothstein family to make the lead gift on this project!” Half in jest, I replied “If you do that, we’ll call it Rothstein Village.”

1. Several additional discussions and meetings ensued, some of which included other family members involved in the decision-making process. On Monday, June 5, 2023, Dr. Fred and Jackie Rothstein (accompanied by their daughter, son, and daughter-in-law) came to the Mission and signed a gift agreement, committing to support this project and create “Rothstein Village Transitional Housing for Families” with a legacy gift of \$1,500,000. The Rothsteins say that this is the largest philanthropic gift they have ever made. They support many other charities, directly and through the Jewish Federation of Cleveland, but this is the largest gift they’ve ever made to a Christian faith-based organization. They stated it took them somewhat out of their comfort zone but from seeing the work we do and hearing our answers to their question, they are now completely comfortable making this gift.

1. The Rothstein gift was both transformational and motivational: it allowed the Mission to launch the Transitional Housing project and in little more than weeks after it was announced, had inspired and motivated other funders to consider supporting the project. The Rothsteins are intelligent, gifted, caring and generous, and their support of the Transitional Housing project is something akin to the Good Housekeeping Seal of Approval: it provoked other funders to support the project.

1. The Rothstein Village project was ultimately fully funded and additionally, a local family foundation made a commitment of \$500,000 to cover the first two years of operating expenses.
2. In their own words: “For many years, Fred and I have been supporting The City Mission because we believe in helping those in need. In December 2022, we had the opportunity to visit Laura’s Home Women’s Crisis Center. After our visit we realized there was an opportunity for us to make a difference. We’re so proud to partner with The City Mission to help build transitional housing apartments for families as they move toward a more stable life,” says Jackie Rothstein.

The Rothstein Family has a long history of giving back to the Greater Cleveland community, and beyond. Some of their philanthropy is channeled through the Jewish Federation of Cleveland. Tal Rothstein (daughter-in-law of Dr. Fred and Jackie Rothstein) is native to Israel and an employee of the Jewish Federation of Cleveland. For decades, Jackie has given time, talent, and treasure to Northeast Ohio nonprofits and was involved in the process that led to a \$40+ million gift to build the Seidman Cancer Center at University Hospitals.

SUMMARY

- The organization determines what constitutes a “transformational gift”. Don’t be afraid to use the term, but don’t use it lightly: you must be able to define what makes it a “transformational gift opportunity.”
- Consider that the gift experience may be transformative for the donor as well.
- Donor capacity is the starting point for the transformational gift process. In the two scenarios presented here, the ultimate gifts were six- and seven-figure gifts and in both cases, they were transformational gifts for both the organizations and the donors. But as the number of multi-millionaires and billionaires grows, so does the likelihood of eight- and nine-figure gifts (\$100 million dollars or more.)
- Start the process with proven strategies:
 - Identify donors with both capacity and affinity for your organization and the project.
- Expand the process and cast a wider net to include those with capacity, but no known affinity for the project. The City Mission overlooked a donor (the Rothstein family) in its database and failed to consider them a prospect for a transformational gift. But when they visited Laura’s Home, heard the vision for transitional housing and saw the actual area where we wanted to build these apartments, their passion was instantly ignited.
- Never rule out naming opportunities and legacy motives as a factor in the decision process for the donor; don’t lead the discussion with this factor (the donor will tell you quickly enough if it matters or doesn’t) but don’t leave it out of the discussion.