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The Three Factors Behind Major Gift Readiness

Nick DeCenso: Many organizations already know who their wealthiest donors are. The greater challenge is identifying when a donor is ready to think differently about their philanthropy

The most productive fundraising conversations often occur during periods of transition, such as the sale of a business, retirement, a real estate transaction, or an inheritance. Charitable giving before or after a liquidity event may help reduce the tax impact of that event, potentially preserving more wealth.

For some donors, this creates a natural opportunity to evaluate how charitable giving fits into the broader financial and tax strategy. Consider two donors with similar wealth. One donor owns a successful private business with most of their wealth tied up in the company and potentially illiquid for years.

The second donor recently sold a business, established a donor-advised fund, and has begun discussing long-term charitable goals with family members. While both may appear equally capable on paper, they represent very different fundraising opportunities. The second donor may also be in a more actionable planning window because the liquidity event creates both available assets and a potential need to manage taxable income or capital gains.

That's because capacity, while important, is only one part of the equation. When evaluating major gift prospects, it can be helpful to consider three factors. Capacity. Do they have the financial resources to make a meaningful gift? Liquidity. Can they access those resources today, or is most of their wealth tied up in illiquid assets?

Intent. Have they shown signs that philanthropy is becoming a priority? Many organizations spend considerable time assessing donor capacity, but the strongest fundraising teams spend equal time understanding liquidity and intent. And intent is often the most difficult factor to identify. These factors also become more actionable when tax planning is part of the conversation.

For example, a donor with highly appreciated stock may be exploring ways to avoid a large capital gains tax bill. Another donor approaching retirement may be considering charitable strategies that complement income and estate planning goals. These situations can create a stronger philanthropic opportunity than wealth alone would suggest.

One of the best places to look to learn more about a donor's intent is the charitable vehicles donors are already using. Take donor-advised funds, for example. A donor with an established DAF has already taken a deliberate step towards charitable giving. The donor receives the potential tax benefit when they contribute assets to the DAF while the funds remain in the account and are available for future grant recommendations without requiring an additional impact to the donor's personal cash flow.

More importantly, it may indicate that philanthropy has become part of their overall wealth planning strategy. While that doesn't guarantee a gift to your organization, it does suggest charitable giving is on their radar. Other vehicles can offer similar insights. A private foundation may reflect a desire for greater control, family involvement, or a more structured strategy. An estate gift provision can signal that legacy and long-term impact are becoming increasingly important priorities.

These vehicles may also suggest the donor is coordinating charitable intent with broader income tax, capital gains, estate tax, or family legacy planning considerations. Instead of viewing these as solely ways to make gifts, view them as clues. They can provide insight into what motivates a donor and how they prefer to create impact.

For organizations focused on endowment growth, those insights can be particularly valuable. Donors who are actively thinking about philanthropy, involving family members in charitable decisions, or exploring legacy planning may be more receptive to conversations about long-term institutional impact.

When donors are thinking beyond annual giving, they often begin considering how their resources can support future generations, strengthen institutions over time, and reflect the values they care about most. Those are the conversations that frequently lead to endowment commitments. As you review your donor portfolio, consider looking beyond wealth ratings alone.

Identify donors who may be approaching a major planning decision or life transition. Pay attention to signs of liquidity, charitable planning activity, long-

term legacy interests, and major financial events that may create new tax planning opportunities. The goal isn't simply to identify who has wealth.

It's to identify who is actively thinking about how that wealth can create impact, because those decisions often create the strongest opportunities for meaningful philanthropy.

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