
Factsheet:

SCOTTISH
MUSEUMS
COUNCIL

Establishing a Friends Group



What are Friends and Supporters for?

Individual donations, whether through street collections and one-off appeals, through committed giving or in response to advertising, still make up the largest part of most charities' annual income. If volunteering time cash equivalents are added to this total individual giving dwarfs income from grants and Lottery funds (which of course are also derived from public donations). Galleries and museums with a mainly local or regional catchment would therefore be ill advised to ignore this important part of the fundraising mix.

But first of all discard any notion that Friends will be all of a kind. They may value what you do and want to see the continuation and expansion of the services your organisation provides, but their ability to donate will vary greatly. And so will their inclination to be actively involved. At one end will be wealthy beneficiaries who value the social connections that belonging will bring (Friends). At the other end will be people who for various reasons are time rich and cash poor but still want to make a valued contribution (Supporters). This factsheet will concentrate on the cash rich and time poor.

Friends membership schemes are time-consuming to organise properly. Different from Membership (see *Developing a Membership Scheme*), Friends are those important people who already know about you and want to help without being involved in the management or policy-making side of what you do. They will want to provide support in a variety of different ways and an effective Friends and/or Supporters scheme will acknowledge this diversity.

To get a Friends scheme off the ground you need to find a relatively small number of relatively wealthy individuals. This may take time, but those first members are really crucial to the success of your Friends scheme. It can be useful to have a small steering group made up of people with good social and business networks. Too often as organisations we are apprehensive about asking potential donors face to face. This is where a Friends scheme should really come into its own: others will do the asking for you. Eventually they will take you to some major donors, and then you will start to make a return on your patient investment.

Donor motivation and development

To make your Friends a sustainable source of fresh income you must look closely at just what motivates people to give as individuals and as part of social groups.

People may give out of a sense of duty, possibly deriving from political or religious beliefs. They will be more likely to donate modest amounts but regularly, either by putting money into the donations box or by Direct Debit. Others will respond more readily to a feeling of urgency: giving a substantial donation to meet an immediate target, but not necessarily responding the next time around. Personal experience also has a large part in making people committed donors: an increased awareness of the benefits of your organisation's work that transformed someone's life, either the donor's or someone known to him. Another motivator is peer pressure. Although this may be open to abuse, a leader in a group will motivate others by example.

Donor communications and incentives

Some arts and culture organisations run hierarchical Friends schemes where the level of annual donation relates to the incentives on offer. Apart from the danger that these may breach the Gift Aid rules, such an approach can be counter-productive if it leads to members in one category feeling undervalued. The

thinking is that you provide a ladder on which the prospective donor finds a place where currently he feels comfortable and may want to climb up a rung later.

So for example you might have New Friends who pledge to give £100 a year in exchange for one invitation to a social evening; Good Friends pay more and get a free preview as part of the package; Best of Friends pay top whack and get to meet a cultural celeb or be invited to some more intimate dinner event. At the top level you will probably have some kind of Corporate package which allows for exclusive use of the premises for entertaining as well.

We are probably not talking of huge numbers here. Just as well, since a high-maintenance communications and cultivation programme will be needed for the scheme to be run successfully. It is worth asking at the outset whether the ladder approach is necessary. Maybe you should be using your Friends database more effectively so that you can target who you should be approaching for higher individual donations without the need to pin a “medal” on everyone’s chest.

The database will contain details of how Friends like to be contacted, kinds of event (lectures, receptions & cocktails, dinner dances) that they favour, and of course their attendance and donation record. They will need to be told in advance, for example, if they are likely to be asked for a cheque at an event. They will probably want to know in advance who else is likely to be present. Once your Friends scheme is under way you will need to appoint a staff member, part or all of whose job is to entertain and service these high-value donors.

Much of the communication will be on a one-to-one basis or through the individuals on the steering group. It may be worth producing an occasional newsletter, but bear in mind that only exceptionally will Friends want to know the organisational detail. They will be much more interested in the prestigious projects that are the result of their donations. So it should probably be more of a Thank You letter than a newsletter.

Spin-offs from Friends Schemes

One obvious way by which Friends can substantially increase their normal giving is through legacies. The disadvantage with legacies can sometimes be the conditions imposed by the testator. With Friends it should be easier to ensure a relatively clean bequest as they will understand the benefits of having money for general expenditure. There are also tax advantages in donating through a bequest. Residuary legacies, where a charity inherits all that is left after the pecuniary legacies and specific bequests have been made, are on average ten times the value of specified cash bequests. And don't forget living beneficiaries, and indeed anyone who has had a windfall. Once again it is better to make the approach through someone who is a friend, acquaintance or part of a peer group.

Payroll giving has become increasingly accepted as a tax-effective way of giving. If through your Friends you have links to the Directors or top managers of a large local employer this might be a foot in the door. Directors of course cannot dictate the causes which individual staff wish to benefit, but at least they may help to ensure that local galleries and museums with charitable status are not overlooked.

Relations between Donors and Activists

To some organisations Friends are a necessary evil because they are seen as a potential *casus belli* amongst staff, volunteers, members and activists. On the one hand their presence offers welcome extra income, some useful links with the establishment and opportunities for the better-off sectors of the community to applaud what you are doing at social gatherings. Others may see them in a different light because of political or other affiliations.

It is important that those who are most active in the organisation whether as staff or volunteers shouldn't feel that money and influence are dictating policy and the direction of new initiatives. It is important to realise that Friends and Supporters, unlike Members, have no actual power and you don't have to accept their

donations or their offers of help. Clearly you need to have good reason for refusal.

Part of your mission with a Friends group is to ensure that they are well informed of what you are doing and why. The ideal combination is a donor who is also an advocate for the organisation both in terms of recruiting other donors but also in terms of spreading the word within parts of the wider community that are influential. Such instances may be rare, but every organisation with a community base should have one.

Further Information

BOTTING, Nina, and NORTON, Michael
The Complete Fundraising Handbook. 4th ed. London, DSC, 2001

How to Raise Funds. Edinburgh, SCVO, 2001

GILCHRIST, Karen
Looking After Your Donors. London, DSC /CAF, 2000

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