

# FUNDRAISING

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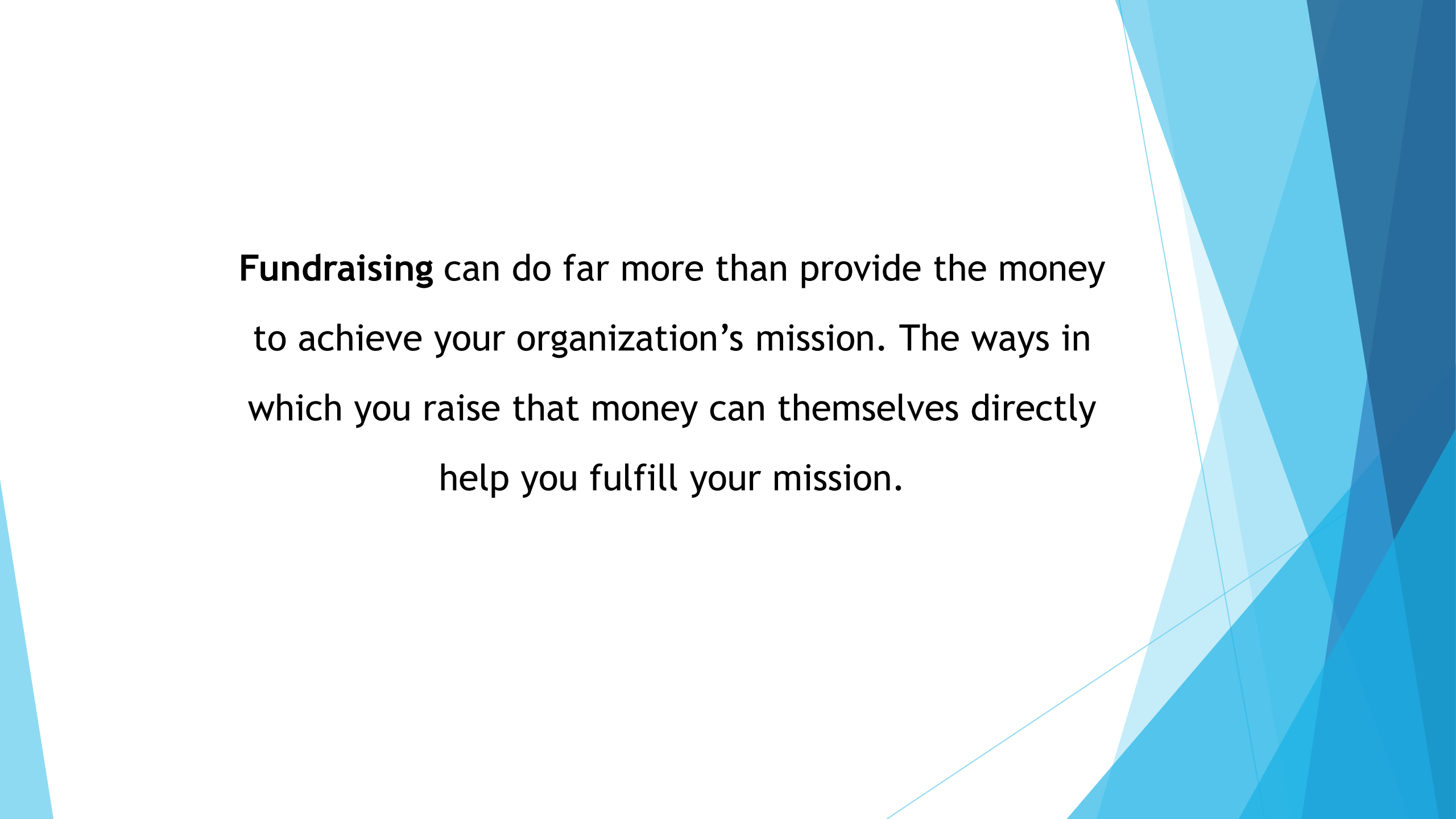
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# Why Do People Give?

- Tax planning to escape, say, inheritance tax
- Ego, self-esteem (that's the kind of person I am!)
- The quest for immortality
- Emotional response
- Self-preservation (for things like cancer and heart research)
- Vested interest (in a school or sports facility)
- In memoriam
- Giving something back
- Identifying with the cause

# Why Do People Give?

- Religious heritage
- Social ambition
- Guilt
- Altruism
- Compassion
- Altruism
- Authority
- Value for money
- Because they were asked
- Because it feels good

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The text is centered on a white background that occupies the left and middle portions of the frame.

**Fundraising** can do far more than provide the money to achieve your organization's mission. The ways in which you raise that money can themselves directly help you fulfill your mission.

# Businesses Make Contributions to Organizations in Several Ways:

- Financial contributions through a corporate foundation
- Financial contributions directly through the company
- In-kind contributions
- Matching gifts
- Event sponsorships
- Cause-related marketing
- Advertising
- Venture philanthropy

*One thing has remained constant in fundraising for two thousand years, that is that the more personalized approach works the best. For the future of fundraising, no matter what happens, it will come back to the levels of personalization and interaction that can be provided.*

**NEIL SLOGGIE, author of “The Tiny Essentials of Fundraising, when asked to comment on the future of our profession”.**



# Strategy

- Purpose of strategy besides raising money (acquire new donors, renew donors, approach major donors, raise money from places or people who wouldn't give otherwise.)
- Volunteer time required and number of volunteers required.
- Staff time required.
- Budget - itemized expenses and income.
- Time line.
- Evaluation of strategy
  - ▶ Did it meet its goals?
  - ▶ What would we do exactly the same next time?
  - ▶ How can we do this event with less time?
  - ▶ What would we do differently next time?

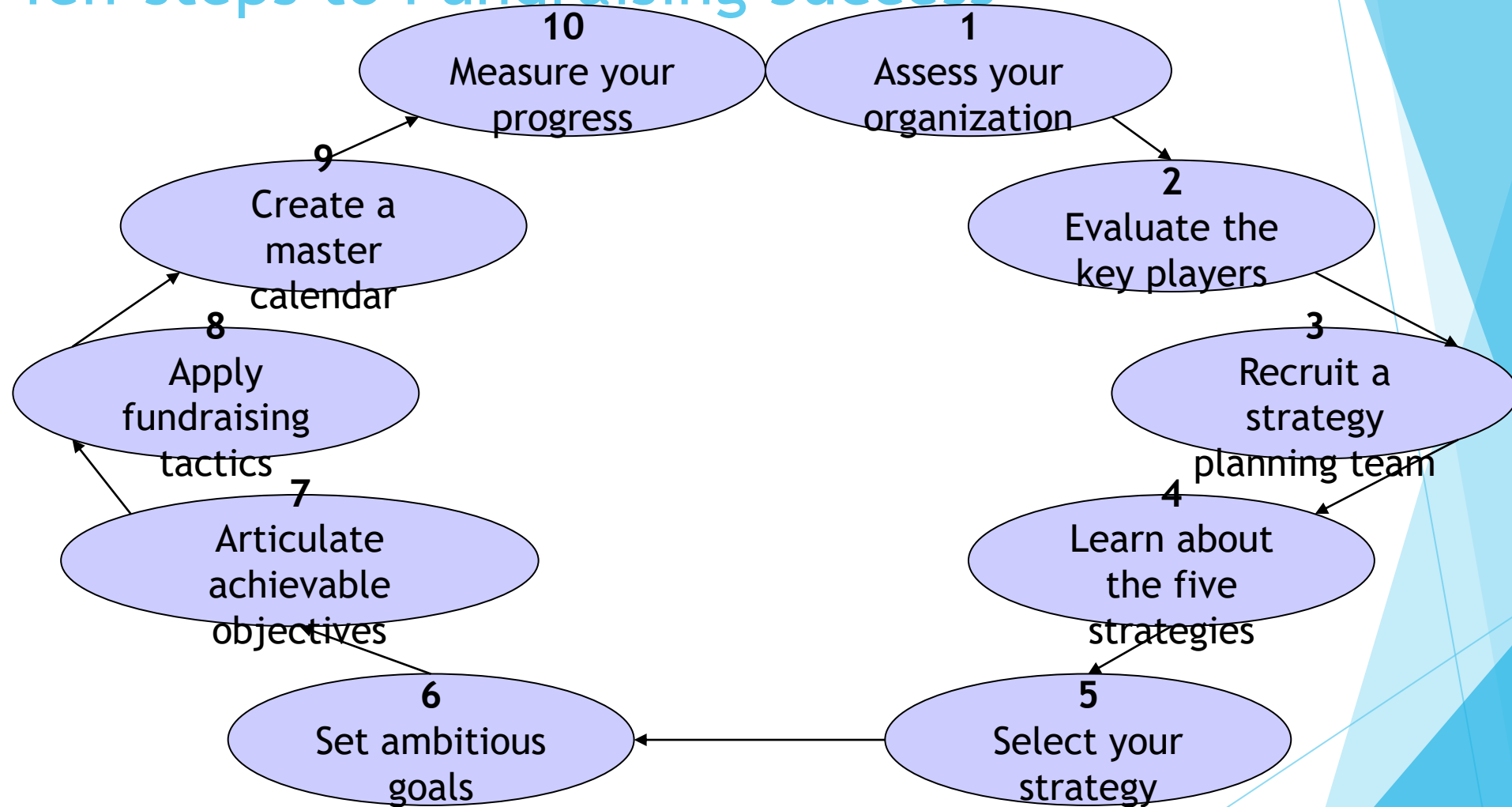
# There are three things about fundraising that have never and will never change:

1. People give when they are asked.
2. Once they give, they must be thanked.
3. Once they are thanked, they are ready to be asked again for more or for help in another way - with their time, advice, contacts, and so forth.

*I am still looking for the modern-day equivalent of those Quakers who can run successful businesses, made money because they offered honest products and treated their people decently, worked hard, spent honestly, saved honestly, gave honest value for money, put back more than they took out and told no lies. This business creed, sadly, seems long forgotten.*

**ANITA RODDICK, Body and Soul.**

# The Ten-steps to Fundraising Success



# Overview of the Five Strategies

The easy way to remember the five strategies is in the sequence: Growth, Involvement, Visibility, Efficiency, Stability. That way, their initial letters spell out a nifty little mnemonic device: **GIVES.**

To lend more meaning to that simple exercise, we've summed up the characteristics of the five strategies in the table that follows. Note that the attributes and examples cited are only to illustrate the broad-brush characteristics of the five strategies, and just because we use one organization as a "typical example", don't assume that this is the idea strategy for that type of organization. For instance, there are lots of universities that shouldn't pursue a strategy of stability. Each organization is unique, and every organization's fundraising needs change overtime.

# Overview of the Five Strategies

Strategy	<b>G</b> <b>Growth</b>	<b>I</b> <b>Involvement</b>	<b>V</b> <b>Visibility</b>	<b>E</b> <b>Efficiency</b>	<b>S</b> <b>Stability</b>
Core Attribute	Dynamic	Rewarding	Familiar	Resourceful	Enduring
Characteristics	Audacious goals, leadership, low entry-level gift	Volunteer programs, grassroots lobbying	Broad public interest, public opinion is key, many stakeholders, brand identification	Cost-conscious, well-established	Unchanging values, unending needs, broad financial base
Representative tactics	Direct mail acquisition	Direct mail membership, telephone fundraising, donor newsletters, welcome pages	TV/Radio, special events, cause-related marketing, publications	Planned giving, major gifts foundations, corporations, monthly giving, workplace giving, government grants	Endowment, diversified fundraising, electronic fund transfer

# Overview of the Five Strategies

<b>Strategy</b>	<b>G Growth</b>	<b>I Involvement</b>	<b>V Visibility</b>	<b>E Efficiency</b>	<b>S Stability</b>
Typical examples	Environmental groups, animal rights organizations, anything new	Museums, performing arts organizations, public policy groups	Medical research organizations, emergency relief charities	Social service agencies, hospitals	Universities and colleges, residential care facilities
Mission requires...	Broad reach, substantial impact	Public participation	Broad public awareness and understanding, name recognition, action	Frugal management	Sound finances, cash reserves, long-term perspective

# The Essence of Good Fundraising

*The object of a business is not to make money. The object is to server its customers. The result is to make money.*

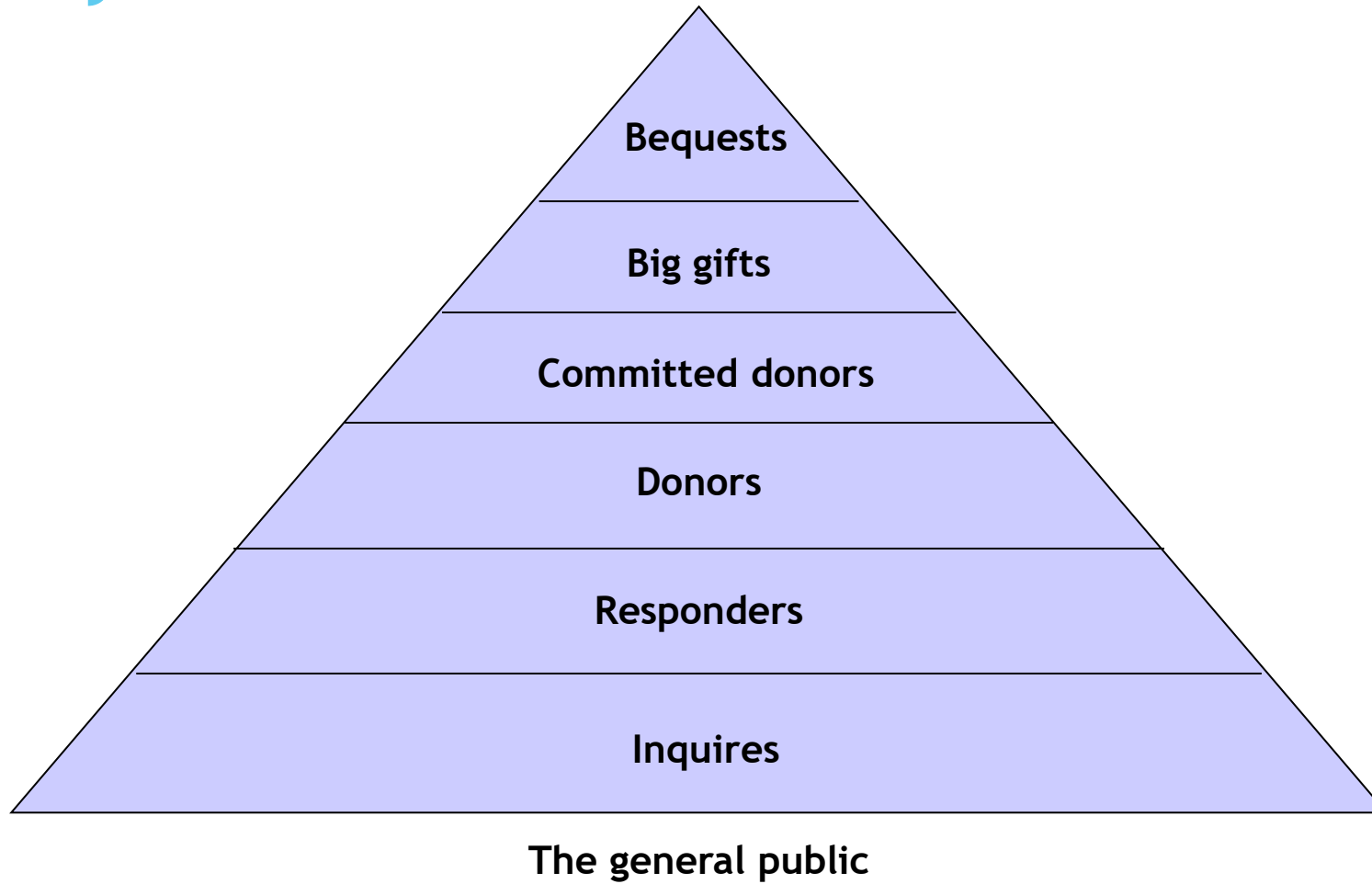
**JOHN FRASER-ROBINSON, “Total Quality Marketing”.**



## Relative Usefulness of the Ten Benchmarks in Evaluating the Five Strategies.

Benchmark	Growth	Involvement	Visibility	Efficiency	Stability
Revenue growth	Maybe useful	Maybe useful	Unimportant	Maybe useful	Important
Donor renewal	Important	Important	Important	Important	Important
Donor attrition	Important	Important	Important	Important	Important
Returns per donor	Unimportant	Most important	Unimportant	Maybe useful	Maybe useful
Donor upgrades	Unimportant	Maybe useful	Unimportant	Important	Maybe useful
Graduation count	Unimportant	Maybe useful	Unimportant	Important	Important
Number of donors	Most important	Unimportant	Important	Maybe useful	Maybe useful
Fundraising cost	Unimportant	Maybe useful	Unimportant	Most important	Most important
Market share	Maybe useful	Unimportant	Most important	Maybe useful	Maybe useful
Return on Investment	Important	Important	Important	Important	Most important

# Donor Pyramid



# There Are Six Common Methods of Research on Individual Donors:

1. Postal questionnaires
2. Telephone research
3. Personal interviews
4. Focus group
5. Omnibus surveys
6. Meeting supporters

# What a Good Database Should Do

- For every donor:
  - ▶ Full name, correctly spelled with preferred title (Mr., Ms., Dr., Your Holiness, and so on.)
  - ▶ Current address where donor prefers to receive mail.
  - ▶ Data, source, and amount of first gift.
  - ▶ Data, source, and amount of every subsequent gift.
  - ▶ Additional involvement in your organization (such a board member, activist, vendor.)
  - ▶ Whether donor responds to written appeals mote than once a year.
  - ▶ Whether donor responds to telephone appeals.
  - ▶ Whether you may exchange or rent donor's name and address.

# What a Good Database Should Do

- Additional information about major donors and major donor prospects:
  - ▶ Family (including name of spouse or partner and children.)
  - ▶ Additional work or home addresses.
  - ▶ Special programmatic interests.
  - ▶ Likes or dislikes that affect raising money from this donor.
  - ▶ Other organizations this donor support: how, and how much.
  - ▶ Names of people in your organization able to contact this donor personally.
  - ▶ History of all contact with this donor.

# What a Good Database Should Do

- Additional information you may wish to track about all or a subset of your donors:
  - ▶ Willingness to volunteer.
  - ▶ Naming our group in their will.
  - ▶ Contacts this donor has that may be helpful to us.

*While the individual man is an absolute puzzle, in aggregate he becomes a mathematical certainty.*

**SHERLOCK HOLMES, in “The Sign of Four” by Sir Arthur Conan Doyle.**

# The Nine Keys to Building a Relationship

1. Be honest
2. Be sincere and let your commitment show
3. Be prompt
4. Be regular
5. Be interesting and memorable
6. Be involving
7. Be cheerful and helpful
8. Be faithful
9. Be cost-effective



# On-line Fundraising

- ▶ Before considering making solicitations on-line or initiating a relationship with an affinity program, the facilitator asks board members to discuss (or review their current) on-line solicitations policies. The answers to the questions here will help you develop or refine your policies.
- Do you want total control of on-line solicitations or are you willing to share this with another organization? (Consider the benefits of each: sharing saves money, at least initially, and is easy to set up, but you surrender some measure of control over both the presentation and what happens to donor information.)

# On-line Fundraising

- How secure and private is the site? (Your donors value their privacy. Can you guarantee a secure site?)
- Do you want your organization associated with any an all corporations? If so, do you want your donors to get solicitations from these entities?
- Are you currently getting the names and e-mails of donors/shoppers? If not, Why not?
- Do you have an e-mail newsletter, and a way to customize or target e-mail donors' different interests?
- If you have a donors' e-mail address, can you use it for solicitation or cultivation, or must you get permission first?
- Have you explored the legal implications of soliciting donations on-line?
- Most important, do you have a system for thanking donors no matter where the gift originated?

# Fundraising Cash-Flow Projections (Sample)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTALS
<b>General Expense</b>													
Staff Salaries and Overhead	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 2.200	- 26.400
<b>Fundraising Strategy</b>													
1. Direct Mail													
Income			1.500	1.000	500								3.000
Expense		- 3.750											- 3.750
2. Major Donor Campaign													
Income					4.000	6.000				8.000	5.000		23.000
Expense				- 500									- 500
3. House Parties													
Income		1.000	1.000		1.000			2.000				1.000	6.000
Expense	- 250												- 250
4. Annual Dinner													
Income						5.000	4.000		12.000	1.200			22.200
Expense (including consultant)				- 500	- 1.000	- 1.000	- 2.500	- 3.500	- 1.000				- 9.500
5. Renewal Mailing													
Income			3.000	2.000							2.500	2.000	9.500
Expense		- 250								- 250			- 500
<b>TOTALS</b>	- 5.200	3.300	- 200	2.300	7.800	- 700	- 3.700	8.800	- 1.250	8.300	5.800	<b>22.800</b>	

# Exercise: Evaluating and Planning Your Special Event

- ▶ *Participants:* This exercise requires a facilitator and should be done with the special events committee, the executive director, and development staff. The exercise is particularly helpful as part of the evaluation of your special event or in preparation for the next event.
- ▶ Prior to the meeting, the facilitator asks development staff to prepare a short written summary of the event that was held. The group discusses whether your event was more successful in attracting community members or in raising money. If there is no clear answer, ask the group to decide which they would have preferred and why. Then brainstorm how your next event can succeed in meeting your chosen event goal. If your organization has never held an event, use these questions as the means for planning your first event.

# Exercise: Evaluating and Planning Your Special Event

- ▶ If attracting more members is the issue, discuss these matters:
  - Did you charge too much and therefore not have sufficient attendance?
  - Did you publicize the event effectively?
  - Was there a speaker who might have attracted more attendees?
- ▶ If on the other hand you did not make enough money, you might ask:
  - Did you charge too little?
  - Were your expenses too high?
  - Did you have enough sponsors? Any sponsors?
  - Did every board member help solicit sponsorship or sell tickets?
  - Was the event too complex and labor-intensive given the volunteers and resources at your disposal?

# Exercise: Evaluating and Planning Your Special Event

- ▶ Also discuss whether your organization captured every attendee's, phone number, and e-mail address. If not, decide how you will do this at your next event. (Consider a raffle, a sign-up card on the table, or a guest sign-in book.)
- ▶ *Time:* Forty-five to sixty minutes.

# Sample Master Calendar for Fundraising Success

	<b>Major Donors or Capital Campaign</b>	<b>Promotion of Charitable Bequests and Planned Gifts</b>	<b>Espeical Events</b>	<b>Direct Mail and Membership</b>	<b>Telephone Fundraising</b>
January, Week 1				Winter newsletter	
January, Week 2	Cultivation mailing		Save-the-date postcard for dinner		
January, Week 3		Legacy society invitation		Annual renewal mailing	
January, Week 4	Visit donors in Minneapolis				
February, Week 1					Recruit new monthly donors
February, Week 2			Catering arrangements for dinner		
February, Week 3	Select firm to conduct feasibility study	Update listing of Legacy Society		Second notice for annual renewal	
February, Week 4		Legacy Society luncheon	Recruit master of ceremonies		
March, Week 1	Visit donors in Chicago				Invite lapsed donors to reactivate

# Exercise: Creating Your Master Calendar for Fundraising

	Fundraising Tactic, Method, or Program						
Month							
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							



# Example of Program Budget Expenses

	Administration and/or Development	Child Psychiatry	Counseling	Parenting	Speech Therapy	Occupation Therapy
1. Salaries						
2. Benefits						
3. Travel						
4. Office 1.Phones 2.Postage 3.Etc.						
5. Total, etc.						
Total budget for each program						
Total budget for agency						

# Glossary

- ***Beneficiaries:*** People who benefit from a will.
- ***Bequest (legacy):*** A gift who benefit from a will.
- ***Customer relationship management (CRM):*** A focused strategic approach to developing relationships with customers that puts the needs of the customer ahead of the aspirations of the business.
- ***Drip marketing:*** Collecting information about donors and potential donors via repeated on-line contacts, and using it to refine and personalize future appeals.
- ***Estate:*** The total of what is left by a deceased person including all property and money.
- ***Executor:*** The person appointed to carry out terms of a will.

# Glossary

- *Foundation*: A specially constituted or endowed institution, usually permanent, into which funds are placed for the purpose of charitable distribution.
- *Inbound*: Communication from a potential donor to a nonprofit.
- *Legacy (bequest)*: A gift left in a will.
- *Legatee*: The recipient of a legacy.
- *Legator*: The person leaving a legacy.
- *Nonprofit*: For this edition, the term *nonprofit* covers any organization that might otherwise be described as a charity, voluntary organization, a not-for-profit, or an institution or organization that derives at least part of its income from public donations.

# Glossary

- *Outbound*: Communication from a nonprofit to a potential donor.
- *Pecuniary bequest*: A gift of a fixed amount left in a will.
- *Proved will*: A will that has been through a formal legal probate process and established to be genuine and valid.
- *Recency, frequency, monetary value (RFM)*: Any system that measures donors across the three principal components that demonstrate a donor's value to your organization now.
- *Residuary bequest*: The gift of all or part of the residue of an estate, after all pecuniary bequest have been paid.
- *Trust*: An organization managed by trustees, similar in purpose and function to a foundation, See also Foundation.