Fundraising
The BIG Picture

Philanthropy

-**Love of humankind**, usually expressed by an effort to enhance the **well-being of humanity** through personal acts of practical kindness or by financial support of **a cause** or causes, such as a charity (for example, the Red Cross), mutual aid or assistance (service clubs, youth groups), quality of life (arts, education, environment), and religion.

-Any effort to relieve human misery or suffering, **improve the quality of life**, encourage aid or assistance, or foster the preservation of values through gifts, service or other **voluntary activity** for the public good, any and all of which are external to government involvement or marketplace exchange.

A Healthy Fundraising Organization

-Successful fundraising is seen as a true organization strength and asset, and not a necessary burden.
-The governing board and head of organization provide fundraising leadership.
-All board members and staff participate in fundraising and willingly accept accountability for their fundraising obligations.
-The organization's fundraising program has clear, realistic and compelling goals; fundraising is invested in appropriately in the organization's budget.
-Organization programs, membership and other volunteers work in close concert with fundraising.
-Donors are viewed as valued stakeholders and are actively engaged in the organization's mission.
-Fundraising (its staff and volunteers) are viewed for their professionalism.
-The organization sees itself as prosperous, and generously supported.

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Planning

The Building Blocks of Planning include the organization's:

Strategic Plan
Marketing Plan
Development (fundraising) Plan

based on its <u>moral values and ethical practices</u>,

to address community (constituent) <u>causes and needs</u>

leading to <u>success, change</u> for improvement and advancement of the organization's purpose

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Developing your Fund Raising Plan

- ## Do your SWOT
- ## Be SMART

- ## Set Goals
- ## Develop Measurable Objectives
- ## Develop Strategic Fund Raising Plans
- ## Identify Donor Groups

Development Plan

Components of the Development Plan will include:

Constituency-based Programs
Development goals
Prospect research
Cultivation Strategies
Solicitation Strategies
Gift Management
Development Calendar
Development Budget
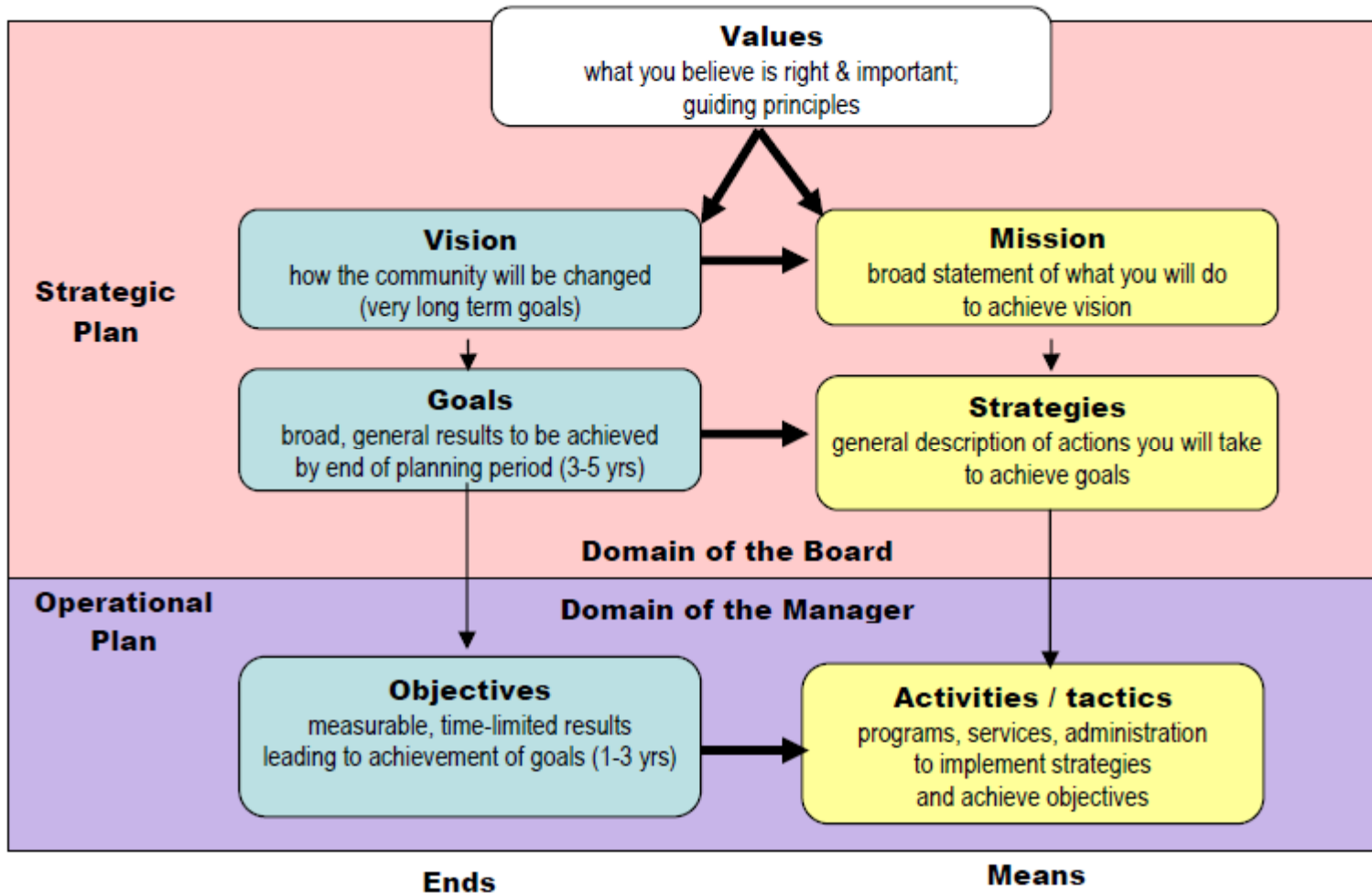**Stewardship and Recognition**
Review and Evaluation

Strategic Planning Process   (Garber)

Planning Simplified

WHAT is our MISSION?

WHO are our CUSTOMERS?

WHAT do our customers VALUE/WANT?

WHAT are our RESULTS…DO?

WHAT is our PLAN?

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Dimensions of Successful Fundraising

Case
- Compelling Need
- Vision
- Defensible

Leadership
- Strong
- Committed
- Time
- Gifts
- Precedent Setting
- Peer to Peer

Prospects
- Informed
- Decision Making
- Personal Visits
- Raised Sights
- Quality vs. Quantity

Plan
- Priority
- Goals, Clear Objectives
- Campaign Atmosphere
- Public Relations
- Tailored Approaches
- Careful Timing
- Phased Activity

Gifts / Donations
- Special Gift Requests
- Pledging
- Deferred Gifts
- Proportionate Giving
- Donor Recognition

An Integrated Approach to Fundraising

Start with strong well defined development programs.

☐ **Annual Giving**
- Systematic
- Renewable
- Operating support

☐ **Major Giving**
- Planned
- Extraordinary
- Asset growth

☐ **Planned Giving**
- Planned
- One-time
- Wealth transfer

What does annual giving accomplish

Source of Unrestricted Support

Broadens the Base of Support

Identifies Potential Leadership

Identifies future potential major donors for major gifts, planned giving and campaigns.

Establishes an awareness and acceptance of the organization within its constituency

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What does major gifts and planned giving accomplish

Highly Donor Centred

Confirms an enduring relationship with the donor

Tends to be directed to specific interests or projects
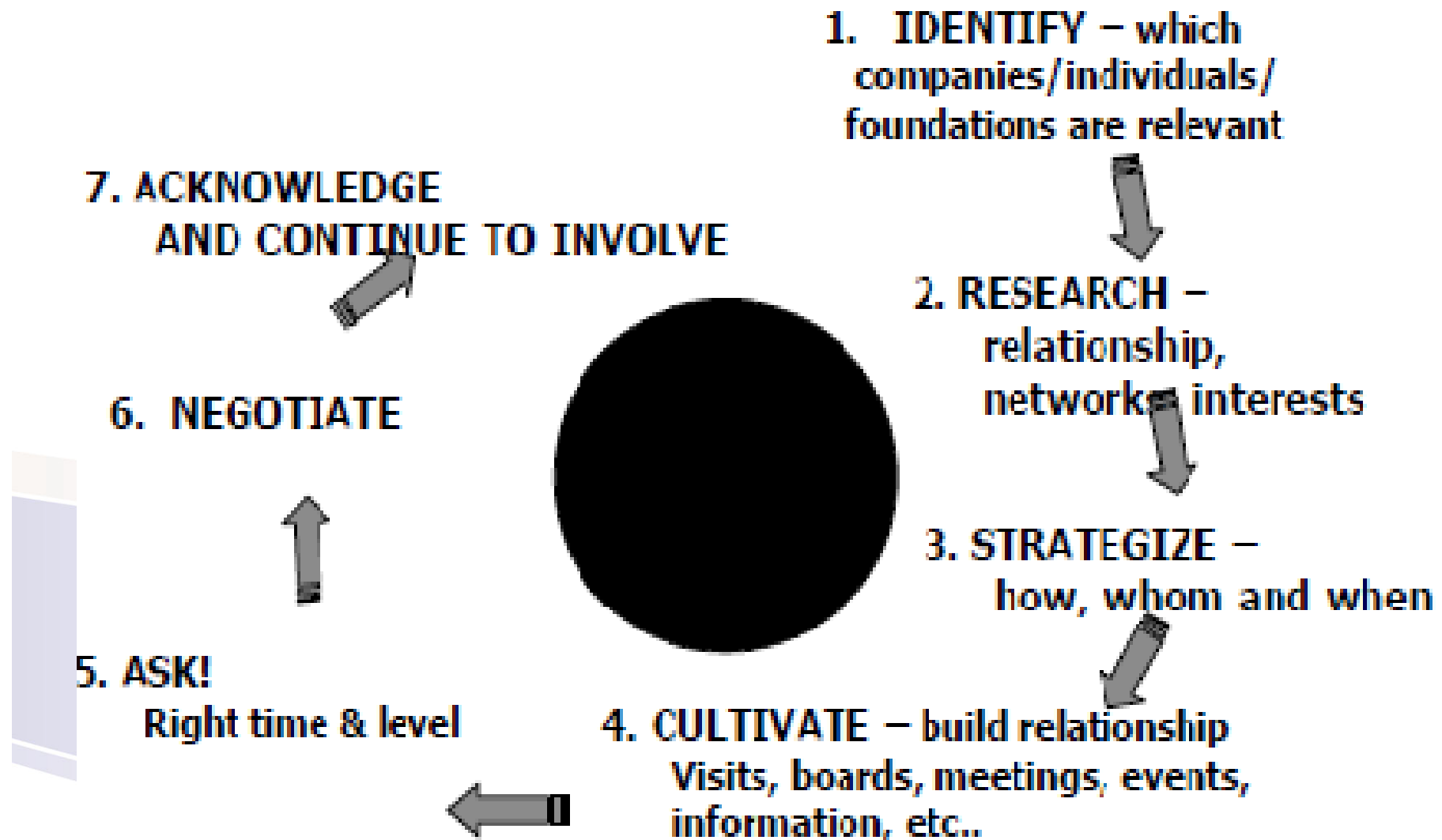
Often identified through the annual giving program

Provides a strong testimonial for the donor's commitment to the organization.

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Major Gift Fund Raising

The Sequence of Donor Decision Making

1. Attention   -   Identification

2. Interest   -   Cultivation

3. Desire/Commitment   -   Solicitation

4. Action   -   Stewardship

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Stages to Major Gift Fund Raising

1. IDENTIFY – which companies/individuals/foundations are relevant

2. RESEARCH – relationship, networks interests

3. STRATEGIZE – how, whom and when

4. CULTIVATE – build relationship Visits, boards, meetings, events, information, etc..

5. ASK! Right time & level

6. NEGOTIATE

7. ACKNOWLEDGE AND CONTINUE TO INVOLVE

Why People Give

- To Make A Difference
- Because they are asked
- There is a relationship between the donor and the organization.
- To experience the joy and happiness of giving
- To enact their values and priorities
- For public recognition
- To honor someone
- To be part of the community
- For tax benefits
- To care for others
- To demonstrate power and influence
- Self-gratification

Why People Don't Give

- – **Absence of a CORE personal experience**
- – **History of neglect**
- – **Disjointed messages**
- – **Lack of leadership commitment**
- – **Little or no voice**
- – **Inconsistent and multiple appeals**
- – **Respect---Inform---Involve**

- – **But mostly because…we don't ASK!!!**

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Why Your Members are Really Important!

- They represent your natural constituency.
- Show their loyalty through their support.
- To establish a philanthropic culture and understanding.
- To convert future wealth potential into a mutually rewarding donor relationship.
- To give them the control and input into the outcomes they desire.
- Is this your organization?: *"The only time I hear from you personally is when you want money."*
  - It is always about relationships.

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People give from their:

-**Income** = cash flow

-**Savings** = rainy day, tomorrow plans

-**Assets** = wealth

-**Estates** = legacy, wealth transfer

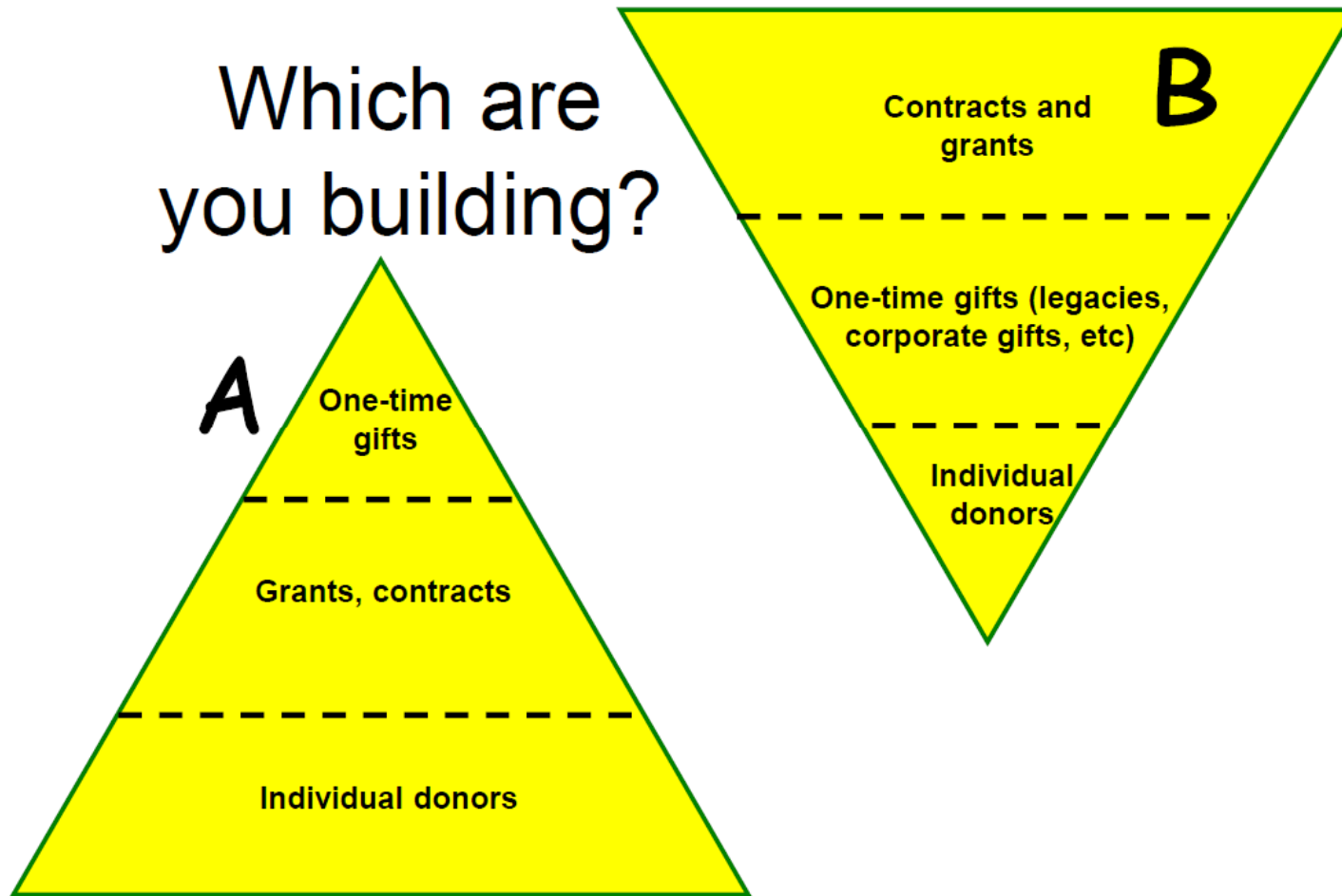# Pyramid of Giving
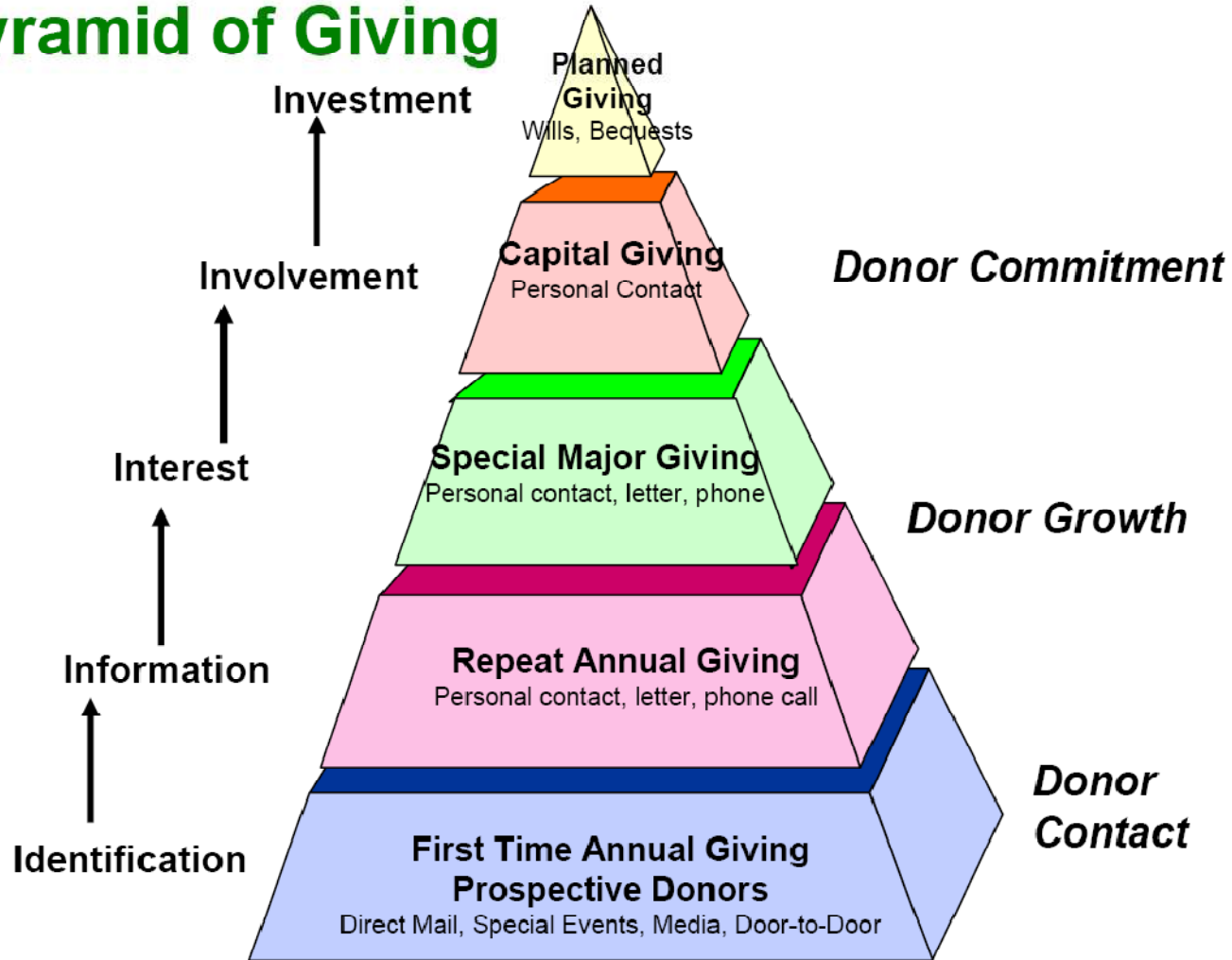
Pyramid of Giving & Relationships

Planned/Capstone Gift
***
Constituent Ownership
***
Volunteer Leadership
Major/Campaign Gift
***
Institutional Adoration
***
Volunteer Program/Project Mgmt
Annual Fund – Leadership Giving
***
Institutional Appreciation
***
Volunteer Participation
Annual Fund – Entry/General Giving
***
Institutional Awareness
***
Attendance

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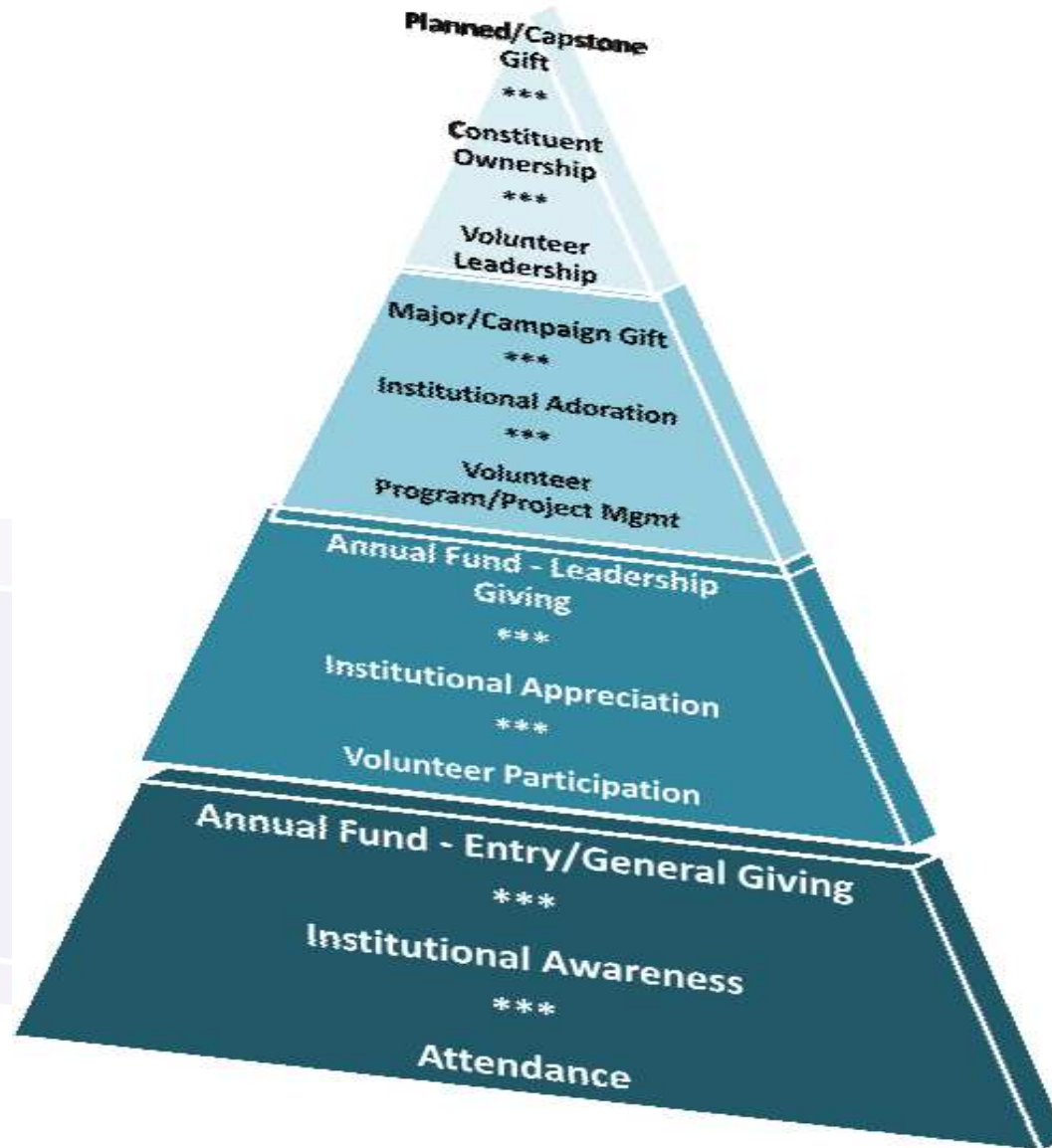
Building a Giving Program

Which are you building?

A
- One-time gifts
- Grants, contracts
- Individual donors

B
- Contracts and grants
- One-time gifts (legacies, corporate gifts, etc)
- Individual donors

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Constituent Circles

Finding your donors
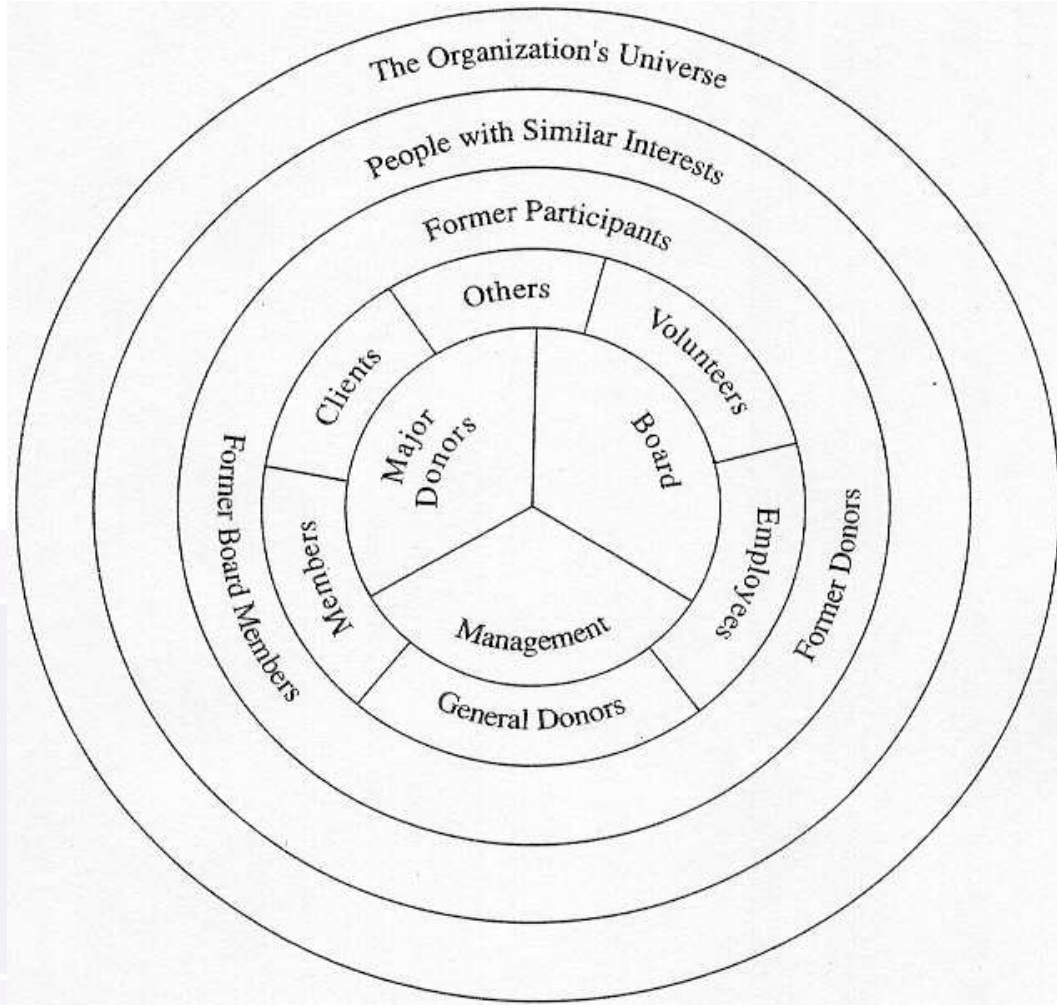
Typical Funding Profile for Conservation Organizations

Source: Giving USA

Events 3%

Individual Donors 13%

Earned Income 13%

Membership 17%

Grants 48%
Foundation, Government, Corporate
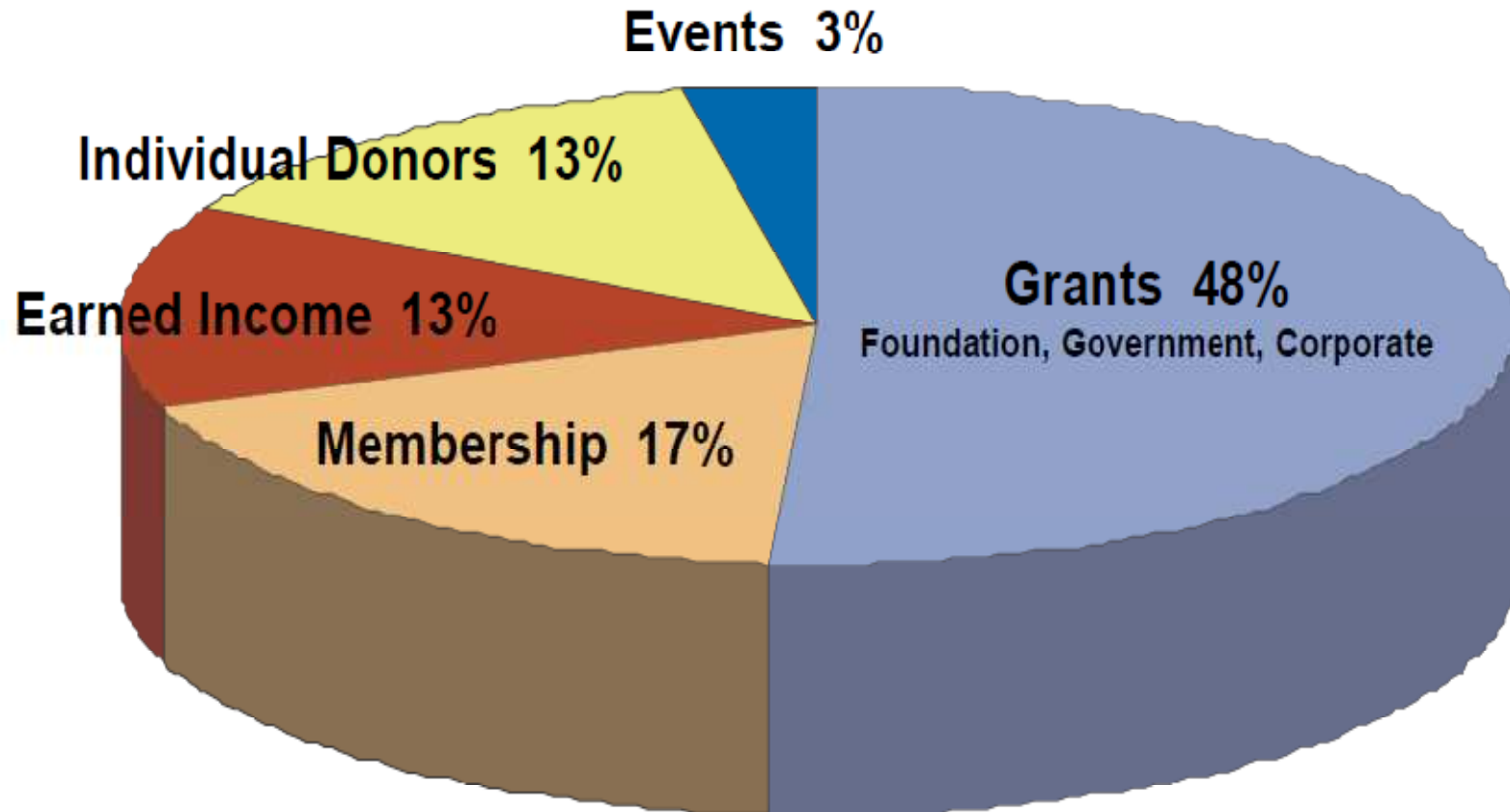
Predictability of Funding Sources
Source: Mott Foundation Study
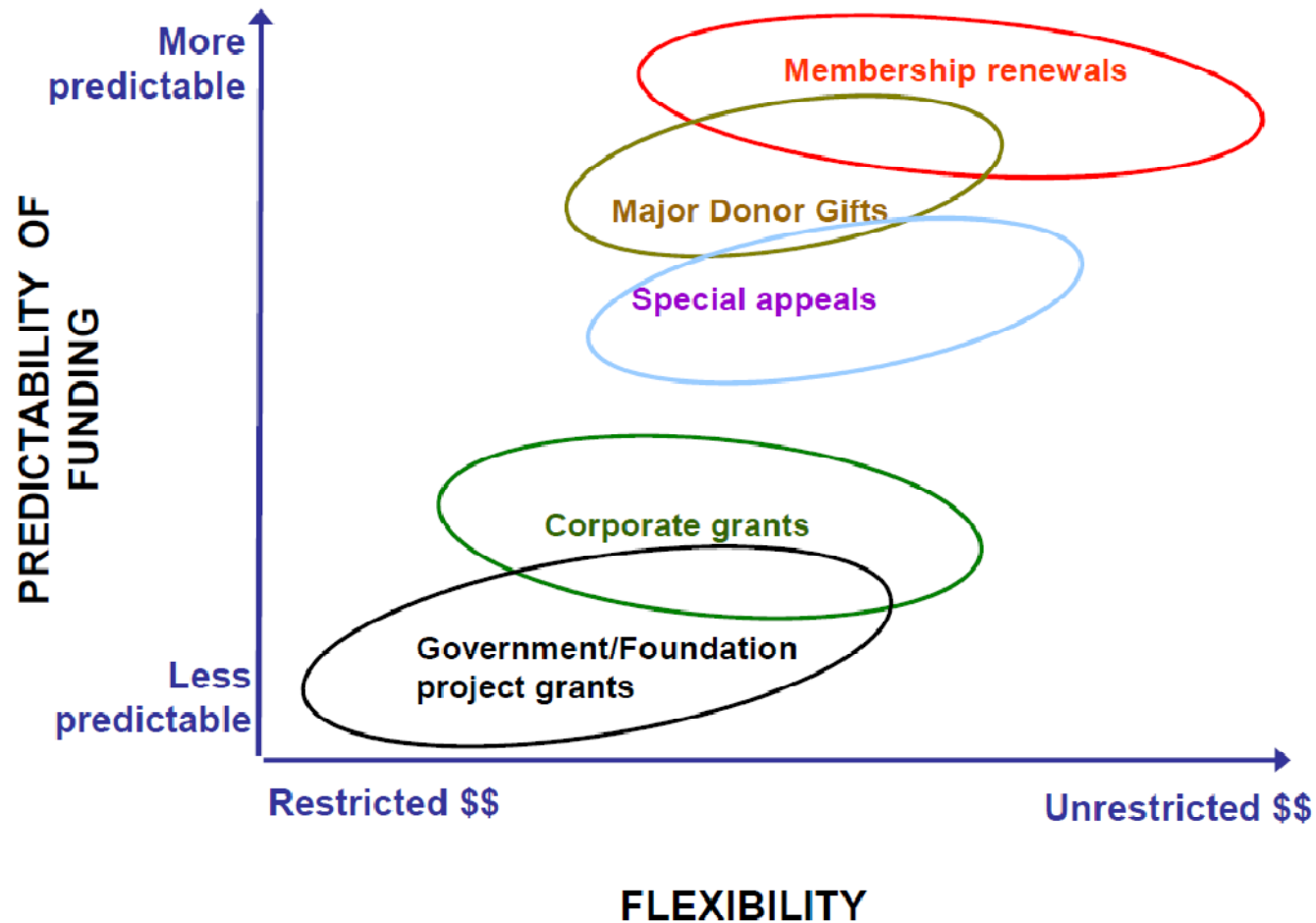
STEWARDSHIP

PARTNERSHIP

RELATIONSHIP

CHANGE

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Philanthropic Culture

"An understanding of and respect for the way philanthropy helps an organization achieve its mission. A culture in which every member of the organization understands the role they can play in achieving fundraising goals."

Philanthropic Trends, Spring 2004

"The segment of your organizational culture that encompasses the organization's attitudes and support to philanthropy and fund development."

Simone Joyaux, 2001

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Nurturing a Philanthropic Culture

- You
- Donor-focused/Donor-centred
- Champions
- From short term results to relationship building and sustainability
- Understanding, Teaching, Learning and Modeling
- Defining philanthropy for your organization
- For everyone
- Think "systems"
- Mission focus
- Overcoming Entitlement
- Being realistic with an appreciation for vision
- Process of negotiation
- Seeking and striving for relationships
- Altruistic and Idealistic

Characteristics of a Philanthropic Culture

Role of philanthropy in achieving mission is well understood.

Unwavering support from leaders is widely evident.

Stewardship is deeply ingrained throughout the organization.

Development is recognized as a core function.

Donors, beneficiaries have opportunities to interact

Donors are valued for more than just financial support.

Philanthropic success is celebrated.

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Without a Philanthropic Culture

- Donors won't remain engaged
- Board members will say they care but won't raise money
- Program staff will say they value what you do but won't give you leads
- We will demand more money be raised but won't truly steward and engage our donors
- Our budget will have aggressive revenue goals but meager expense ratios

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Fundraising Potential (Opportunity)

is a function of the:

- Identification of individuals or groups *who* would give

- Identification of the reasons *why* they would give; programs and activities that appeal to donors

- Analysis of the *giving potential* of the targeted donor groups

-Estimating the *number* of donors in each group

- Organizing our fund raising, marketing and public relations programs to *identify, inform, interest, involve and secure investment* from donors, and then *inspire* them with *impact* (results) and our stewardship

Doing Fundraising the "RIGHT" way

1. The **RIGHT** solicitor (team)
2. With the **RIGHT** research & preparation
3. Asks the **RIGHT** prospect
4. For the **RIGHT** amount
5. For the RIGHT cause/purpose (project)
6. And the **RIGHT** reasons for the donor
7. At the **RIGHT** time and place
8. With the **RIGHT** attitude
9. Offering the **RIGHT** recognition
10. Achieving the **RIGHT** outcome/ impact…and reporting about it
11. Developing the **RIGHT** relationship

7 Faces of Philanthropy

| Community	To improve their community	"When society prospers, I prosper"
Devout	Moral obligation	"It is God's will for me to help"
Investor	See contributions as investments, seek ROI	"I want to do good while I am doing well."
Socialite	Entry into a desirable social circle	"Hey, let's throw a party."
Altruist	Contribute out of generosity and empathy	"I'm doing my bit to make the world a better place."
Repayer	Contribute out of loyalty and obligation	"Others helped me / my family, now it's my turn."
Dynast	Doing good is a tradition	"Our family has always support ____."

Development

- **A term used to define the total process of fundraising; usually includes public relations and marketing, and takes a long-term approach to fundraising with a focus on the development of a relationship with donor(s)**

- **It involves: Engagement, Planning, Strategy, Cultivation, Solicitation, Stewardship, Promotion**

Fundraising

The process of giving people opportunities to act on their values through their generosity.

Distinguishing between Philanthropy, Development and Fundraising
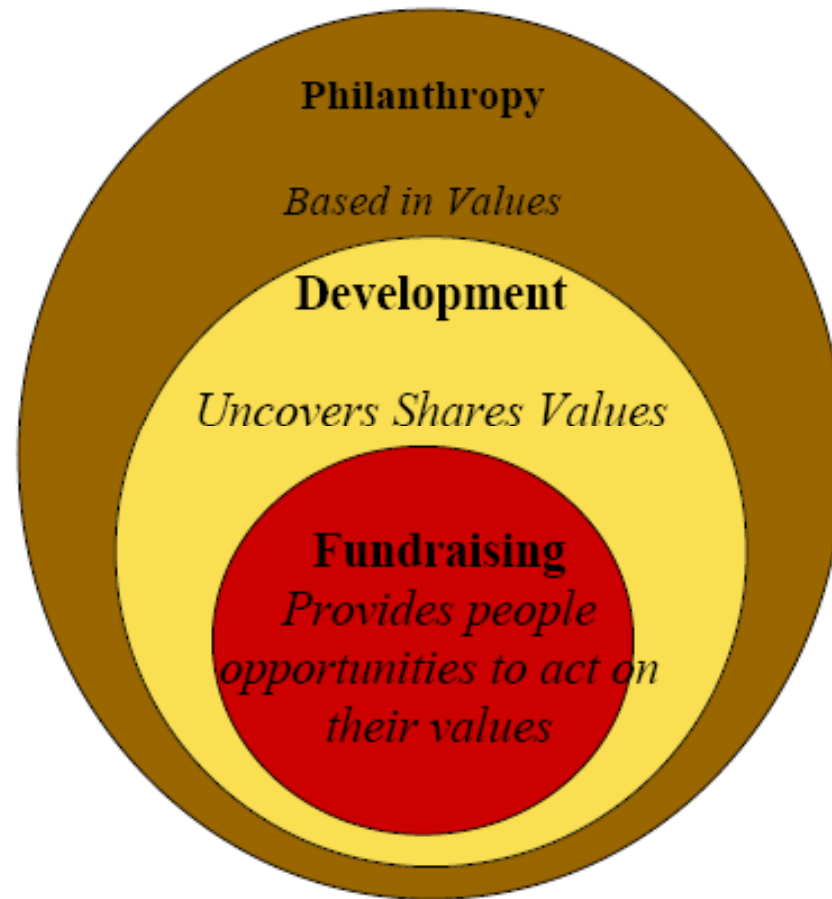
Kay Sprinkel Grace

Beyond Fundraising

Philanthropy that is based on Values

- **Values-Based Mission Statement**
- **Knowing and reflecting your values**
- **'Why' first and then 'what'**
- **But it is 'What' as well as 'why'**
- **Leads to 'How' ---combining the 'users/donors' emotions with the organization's functionality**

Values-based Approach to Philanthropy

- **Helps people with shared values to connect to our cause**

- **Attracts volunteers and funding sources**

- **Encourages commitment of board members, volunteers and staff**

- **Underscores key messages and marketing**

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Transformational Philanthropy

1. ***Transactional***… <u>asking and getting</u> small gifts, frequently from acquaintances; sponsorships (quid pro quo)

2. ***Transitional***… <u>give and name</u> larger gifts, on a less frequent schedules; donors become friends

3. ***Transformational***… <u>partner and change</u>, gifts of significance, more rare, but where the donor becomes fully invested…spiritually and financially.

   The transformation happens when the mission and core values of the donor and the charity overlap. We become the roadmap on our donors philanthropic journeys.

Where do donors give?

	Donors	$$$
Health	41%	20%
Social Services	20%	10%
Religion	14%	49%
Education & Research	8%	3%
Philanthropic Intermediaries	5%	7%
Arts Sport & Recreation	5%	3%
International	2%	3%
Conservation	**2%**	**2%**

Who Gives

- Individual Giving (75 %) *
- Corporate Giving (5 %) *
- Foundation Giving (12 %) *
- Bequests (8 %) *

* Actual % will vary for each organization.

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Identifying Donor Groups

- ## Your fund raising potential is a function of:
  - ### Identification of individuals or groups who would give
  - ### Identification of the reasons why they would give
  - ### Analysis of the giving potential of the targeted donor groups

Identifying Donor Groups cont'd…

- **People give to other people.**
- **Your success in fund raising often relies on whom you know and whom they know and on who knows your organization and its work.**
- **It is important to develop advocates for your organization that can assist in the fund raising process.**

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Prepare to Fund Raise

- ## Develop your personal enthusiasm
- ## Get "your shop" in order
  - ### Make the quick and easy fixes
  - ### Clarify your mission and strategy
  - ### Improve your programs and services
  - ### Improve client/beneficiary satisfactions
  - ### Improve professionalism

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Prepare to Fund Raise cont'd…

- **Develop supporters**
  - Research prospects
  - Develop relationships with prospects
  - Involve prospects in your organization's activities and programs
  - Continue to research your qualified prospects
  - Develop relationships with prospects
  - Involve prospects in your organization's activities and programs
  - ASK for advice, and then for support

Prepare to Fund Raise cont'd…

- **Assess your external resources and activities**
  - Determine your role
  - Determine how much time you can commit to fund raising, and stick with it
  - Identify others to play a major role in fund raising for your organization

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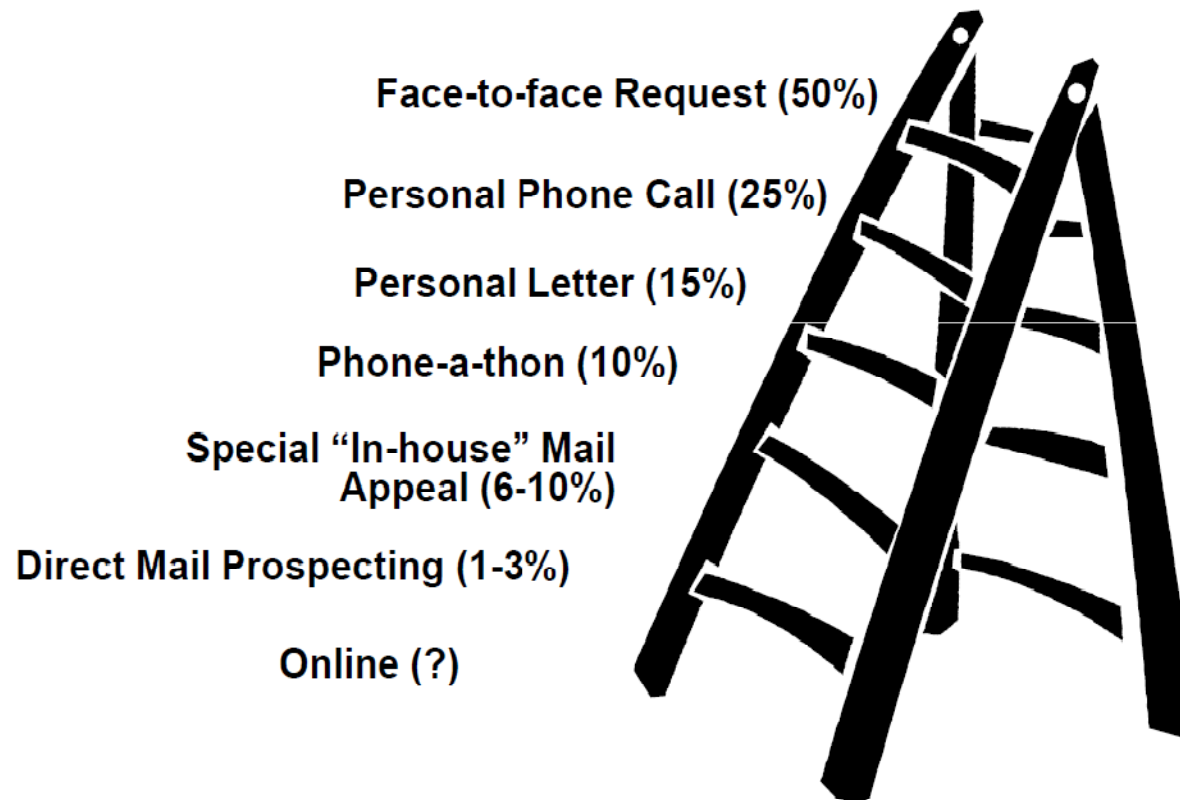University of Alberta

Fund Raising Strategies/Techniques

- **Personal Solicitation (1:1)**
- **Annual Giving**
- **Special Events**
- **Direct Mail**
- **…Thons**
- **Cause Marketing**
- **Naming Opportunities**

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Fund Raising Strategies/Techniques

- **Honor/Memorial Giving**
- **Telemarketing**
- **Planned Giving/Bequests**
- **Capital Campaigns**
- **Foundation Grants**
- **Corporate Grants**
- **Association Grants**
- **Government Grants**

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Ladders of Effectiveness

How to Ask:
Ladder of Effectiveness

Face-to-face Request (50%)

Personal Phone Call (25%)

Personal Letter (15%)

Phone-a-thon (10%)

Special "In-house" Mail Appeal (6-10%)

Direct Mail Prospecting (1-3%)

Online (?)

Fund Raising Values (Pricing)

- ## Set value within reach of donors
- ## Value related to visibility and prestige
- ## Value related to the purpose
- ## Remember, you can only name some things once

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Fund Raising Do's

- **Use donated resources as you said you would**
- **Know your prospective donors**
- **Ask for the donation/gift**
- **Thank donors repeatedly…donors will give again if they are valued**
- **Remind donors how their support impacts your beneficiaries…**

  = Stewardship

Fund Raising Don'ts

- **Apologize for asking**
- **Promise what you cannot deliver**
- **Take money that will require additional resources from your organization**
- **Take money for something you can't, shouldn't or don't want to do**

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GRANTSMANSHIP

Grant Proposals

- **Research the funder** *(foundation, corporate, government, association, other)*
- **Confirm if your prospective funder is interested in your organization** *(letter of inquiry, call, visit)*
- **Do you have the right contact information for the funding source?**
- **What are your funding requirements?**
- **Do your funding priorities align with the funder's guidelines?**
- **Does the funder have the funds?**
- **Is there a preliminary qualification process?**
- **Is there a connection between your organization and the funder?**
- **Have you established a cultivation strategy appropriate for the funder?**
- **Avoid any sense of entitlement.**
- **Write a proposal.**

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Relationship Building with Grant Sources

- **Research**
- **Inquire/approach/involve**
- **Develop request**
- **Solicit**
- **Follow through**
- **Acknowledge**
- **Report**
- **Repeat**

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Grant Proposal Writing

- **Establish a connection with the organization's leadership**
- **Write a letter of inquiry**
- **Write the proposal**
  - **Proposal executive summary**
  - **Case statement (statement of need/priority)**
  - **Project objectives (clear, measurable)**
  - **Project methodology (confirm capacity)**
  - **Project evaluation**
  - **Budget**
  - **Supporting materials**

CASE for SUPPORT/Case Statement

- **Is there a compelling need for this service in the community?   WHY-5**
- **What is the scope and significance of the problem?**
- **Who are you trying to help?**
- **What is the geographic range of your project?**
- **Can you evaluate the benefits?**
- **Are you working to solve a problem that is a priority in your organization or in the community at large?**
- **How are you uniquely qualified to carry out this service?**

CASE for SUPPORT

Who are you?
When were you founded?
Why were you founded?
What do you do?
Why do you do it?
How do you do it?
Who benefits from your program? How?
How are you unique?
What are your programs and services?
How effective are they?
Where are you going?
What do your priorities (needs)?
Who needs what you do?
Why should donors choose to support you?

Your case should be used as the basis for any communications materials you send out to your constituency.

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Key Questions

- **How much will this project cost?**
- **What are the goals and outcomes?**
- **Can this project be replicated elsewhere?**
- **Are the results measurable?**
- **Has anyone attempted this before?**
- **Why are you the best organization to do this?**
- **Have you considered partnering with any other organizations?**
- **Who else have you approached for funding?**

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TIPS

- Use an active voice
- Validate your case with statistics and numbers
- Tell the story of why the initiative is important – be as real as possible; use testimonials
- Proofread to eliminate grammatical errors and content that is not clear
- Ensure consistency throughout
- Total proposal should not exceed 8 pages, and ideally 4 or 5 to keep reader's attention.
- Be sure you can do what you say you will do.
- Only accept a lesser commitment if you can truly fulfill the expectations…negotiate the gift acceptance with the donor.

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Elements for Successful Fundraising

- **Committed governing board leadership**
- **Internal culture of philanthropy**
- **Good prospect pipeline**
- **Defined organization goals and priorities**
- **Agreed upon fund raising objectives**
- **Convincing case**
- **Staff capacity**
- **Organized volunteers/membership**
- **Realistic expectations and timelines**
- **Investing to succeed**

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Who has Needs

Nonprofit organizations and charities exist to _fulfill_ needs.

People do not give because an organization _has_ needs. They give because your organization _meets_ needs.

Kay Sprinkel-Grace

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Dealing with Perceptions

We do not come from weakness.

We have no need to beg.

We come from the strength of our visible impact, convictions and values.

❖ ❖ ❖

We are not needy –we meet needs.

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Ownership

"Philanthropy is a complex ideology, which demands an organization's strategic investment, education, involvement and renewal."

"Fundraising is not the primary responsibility of development professionals, that belongs to the entire organization along with building a philanthropic culture is. The rest will follow."

– *Karla A. Williams*

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MEMBERSHIP

Engaging your membership

- **Active membership recruitment and renewal**
- **Steward your members – say thanks**
- **Make the membership dues a value proposition – deliver results**
- **Create a nomination process for new members – consider a complimentary introduction**
- **Start renewal sequence at month 8 – 9 in 12 month cycle**
- **Ensure 6 – 8 contact points with each member, each year: print, email, face to face**
- **Create a community for the membership**
- **Build a volunteer service network to engage membership**

15 Strategies for Membership Engagement

#1: Focus on the Member Experience

#2: Support & Promote a Culture of Giving (celebrations)

#3: Know your demographics

#4: Active versus Passive.

#5: Define your case---know it and tell it---with passion!

#6: Collaborate with all Units (beneficiaries, partners)

#7: Create leverage, including "venture philanthropy"

#8: What's our vision---know it; tell it---with more passion!

#9: Strive for excellence and prominence (voice, brand)

#10: Engage Members, Volunteers and Staff
(power of numbers, knowledge, contacts, opportunities)

#11: Create a structure that works for your organization

#12: Follow AFP Ethical Standards & Donor Bill of Rights)

#13: ASK, ASK, ASK!

#14: Be a good steward. Apply the rule of 7.

#15: Lead by example…make your own gift first!

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Branding

- **Your promise (made and kept) as perceived by a target audience.**
- **A collective responsibility that is built daily in the communities you have chosen to enter.**

❖

- **A strong brand is developed and reinforced through a long-term, strategic process led by the leadership team and board.**
- **A strong brand benefits member relations, collaborations and partnerships, fund raising, and more.**

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The Power of Image and Reputation

- **How does your organization communicate and celebrate its role?**

- **Does the membership understand its role as enablers through giving?**

- **What is the level of membership satisfaction?**

- **What is the level of employee satisfaction?**

- **What is the growth curve of your organization?**

- **Its greatest strength comes from the connection of what you say to what you do.**

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Development Outputs

- **Development Budget – cost/$ is less than 0.20/$; it costs money to raise it (investment model)**
- **Annually raise: $_____**
- **Plus the impact income on endowed gifts, reserve funds**
- **What % of staff and members contribute**
- **What % of your membership with current addresses, and increasingly email addresses**
- **How does your organization compare to its peer group?**
- **Is your Next Campaign on the horizon; what are you building towards?**
  - Coming out of campaign is the best time to think about major gifts and legacy giving as the discipline is established.

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Fundraising Professionals

- **Organizational Specialists not Technicians**
- **Teacher, coach and practitioner**
- **It is NEVER about us**
- **Voice of the donor (external audience) to the institution…but don't shoot the messenger**
- **Protecting donor interests and being donor centred**

There are many roles for VOLUNTEERS/MEMBERS

Volunteer/Staff Model in the Fund-Raising Process

	Identification	Cultivation	Solicitation	Stewardship
Volunteers and Staff Working Together	Volunteers' contacts are enhanced with research	Prospects' movement toward commitment is managed astutely	Blends volunteers' influence and credibility with professional oversight	Volunteers' appreciation complemented by structured management
Volunteers Alone	Limited to the volunteers' social and professional contacts	Sincere, but often neglected, haphazard, or unfocused	Even effective volunteers may fall behind schedule or stumble when the time comes to ask	Sincere, but often neglected, haphazard, or unfocused
Staff or Paid Solicitor Alone	Targeting the "likely suspects"	Number of prospects who can be cultivated is limited by number of staff who can make calls	Gifts often smaller when personal connection is absent	Long-term relationships often neglected as staff pursues short-term goals

Did you know?

- **The vast majority of volunteers also become donors.**
- **Volunteerism is a active form of stewardship in building the relationships with these individuals.**
- **The staff come and go, but the volunteers sustain their relationship with the institution and with the donor over time.**
- **As fundraising professionals, we can bridge the gap between our institutions and the public by effectively leading from the middle.**
- **Working with volunteers reinforces the essence of philanthropy…people giving and supporting people.**

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Roles for Members in Fundraising

- **As Donors**
- **As Strategists**
- **As Identifiers**
- **As Qualifiers**
- **As Cultivators**
- **As Door Openers**
- **As Note Writers**
- **As Event Attendees**
- **As Stewards**
- **As Advocates**
- **As Solicitors**

Additional Role of the Board

- **Build a strong mission-driven organization**
- **Establish priorities through plans, programs and services**
- **Assure quality and results**
- **Assure transparency and accountability**
- **Assure adequate resources needed to operate, to implement programs and to fulfill the mission**

The Role of the Leader

- **Visionary:** who openly and consistently articulates a clear vision.

- **Role model:** who sets the management behaviors for the leadership team.

- **Advocate:** who champions your organization and its development efforts, internally and externally.

- **Face of the institution:** who represents the values, the promise, and the integrity of your organization for key constituencies.

- **Resource provider:** who invests the human and financial resources needed to ensure the desired results from the development operation.

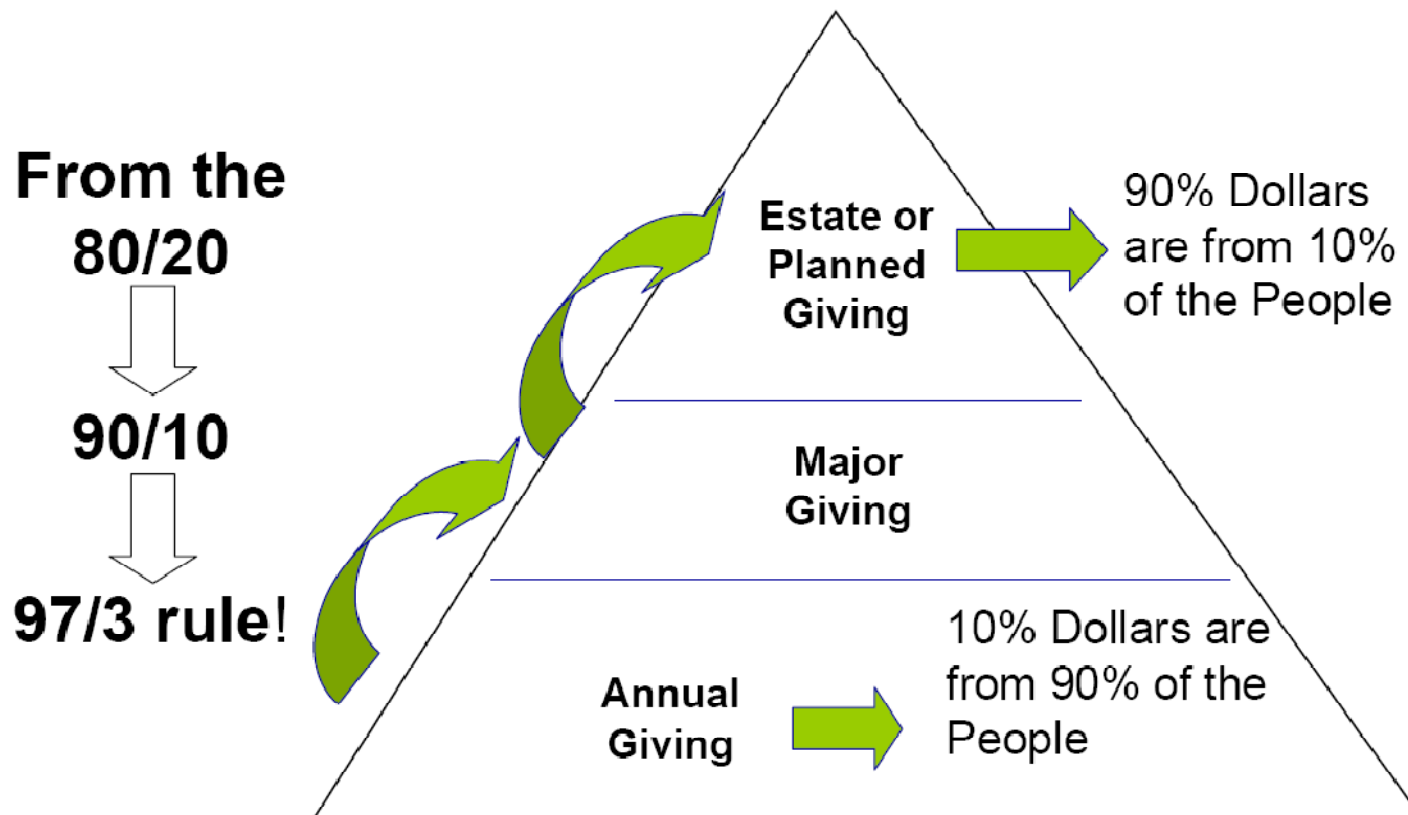# The Role of the Development Professional

- **<u>Missionaries:</u>** who advocate for mission and build support among key constituencies.

- **<u>Strategic managers:</u>** who design and lead development programs in support of institutional strategy.

- **<u>Leadership team members:</u>** who work collaboratively across the organization to achieve institutional goals.
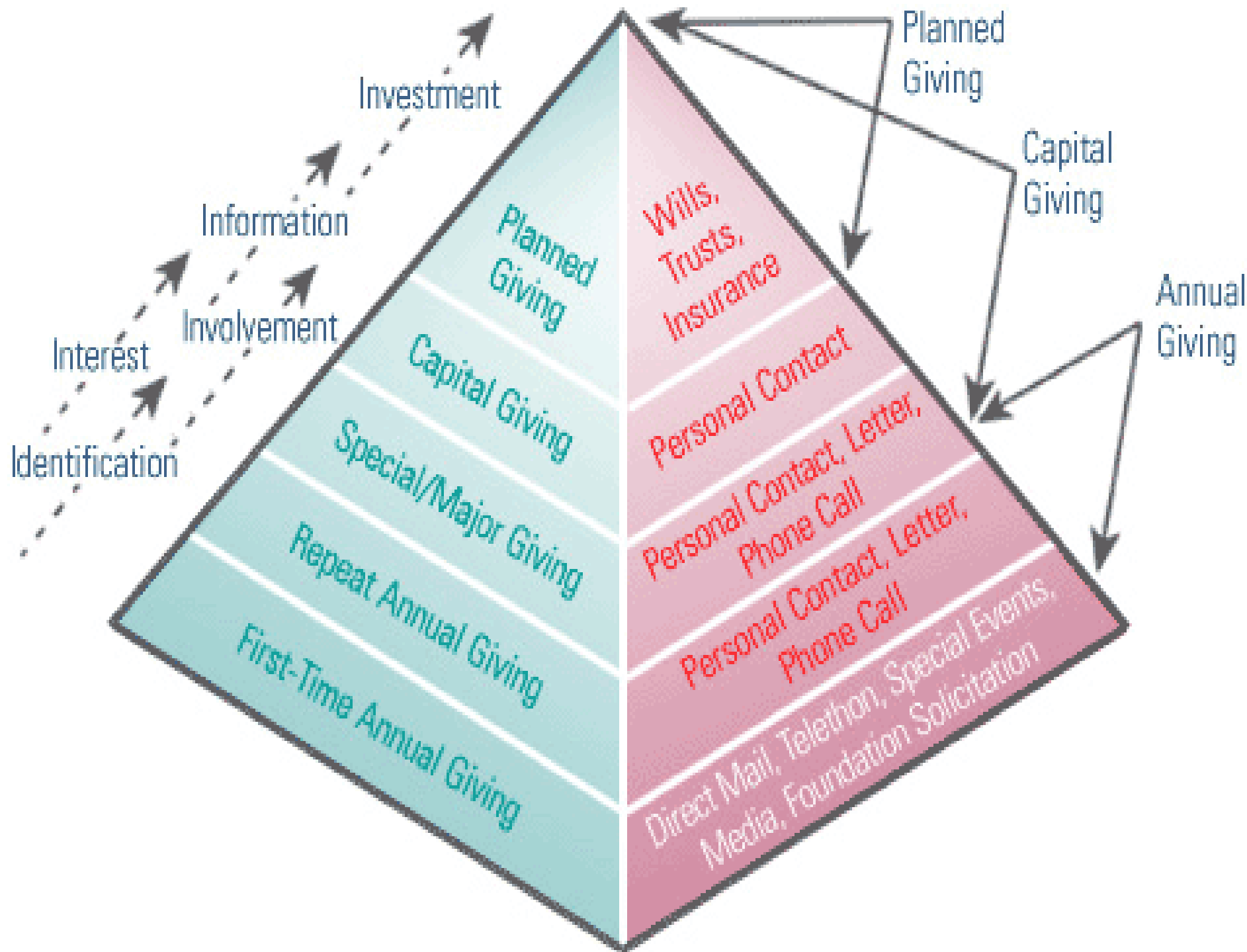
Pyramid of Giving

Pyramid of Giving

Investment

Involvement

Interest

Information

Identification

Planned Giving
Wills, Bequests

Capital Giving
Personal Contact

Special Major Giving
Personal contact, letter, phone

Repeat Annual Giving
Personal contact, letter, phone call

First Time Annual Giving
Prospective Donors
Direct Mail, Special Events, Media, Door-to-Door

Donor Commitment

Donor Growth
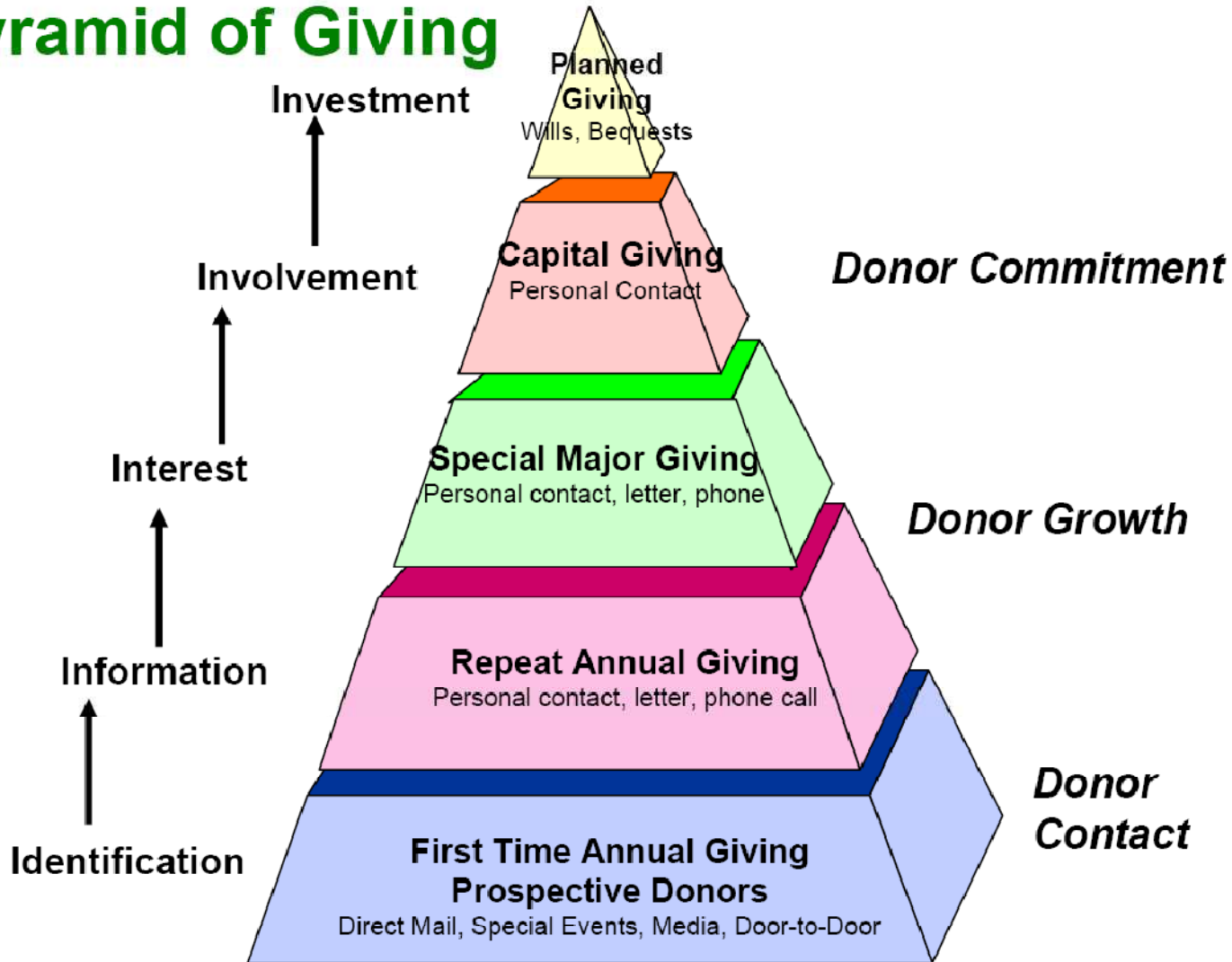
Donor Contact

Where donor support comes from

From the
80/20
↓
90/10
↓
97/3 rule!

Estate or Planned Giving — 90% Dollars are from 10% of the People

Major Giving

Annual Giving — 10% Dollars are from 90% of the People

Left side (donor development stages, bottom to top):
- Identification
- Interest
- Involvement
- Information
- Investment

Pyramid left face (bottom to top):
- First-Time Annual Giving
- Repeat Annual Giving
- Special/Major Giving
- Capital Giving
- Planned Giving

Pyramid right face (bottom to top):
- Direct Mail, Telethon, Special Events, Media, Foundation Solicitation
- Personal Contact, Letter, Phone Call
- Personal Contact, Letter, Phone Call
- Personal Contact
- Wills, Trusts, Insurance

Right side labels:
- Planned Giving
- Capital Giving
- Annual Giving

Pyramid of Giving – Annual Giving

Annual Giving is the basis for all development programs. It is where initial donor contact is made (the first ask).

Annual Giving is also referred to as:
- Annual Fund
- Sustaining Campaign

Annual Giving campaigns are almost always in support of operations.

Annual Giving campaigns serve two purposes:
1. To raise money
2. To acquire, upgrade and renew donors

Fundraising Techniques/methods usually used:
- Direct Mail
- Telemail
- Entrepreneurial
- Lotteries
- Cause Marketing
- Special Events
- Door to Door
- Sponsorship

Target audience = everyone

Timing – Year round

Pyramid diagram:

Donor Commitment / Donor Growth / Donor Contact

Estate or Planned Giving
Bequests
Planned Gifts
— Investment

Major Gifts
Endowment Campaigns
Capital and Special Campaigns
Major Gifts from Individuals
Major Gifts from Corporations and Foundations
— Involvement
— Interest

Annual Giving
Support Group Organizations
Special Events and Benefit Events
Annual Giving Campaign/Direct Mail Program
Selected Publics
All the Public – Everyone in the Area
— Information
— Identification

Pyramid of Giving – Major/Capital Giving

Donor Commitment

Estate or Planned Giving
Bequests
Planned Gifts

← Investment

Major Gifts
Endowment Campaigns
Capital and Special Campaigns
Major Gifts from Individuals
Major Gifts from Corporations and Foundations

← Involvement

← Interest

Donor Growth

Annual Giving
Support Group Organizations
Special Events and Benefit Events
Annual Giving Campaign/Direct Mail Program
Selected Publics
All the Public – Everyone in the Area

← Information

← Identification

Donor Contact

A campaign to raise capital dollars is usually an intensive organized fundraising effort.
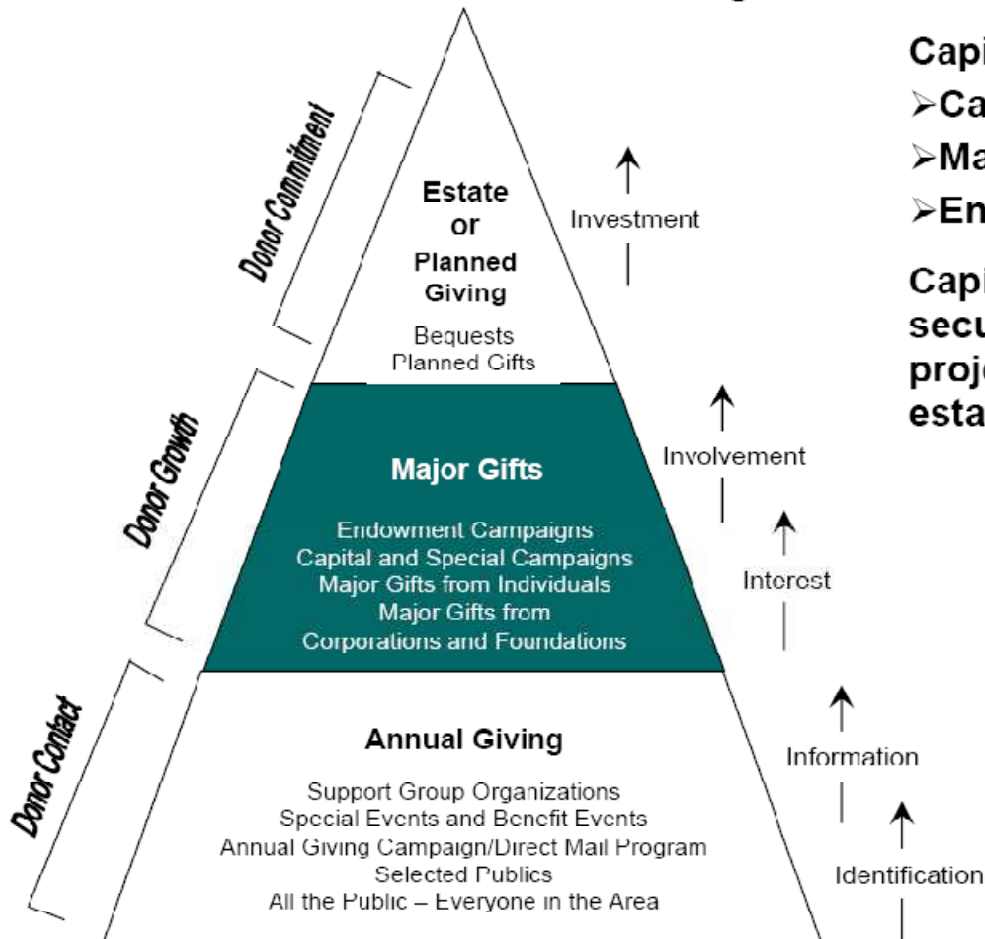
Capital Giving is also referred to as:
➢Capital Campaign
➢Major Gift or Major Giving Campaign
➢Endowment Campaign

Capital Giving campaigns are almost always to secure funds for specific capital needs or special projects such as equipment, a new building, to establish an endowment.

Three phases:
➢Preparatory phase
➢Quiet phase
➢Public phase

Fundraising technique/method used:
➢Face to face

Target audience = current donors, board members, other volunteers, clients

Timing – 3 to 5 years (on-going)

Pyramid of Giving – Planned Giving

Donor Commitment

Donor Growth

Donor Contact

Estate or Planned Giving

Bequests
Planned Gifts

Major Gifts

Endowment Campaigns
Capital and Special Campaigns
Major Gifts from Individuals
Major Gifts from
Corporations and Foundations

Annual Giving

Support Group Organizations
Special Events and Benefit Events
Annual Giving Campaign/Direct Mail Program
Selected Publics
All the Public – Everyone in the Area

Investment

Involvement

Interest

Information

Identification

Planned Giving allows people to make a commitment today, while the actual transfer of money takes place in the future.

Planned "gifts" are almost always in support of endowments.

Ways through which individuals may make a planned gift:

➢ **Will**

➢ **Life insurance**

➢ **Charitable remainder trust**

➢ **Property/real estate**

➢ **Works of art**

Target audience = limited to current donors, others with a demonstrated commitment to your organization.

Timing – long term
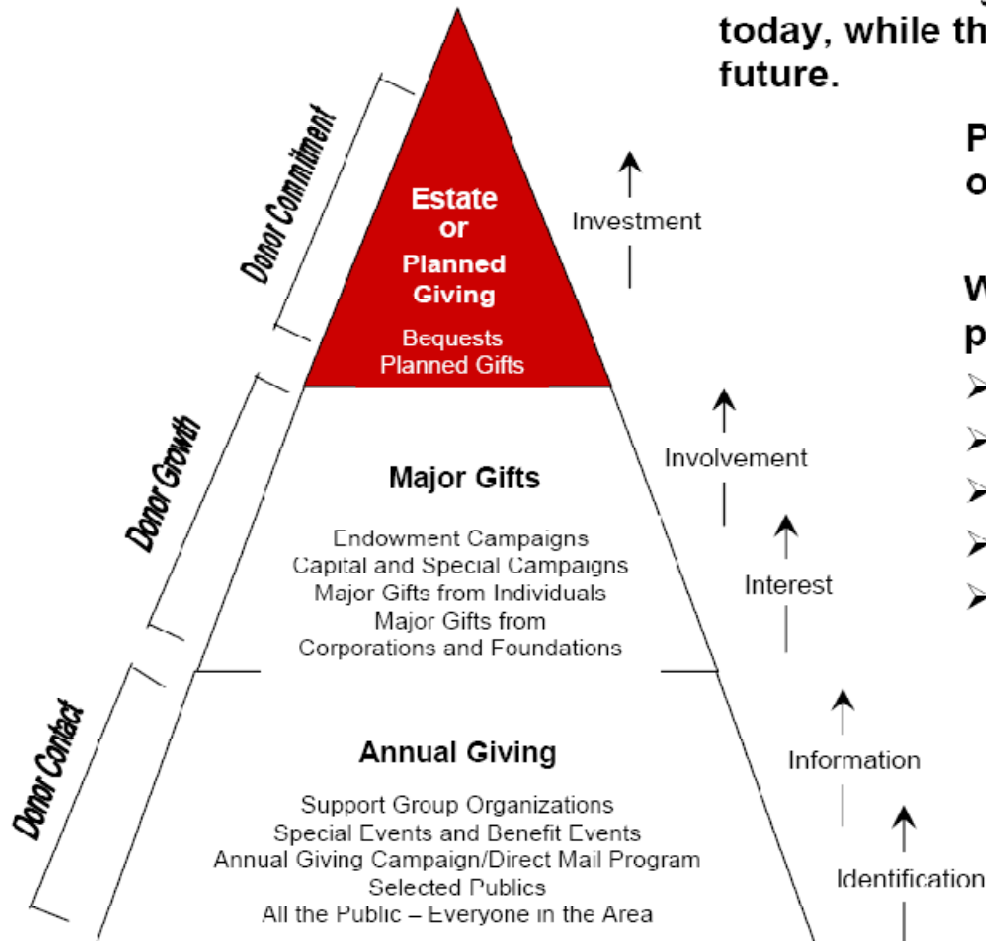
The Development Process

**Self
Selection**

Planned Gift

Major Gift

Special Gift

Upgraded Donor

Annual Fund Donor

Special Event Attendee

Prospect

Suspect
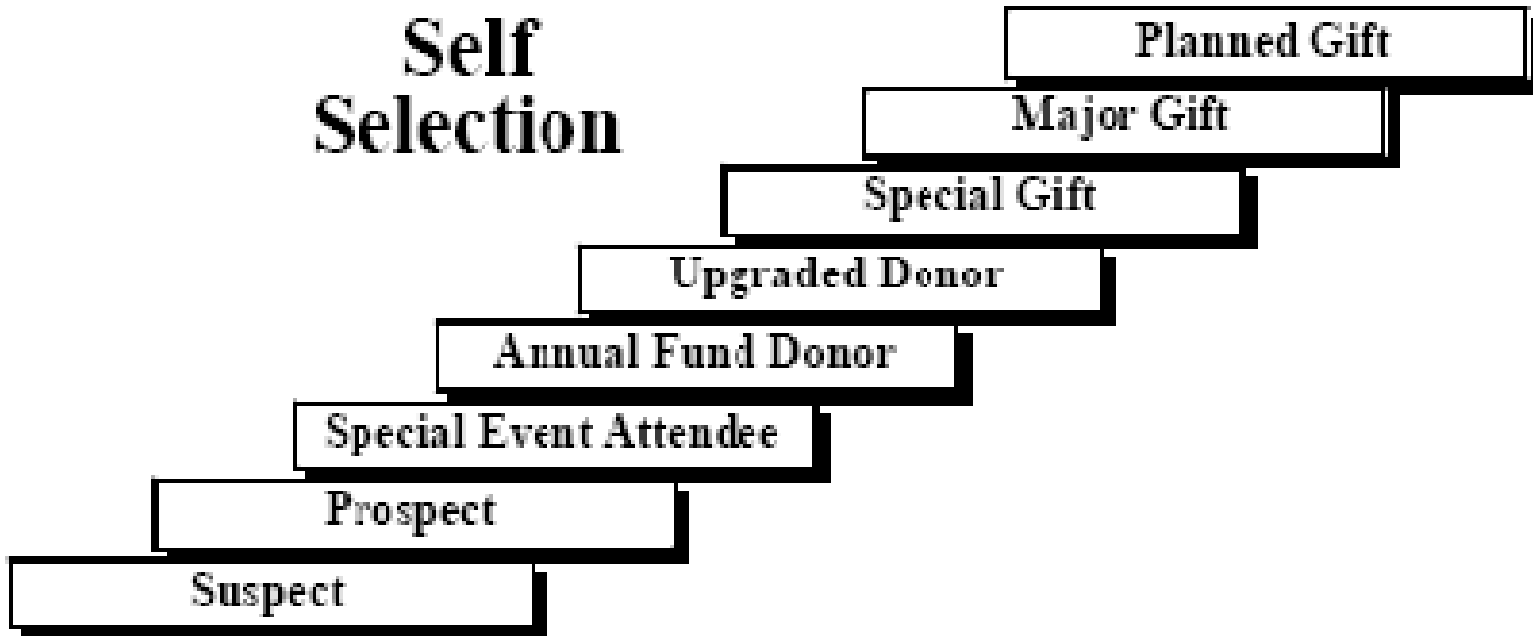
Donor-centred Approach
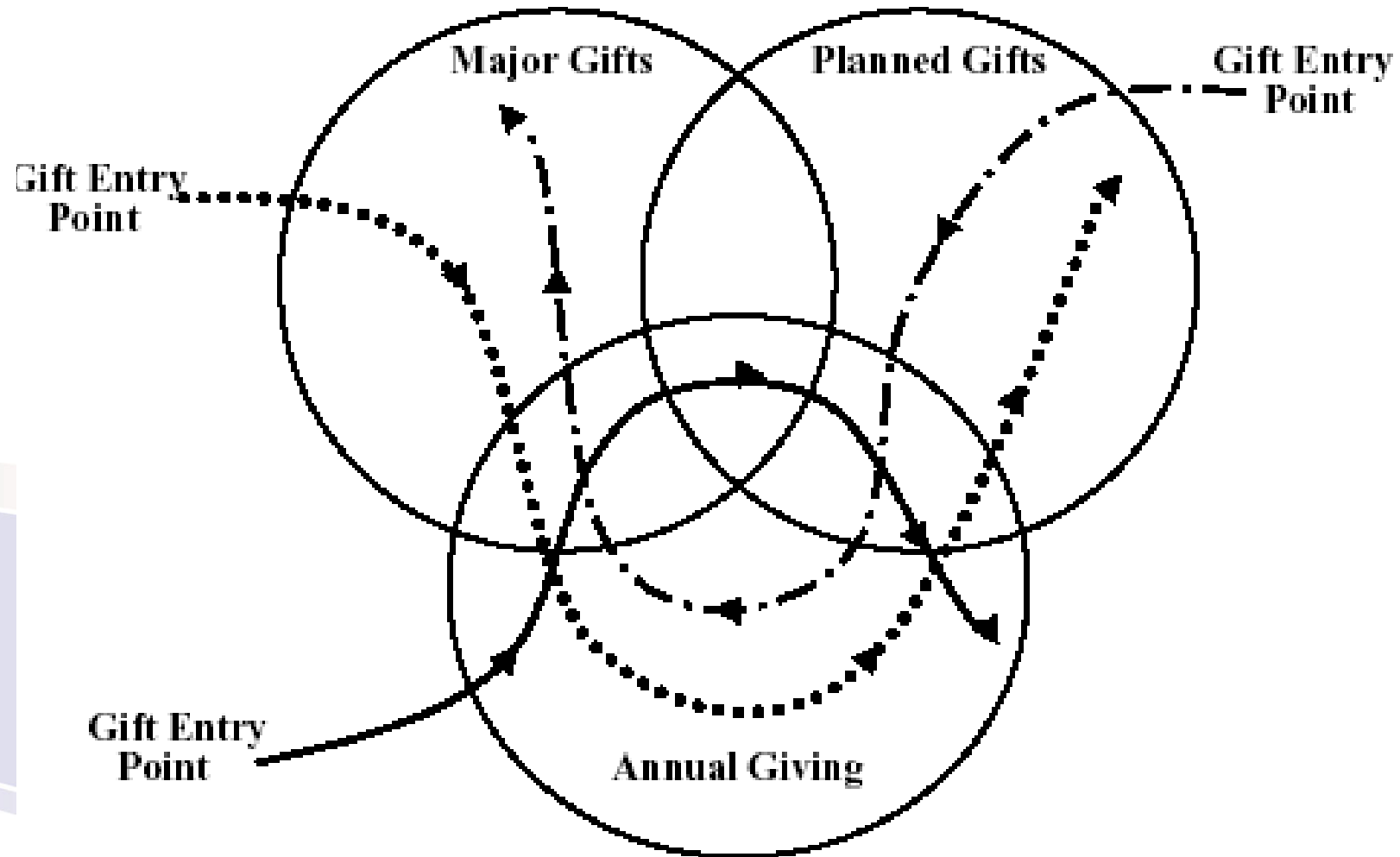
Fund Raising Matrix

The "I's" of Fund Raising
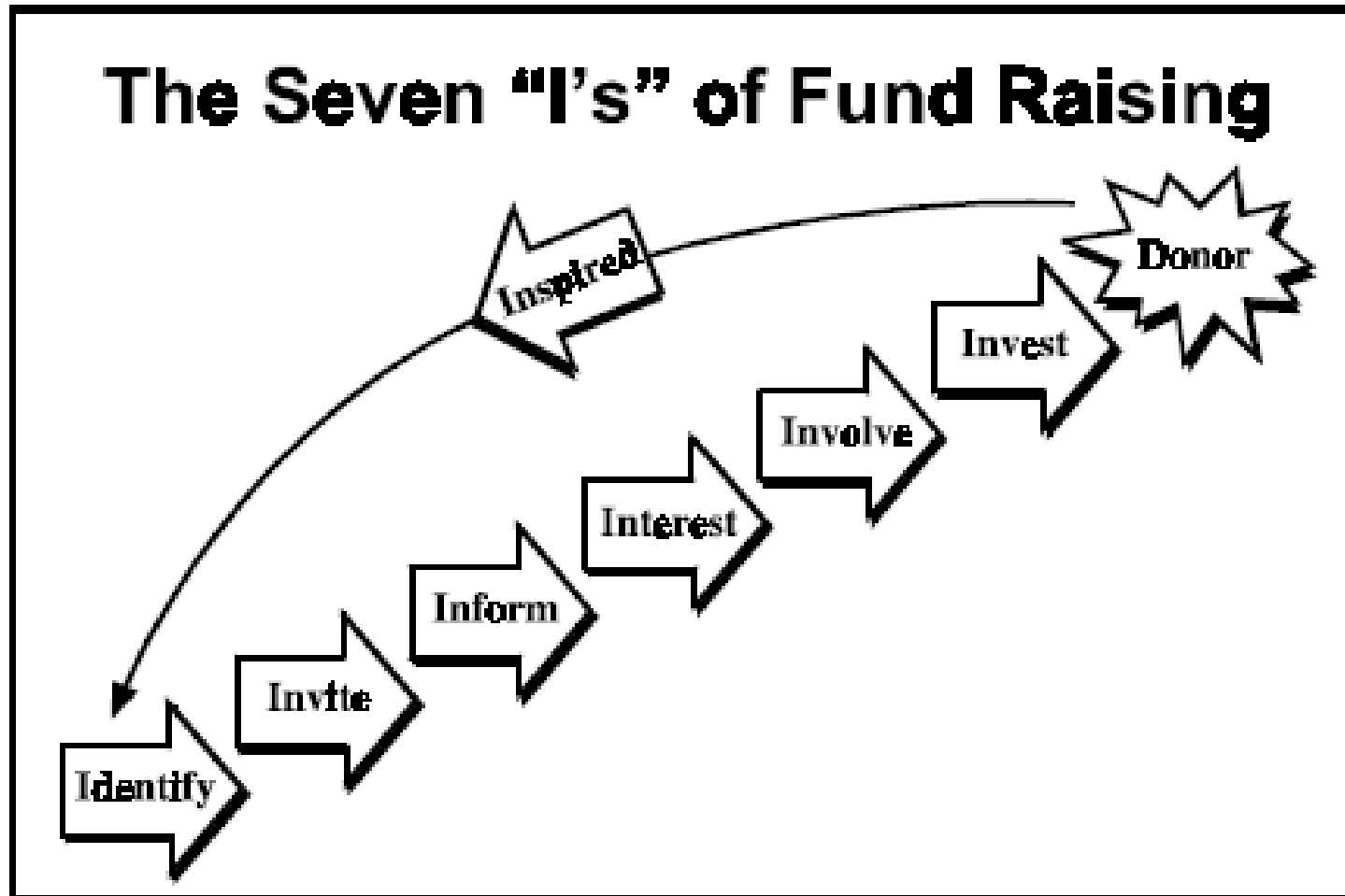
Development Cycle
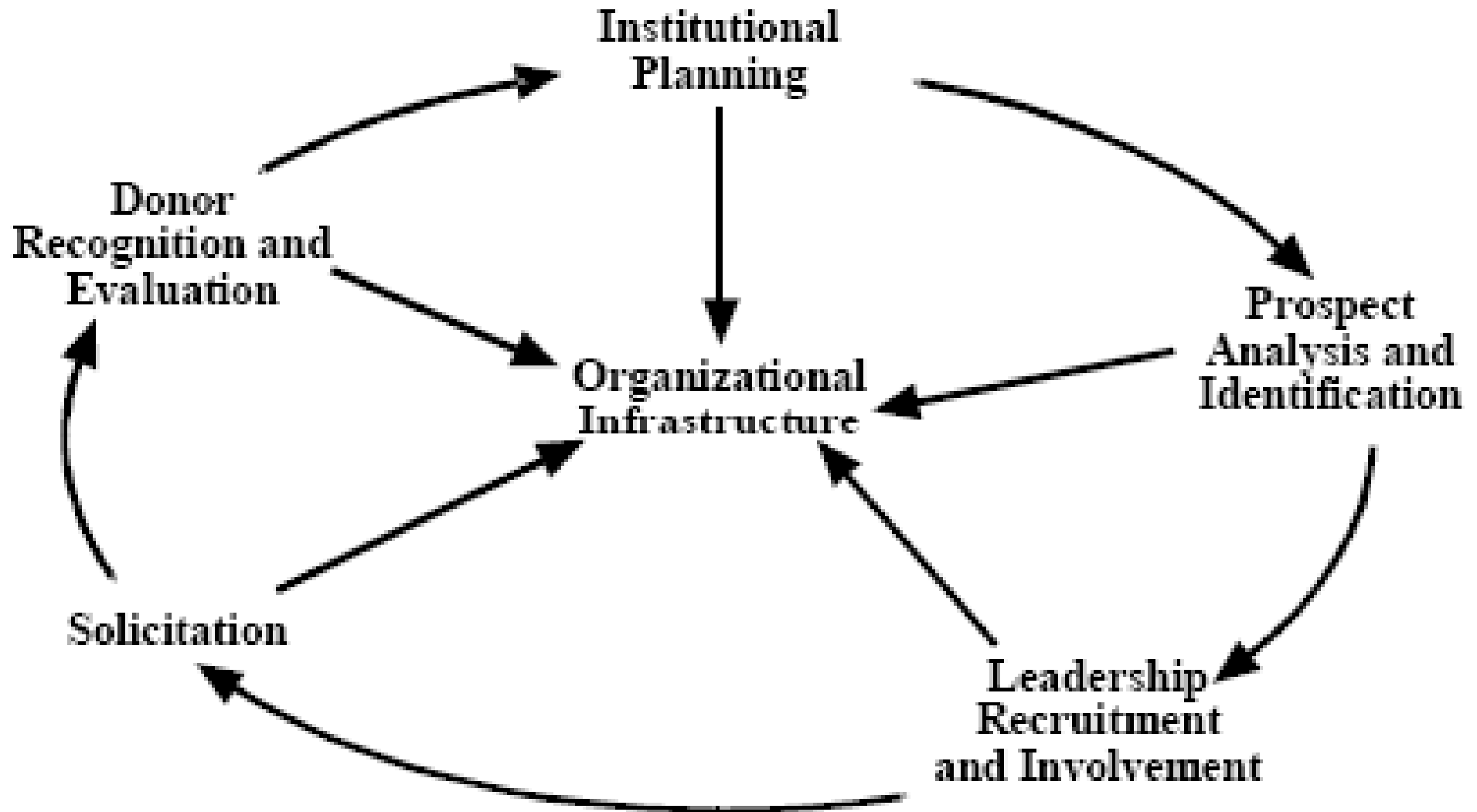
Fund Raising will work IF…

- **Need is recognized and internalized**
- **Financial and organizational stability**
- **Pool of Identifiable Donors (Prospects)**
- **Dedicated Leadership with Capacity and Commitment**
- **Comprehensive Plan for Fundraising**
- **Externally Validated Plan and FR Goals**
- **"RIGHTs" are in place**

Donor Development Cycle

No Interest

IDENTIFICATION
(prospecting phase)

No Contact   **Initial Contact**   **Interest**

CULTIVATION
(pre-gift phase)

Increasing engagement & involvement

Additional gift interest

Discuss gift

The Ask

No, but interested

Continuing involvement

STEWARDSHIP
(Post-gift Phase)

SOLICITATION
(gift phase)

Yes, gift made   **The decision**

Acknowledgement

No interest
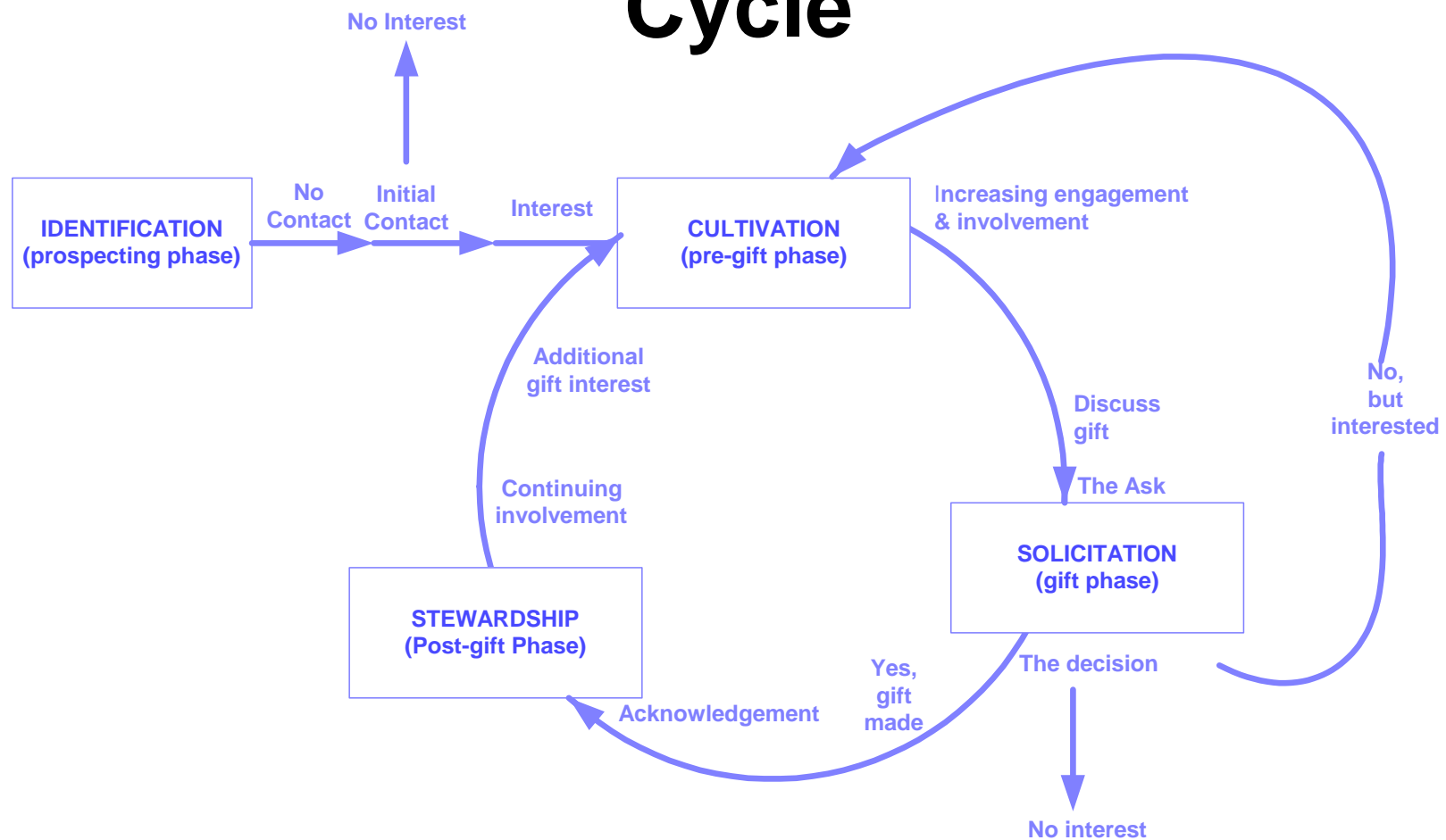
Donor Cycle
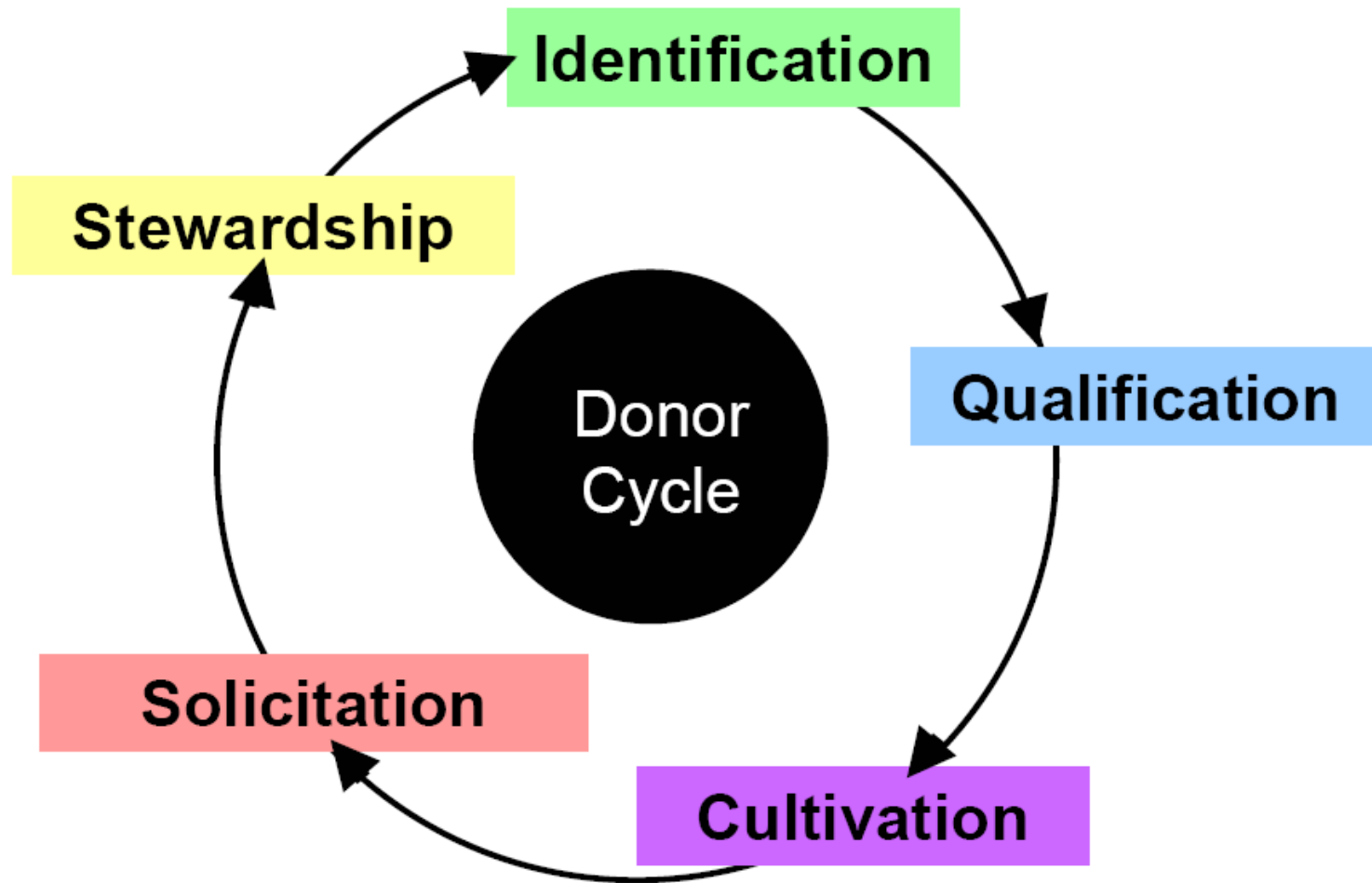
Successful Cultivation

Organizational Behavior

Frequent calls, letters, invitations
Involvement in volunteer activities
Invitations to meetings

Major gift or upgraded gift

Little or no communication
No invitations to participate
No board or volunteer connections

Reduced or no gift...

Donor Consequences

Donor Lifecycle

New Donor Acquisition

Existing Donor Base
- develop relationship
- renewal

Attrition
- death
- move
- lose interest

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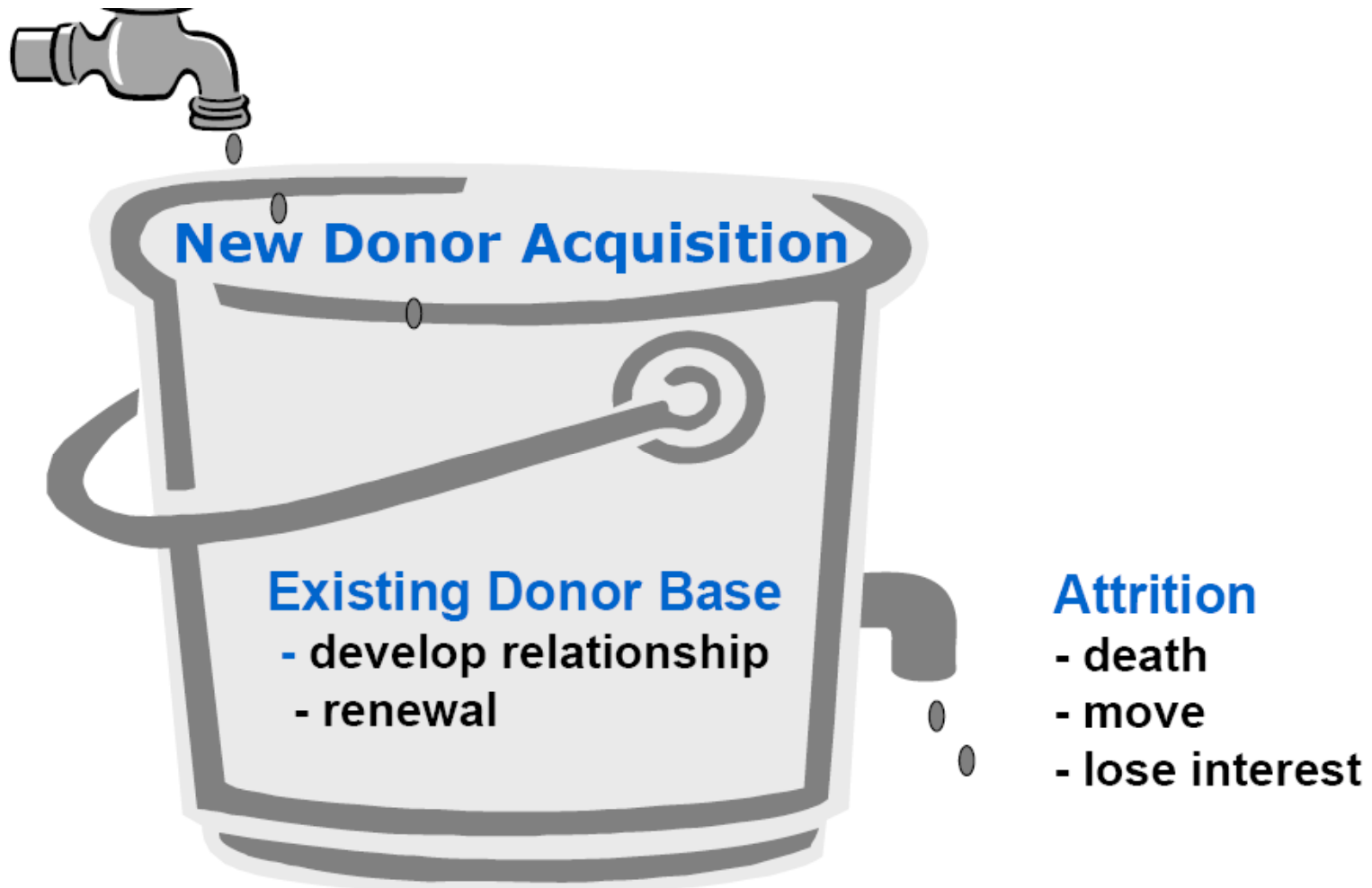
"To affirm life is to deepen, to make more inward, and to exalt the will to live".

Albert Scheitzwer

Out of My Life and Thought

Assessing your Success

Assessing Fundraising Performance

Basic Data Required

- **Number of donors**= Number of donors responding with gifts
- **Gross revenue**= Gross contributions
- **Expenses**= Fundraising costs

Performance Measurements

- **Percent participation**= Divide participants by total solicitations
- **Average gift size**= Divide income received by participants
- **Net income**= Subtract expenses from income received
- **Average cost per gift**= Divide expenses by participants
- **Fundraising cost**= Divide expenses by income received
- **Return on expense**= Divide net income by expenses; multiply by 100 for percentage

Cost Effectiveness of Fundraising

PLANNED GIFTS (3-10%)

MAJOR GIFTS (10-15%)

CAPITAL CAMPAIGN (20-30%)

GRANTS (20-30%)

ANNUAL FUND (25%)

DIRECT MAIL ACQUISITION (100-125%)

SPECIAL EVENTS (50-60%)
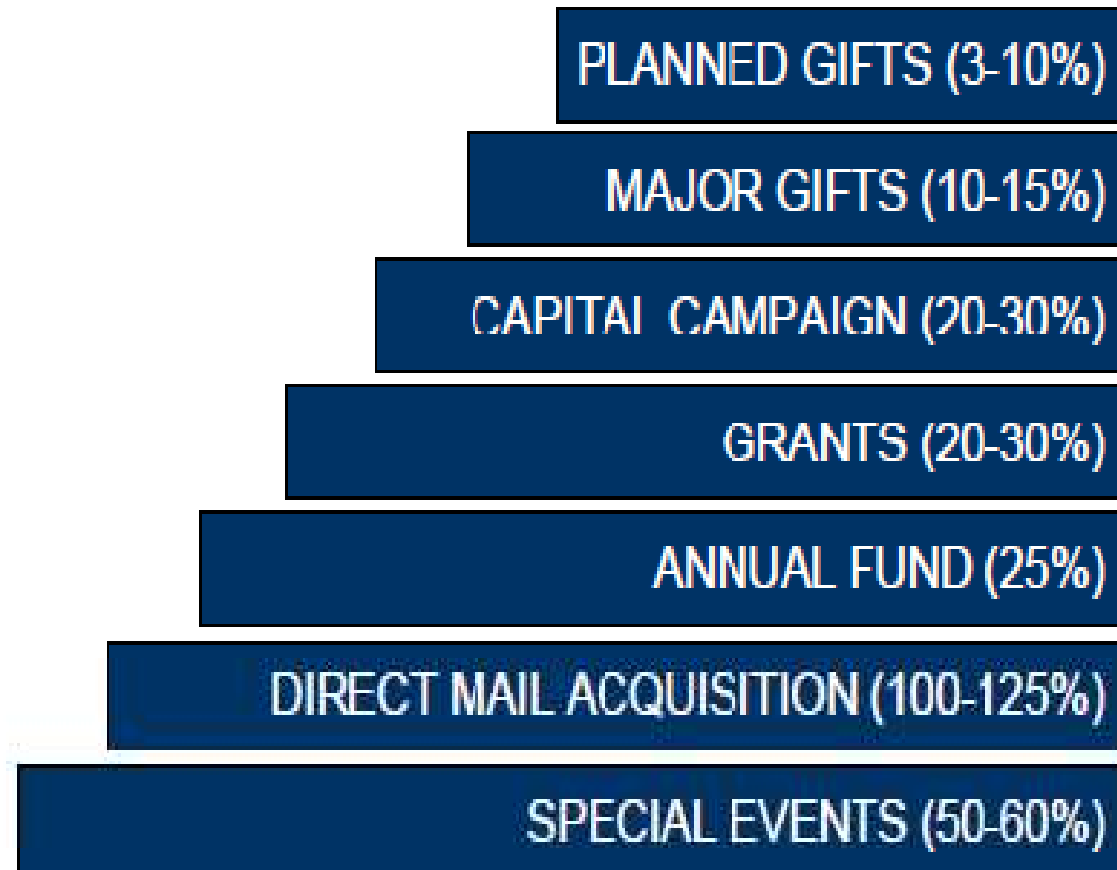
% = Fund-raising costs as a % of revenue

Aligning Fundraising Methods with your Goals

Special Event ⟶ Upgrade donors

Phone Solicitation ⟶ Donor education, recognition

Direct Mail ⟶ Donor acquisition, upgrade, education

Internet Giving ⟶ Build Relationships, education, acknowledgement

Face-to-Face ⟶ Solicitation, education

Performance is more than $$$

- **Money raised is but one criteria**
- **Number of donors participating is a key indicator of success**
- **Fundraising costs compared with gift revenue ("bottom-line analysis") can be misleading**
- **Each fundraising method does not perform at the same level of effectiveness or efficiency**
- **Fundraising efficiency should not be confused with fundraising effectiveness and readiness**

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SOCIAL MEDIA AND FUNDRAISING

Online Giving and Use of Social Media

- Still emerging as a revenue stream for charities
- Trend to become increasingly popular with younger donors
- Perceived as a way for donors to maintain distance from the charity (privacy)
- Questions about information privacy and security
- Particularly useful in the realm of crisis/emergency/relief based fundraising (e.g. Haitian Earthquake)
- Majority of web and on-line donors are new (first-time) donors
- More than 50% of on-line donors ask NOT to be contacted
- Efficient and virtual (perhaps viral) means to disseminate a priority, immediately
- Will cause charities to re-think stewardship and recognition (meeting donor in their time and "space/place")

Social Media Defined

Social Media – primarily Internet-based tools for sharing and discussing information among human beings. The term most often refers to activities that integrate technology and social interaction with the construction of words, pictures, audio and video. The industry might also refer to social media as "user generated content"

-wikipedia

The Conversation
The Art of Listening, Learning, and Sharing

Brought to you by
Brian Solis and JESS3

Pictures
Social Bookmarks
Comment & Reputation
Crowdsourced Content
Blog Platforms
LiveCasting - Video and Audio
Blogs/Conversations
Wiki
Blog Communities
Music
Micromedia
Events
Lifestreams
Documents
Specific to Twitter
Video Aggregation
SMS/Voice
Video
Social Networks
Location
Niche Networks
Customers Service Networks

Social Media is really about conversations

- **Conversations among human beings _sound_ human. They are conducted in a human voice.**

- **The Internet is <u>enabling conversations</u> among human beings that were simply not possible in the era of mass media.**

- **These networked conversations are enabling powerful <u>new forms of social organization and knowledge exchange to emerge</u>.**

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Social Media is really about conversations

- **Nonprofits must <u>talk to the people</u> with whom they hope to create relationships.**

- **To speak with a human voice, nonprofits must <u>share the concerns of their communities</u>.**

- **If you want us to talk to you, <u>tell us something</u>. Make it something <u>interesting </u>for a change.**

- **We have <u>better tools, more new ideas, no rules</u> to slow us down. We are waking up and linking to each other.**

Social Media Facts

- **<u>73%</u> of active online users have read a blog**
- **<u>45%</u> have started their own blog**
- **<u>39%</u> subscribe to an RSS feed**
- **<u>57%</u> have joined a social network**
- **<u>55%</u> have uploaded photos**
- **<u>83%</u> have watched video clips**

The conversation is happening with us or without us

Source: Universal McCann's Comparative Study on Social
Media Trends, April 2008,

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Actions Taken as a result of Social Media

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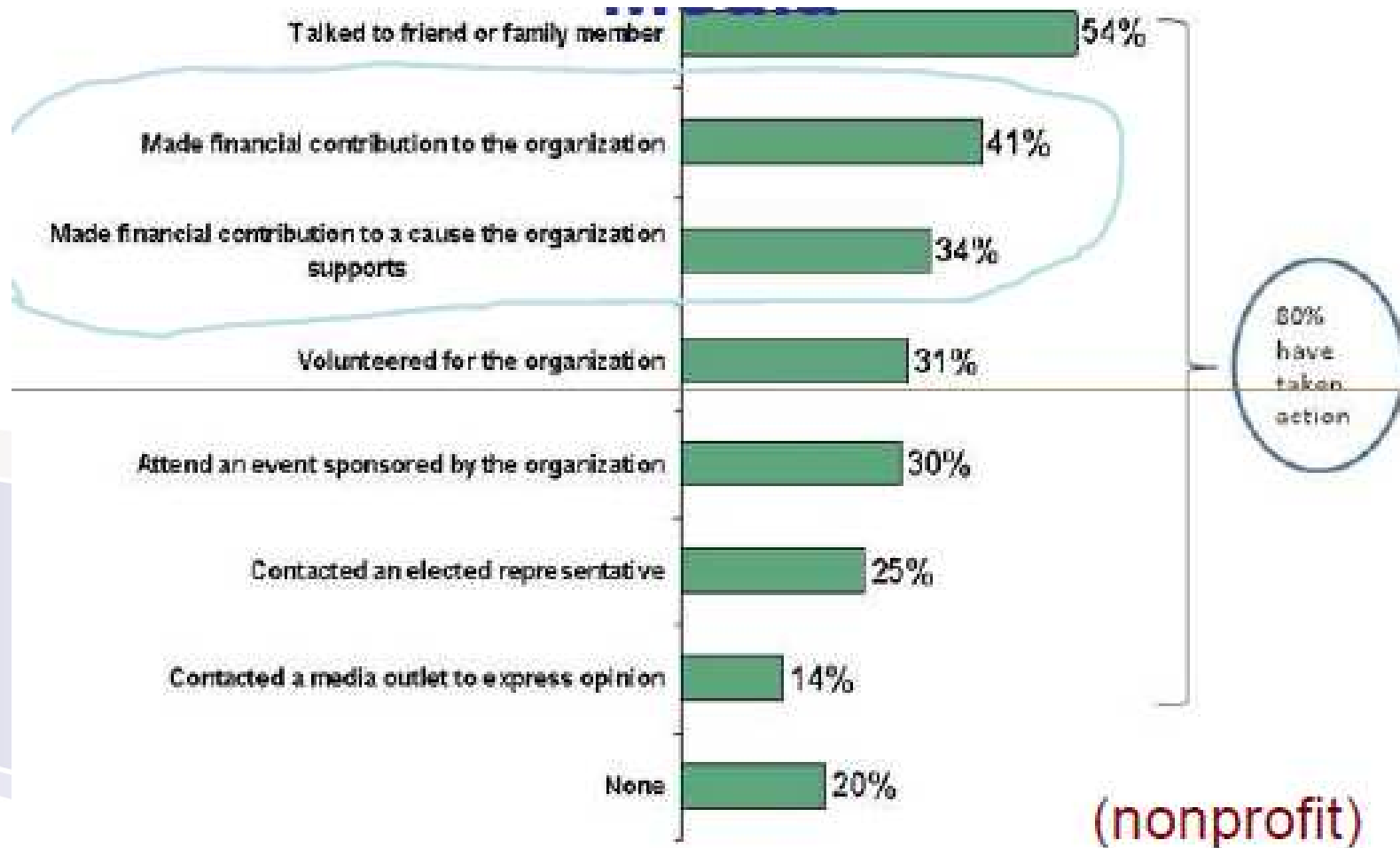
Who are Social Media People

The Social Technographics ™ Ladder

Taken together, these groups make up the ecosystem that forms the groundswell.

By examining how they are represented in any subgroup, strategists can determine which sorts of strategies make sense to reach their customers.

Creators
- Publish a blog
- Publish your own Web pages
- Upload video you created
- Upload audio/music you created
- Write articles or stories and post them

Critics
- Post ratings/reviews of products/services
- Comment on someone else's blog
- Contribute to online forums
- Contribute to/edit articles in a wiki

Collectors
- Use RSS feeds
- Add "tags" to Web pages or photos
- "Vote" for Web sites online

Joiners
- Maintain profile on a social networking site
- Visit social networking sites

Spectators
- Read blogs
- Watch video from other users
- Listen to podcasts
- Read online forums
- Read customer ratings/reviews

Inactives
- None of the above

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Source: Forrester, Groundswell

What people are doing

Who participates (U.S. online users)

| What people are doing	Young Teens 12 to 17	Youth 18 to 21	Generation Y 22 to 26	Generation X 27 to 40	Young Boomers 41 to 50	Older Boomers 51 to 61	Seniors 62+
Creators publish Web pages, write blogs, upload videos to sites like YouTube.	34%	37%	30%	19%	12%	7%	5%
Critics comment on blogs and post ratings and reviews.	24%	37%	34%	25%	18%	15%	11%
Collectors use Really Simple Syndication (RSS) and tag Web pages to gather information.	11%	16%	18%	16%	15%	16%	11%
Joiners use social networking sites.	51%	70%	57%	29%	15%	8%	6%
Spectators read blogs, watch peer-generated videos, and listen to podcasts.	49%	59%	54%	41%	31%	26%	19%
Inactives are online but don't yet participate in any form of social media.	34%	17%	21%	42%	54%	61%	70%
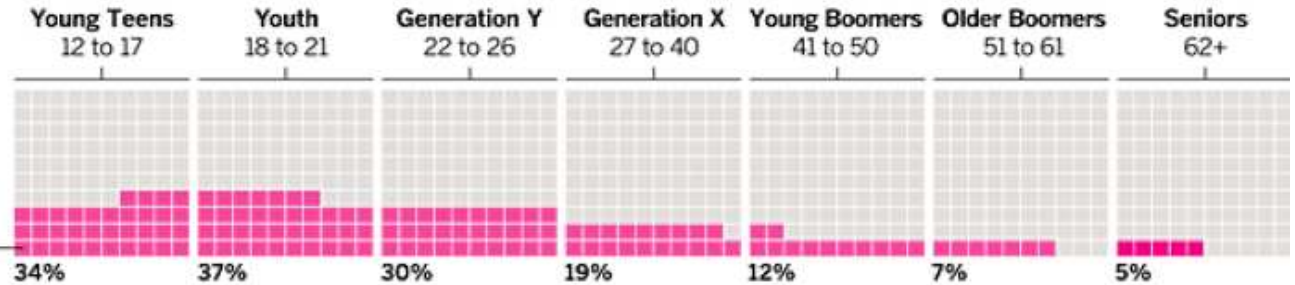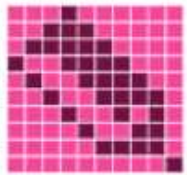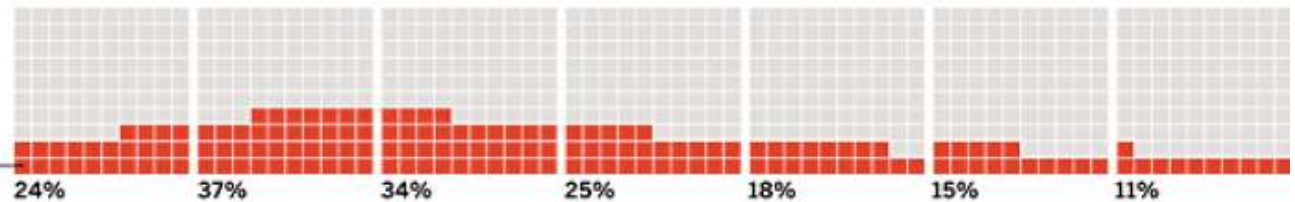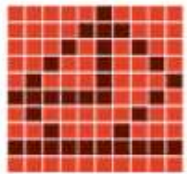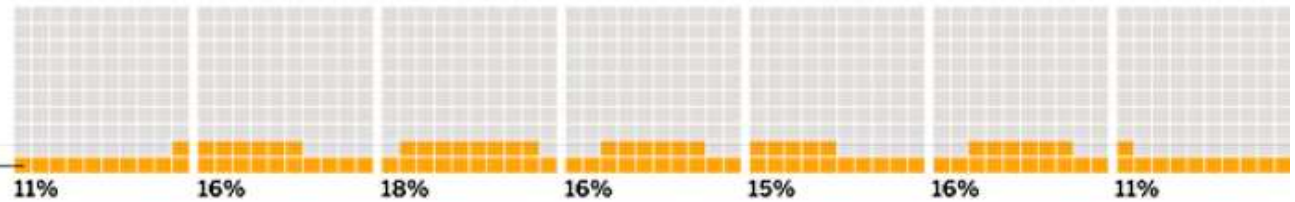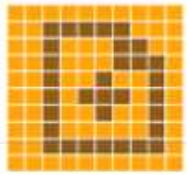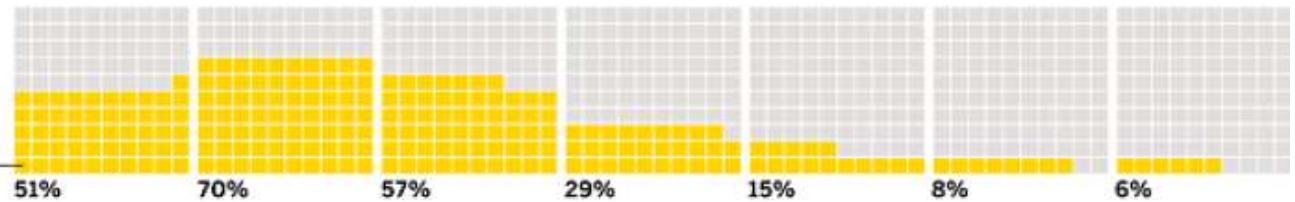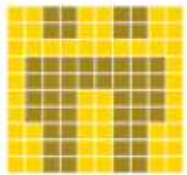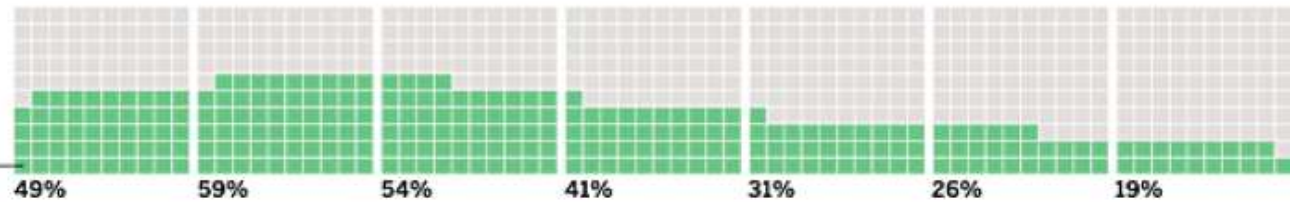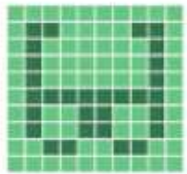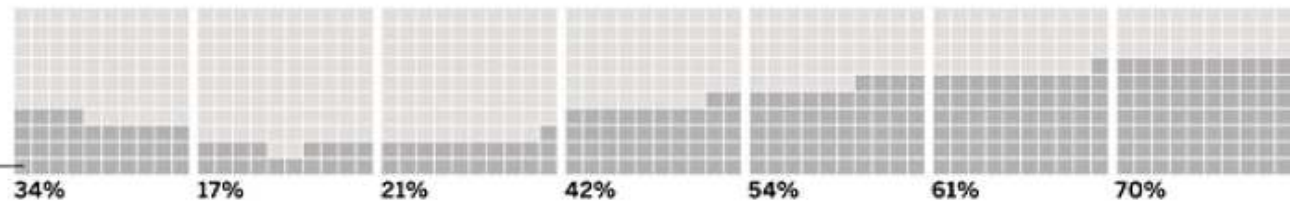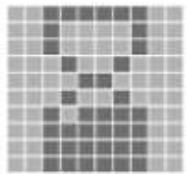
Data: Forrester Research

Using Social Media to add Membership Value

- To create a virtual "place" to foster collaboration and community

- To help members find: jobs, contacts, ideas, etc.

- For fundraising, using everything from e-mail to tweets

- Training in the use of social media

- Meet your members (and friends) where they are at 24/7

- Provide tools to disseminate information

- Enable the members to provide content (self-initiated value)

- Foster new networks, "neighborhoods" within the virtual community(s)

- Make "getting together" more convenient (e.g. reunions, webinars, etc.)

- Connecting the membership dots – Google Maps

Source: 10 Ways Universities are using social media

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Social Media Fundraising Strategy

1. Understand your goals
2. Know where your audience is online
3. Have a specific project in mind
4. Ask Questions to help Generate BUZZ
5. Short time frame is ideal
6. ID influencers and get them on board
7. Define strategy and ROI, mind mapping, flow charts
8. Are you "listening" (and capturing what you "hear")
9. Choose a good online fundraising platform that has a viral spiral
10. Prioritize activities along a timeline
11. Don't forget to thank people!

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Source: Social Media Fundraising, Community Organizer 2.0

Social Media FR Campaign Outline
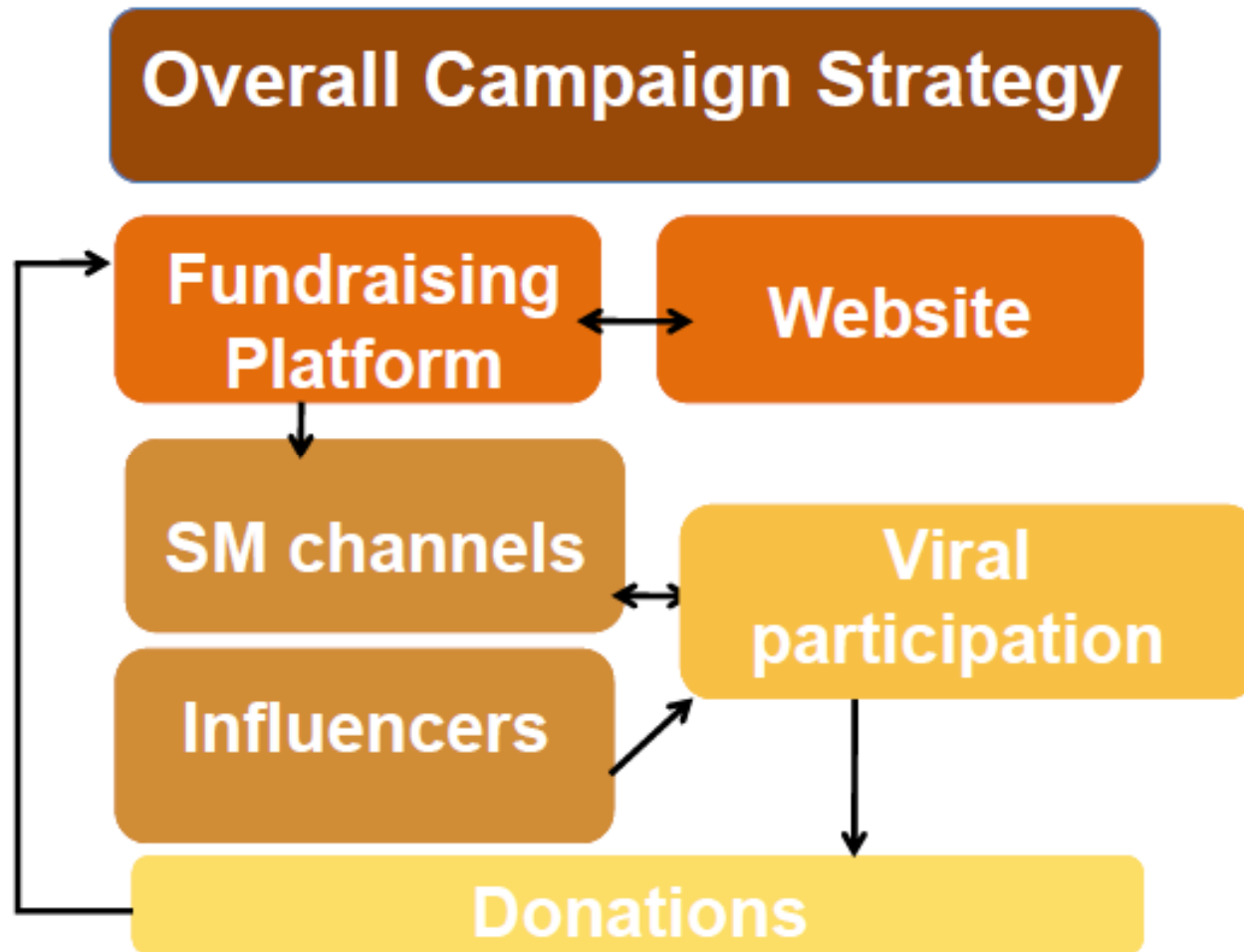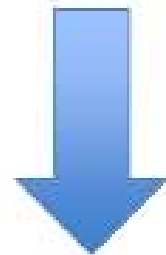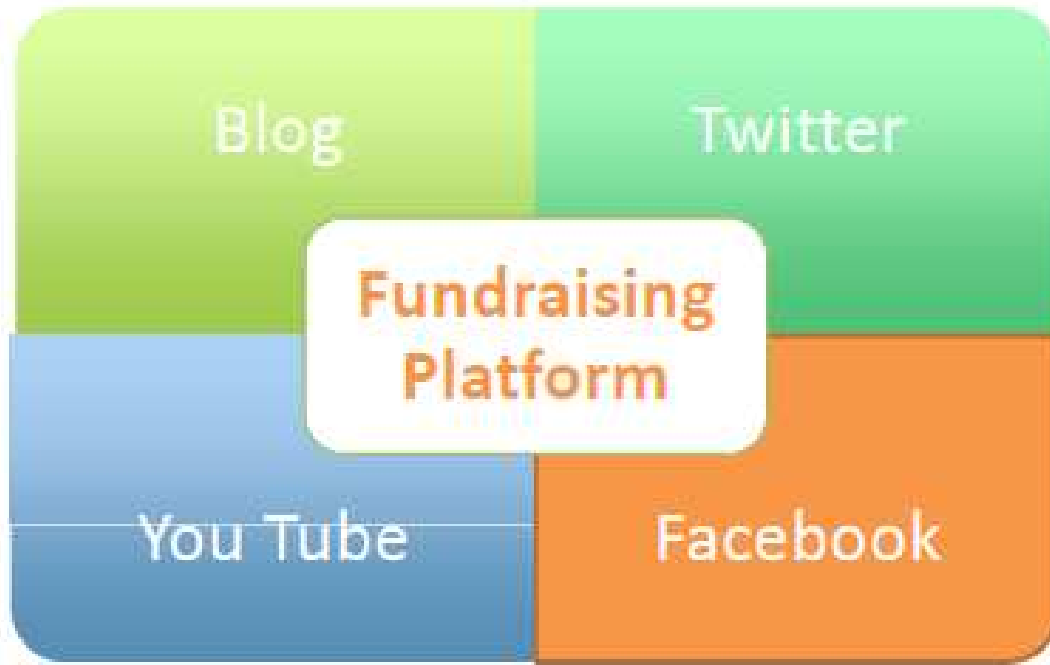
Social Media Fundraising Principles

1. Plan on creating a "movement" as part of the campaign
2. Build a strategy that accentuates where your power base "lives"
3. Go to where your people are – using the most appropriate SM tools to do so
4. Foster a commitment to accountability across the SM community
5. Ensure leadership participation is evident
6. **Be Authentic and Responsive – it is still about Fundraising – building relationships and having conversations**

Social Media Fundraising Toolbox

Source: Universal McCann Companies Study on Social Media Trends (March 2008)

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Social Media Fundraising Toolbox cont'd…

Essential framework

raise funds for a project, short time frame, have a great online viral platform, define billing system, realistic fundraising goals, ease of use, 6 months to plan
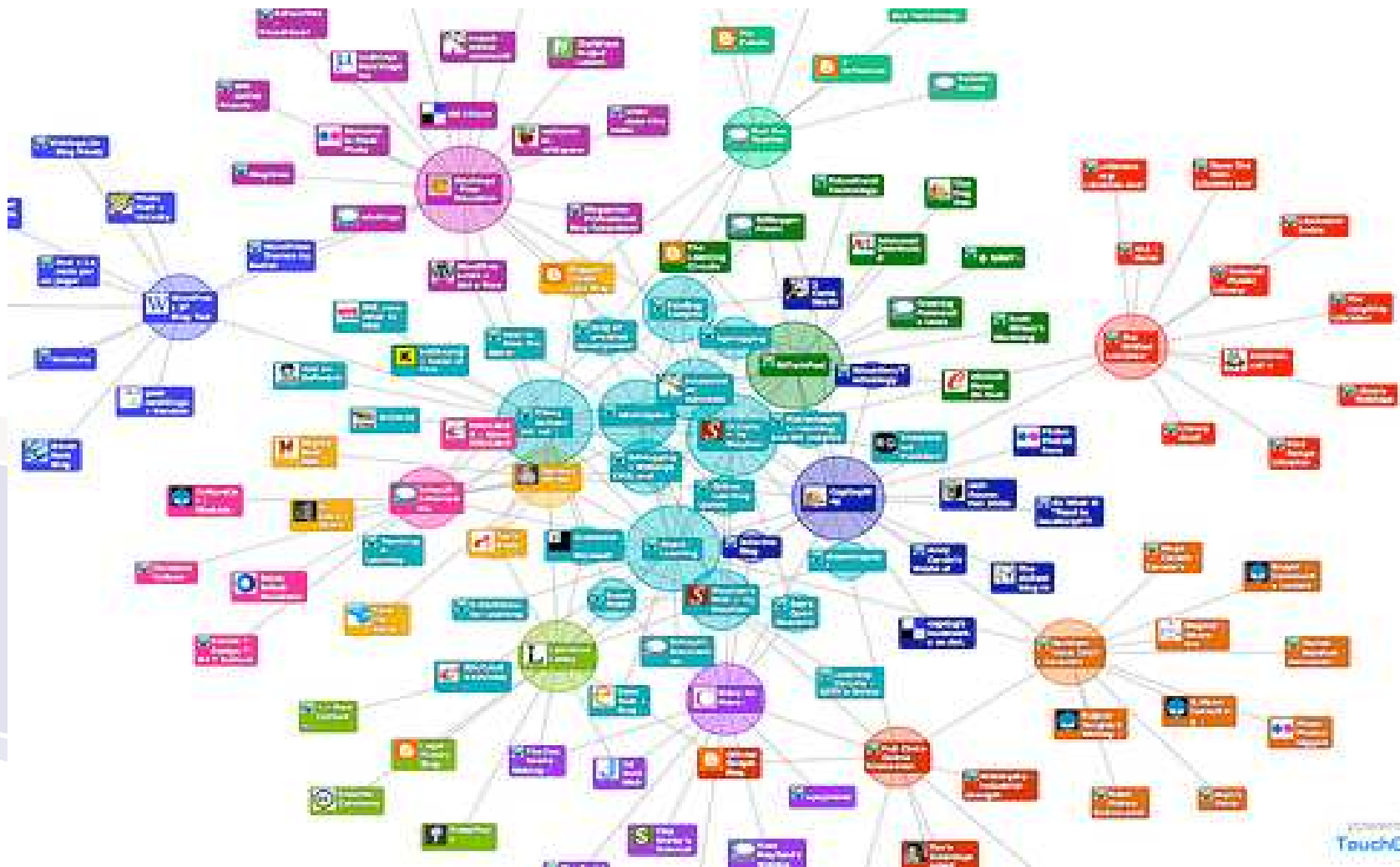
Pre-seeding and influencers

ID influencers and activists, plan the viral spiral, (need a mechanism to track influence), make them feel special, recognize lead fundraisers
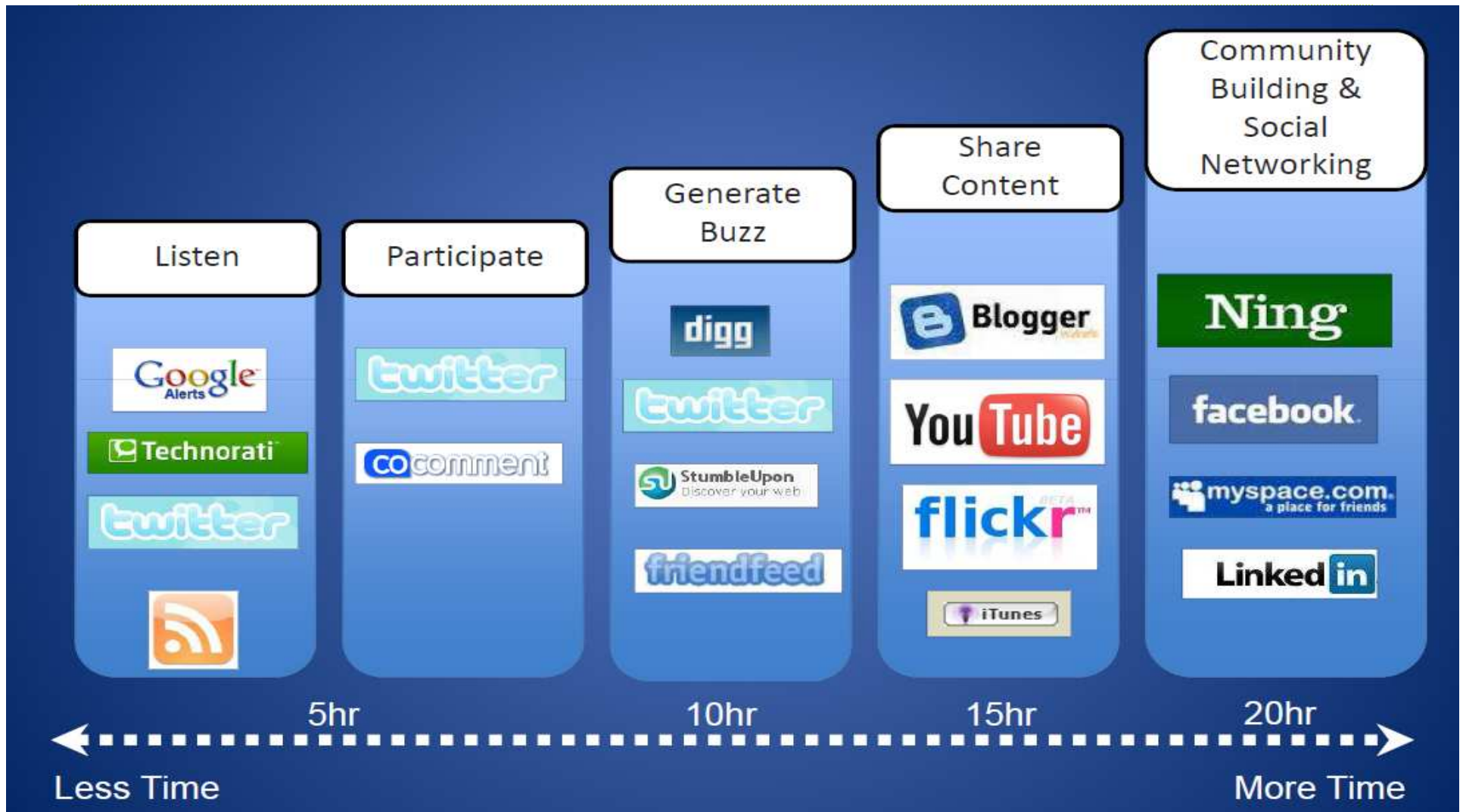
Leverage your assets

go where your people are, mailing list of at least 2K, online community, online influencers, brand evangelists, and stakeholders

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Presentation: Leveraging Social Media for Fundraising Success, Michael Ames (Pursuant)

Influencer Mapping Informs Strategy

Tactics-Tools-Time

CONCLUSION

What Unifies *Development* to your Community?

the common goal of ensuring the [long-term success]() in fulfilling its mission, and

the common strategy of [building supportive relationships]() among those constituents who can make significant contributions to that long-term success.

Producing Successful Fundraising

Integration – whatever the organizational structure, the integration of development functions improves results.

Strategic Role – whatever the discipline, the development functions are most effective when they have a place in the inner management circle.

Discipline – whatever the initiative, a thoughtful, well-planned, research-based approach will increase the return on investment.

Strategic Relationship Management

- **Develop strategy based on mission**
- **Segment constituencies**
- **Conduct research – Analytics, Trends, Data Mining**
- **Set goals for attitudes/behaviors**
- **Align resources**
- **Engage stakeholders**
- **Implement tactics**
- **Evaluate results**
- **Stay "OTHER" focused**

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Thoughts to keep in mind…

- **Engagement yields giving.**
- **Small gifts lead to large gifts.**
- **ROI varies widely.**
- **People give to winners…cross the line!**
- **People give to people...tell the stories.**
- **You are asking on behalf of the community, not yourself.**
- **Be prepared to hear "no."**
- **Be prepared to say "no."**
- **Do your homework: Analytics, Evaluation**

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More Thoughts to keep in mind…

- **Campaigns stop being special when they never stop.**
- **Priorities are set by the organization, not the development office.**
- **Stewardship is everyone's business.**
- **What you do in fund raising will be an important part of your legacy.**

Building Towards Successful Fundraising

- – **Build Consensus**
- – **Deliver early wins**
- – **Get out there**
- – **Join Committees**
- – **Give more of the "Others" Roles to Play**
- – **Share the Credit and Celebrate Together**
- – **Establish Liaisons, Collaboration, Partnership --- or at least "talk"**
- – **Review Office Structure**
- – **Make the Case**

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How Development/Fundraising Makes the Difference

The development functions add value by:

- Keeping the flame
- Telling the story
- Instilling pride
- Scanning the environment
- Enhancing the brand
- Marshalling the resources
- Creating and growing community
- Delivering results

…in a professional manner

…in keeping with the institutional culture

…in support of the institutional mission

…in pursuit of the institutional vision

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Fundraising is a Noble Effort designed for:

- **Enhancing quality,**
- **Expanding opportunities,**
- **Creating a community fully invested as builders, and making this world a better place in doing so.**

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Make a real difference.

Our work is a privilege not an entitlement.

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"We make a living by what we get, but we make a life by what we give and do."

What are you prepared to do?

Will you help develop the fund raising plan?

Will you identify new prospects?

Will you cultivate potential donors?

Will you ask for their support?

Will you thank those who give to your organizations?

Will you thank them again and again?

Will you "show and tell" your organization's story?

Will you help your organization pursue its opportunities to the fullest potential?

Will you do…

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Words to Inspire Philanthropy
(for the Giver, Receiver and Enabler)

- **Gratitude**
- **Significance**
- **Joy**
- **Purpose**
- **Passion**
- **Contentment**
- **Journey**
- **Other**
- **Generosity**

Thank You

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