Fundraising with Individual Donors

April 1, 2014
**Introductions**

1- Find a partner.

2- Think of the last donation that you made to a nonprofit. What made you donate?

3- Discuss with your partner.

4- Now, find another pair.

5- Introduce yourselves around your new group of four and share your responses to the above question.
Agenda

Expectations for the day

Individual Donor Fundraising: Background

Raising Money from Individual Donors
The Donor Cultivation Cycle
Major Donors
Membership Programs
Year-End Giving
Working Agreements

Recognize we are all at different levels, with varying experiences. Celebrate the diversity and the learning.

Cell phones on stun.

One conversation at a time- no sidebars.

Vegas Rule.

Parking Lot.
Learning objectives for today's workshop:

Define the benefits of strategically developing a base of individual donors for a nonprofit

Develop an understanding about effective methods and best practices for raising money from individuals

Share knowledge and real-life experiences that others can use to increase their fundraising success

Provide practical tools to use in establishing and maintaining a successful individual donor program and begin laying the groundwork for that program
Individual Donor Fundraising: Background
What are the pros and cons of raising money from individual donors?
Private Charitable Giving in 2012: $316.23 billion

- Individuals: 72%
- Bequests: 7%
- Foundations: 15%
- Corporations: 6%

Source: GivingUSA 2013 Highlights (www.givingusareports.org/2013)
What things do you need to have in place before you begin raising money from individual donors?
Things to have in place before you start:

**FIRST:**
- Nonprofit status & tax status letter
- Budget
- Mission statement, with clear connection to how your programs fulfill that mission

**SECOND:**
- Firm knowledge of who you are (Case Statement)
  - Clarity and agreement on how the funds will be used

**THIRD:**
- A donor tracking database
  - A system to quickly acknowledge donors and donations
  - Basic materials about the organization
  - Vehicles for people to give - online donation button, donation cards, reply envelopes, etc.
  - Individuals who are trained in how to raise funds
The elephant in the room:

Asking for money is scary!
Raising Money from Individual Donors
The Donor Cultivation Cycle:

Identify

Cultivate

Ask

Steward
Step 1: Identify
What motivates a person to give money?
A person may give money for many reasons. A person gives money to a specific organization because of:

- Ability
- Belief
- Contact
** Donor profiles **

Who are your donors/prospective donors?

Do they fit the Ability-Belief-Contact description?
How can board members help identify individual donors?
Peer-to-Peer Fundraising: It starts at the beginning.
Step 2: Cultivate
Principles for cultivation:

Focus on the individual
Whenever possible, personalize
Keep careful records
Spend the most time on the people with the most giving potential
Be realistic about your time and resources
What are some simple things (10 minutes or less) that you can do to cultivate relationships with prospective individual donors?

What are some more complex or time consuming things that you can do?
Cultivation activities: least to most intensive

**Least intensive**
- Send a mass email or mass mailing (including newsletters)
- Post on social media
- Personally forward a mass email
- Add a handwritten note to a newsletter or mailing
- Make a personal phone call

**Most intensive**
- Give an award, name something after them, etc.
- Introduce to constituents/clients, staff, board members, etc.
- Give a personal tour
- Get together in person—coffee, lunch, home or office, etc.
- Invite to a small-group event
** Donor profiles **

How have you cultivated relationships with these donors or prospects?

What cultivation activities might you add?
How can board members help to cultivate relationships with donors and prospects?

…and what about other opportunities for peer-to-peer cultivation?
The importance of research:

Research will help you to better know and interact with your donors and prospects.

Research will help you to become more confident.
Good things to know about a donor or prospect:

- Employment and educational history
- Family and social ties
- Volunteering, board service and charitable giving
- Issues of interest
- Things he/she has in common with you or with someone else at your organization
Research resources:

Google

Annual Reports

Political Contributions
(newsmeat.com)

Social Media
(LinkedIn, Facebook, Twitter)

Ask the person directly!
Step 3: Ask
If you don’t ask, they won’t give.
Deciding how much to ask for:

Your financial need
The person’s giving history (if any)
How much the person has given to other organizations

The person’s financial situation (sometimes the least important factor)
Some ways to ask people to give (and suggested resources)

In a letter
(malwarwick.com, Kim Klein’s *Fundraising for Social Change*)

Over the phone
(*Fundraising for Social Change*)

By email
(Fundraising123.org)

Through social media
(Nonprofit Technology Network [nten.org], NetSquared [meetup.com/net2no])

At an event
(*Fundraising for Social Change, Terry Axelrod’s The Point of Entry Handbook*)

In person
(*Fundraising for Social Change*)
Fundraising campaigns:

- Have a set timeline
- Have a specific goal
<table>
<thead>
<tr>
<th>Annual Fund Campaigns</th>
<th>Capital Campaigns</th>
<th>Endowment Campaigns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise funds from individual donors</td>
<td>Raise funds largely from individual donors</td>
<td>Raise funds largely from individual donors</td>
</tr>
<tr>
<td>Funds support general expenses</td>
<td>Funds support a major one-time expense (building, equipment)</td>
<td>Funds support ongoing financial stability</td>
</tr>
<tr>
<td>Funds raised from both new and renewing donors</td>
<td>Donors are usually top-level renewing contributors</td>
<td>Donors are usually top-level renewing contributors</td>
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<tr>
<td>Number of Donations</td>
<td>Size of Gifts</td>
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<td>600</td>
<td>$25.00</td>
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<td>988</td>
<td></td>
<td>$100,000.00</td>
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<tr>
<td>Size of Gift</td>
<td>Number of Gifts Needed</td>
<td>Total</td>
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<td>$500.00</td>
<td>20</td>
<td>$10,000.00</td>
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<tr>
<td>To raise</td>
<td>38 donations totaling</td>
<td>$52,500.00</td>
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<td></td>
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<td>you need</td>
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</tbody>
</table>
What are the benefits of asking during a campaign as opposed to asking at some other time?
Multi-Channel Fundraising: One campaign’s example

✓ Ask 25 major donor prospects in person
  (March 1-April 15)

✓ Send fundraising appeal letter to 200 donors
  (March 15)

✓ Send a series of three fundraising emails to full 2,000 person email list
  (March 1, March 21, April 15)

  ✓ Post donation information on social media once per week;
    post other information (not fundraising-related) twice per week
    (March 1-April 15)

✓ Include donation information in newsletter to full 1,000-person mailing list
  (March 1)

  ✓ Use fundraising information on website landing page
    (March 1-April 15)
Two things to remember…

Keep in mind your ability to keep stewarding your relationships with donors.

The bigger the ask, the better you know the donor and the more personal the ask method.
### Ways to ask: least to most personal

<table>
<thead>
<tr>
<th>least personal</th>
<th>most personal</th>
</tr>
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<tbody>
<tr>
<td>Send a mass email or mass mailing</td>
<td>In person, one-on-one</td>
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<tr>
<td>Post on social media</td>
<td></td>
</tr>
<tr>
<td>Personally forward a mass email</td>
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<td>Add a handwritten note to a letter appeal</td>
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<td>Make a personal phone call</td>
<td>At a large-group event</td>
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<tr>
<td>Send a personal email</td>
<td>At a small-group event</td>
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</table>

**Note:** The table ranks the methods from least personal to most personal.
The Donor Bill of Rights
The importance of saying “thank you:”

93% of individuals surveyed said they would “definitely or probably give again” the next time they were asked by a charity that thanked them promptly and in a personal way and followed up later with a meaningful report on the program the donor funded.

Under these circumstances, 64% would give a larger gift and 74% would continue to give indefinitely.


Article references research from Penelope Burk's Donor Centered Fundraising
**Donor profiles**

Is there anyone you have profiled who you would ask to give now?

Do you know how much you would ask for and how you would ask?
How can board members be involved in asking donors and prospects to give?

...and what about other opportunities for peer-to-peer asks?
Step 4: Stewardship
YOUR DONORS ARE NOT ATMs.
Principles for stewardship:

Focus on the individual

Whenever possible, personalize

Keep careful records

Spend the most time on the people with the most giving potential

Be realistic about your time and resources
Stewardship activities: least to most intensive

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<td>Send a mass email or mass mailing (including newsletters)</td>
<td>Get together in person-coffee, lunch, home or office, etc.</td>
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** Donor profiles **

How will you continue to steward relationships with these donors after they give?
How can board members be involved in stewarding relationships with donors?

...and other opportunities for peer-to-peer stewardship?
Major Donors
Major Donors

Mid-Level Donors

Small Donors
Grab a sticky note:

What does your organization consider a major gift?
Major donors have ABILITY, BELIEF and CONTACT in the greatest capacity.
** Donor profiles **

Are any of these people major donors or major donor prospects? How do you know?
Principles of making The Ask:

Do it in person.

Know what you’re asking for, and ask for it.

Once the ball is in the donor’s court, keep it there.
Sample Ask:

“Thank you for your commitment to [organization]. To help continue this important work, would you consider making a generous gift of $1,000?”
The Donor Development Cycle

- Prospect Identification: 20%
- Cultivation: 35%
- Ask: 5%
- Follow Up: 5%
- Thank: 20%
- Involve: 15%
Membership programs
Membership programs have impact because…

…they can establish social or political clout.

…they help to create donor buy-in.

…they are a way to establish a broad base of (usually) small donors.
The common trait of membership programs: Benefits and Incentives
Year End Giving
Research from Network for Good indicates that nearly one third of all annual giving to nonprofits happens in December, and 10% of annual gifts arrive during the last two days of the year.

In a survey by Charity Navigator, participating nonprofits reported receiving 40% of their annual gifts in the final weeks of the year.

“Year-End Giving Trends: Poll Results,” Charity Navigator
Network for Good reports that the average donation amount is higher in December than during the rest of the year: in 2010, the average donation made in December was $142, compared to an average gift of $91 during the rest of the year.

The Center on Philanthropy found that the average person makes 24% of their annual donations between Thanksgiving and New Year’s.

“Giving Facts,“ Charity Navigator
The reality:
Effective year end fundraising may actually require your attention for more than half of the year.
Things you can do now- yes, NOW!- to prepare for 2014 year-end fundraising:

✔ Establish the date you will publicly launch your year-end campaign

✔ Set your goal and complete your donor charts

✔ Clean up (or create) your donor database and start making your donor list

✔ Start talking about the campaign with your board and other stakeholders

✔ Cultivate and steward relationships with donors and prospects
A few closing thoughts…

Fundraising from individual donors is about relationships.

It’s also about planning and numbers.

You’ll see the most success when you get out from behind the desk.
Write it down:

What one thing will you do to build your relationship with each donor you have on a profile?

What one thing will you do in the next 24 hours to build your organization’s individual giving?
Greater New Orleans Foundation
1055 St. Charles Ave., Ste. 100
New Orleans, LA 70130
(504) 598-4663
www.gnof.org

The Funding Seed
P.O. Box 52154
New Orleans, LA 70152
(504) 307-7220
www.thefundingseed.com