

Follow the Money: How to Supercharge Your Fundraising by Engaging Individual Donors

Liberty Bank 20th Anniversary Conference
October 2017



Today, we'll explore:

- ❖ Donor-centered philanthropy
- ❖ Strategies for getting dollars from donors:
appeals, major donor work & events
- ❖ Prospect research & planning
- ❖ The Art of the Ask
- ❖ Stewardship

Why Nonprofits Struggle to Make Ends Meet



1) Failure to Invest in Fundraising

- ❖ Nonprofits do not have staff capacity to adequately perform all the functions necessary to maximize the organization's fundraising potential.
- ❖ Many of these organizations need to raise more money, yet do not want to invest additional resources into fundraising.

2) Failure to Engage the Board

- ❖ Most Executive Directors cite under-performing boards among the top 3 challenges they face
- ❖ Boards are comprised of volunteers, who may or may not work in the nonprofit sector, and often do not have experience, skills or expertise in fundraising.



3) Failure to Engage our Community

Donors, volunteers, and other members of our community have a bevy of gifts they bring to the table, yet we often fail to identify and leverage them.

Newsflash: The work of our organization does not always need to be done by staff!



The Ins 'n Outs of Individual Giving



People Power

- ❖ Approximately 80% of the philanthropic dollars contributed in the United States comes from... INDIVIDUALS.
- ❖ 85% of them earn \$50,000 or less/year.
- ❖ Unrestricted dollars = financial freedom
- ❖ Individual donor work is akin to dating – it requires an investment of time, energy and commitment



2015 was America's most-generous year ever!

\$373.25 billion



Giving to **international affairs** increased 17.5 percent in 2015 after two consecutive years of decline. That large increase may be attributable to growth in the number of active international charitable organizations; use of more strategic fundraising methods; and increased focus on international issues among foundations.



While the percentage of total charitable contributions given to **religion** has steadily shrunk for decades, from 2014 to 2015, this subsector **held firm at 32%** of total giving.

Contributions by source
(by percentage of the total)

Where did the generosity come from?*



Where are all of the charitable dollars going?*

(as a percentage of the total)



The growth rate in giving to **educational organizations** exceeded 5 percent in 2015, a trend also seen in four of the five years between 2010 and 2014.

- 👤 **32% Religion** 💰 \$119.30 billion
- 🎓 **15% Education** 💰 \$57.48 billion
- 👏 **12% Human Services** 💰 \$45.21 billion
- 🏠 **11% To Foundations** 💰 \$42.26 billion
- 🏥 **8% Health** 💰 \$29.81 billion
- 💰 **7% Public-Society Benefit** 💰 \$26.95 billion
- 🎨 **5% Arts, Culture, and Humanities** 💰 \$17.07 billion
- 🌐 **4% International Affairs** 💰 \$15.75 billion
- 🌱 **3% Environment/Animals** 💰 \$10.68 billion
- 👤 **2% To Individuals** 💰 \$6.56 billion

Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015*.

* All figures on this infographic are reported in current dollars unless otherwise noted.



Donor-centered Philanthropy

- ❖ In order to maximize the number of dollars you raise from donors, you need to create a culture of philanthropy.

- ❖ What does this mean?



What Motivates a Donor to Give?

- ❖ Passion about the cause/issue/population
- ❖ They want to “do good” in their community
- ❖ A sense of obligation
- ❖ They were taught to



The Top 2 Reasons Donors Give

#2 Your mission is in alignment with their vision of how they want the world to be

#1 They were asked!



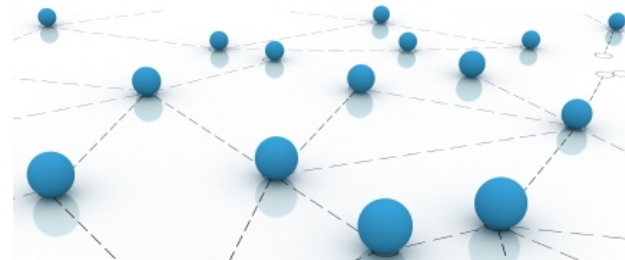
The Truth: People Act out of Self-Interest

AGENCIES DO NOT HAVE NEEDS.

Your clients have needs.

Your donors have needs.

Your agency is simply the vehicle through which donors are able to contribute to a cause they care about.



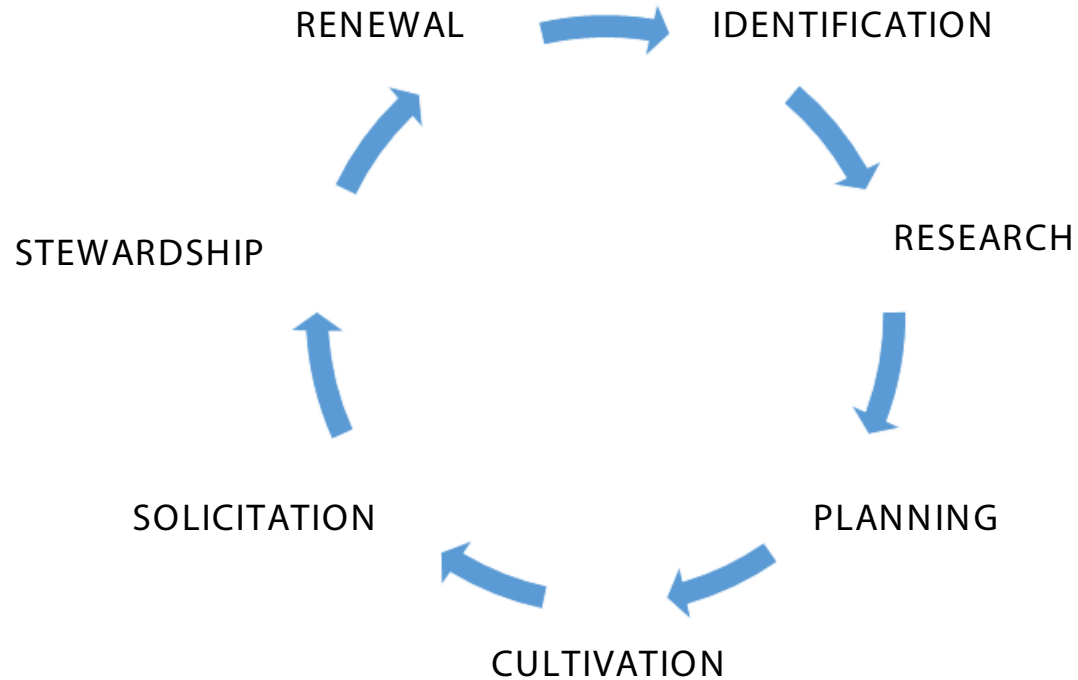
Individual Donor Strategies



Vehicles for Individual Giving

- ❖ Appeals
- ❖ Solicitation
- ❖ Major or Capital donor work
- ❖ Planned giving – also called estate planning because 95% of all planned gifts are bequests
- ❖ Events

Giving Cycle



The Giving Ladder

Cultivation &
Stewardship



Estate Planning

Capital Gift

Major Gift

Significant Gift

Habitual Donor

Donor

Appeals

- ❖ An appeal is a device that solicits a gift from an individual, business or group. It can take the form of a letter, video, email, card...the format's only limited by your imagination!
- ❖ Frequency
- ❖ Hard vs. Soft Asks
- ❖ We'll cover appeals in more depth in a minute

Solicitations

- ❖ Asking your high-end donors face-to-face for a major or capital or planned gift.

These need to be made by the board, not the staff. The staff person might do the prep and attend the meeting, but it's the board member's job to make the ask.



Major or Capital Gifts

A major gift is sometimes a capital gift and vice-versa.

Unless you work @ a university, these gifts need to be solicited by a board member or other donor for a specific project or initiative (building reno, scholarship fund, endowment, etc.)

Planned Giving (Estate Planning)

Just like it sounds, it's a gift that's planned in advance. It's usually a sizable chunk of change; it can be property, a % of an annuity, life insurance policy, stock, big ole pile of cash, etc.

However, ANYONE can leave a gift of ANY size to a charity in their will. Great resource: Planned Giving Group of New England (<http://www.pggne.org/>)



Special Events

We've all been to our share of special events. Some of them are great. Others, not so much...

Events are the lowest ROI because of the enormous amount of time they take to plan & the up-front costs required. It's best to use them primarily as "friend-raisers" that bring in some money, as well.



Special Events

We don't have time to get into the deets of planning special events today, but I have a separate PPT on Special Events that I can email to you. Just leave your business card and we'll send it right out!

There's also an e-book called Planning Special Events that Succeed that you get for free when you sign up for the New Era newsletter at www.newera4nonprofits.com





Nuts 'n Bolts of Annual Appeals



Matching Your Strategy to Your Donor(s)

Who are your donors? Do you know? If not, it's time to investigate! Otherwise you're never going to be able to create tailor-made marketing messages!

- Use donor segmentation and analysis
- Address generational issues



Did You Know?

The success of your direct appeal fundraising efforts are linked to the frequency of your donor communications.

You need to touch donors at least 7 times/year (they say in New England it's 10. Hmmm...)

- ❖ For example - 3 newsletters, annual report, 2 appeals, e-news, Facebook posts, etc.



Nuts 'n Bolts

Establish a Look & Feel - it should be in keeping with the agency's brand, but look slightly different. Consider odd sizes, colors - anything that will make it pop!

- In-house vs. Outsourcing - cost/benefit analysis!
- The device - size, white space, graphics, etc.

The Problem-Solution Format

- ❖ Focus on the problem your clients and donors are experiencing. Position your program/service/agency as the natural solution.
- ❖ Tell stories, but keep it personal - the young mother with two children who seeks shelter for battered women, the cancer patient who received a life-saving bone marrow transplant from a stranger.
- ❖ Demonstrate how the donor's contribution will help make a *real* difference.

Components of a Successful Appeal

- ❖ They focus on the ask, repeating it 2 to 3 times. If it makes sense, use specific donation amounts.
- ❖ The package has an overall look & theme.
- ❖ They include a deadline.
- ❖ They are sent to existing & lapsed donors!
- ❖ They use donor segmentation to move people up the Giving Ladder!
- ❖ They use trick of “the 2nd one in”.



Other Considerations

- ❖ Timing - early November is ideal, it gets best returns. If not, then send out at a time that's convenient for your organization.
- ❖ Frequency and number -- mail more often and to more people. You should send out at least two direct mail pieces (aka appeals) per year!
- ❖ Your database - integrity of data, update, maintenance



The Art of the Ask



The Rubber Meets the Road

No matter which strategy you choose, you're going to have to ask people for money!



Shifting the Paradigm

Most of us freak out at the idea of asking people to money.

What if, instead, you were asked to make a heartfelt connection with them?



The Secret

I'm going to let you in on a HUGE secret:



PHILANTHROPY IS A HEART-CENTERED ACTIVITY!

Making a Heartfelt Connection

Start by connecting with your own heart.

Why did you get into this business?
Why do you put in long hours for far less than you'd
make at a for-profit?

Write these answers down.



Heartfelt Connections (2)

Do this with your board.
Have them close their eyes.

Ask them:

- ❖ Why do you give up your precious time to be on the board?
- ❖ Why this agency vs. another?
- ❖ What do they hope to contribute by volunteering?

Have them write down their answers.



Heartfelt Connections (3)

Do this with your donors.

Ask them to get in touch with their hearts; to share their deepest hopes with you.

Connect the dots between their hopes & the outcomes & impact your services have on the people who receive them.



Heartfelt Connections (4)

Remember – donors have needs.

They give because they have a vision for a different kind of world, which you can help them achieve.

You are not ASKING people to support your mission, you are LETTING them.



Stewardship



Donor Loyalty & Retention

You can lose as much as 30% of your donor base each year!
Why? Because we are not very good @ stewardship.

We need to treat every \$\$ like it's precious – because it is!

It's far easier to keep a donor than to find a new one.

Effective stewardship & cultivation techniques prevent your donors from drifting off.



Stewardship

Stewardship means taking good care of the money donors give you AND your donors.

Donors prefer information to recognition. Deliver information with a personal touch – use hand-written notes, photos, etc. to stay in touch.

Provide them with extraordinary experiences! Invite them in for a visit, a rehearsal, an open house. Get creative & get them in the door!



Donor Expectations

Understand what your donors need & expect. For most of them, this includes:

- ❖ thanking them for their gifts in a timely manner
- ❖ informing them about how their money is spent
- ❖ responding quickly when donors contact the organization
- ❖ being polite, timely & frequent in your communications.

Love Thy Donor

Many of today's donors are feeling mishandled, jaded and used. That's because we tend to treat them like ATMs and donations like transactions, rather than an extension of our relationship.

Word-of-mouth is a potent marketing technique. What are your donors saying about their experience with you?



Transparency & Ethics

Transparency and ethics are important. You can boost donor confidence by sharing your financials. They don't need to know every last detail, but it helps when they know that their donation's being spent wisely.

If you're not already publishing an annual report, now's the time to start!



Vehicles for Stewardship

- ❖ Communication: newsletters, e-newsletters, email blasts, Facebook posts, Twitter feed, special donor communiques
- ❖ Annual reports
- ❖ Videos, photos
- ❖ Letters, case studies or testimonials from your clients, and/or other donor
- ❖ Special, intimate, exclusive events
- ❖ Anything else you can dream up!



What We Learned

Hopefully, today's session helped you gain a better understanding of:

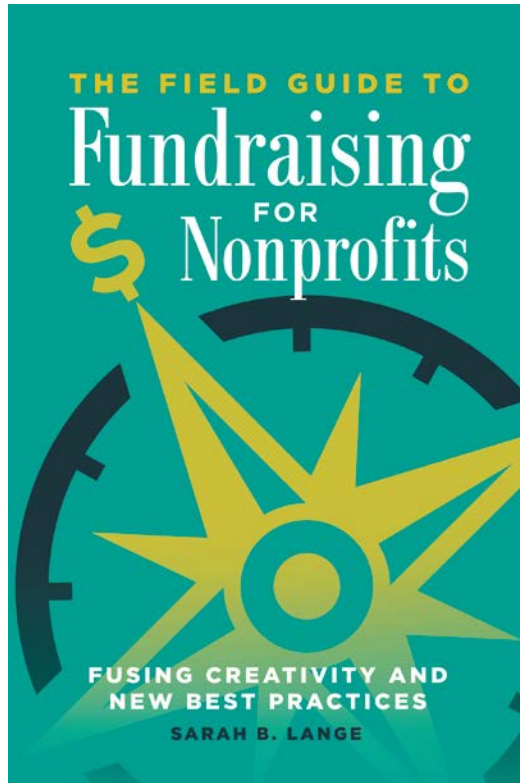
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Moving Forward

- ❖ Remember that growth is uneven.
- ❖ Take it one step @ a time – try one strategy, see how it works, then try another.

If you have questions, get in touch --
we're here to support you & help you succeed!

AND...



My book is due out in mid-December!

I'll be doing a free giveaway, so be sure to join our mailing list!



Q&A



Contact Information



www.newera4nonprofits.com

Sarah Lange, MSW
Principal & Founder

sarah@newera4nonprofits.com

508.733.5114

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