



GREATER NEW ORLEANS
FOUNDATION

For a vibrant region.

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



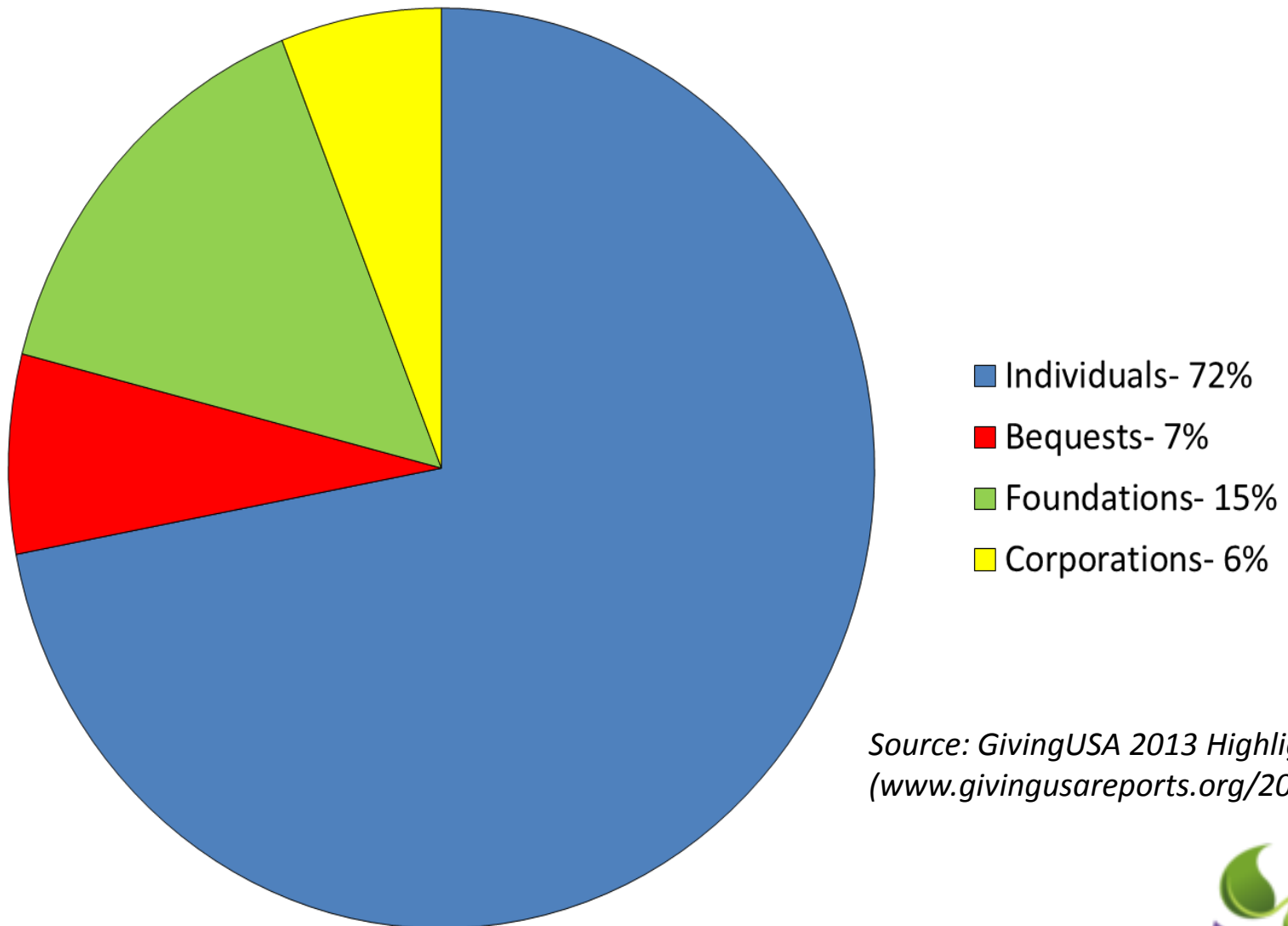
Individual Donor Fundraising: Background



What are the pros and
cons of raising money
from individual donors?



Private Charitable Giving in 2012: \$316.23 billion



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



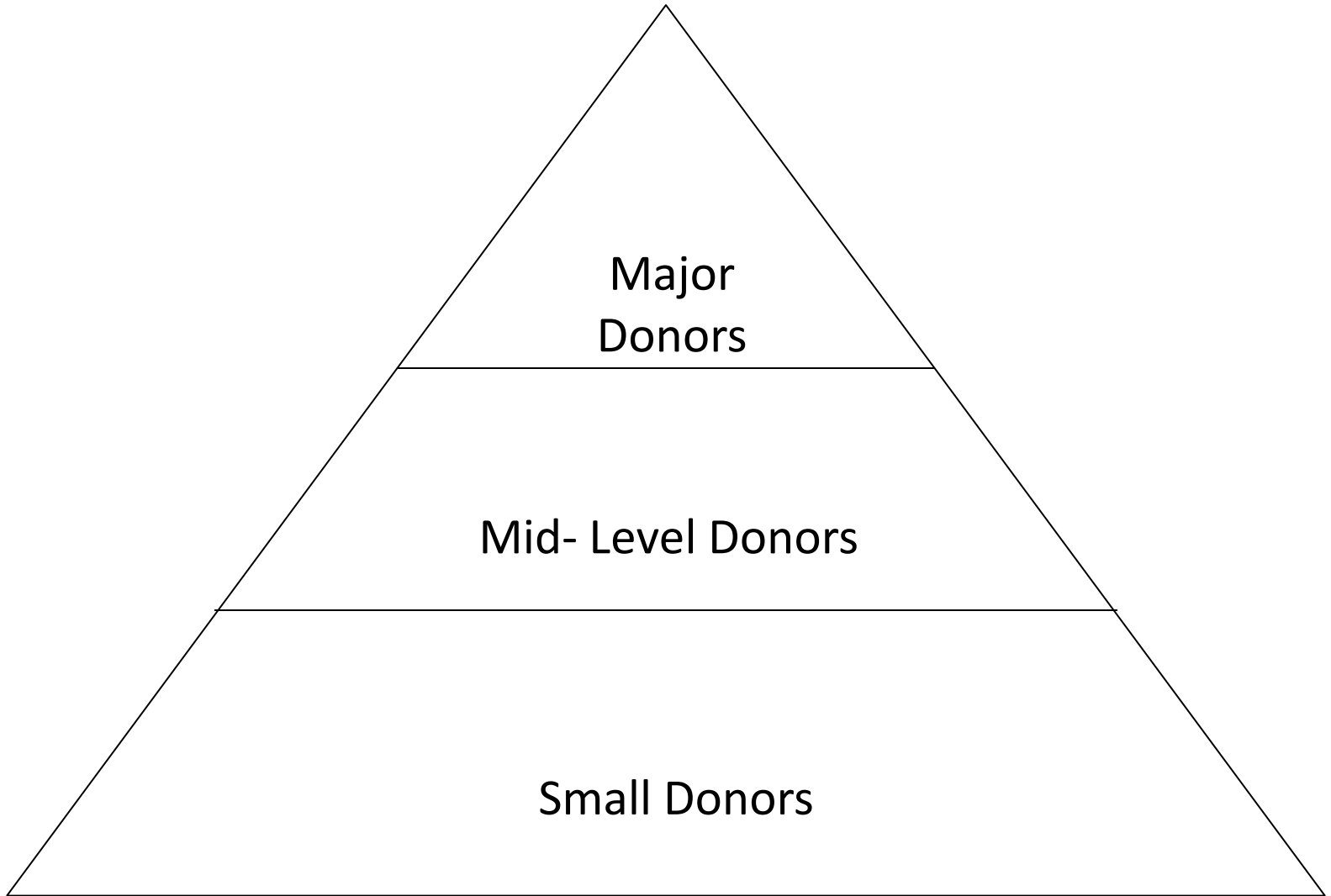
The elephant in the room:

Asking for money
is *scary*!



Raising Money from Individual Donors





The Donor Cultivation Cycle:

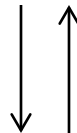
Identify



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?

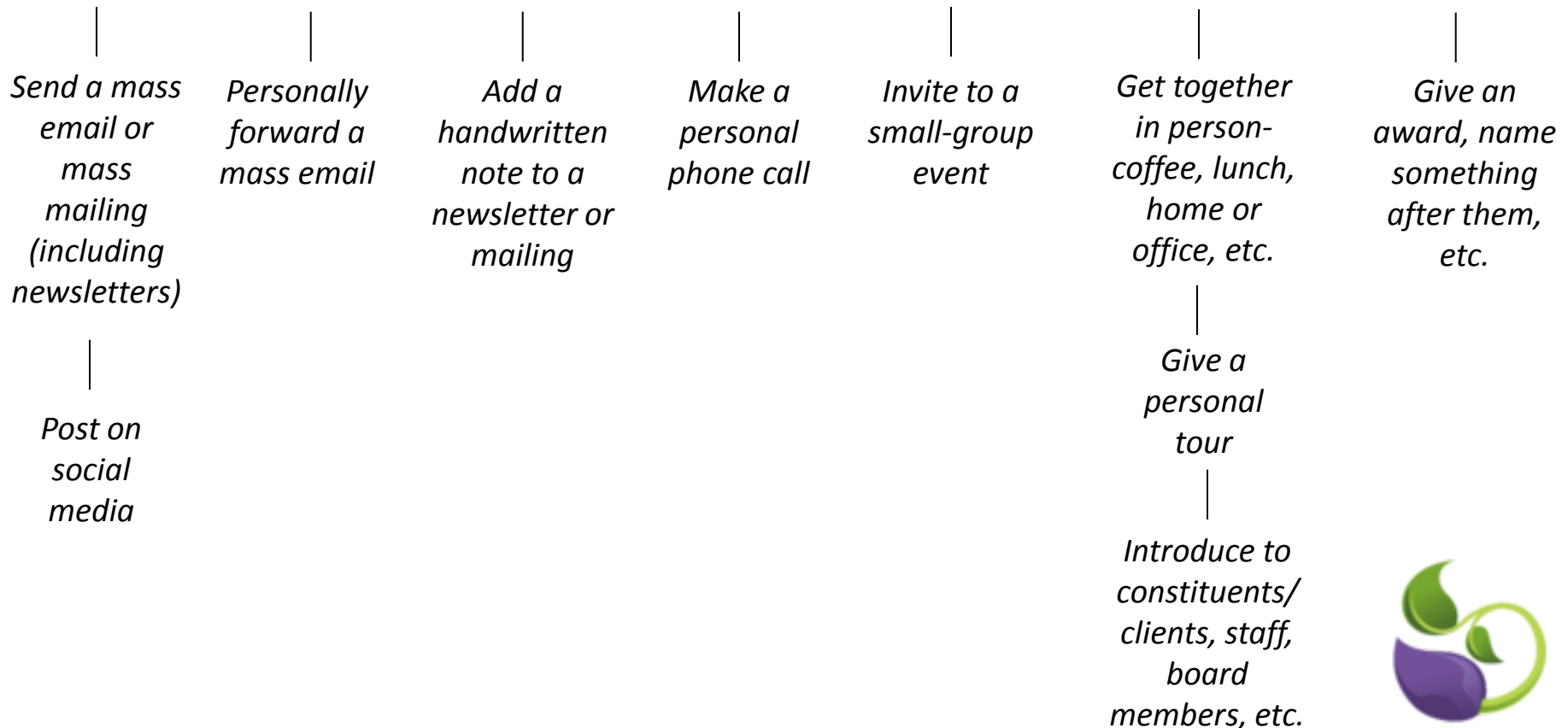
What are some more complex or time
consuming things that you can do?



Cultivation activities: least to most intensive

least intensive

most intensive



*** 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



Types of fundraising campaigns

Annual Fund Campaigns	Capital Campaigns	Endowment Campaigns
Raise funds from individual donors	Raise funds largely from individual donors	Raise funds largely from individual donors
Funds support general expenses	Funds support a major one-time expense (building, equipment)	Funds support ongoing financial stability
Funds raised from both new and renewing donors	Donors are usually top-level renewing contributors	Donors are usually top-level renewing contributors



Number of Donations	Size of Gifts	Total
1	\$10,000.00	\$10,000.00
2	\$5,000.00	\$10,000.00
5	\$2,500.00	\$12,500.00
10	\$1,000.00	\$10,000.00
20	\$500.00	\$10,000.00
50	\$250.00	\$12,500.00
100	\$100.00	\$10,000.00
200	\$50.00	\$10,000.00
600	\$25.00	\$15,000.00
988		\$100,000.00



Size of Gift	Number of Gifts Needed	Total	Total Number of Prospects
\$10,000.00	1	\$10,000.00	(1 x 4 =) 4
\$5,000.00	2	\$10,000.00	(2 x 4 =) 8
\$2,500.00	5	\$12,500.00	(5 x 4 =) 20
\$1,000.00	10	\$10,000.00	(10 x 4 =) 40
\$500.00	20	\$10,000.00	(20 x 4 =) 80
To raise	38 donations totaling	\$52,500.00 you need	152 prospects



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

least personal

most personal

|
*Send a mass
email or
mass
mailing*

|
*Post on
social
media*

|
*Personally
forward a
mass email*

|
*Add a
handwritten
note to a
letter appeal*

|
*Make a
personal
phone call*

|
*Send a
personal
email*

|
*At a large-
group event*

|
*At a small-
group event*

|
*In person,
one-on-one*



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.

Source: Simone P. Joyaux, “Unraveling Development: Thank Your Donors. And Thank Them Again,” The Nonprofit Quarterly, November 3, 2009

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

least intensive

most intensive

|
Send a mass email or mass mailing (including newsletters)

|
Personally forward a mass email

|
Add a handwritten note to a newsletter or mailing

|
Make a personal phone call

|
Invite to a small-group event

|
Get together in person-coffee, lunch, home or office, etc.

|
Give an award, name something after them, etc.

|
Post on social media

|
Give a personal tour

|
Introduce to constituents/clients, staff, board members, etc.



*** Donor profiles ***

How will you continue to steward relationships with these donors after they give?



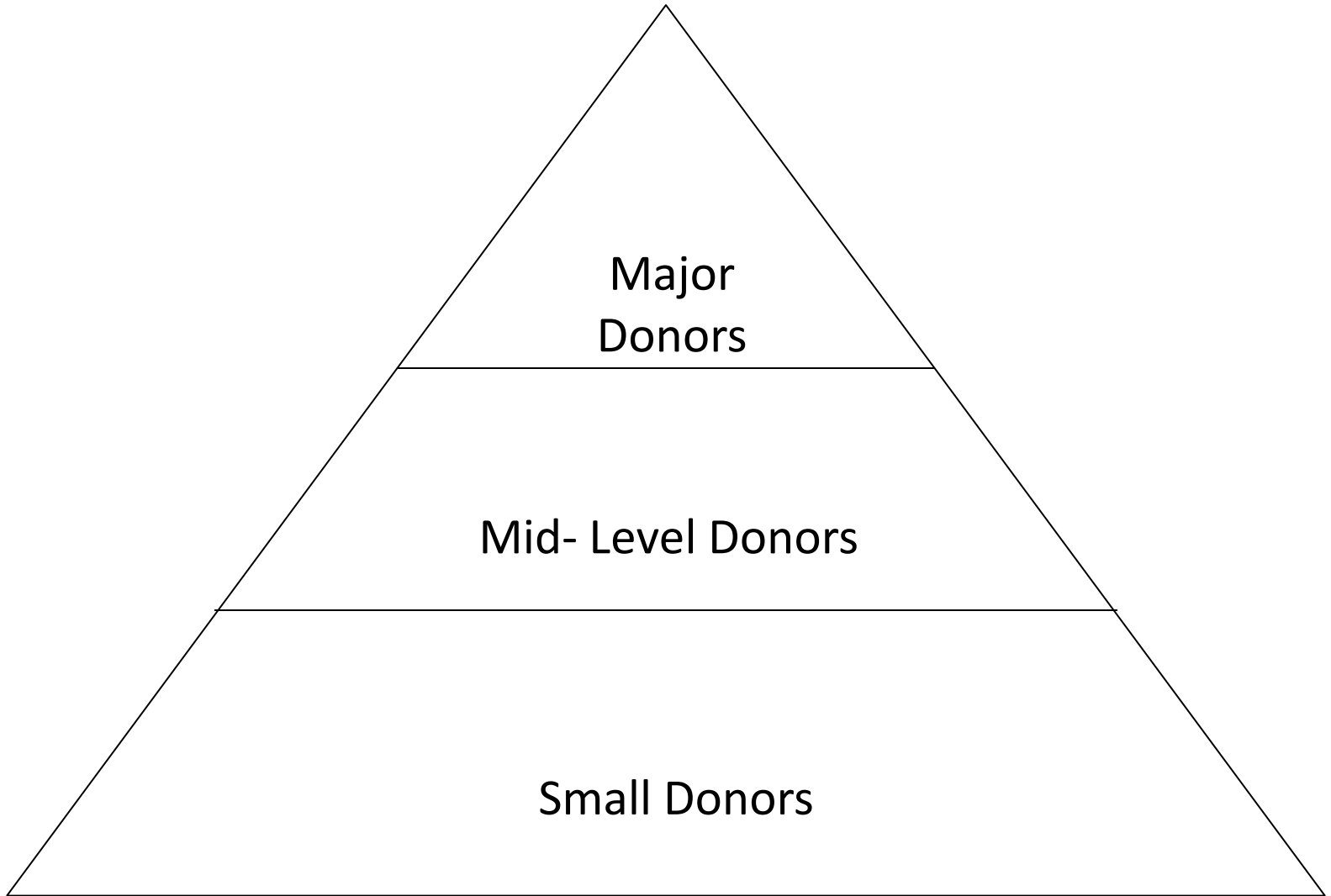
How can board members be
involved in stewarding
relationships with donors?

*...and other opportunities for
peer-to-peer stewardship?*



Major Donors





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.

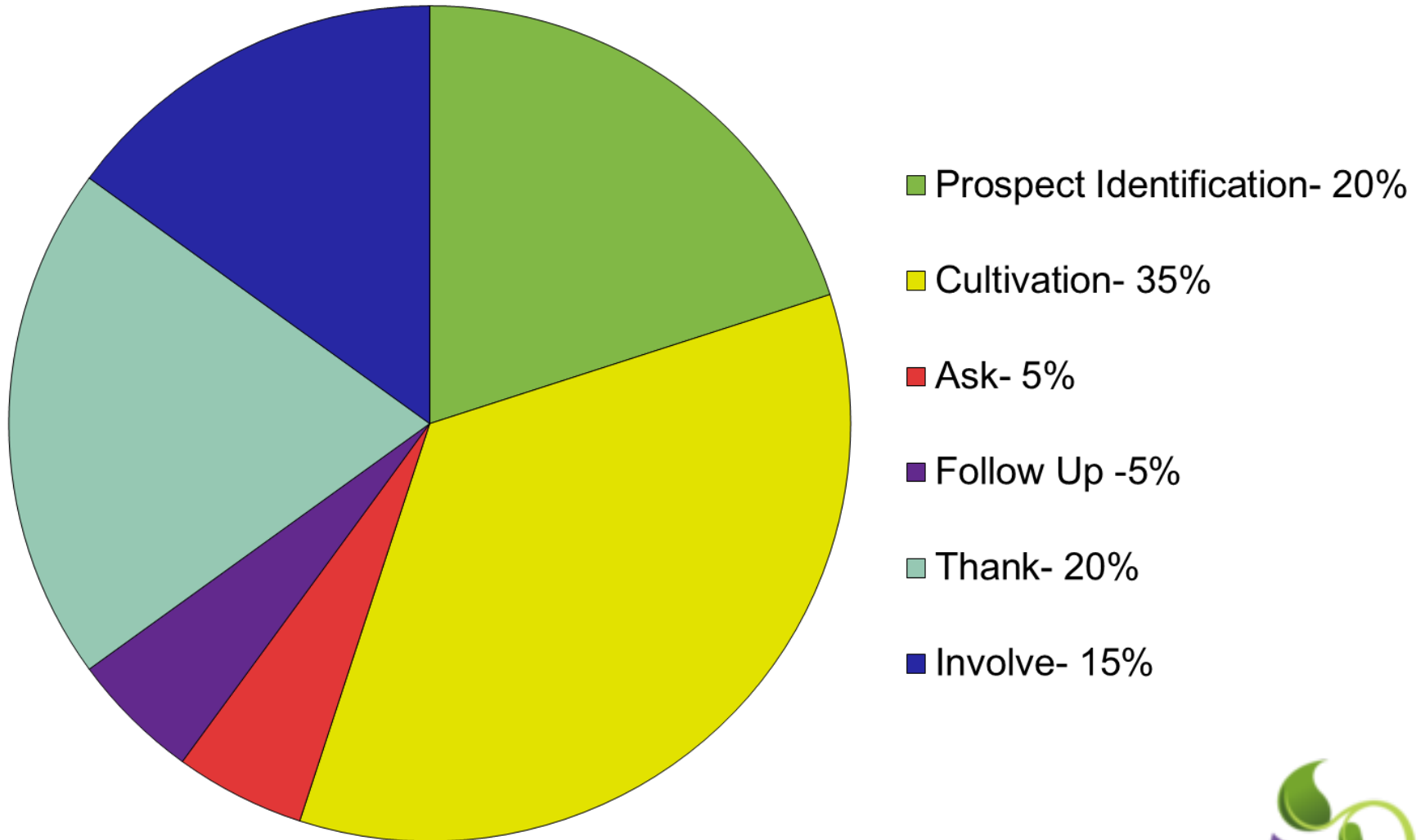


Sample Ask:

“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



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 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

For a vibrant region.

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