Successful Fund Development and Fundraising

Community Action Partnership Management & Leadership Conference
Houston, TX

with Stephanie Roth, Klein & Roth Consulting
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Community Action Council for Lexington-Fayette, Bourbon, Nicholas & Harrison Counties
Mia Harnos, Wayne Metropolitan Community Action Agency

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KLEIN & ROTH CONSULTING
Real money. Real people. Real change
Workshop Goals

• Learn the principles and elements of a successful fundraising program

• Identify the best sources of support for your organization

• Gain confidence in asking for money

• Understand the components of a fundraising plan

• Learn from your colleagues
Setting the Context: External Landscape

• Increasing Inequality

![Graph showing income gains at the top dwarf those of low- and middle-income households.](image-url)
Intensifying Debates about Role of Government
Greater Need for Funds in 2018

Hurricanes, Fires, Earthquakes, Flooding
• Demographic Shifts:
  Racial & generational changes
Population by Race and Ethnicity, Actual and Projected, 1960, 2011 and 2050

% of total

<table>
<thead>
<tr>
<th>Race</th>
<th>1960</th>
<th>2011</th>
<th>2050</th>
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<tbody>
<tr>
<td>White</td>
<td>85</td>
<td>63</td>
<td>47</td>
</tr>
<tr>
<td>Hispanic</td>
<td>3.5</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td>Black</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Asian</td>
<td>0.6</td>
<td>5</td>
<td>9</td>
</tr>
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</table>

Note: All races are non-Hispanic; American Indian/Alaska Native not shown. Projections for 2050 indicated by light green bars.


PEW RESEARCH CENTER
Note: Whites, blacks and Asians include only single-race non-Hispanics; Asians include Pacific Islanders. Hispanics can be of any race.
Generational Change

Two generations born 1901-1945
Total: 75 million

Baby Boomers: Born 1946-1964
Total: 76 million (74.9 million alive)

Gen X: Born 1965-1980
Total: 46 million

Millennials: 1980-2002
Total: 75.4 million

(source: Interact Communications)
Sources of Revenue for Nonprofits

Earned Income: 50%
Government: 32%
Philanthropy: 13%
Investment Income: 5%
TOTAL GIVING 2016: $390.05 billion

- **Individuals:** $281.86  72%
- **Bequests:** 30.36     8%
- **Foundations**  59.28   15%
- **Corporations** 18.55   5%

Source: Giving USA
About Foundations

- Total of 86,192 grantmaking foundations in U.S.
- Two thirds of all grants come from top 1,000 foundations
- Only 29% of foundations have a website
- 60% of foundations will not accept an unsolicited proposal
Elements of Successful Fundraising

- Having a clear fundraising philosophy
- Focus on building relationships
- A clear case for support
- Choosing the right strategy (for what you’re trying to achieve)
- Teamwork
- Infrastructure
Where *Should* Your Money Come From?

- What is your fundraising philosophy?
The Purpose of Fundraising is to Build Relationships

Acquire Donors

Retain Donors

Upgrade Donors

The Final Gift (Bequest)

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Get into an “EXCHANGE” Frame

Go from this:
“Please, please, please...”

To this:
“I think you would be interested....”
Making a Case for Support

Why does your organization exist?
Why is your work important?
What are your core beliefs?
Choosing the Right Strategy: What do you need?

- Money
- New Donors
- Happy donors
- Legacy donors
- Advocates
- Volunteers
- Visibility
Fundraising Ladder of Effectiveness

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Response Rate</th>
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<tr>
<td>In person asking</td>
<td>50%</td>
</tr>
<tr>
<td>Personal Phone Call</td>
<td>25%</td>
</tr>
<tr>
<td>Personal Letter or email</td>
<td>10-15%</td>
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<tr>
<td>Phone bank</td>
<td>3-5%</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>.5-1%</td>
</tr>
<tr>
<td>Email</td>
<td>.05%</td>
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</table>
A few words about online fundraising

[Images of social media platforms: Instagram, Snapchat, Twitter, Facebook, Pinterest, and a call to action to donate now.]
“Multi Channel” Fundraising

DEFINITION:
Integrating all your donor ‘touch points’—mail, e-mail, phone, web—so that you have consistent and coordinated messaging and solicitation
Building a Fundraising Team

Who’s on the team?
• Board members
• Staff members
• Volunteers
• Donors
Role of the Board in Fundraising

- Give Money
- Raise Money
- Develop Fundraising Philosophy & Strategy
- Set Fundraising Policies

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Sample Board Fundraising Commitment Form

I, Cecilia Ortiz, board member, agree to:

1. Contribute $250 by Dec. 31st
2. Sell at least one table of tickets (10) to our annual dinner
3. Solicit 8 local businesses for ads in our ad book
4. Participate in major gift campaign by asking 5 donors for a gift of $500 or more
Infrastructure for Fundraising

Do you have:

➢ Database/CRM to keep track of donors?
➢ Website that is up to date & engages viewers?
➢ Staff to coordinate fundraising efforts?
Exercise

In pairs, discuss the following:

• What is your earliest memory of money? What were you taught about money as a child?
Three Tips for Successful Asking

1. Success is Asking

Tip? Track the number of ASKS made, not just how much money you raise.
Three Tips, Cont.

2. Be OK with NO
Three Tips, cont.

3. Your belief in your cause should be greater than your fear
Who to ask?
Identifying Prospects

Ability: Gives away money

Belief: Cares about this cause or something similar

Contact: You know them or know someone who knows them or they’re already a donor to your organization
Asking for Money

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Creating a Fundraising Plan

A goal without a plan is just a wish.

Antoine de Saint-Exupéry

www.kleinandroth.com
Set Goals

- How much money do you need to raise in what time period?
- How many new donors/funders do you want?
- What percentage of your budget do you want to come from each funding source?
- How do you want to build/shift your fundraising culture?
- What do you need to do to strengthen your fundraising program?
## Gifts needed for $50,000 goal

<table>
<thead>
<tr>
<th># of gifts</th>
<th>size</th>
<th># of prospects</th>
<th>Total</th>
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<tr>
<td>2</td>
<td>$5,000</td>
<td>8</td>
<td>$10,000</td>
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<tr>
<td>3</td>
<td>2,500</td>
<td>12</td>
<td>7,500</td>
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<td>8</td>
<td>1,000</td>
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<td>8,000</td>
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<td>500</td>
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<td>40</td>
<td>250</td>
<td>80</td>
<td>10,000</td>
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<tr>
<td>75</td>
<td>100</td>
<td>150</td>
<td>7,500</td>
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Total: 142    302    $50,000
Tool for Creating Gift Range Chart

https://www.blackbaud.com/nonprofit-resources/gift-range-calculator
Creating a Fundraising Plan

✓ Overall goals
✓ Strategies
✓ Goals for each strategy
✓ Budget
✓ Tasks
✓ Timeline/Calendar
✓ Who’s responsible for what
Integrating Fundraising into your Programs

- Look at what you already do and how you can incorporate a fundraising element into those programs
Fundraising Plan for Name of Organization
Period of time: (Calendar year, fiscal year, shorter timeframe)

<table>
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<tr>
<th>STRATEGY</th>
<th>GOALS</th>
<th>Audience or Prospects</th>
<th>WHEN</th>
<th>LEAD PERSON RESPONSIBLE</th>
<th>Role of Board</th>
<th>Comments</th>
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Stephanie Roth is a trainer, consultant and coach for nonprofits, with a focus on fundraising, board development and meeting facilitation. She is currently serving as Development Director for the Community Land Trust Association of West Marin. Stephanie has written widely on the topic of fundraising and organizational development, and is the co-author (with Mimi Ho) of *The Accidental Fundraiser: A Step-by-Step Guide to Raising Money for Your Cause*.

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