


# Fundraising and Developing a Plan for Your Nonprofit Organization

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*“We must not only give what we have, we must also give what we are.”*

***Theodore Roosevelt***

# Objectives

- To Review Basic Tenets of Fundraising
- To Understand the Art of the Ask
- To Review Cultivation and Moves Management
- To Assess the Cost Effectiveness of Fund-raising Programs
- To Discuss and Develop an Annual Fund-raising Plan
- To Learn Ways to Evaluate Your Fundraising

# Fund Development vs. Fund-raising

- ◆ Fund Development is an On-Going Process
- ◆ Fund-raising is Asking for the Gift

# Tenets of Fund Development

1. People Give to People
  - ◆ For Services,
  - ◆ Because of Relationships

# Tenets of Fund Development

## 2. MISSION IS EVERYTHING

“The mission of Women In Distress of Broward County is to provide intervention, education and treatment to victims of domestic violence.”

# Tenets of Fund Development

3. Giving is an Emotional Event, Not a Logical One
4. Donors are Friends & Advocates
5. Build Trusting Relationships with Your Donors

# Tenets of Fund Development

## 5. Build Trusting Relationships with Your Donors

***“The task is not to get a donation, but to develop a donor.”***

***James Gregory Lord  
“The Raising of Money”***

# Tenets of Fund Development

6. Become as Donor Centered as You are Client Centered

***“It’s not what you’re selling that matters. It’s what I’m buying.”***

# Tenets of Fund Development

7. What is the Number One Reason People Do Not Give to Charity?

*They aren't asked!*

# The Power of Asking

- ◆ 89% of Households Donate to Charity
- ◆ 56% Were Asked to Give
- ◆ 95% Gave When Asked

Independent Sector 2002

# Age



- **Cerulli Associates says the greatest concentration of wealth lies with Americans near or at retirement age.**
  - **About 960,000 millionaires, or 35% of high-net-worth households, are over 65,**
  - **And 30% are between 55 and 64.**
  - **Baby boomers between 37 and 55 make up the next biggest group, accounting for 32% of high-net-worth individuals in 2001.**
  - **About 120,000 millionaires are between 26 and 34 years old.**

(Cerulli Associates, "Trends Among U.S. High-Net-Worth Providers," 2001)

# The Wealthiest 1%

- 87% are married
- 16% retired
- 84% college-educated
- 41% own or have an interest in a private company

**(Spectrem Research, 2001)**



# Identifying/Developing a Constituency

## ➤ **Constituency**

**A group of people who give life, purpose, meaning, energy and a reason for being to the organization including:**

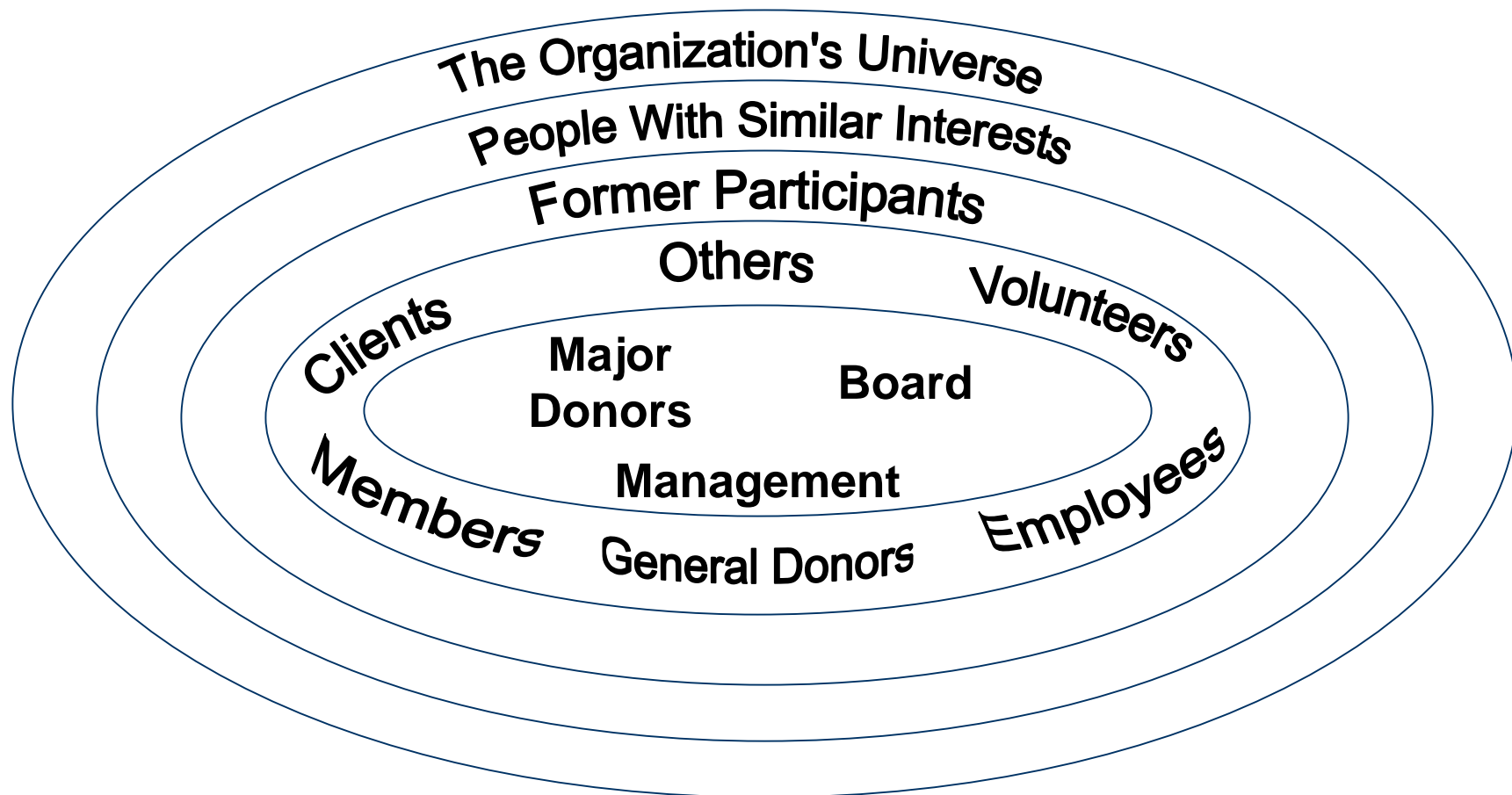
- **Those who need the services,**
- **Those who support the issues,**
- **Those who are board and staff,**
- **Those who constitute its philanthropic base as volunteers and donors.**

## ➤ **Suspects vs. Prospects**

**Evaluate donor's gift potential by applying these criteria:**

- **Ability**
- **Linkage + Interest = AFFINITY**

# Developing a Constituency



# Who Gives, Who Asks & How?

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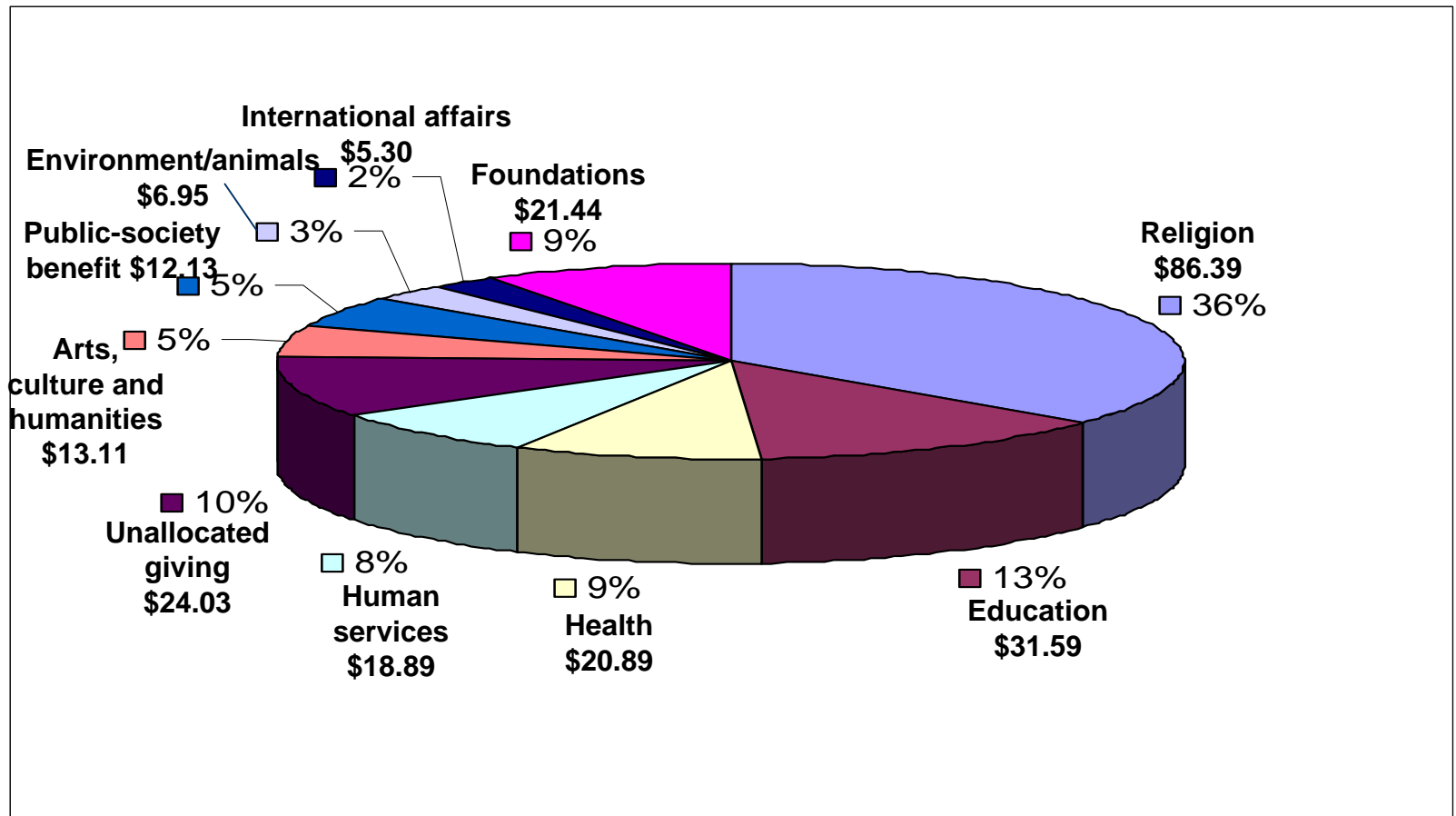
- ◆ Individuals (86-88%)
- ◆ Foundations (7-10%)
- ◆ Corporations (4-6%)

# Who Gives, Who Asks & How?

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- ◆ Board & Staff have to Give First
- ◆ Volunteers Should do the Asking
- ◆ Ask Face-to-Face

# 2003 CONTRIBUTIONS: \$240.72 BILLION BY TYPE OF RECIPIENT ORGANIZATION





# Echelon

## 18-Tier Wealth Classification System

Average Liquid Financial Assets per Household in Each Echelon Tier

Echelon Wealth Tier	Avg. Household Financial Assets	% of U.S. Households in Tier
<b>AGE GROUP: OLDER</b>		
1	\$2,726,000	0.4%
3	\$1,264,000	0.8%
5	\$636,000	1.4%
9	\$251,600	5.2%
11	\$110,400	5.2%
16	\$43,000	8.7%
<b>AGE GROUP: MID-CAREER</b>		
2	\$1,442,800	0.5%
4	\$788,300	0.7%
6	\$556,000	2.0%
8	\$311,900	3.6%
10	\$157,400	8.6%
12	\$89,400	10.4%
14	\$43,500	17.6%
15	\$43,300	12.9%
<b>AGE GROUP: YOUNGER</b>		
7	\$434,000	0.2%
13	\$54,300	6.8%
17	\$10,300	10.0%
18	\$7,500	5.0%
<b>U.S. Total</b>		<b>100%</b>

# Tips for Successful Asking

- ◆ Do Your Homework
- ◆ Relate Mission to Donor's Interests
- ◆ Volunteer Already Given
- ◆ Ask for Specific Amount
- ◆ Let the Donor do the Talking!

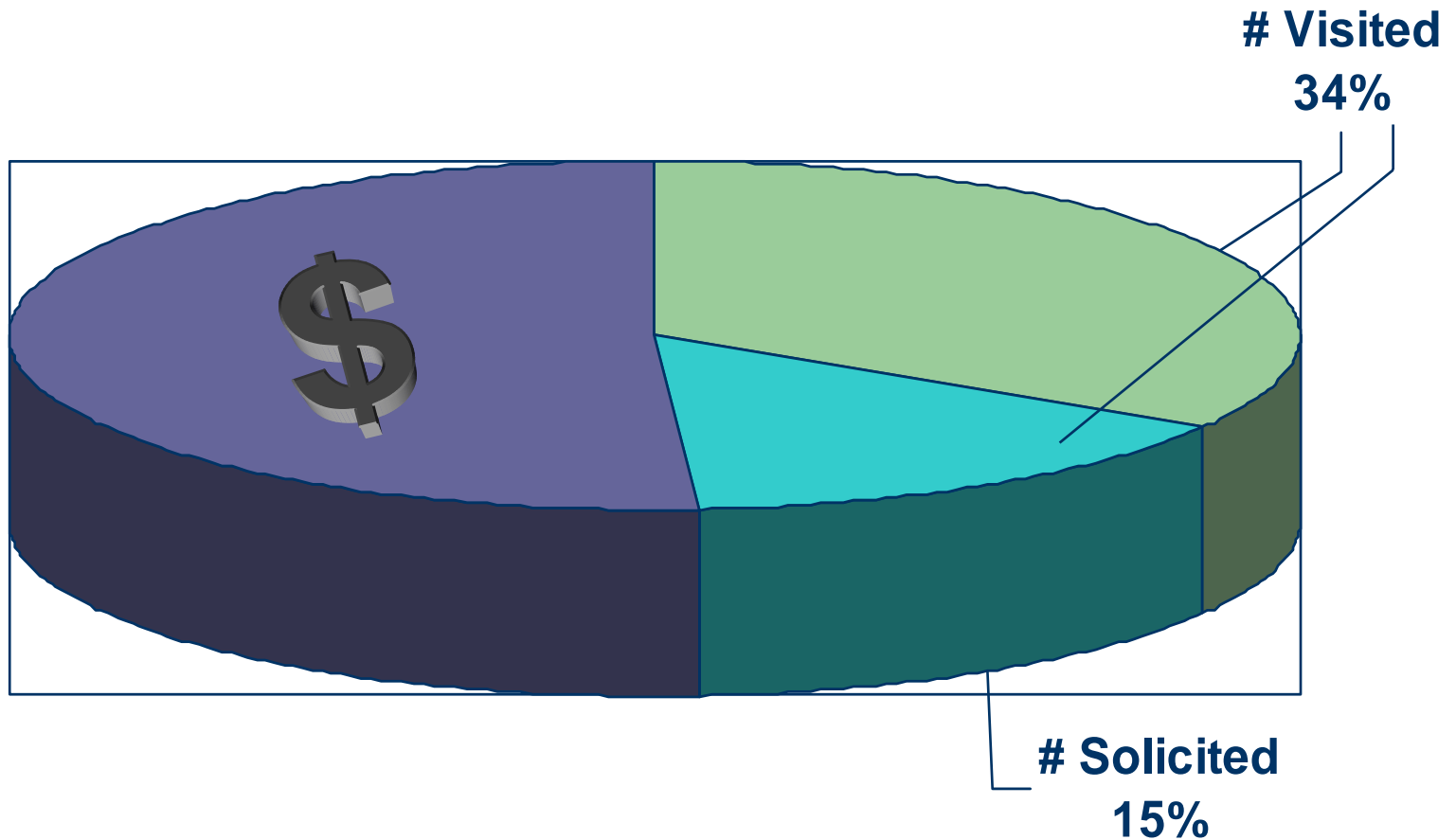
# Major Gift Fund-raising

## The Sequence of Donor Decision Making

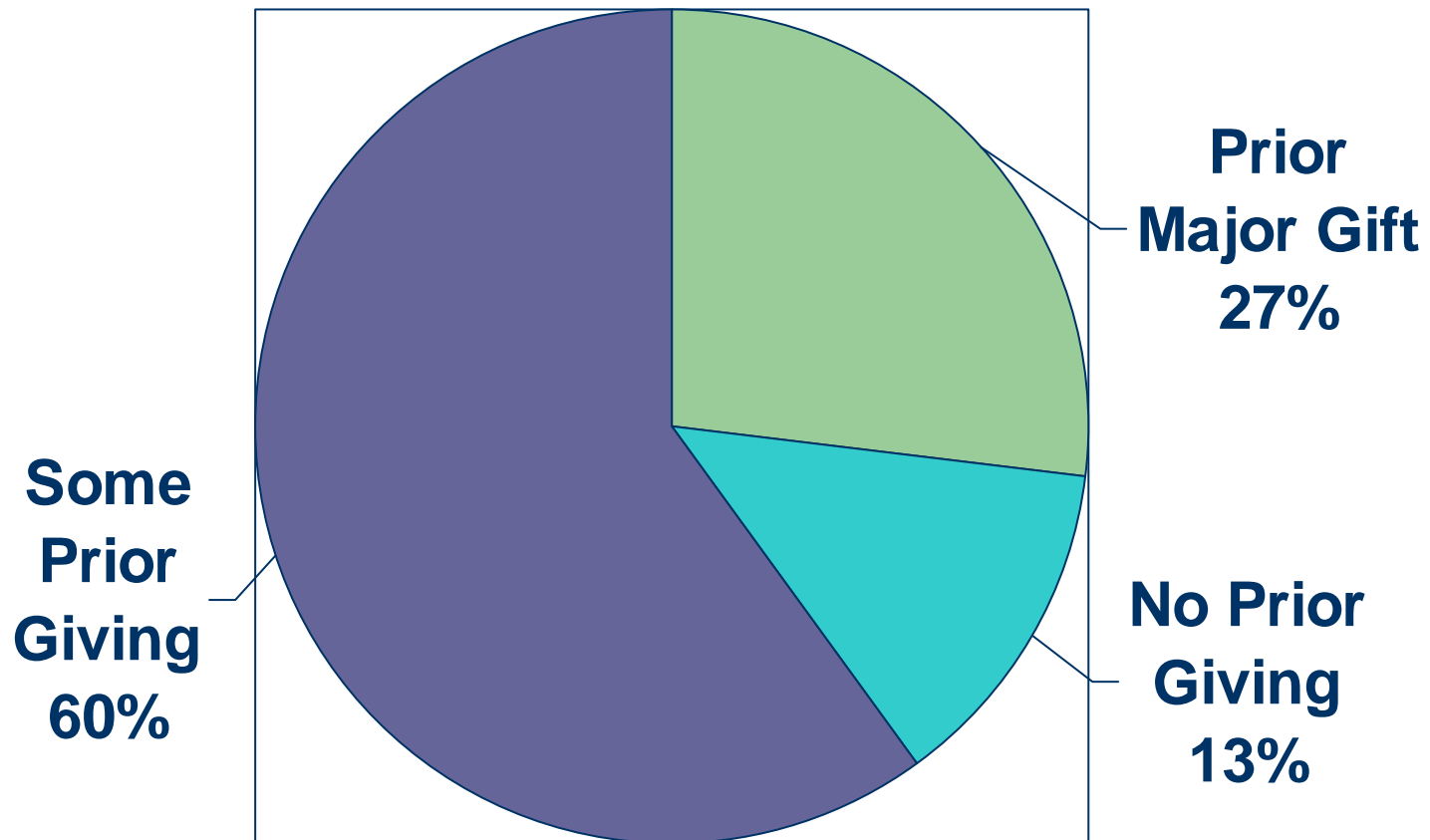
- Attention
- Interest
- Desire
- Action
- Identification
- Cultivation
- Solicitation
- Stewardship

***Once you get the gift – The process begins anew***

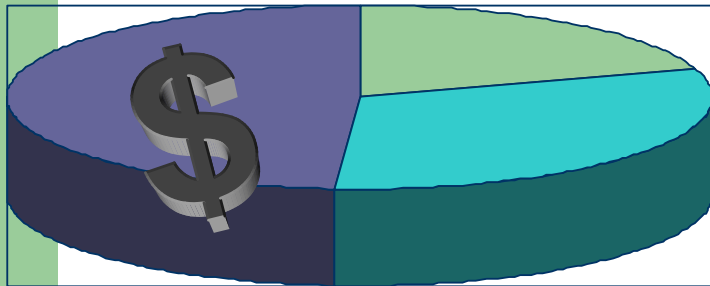
# Cultivation/Solicitation of Prospect Pool (\$25K+)



# Campaign Donors of \$25K+



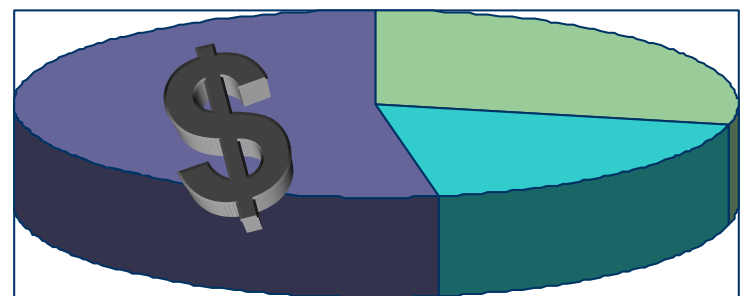
## Prospects at \$1M+



62%  
Visited

40%  
Solicited

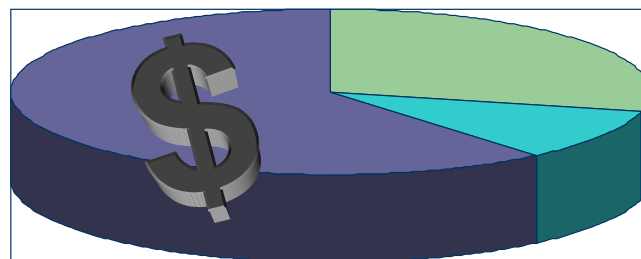
## Prospects at \$100K-\$999K



53%  
Visited

35%  
Solicited

## Prospects at \$25K-\$99K



29%  
Visited

10%  
Solicited

# Steps for Effective Fundraising: Plan! Plan! Plan!

Your Organization Must Have:

- ◆ Clear Sense of Mission by Leadership
- ◆ Clear Vision of how Mission Relates to Community

# Fund Development Professionals Must...

- ◆ Know How Organization Meets Needs of Community/Constituency
- ◆ Have Fund-raising Goal and Plan
- ◆ Be Able to Articulate Benefits to Community and Donors

# To Begin...

- ◆ Adopt a Strategic Plan
- ◆ Evaluate Fund-raising Readiness
- ◆ Create Annual Development Plan
- ◆ The Donor Pyramid

# The Donor Pyramid



# Benefits of Annual Giving

- Acquire Donors
- Renew Donor Support Annually
- Cultivate Donors to Higher Level
- Build Donor Loyalty
- Identify & Involve Leaders
- Identify Major Gift Prospects

# Writing the Annual Fund Development Plan

- Organization's Mission Statement
- Goals of Each Project
- Case Statement for Each Project
- Overall Development Goals
- Overall and Individual Fund-raising Projections by Project
- Fund-raising Methods and Strategies for Each Project
- Organizational Chart

# Outline of Development Plan Components

1. Governmental Grants
2. United Way
3. Foundations
4. Memberships/Corporations
5. Events
6. Major Donors
7. Mail Campaigns
8. Trusts & Bequests
9. In-kind Gifts & Services
10. ePhilanthropy

# Cost-effectiveness of Development Programs



% = Fund-raising costs as a % of revenue

# Evaluate Your Fund-raising Effectiveness

## 1. Match Goals with Appropriate Method

Special Event	→	Upgrade donors
Phone Solicitation	→	Donor education, recognition
Direct Mail	→	Donor acquisition, upgrade, education
Internet Giving	→	Build Relationships, education, acknowledgement
Face-to-Face	→	Solicitation, education

# Evaluate Your Fund-raising Effectiveness

1. Match Your Goals with Your Method
2. Assess the Benefits of Activities

<b>Event/ Method</b>	Mission	Funds Raised	Resources Required	Increase Awareness	<b>Rank</b>
<b>Event 1</b>					
<b>Event 2</b>					

# Evaluate Your Fund-raising Effectiveness

1. Match Your Goals with Your Method
2. Assess the Benefits of Activities
3. Balance the Mix
4. Don't Become Discouraged!