Learning Center for Non-Profits
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Fundraising 101, April 5 & 6, 2011

Presented by Sonya Campion, CFRE
3 Secrets to Successful Fundraising

1. The right mindset

2. The right focus

3. Mobilizing your most powerful force:
   - Your passion
   - Your board
1. What Works? The Right Mindset

1. Fundraising is simply an exchange – people pay you to do the work they cannot do alone

2. Fundraising is not begging

3. Anxieties about fundraising stem from your anxieties about money – get over it!

4. Thank before you bank

5. People are giving… joyfully!

6. If you want money, you have to ask for it

7. 3 traits of a successful fundraiser
   - Passion for your cause
   - Hopefulness
   - Belief in the basic goodness of people
2009 Charitable Giving

Total = $303.75 billion

($ in billions – All figures are rounded)

- Individuals: $227.41 (75%)
- Foundations: $38.44 (13%)
- Corporations: $14.10 (4%)
- Bequests: $23.80 (8%)

Source: Giving USA Foundation™ / GIVING USA 2010
2009 Gift Recipients

Total = $303.75 billion

($ in billions – All figures are rounded)

- Religion: $100.95 (33%)
- Education: $40.01 (13%)
- Health: $22.46 (7%)
- Gifts to grant-making foundations: $31.00 (10%)
- Human services: $27.08 (9%)
- Public-society benefit: $22.77 (8%)
- Arts, culture, and humanities: $12.34 (4%)
- International affairs: $8.89 (3%)
- Environment/animals: $6.15 (2%)
- Foundation grants to individuals: $3.51 (1%)

Source: Giving USA Foundation™ / GIVING USA 2010
Individual Giving 1969-2009

(S in billions)

1969: 15.93
1974: 21.60
1979: 36.59
1984: 56.46
1989: 79.45
1994: 92.52
1999: 154.63
2004: 202.97
2009: 227.41

Source: Giving USA Foundation™ / GIVING USA 2010
The Trust Economy

• AFP Code of Ethics and Donor Bill of Rights
  – Philanthropic mission above all
  – Integrity in use of funds
  – Respect and honor for donor
  – Transparency and clarity of information
  – Accountability and reporting to donor
  – Privacy
  – Professional compensation: No percentage based fundraising
2. Where to Focus

The Seven Core Competencies of a Sustainable Fundraising Program

- Org Mission
- Boards & Volunteers
- Fundraising Culture
- Org Planning
- Development Program Activities
- Development Infrastructure
- Donor Management & Stewardship
- Marketing
3 Secrets to Successful Fundraising

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Our donors are changing
Tin cup begging fundraising is over

“People give to organizations that *meet* needs, not because they *have* needs.”

>> Kay Sprinkel Grace, Beyond Fundraising
Fundraising Culture

Core Competency:

An organization where the culture of fundraising permeates all positions and the external environment is continually scanned to respond to both threats and opportunities.
Fundraising Culture

Why Your Donor Cares:
“If everyone is enthusiastically telling the same story, then this group must be focused.”
Fundraising Culture

Indicators:

• All levels of the organization – staff, board, volunteers – understand and can articulate the difference philanthropy makes

• Everyone has contact with donors and can represent the case and mission

• Fundraising costs are seen as an investment

• Donors are valued not only for their financial support, but as partners and stakeholders with input and involvement
Organizational Planning

Core Competency:
An organization that routinely engages in organizational and development planning to establish short term and long term goals, objectives and strategies.
Organizational Planning

Why Your Donor Cares:

“This is a solid investment: the organization actually has a balanced plan that will protect it from one area having a shortfall. They are cost-effective and continually improving as a result of measuring outcomes and effectiveness.”
3 Plans You Need to Fundraise Effectively:

- **Strategic Plan**: Overall vision and direction
- **Business Plan**: How you will run the org to deliver your vision
- **Development Plan**: What role fundraising plays in the business plan
Donor Stewardship

“No need to remind me. I’m well aware that I’ve forgotten completely about you.”
Core Competency:

An organization that is donor-focused in its systems and actions, engages in “moves management” and utilizes information to maximize fundraising outcomes.
Donor Stewardship

Indicators:

• 50% Renewal Rate
• >15% upgrade annual gifts
• All gifts recognized within 48 hours
• Each board member leads or participates in 3-5 face to face solicitations
• Each board member participates in 10 stewardship activities
• Donor history is tracked and recorded
Donor Stewardship

Why Your Donor Cares:

“I want to know they got my gift and what it accomplished... before I will give again.”

-- Penelope Burk, Donor Centered Fundraising
Donor Stewardship

How do you really see your donors?

“If you don’t call mama every day, don’t call mama at all…”

-- Stuart Grover, PhD

Author, Capital Campaigns: A guide for board members & others who aren’t professional fundraisers but who will be heroes who create a better community
Development Infrastructure

Core Competency:
An organization that has allocated sufficient resources to support efficient and effective development programs and activities, and adequate technology and information systems to effectively communicate with key constituents and manage critical information.
Why Your Donor Cares:

“My gift will be leveraged into the mission more directly if the organization has the infrastructure to run cost-effectively.”
Development Infrastructure

Indicators:

• Comprehensive development budget includes staffing, systems, technology, communications

• Can be 15-40% of total budget depending on organizational size and maturity

• Clear job descriptions and roles

• Adequate hardware, tech and systems
Core Competency:
An organization that has a clear vision, mission and case for support that are communicate consistently to key internal constituents and serve to motivate, inspire or encourage people to take action.
Marketing & Communications

Why Your Donor Cares:

“I want to know what you are doing and how you are making a difference.”
Marketing + Stewardship

Where communications & stewardship meet = sustainable fundraising!

http://www.cygresearch.com
Donor Centered Fundraising

Everybody thinks they are a major donor!

• Penelope Burk, Cygnus Applied Research, 2003
• www.donorcentered.com
What gives?

• 89% of Americans give
• But we are losing 90% 
  – 50% drop off rate after first gift
  – 30% after second gift
  – ... and so on...

Source: Donor Centered Fundraising, Penelope Burk
Current Fundraising: A Vicious Cycle

• Strong direct mail response rates are between .5-1%
• On average, 50% of new donors do not renew
• Within 5 years, 90% will have stopped giving
  — Reminder: It costs 6x more to acquire than renew a donor
  — More work, less to show for it, expensive fundraising

Source: Donor Centered Fundraising, Penelope Burk
Why Donors Stop Giving to You

- Poor or lack of information (46%)
- Mismanagement of funds (37%)
- Multiple solicitations (38% turned off, 28% not likely to give again)
- No progress in mission (28%)
- High overhead (15%)
- Negative media (14%)
- Aggressive fundraising (12%)
- Other causes (10%)

Source: Donor Centered Fundraising, Penelope Burk
Donors Don’t Stop Giving

• They stop giving to you
  – 89% of all households give
  – Average donor supports 10+ organizations
  – Over 34% of donors support 20+ organizations
  – Of these, they really value three to four

• If you fail to meet their expectations, they will go elsewhere

Source: Donor Centered Fundraising, Penelope Burk
What All Donors Want (Before you ask again!)

• Prompt acknowledgement that the give was received. — (2 weeks from gift receipt!)

• INFORMATION: Confirmation that the money was used in the way they intended it to be used

• INFORMATION: Updates on progress made because of the donation.

Source: Donor Centered Fundraising, Penelope Burk
What if You Give Donors What They Want?

• 93% of donors say they would definitely or probably give again
• 74% would continue to give continuously
• 64% would give more
Powerful Annual Fundraising Positioning Statement Elements

• **External Relevance & Impact: Who cares?**
  – What is happening in the community?
  – How are you responding to the real community needs
  – What has changed this year?

• **Your org as an essential tool to MEET community needs:**
  – Why you? Org strength and niche

• **Need/Urgency:** What difference philanthropy makes, why now, what would be lost if you don’t reach your goal, what would you do with more money?

• **Future:** Where are you going and what is your true vision for the world?
Meaningful Information is Key to Major Donor Investment

“Donor Centered Fundraising puts satisfying donors’ need for meaningful communication at the top of the agenda”

Source: Donor Centered Fundraising, Penelope Burk
Bottom Line:

We are going to have to grow a new base of donors every year if we want to survive (which no one has the resources to do)

or

We can give ‘em what they want!
Development Program Activities

Core Competency:
A balanced mix of fundraising activities that effectively support financial needs and is maximized to yield the highest return for dollars invested.
Why Your Donor Cares:

“This is a solid investment: the organization actually has a balanced plan that will protect it from one area having a shortfall. They are cost-effective and continually improving as a result of measuring outcomes and effectiveness.”
Development Program Activities

**Indicators:**
- Balanced mix of fundraising activities and diversity of revenue streams
- Measurable fundraising outcomes
- Cost effective fundraising activities
- Integrity of development plan: reporting and accountability towards goals
- Integrity of record keeping
### Development Program Activities

#### Industry Standard Fundraising Costs:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Mail – Acquisition</td>
<td>100-150%</td>
</tr>
<tr>
<td>Special Events</td>
<td>50%</td>
</tr>
<tr>
<td>Direct Mail – Renewal</td>
<td>20-50%</td>
</tr>
<tr>
<td>Corp/Fdn grants</td>
<td>20-30%</td>
</tr>
<tr>
<td>Major Gifts</td>
<td>5-10%</td>
</tr>
<tr>
<td>Planned Gifts</td>
<td>0-20%</td>
</tr>
</tbody>
</table>
Adding Up to $150,000

Development Program Activities

Least Expensive: $0-20%
- Leadership
- Major Donors
- One on Ones

Most Expensive: $50-150%
- Direct Mail
- Online Events

= $20,000
= $30,000
= $20,000
= $22,500
= $15,000
= $12,500
= $12,500
= $10,000
≤ $7,500

Adding Up to $150,000
3 Secrets to Successful Fundraising

1. The right mindset

2. The right focus

3. Mobilizing your most powerful force:
   • Your passion
   • Your board
Core Competency:
Board and volunteers are actively engaged in the mission of serving as effective advocates and fundraisers.
Board & Volunteers

Why Your Donor Cares:
“Why should I give if the board doesn’t?”
Board & Volunteers

Indicators:

• 100% giving from each board member with gifts that are personally meaningful for each member

• 100% participation in annual campaign and special events

• 100% participation in identifying and/or cultivating new donors

• 100% of members can articulate mission and identify key strategic objectives

• Effective board governance and development policies are in place
Board & Volunteers

3 things a board member can give your donors

1. Appreciation
2. A sense their gift made a difference
3. A feeling of belonging to a community
Where & how to use your board?

- Leadership
- Major Donors
- One on Ones

Least Expensive: $0-20%

- Direct Mail
- Online Events

Most Expensive: $50-150%

1 Donor at $20,000 = $20,000
3 Donors at $10,000 = $30,000
4 Donors at $5,000 = $20,000
9 Donors at $2,500 = $22,500
15 Donors at $1,000 = $15,000
25 Donors at $500 = $12,500
50 Donors at $250 = $12,500
100 Donors at $100 = $10,000
150 Donors ≤ $50 = ≤ $7,500
Barriers To Effective Board Fundraising

#2: The CONTEXT is cloudy

Board members can’t lead or represent:
- The need you are responding to
- The larger picture, problem or opportunity
- The root cause
- Your niche, partnerships and role in community
- Why you do what you do the way you do it
Barriers To Effective Board Fundraising

#2: The OUTCOMES are vague

• So what?
• So that?
Barriers To Effective Board Fundraising

#2: Fundraising Strategies are Ill-Defined

Help Board members learn best practices:

- Spend more time on contributed rather than grant income
- Pay attention to people closest to the org
- Prioritize keeping and upgrading donors over acquiring new ones
- Get to know your major donors
- Invest more energy deepening donor’s relationship with your work over asking for money
- Emphasize lower cost-per-$ methods over high-cost efforts
Four Hurdles To Asking for Money

1. Fear of Failure
2. Fear of Embarrassment
3. Fear of Rejection
4. Fear of Mandatory Reciprocity (Pay-Back)

> Others?
How to Overcome Hurdles

1. Know your rap. Create your own talking points
2. What is the goal? What will you accomplish with the campaign?
3. Tell your personal story
4. Clear messages and brief messages
5. Be clear it is donor-centered and donor-driven
Training Your Board to Ask for Money

- The right mindset
- Mission, vision, and passion = 95%
- Support them with a solid annual case
- Four steps
  - Preparation
  - The Call
  - The Meeting
  - Follow-Up
Board & Volunteers

What Works? The Right Mindset!

Take a deep breath.

Remember:

✓ You are not asking for yourself.
✓ You are not asking anyone to do what you haven’t done.
✓ You are only doing this because you believe in the goals of the organization.
✓ You are not begging. You are giving donors the opportunity to join you.
✓ You are doing a good thing. The donor is rooting for you.
✓ The cause is important to the donor too.
✓ Fear of rejection is normal.
The Power of Face to Face

- Conveys importance
- Allows you to use everything you have
- Opportunity to exchange information
- Easier to get a “yes”
- Creates a bond of accomplishment
- Results in much larger gifts—exponential increase
- Very few people take the time to do it right

Note: Use telephone only to set the meeting - on average, a telephone or email solicitation yields only 1/10 amount of an in-person meeting.
Board & Volunteers

The Power of Face to Face

Direct Mail | Events | Face to Face

$ | $$ | $$$

Campion Foundation
Board & Volunteers

What works?

- Identification
- Cultivation (up to 7x)
- Planning
- Preparation/Specific roles
- The actual ‘ask’
- Follow-up
The Science of the Ask

...or...

Casual Request = Casual Gifts

1. Preparing for the Meeting
2. Calling for the Appointment
3. The Meeting & the Request
4. Follow-up
When I’m getting ready to reason with a man, I spend one-third of my time thinking about myself and what I’m going to say, and two-thirds of my time thinking about him and what he’s going to say.”

-Abraham Lincoln
Preparing to Ask for Money

• Deep Breath...OK...another deep breath...
• Think **Mission** and why you care
• Think about the people delivering and/or receiving your mission that don’t have the opportunity to meet with this donor
• They are counting on you
• Your donor cares about the cause
• You are a community leader
Calling for the Appointment

• Think positively
• Identify yourself and your volunteer involvement the organization
• Be honest and upfront about the purpose of the meeting
• Don’t hear “no” unless they say “no”
• Stay focused
• Let the staff know when the meeting is scheduled
The Solicitation Meeting: Four parts

1. Discussion about project
   – Acknowledge prior gifts, establish mutual interest in the organization
   – Tell them why are involved
   – Review vision and plans
   – Listen, listen, listen….find out why and what they care about

2. Transition
   – State your purpose upfront – **make a clear break**
     “It’s good to see you. As you know, I wanted to meet with you regarding the ____________ Organization.”
3. The Ask

- Focus on your mission – not yourself.
- The right time to ask is when the donor is interested, excited, and feels that their questions have been answered.
- Ask for a specific amount.
- **BE QUIET. Let the donor talk after you ask.**
- **Don’t hear “no” unless they say “no.”**
- Don’t make decisions for the donor.
The Solicitation Meeting: Four parts

4. Follow Up

• Be persistent.
• Send a thank-you.
• Call back when you said you would.
• Thank them for their generous gift.
• Keep in touch.
• Pat yourself on the back.
Remind your board...

You are not asking for yourself

Your persistence demonstrates your passion

People will be proud of you
Wrap Up

3 Secrets to Successful Fundraising

1. The right mindset
2. The right focus
3. Mobilizing your most powerful force: Your passion & your board

• Biggest challenges?
• Biggest opportunities?
• Three things you can do Monday
Your personal legacy: fundraising leadership is about future generations

The eyes of the future are looking back at us and they are praying for us to see beyond our own times. They are kneeling with clasped hands that we might act with restraint, leaving room for the life that is destined to come. To protect what is wild is to protect what is gentle. Perhaps the wildness we fear is the pause between our own heartbeats, the silent space that says we live only by grace. Wilderness lives by this same grace. Wild mercy is in our hands."

--Wild Mercy, by Terry Tempest Williams
Thank you for your good work!

For more information, please contact:

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www.afpnet.org
Sources

• Association of Fundraising Professionals, www.afpnet.org

• Beyond Fundraising, Kay Sprinkel Grace


• Giving USA, 2009, Giving USA Foundation

• Boards on Fire, Susan Howlett, www.susanhowlett.com