Beyond Fundraising Galas: Creating Successful Individual Donor Programs

Community Action Partnership Management & Leadership Conference
New Orleans, LA

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with Stephanie Roth, Klein & Roth Consulting
Setting the Context

Things to keep in mind:
• Changing demographics

• Inequality and wealth and wage gaps increasing

• More competition from online & social media-driven campaigns
• Demographic Shifts:
  Racial & generational changes
Note: Whites, blacks and Asians include only single-race non-Hispanics; Asians include Pacific Islanders. Hispanics can be of any race.
Generational Change

“Great” Generation: Born 1926-1945
   Total: 47 million

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

Gen X: Born 1965-1980
   Total: 46 million

Millennials: Born 1981-2002
   Total: 78 million

I-Gen (Or ‘Z’): Born 2002-2020
   Total: 69 million so far

(source: Dr. Jill Novak, University of Phoenix)
Increasing Inequality

**FIGURE 1:** Income Gains at the Top Dwarf Those of Low- and Middle-Income Households

Percent Change in After-Tax Income Since 1979

- Top 1 percent: +281%
- Highest fifth: +95%
- Middle fifth: +25%
- Bottom fifth: +16%

Source: CBPP calculations from Congressional Budget Office data
Proliferation of fundraising vehicles
Sources of Revenue for Nonprofits

Earned Income: 50%
Government: 32%
Philanthropy: 13%
Investment Income: 5%
TOTAL GIVING 2017: $410.02 billion

Individuals: $286.65B 70%
Bequests: 35.70B 9%
Foundations 66.90B 16%
 Corporations 20.77B 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
Growth of Donor-Advised Funds

Figure 2: Total Value of Contributions to Donor-Advised Funds ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$17.24</td>
</tr>
<tr>
<td>2014</td>
<td>$19.91</td>
</tr>
<tr>
<td>2015</td>
<td>$21.42</td>
</tr>
<tr>
<td>2016</td>
<td>$25.09</td>
</tr>
<tr>
<td>2017</td>
<td>$29.23</td>
</tr>
</tbody>
</table>
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
What is Your Fundraising Philosophy?

- Where *should* your money come from?
The Purpose of Fundraising is to Build Relationships

Acquire Donors

Retain Donors

Upgrade Donors

The Final Gift (Bequest)
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

**More Time per donor**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<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>
</tr>
<tr>
<td>Phone bank</td>
<td></td>
</tr>
<tr>
<td>Direct Mail</td>
<td>3-5%</td>
</tr>
<tr>
<td>Email</td>
<td>.5-1%</td>
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<tr>
<td></td>
<td>.05%</td>
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</tbody>
</table>

**Less Time per donor**
“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
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

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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?
Asking for Money
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
Asking for Money
Running a 6-week fundraising campaign

Steps:
1. Set Goals
2. Select a 10-week timeframe for planning & implementation
3. Develop materials
4. Create a gift range chart
5. Recruit a team of solicitors
Running a 6-week fundraising campaign (cont.)

6. Identify prospects
7. Launch the campaign
8. Follow up with team members
9. Bring team together mid-way through to check in & troubleshoot
10. Complete the campaign & evaluate
How much do you need & by when?

SET
GOALS
## 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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<tbody>
<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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<tr>
<td>8</td>
<td>1,000</td>
<td>24</td>
<td>8,000</td>
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<td>14</td>
<td>500</td>
<td>28</td>
<td>7,000</td>
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<tr>
<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
Recruit a Team
Who to ask?
Identify 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
<table>
<thead>
<tr>
<th>Name &amp; Contact of potential donor</th>
<th>Contact = What is your relationship to him/her?</th>
<th>Belief = Believes in your group’s cause?</th>
<th>Ability = Has given money to an organization before?</th>
<th>How much to ask for and by what method?</th>
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Approach Prospects Personally

Use a combination of cards, letter/e-mail, text or phone calls, and face to face meetings
Preparation

Have ready:
• Stories
• Statistics
• Philosophical points
• Responses to common objections and questions
• Budget and fundraising success so far
Coach your team

Make sure people are doing their work. The chair of the campaign checks in with members every ten days, and pushes anyone who falls behind.

NOTE: Inevitably one-two people will flake, but one or two others will be on fire
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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