

# A Top 10 Approach to Diversifying your Fundraising Mix!



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# Why Do Nonprofits Need a Top Ten Approach to Fundraising?

- Trends in fundraising alter
- Economy can sway
- Decision makers change
- Relationships fluctuate

# Climate Change for Non-Profit Funding

- Our national safety net of human services is supported by Federal, state, and local government grants.
- Most services are delivered by nonprofits operating under government contracts or grants.

# Benefits of Non-Profits Administering Government Safety Net programs

- Local Ties: Non-profits (Social Profits) serving their communities
- Cost Effective: to deliver these services through community-based nonprofits than through public sector workforces.
- This funding—and the safety net of essential services it supports—is and has been under threat.

# New Jersey's Example

- ➔ NJ SHARES has helped 180,000 households with \$79 Million since inception in 1998
- ➔ We have been recognized by the National Fuel Fund Network historically 3 times for our success in outreach, advocacy, creating funding streams and programs to support households with their energy bills.

# Government Funded Non-Profit Programs

Failure to pay full costs – 54% problem

Complexity of Application Process – 72% problem

Paying Late – 45% problem

Complexity of Reporting - 72% problem

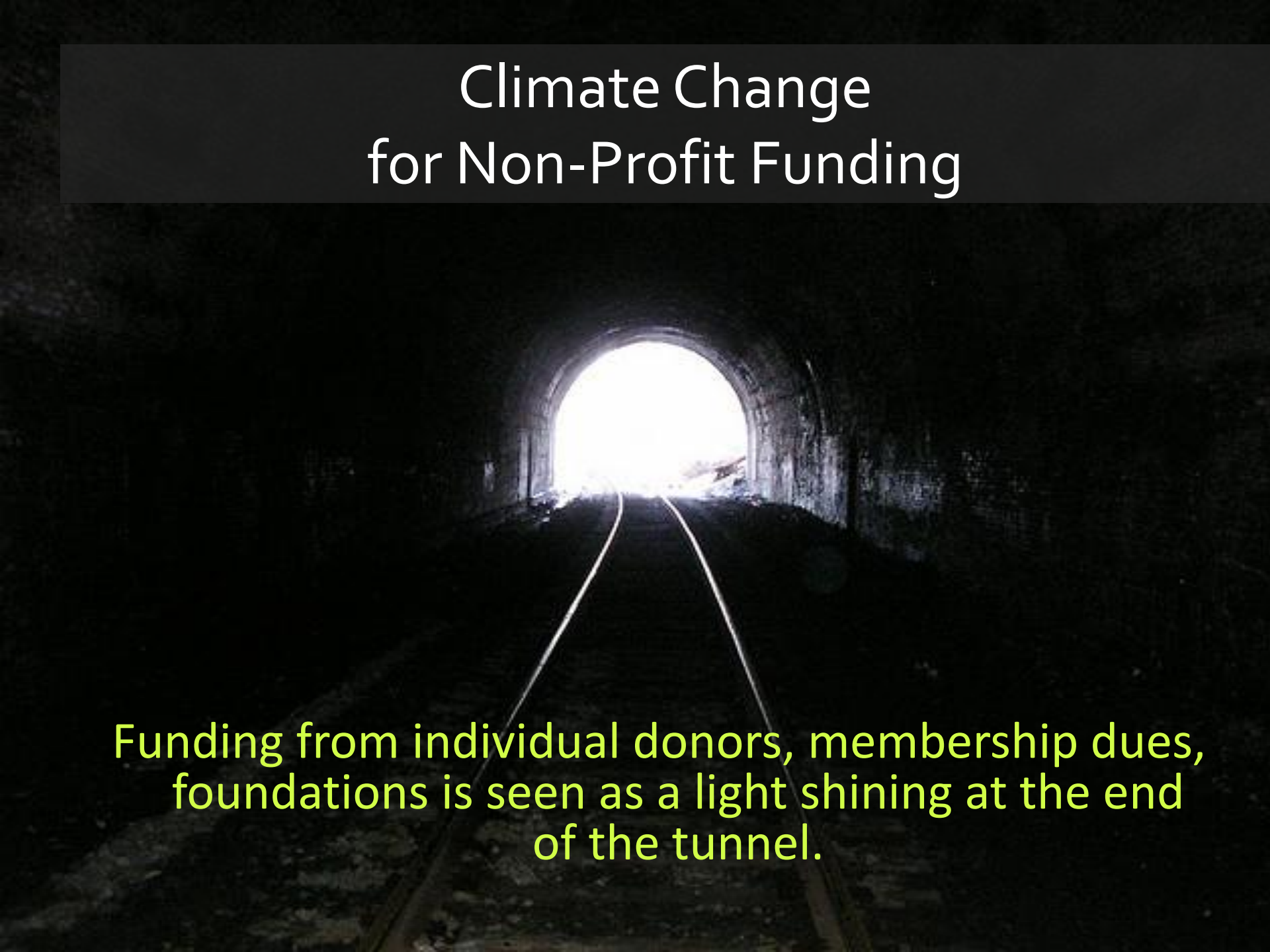
Changing agreement Mid-stream - 43% problem

- National Association of Non-Profits



**DON'T PANIC**

# Climate Change for Non-Profit Funding

A photograph of a dark, arched tunnel with tracks leading to a bright light at the end. The light is very bright and creates a strong contrast with the dark interior of the tunnel. The tracks are made of metal rails and wooden ties, and they lead the eye towards the light. The walls of the tunnel are rough and textured.

Funding from individual donors, membership dues, foundations is seen as a light shining at the end of the tunnel.



According to GivingUSA Foundation 2013 charitable giving in the U.S. topped \$335.17 billion (an increase of 4.4% from year prior and increased 12.3 (adjusted for inflation) percent since the official end of the recession in 2009. Here's where the money came from:

- Corporations: \$16.76 billion (5%)
- Foundations: \$50.28 billion (15%)
- Bequests: \$26.81 billion (8%)
- Individuals: \$241.32 billion (72%)**

10 Strategies to Diversify your Fundraising  
Mix!



10. Create a Written Development Plan Providing Opportunities and Timeline for Key Fundraising Activities and Programs. Plan should focus on five stages of donor cycle and critical strategies for each phase





# The Donor Cycle

➤ Understand five stages and have appropriate steps at each stage

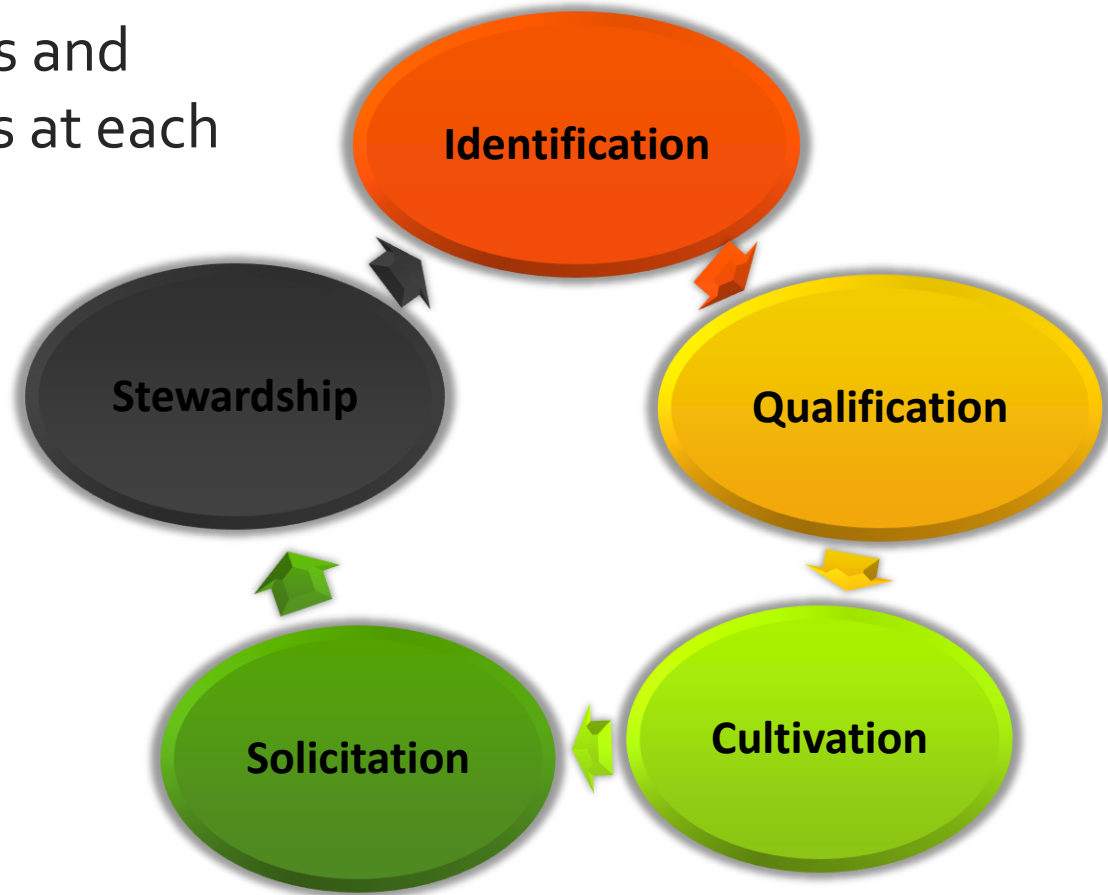
➤ Identify

➤ Qualify

➤ Cultivate

➤ Solicit

➤ Steward



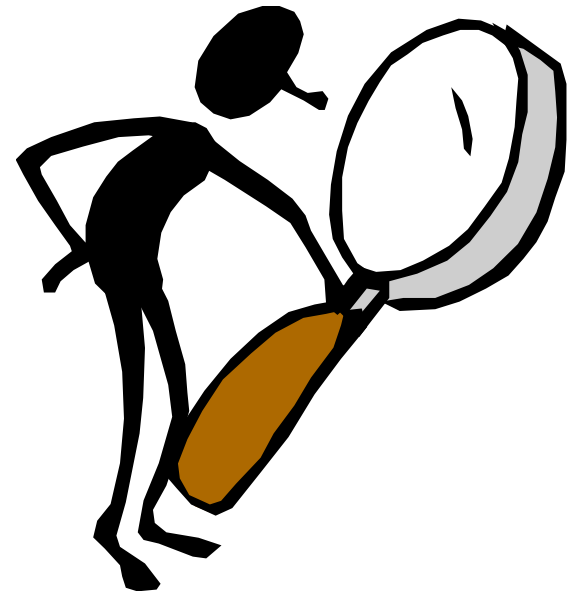
# Identify the Right Prospects

- Who cares about the human services, poverty, energy assistance and wants to make an impact in the community?
- Who can help rally the involvement of others?
- Who has the capacity to make a significant impact?
- With whom do we have the best relationships?



# Qualify the Potential

- Qualified prospects come from within organization's base of donors and friends
- Need to look at both Capacity + Inclination
- Research tools are available
- Work as a team to assess:
  - Connection
  - Interest
  - Ability



# Cultivate and Engage

- Involves board members, volunteers, donors and staff
- Is strategic
- Is systematic
- Needs to be coordinated
- Should not be limited to large gift prospects
- Involves personal and broader elements of interaction
- Can be unexpected
- Can have a different strategy for corporations and foundations
- Requires a budget

---- taken from Kay Sprinkel Grace *Over Goal!: What You Must Know To Excel at Fundraising Today.*

# Solicit and Make the Ask

- Conversation should not be about money
- Personal and sincere
- Know your prospect – treat them distinctly
- Ask for a specific amount for a specific purpose
- At the initial ask, stay committed to the ask amount
- Stop talking and listen
- Have a follow up strategy



# Steward and Show Impact

- Thank donors personally, often, and with meaning
- View as an investment in the “next” gift
- In *Donor Centered Fundraising* (2003), researcher Penelope Burk reveals three things donors report they want from the nonprofit organizations they support.
  - Prompt, personalized acknowledgment of their gifts
  - Confirmation that their gifts have been put to work as intended
  - Measurable results on their gifts at work prior to being asked for another contribution

# The Annual Fundraising Plan

- Do you have a plan that addresses the five stages?
- Plan should include:
  - timeline and action plan for donor acquisition
  - timeline and action plan for donor retention and renewal
- Ensure a fundraising mix of activities
  - Grantwriting
  - Events
  - Major Gifts
  - Direct Appeal
  - Social Media
- And a mix of Fundraising tools and vehicles...

# Vehicles for Fundraising

- Board Giving
- Face to Face Appeals
- Personal Phone Calls
- Personal Letters
- Direct Mail
- Special Events
- Online Giving
- Grant Writing – Foundation and Corporate

**9. Know your story – ensure all communications reinforce message of urgent need for resources and can leverage opportunities for donors to have high impact with their giving**



# Evaluate & Develop Key Message

- ➔ Answer questions - who we are, what we do, for who, and why we need funding
- ➔ Ensure messages encompass energy assistance as well as education efficiency programs
- ➔ People on the “inside” understand – how does this translate
- ➔ Build off existing story-telling to develop a case of support that creates urgency – (i.e. what happens if there is no electricity?)
- ➔ Visit with key leaders to test high impact giving opportunities and identify compelling areas of interest and potential “matches”

# Identify Opportunities

- Evaluation/Study of who gets what communication – are we touching our donors and prospects 7x/year at a minimum?
- Communication Vehicles
  - Letters/Correspondence
  - Newsletters
  - Email Communications
  - Media Relations
  - Website
  - Social Media
  - Brochures
  - Presence
  - Signage
  - Publicity Tools



# Integrated Communications Strategy

- Awareness events/tours/programs
- What are you mailing to your constituency?
- Mail Annual Report to donors and expand newsletter mailing distribution list
- Revamp website creating a more human face of your organization
- Ensure all communication materials reinforce message of urgent need for resources

# Theory Into Practice

- Explore social networking sites and opportunities to build awareness and attract younger constituency
- Evaluate and determine ways to leverage Awareness Days in corporations
- Create additional volunteer opportunities
- Explore cross-promotional opportunities with partner agencies
- Seek state-wide partners for awareness building (i.e NJ Devils)



## 8. Be analytical – understand trends, your data



# The Science

- Evaluate giving patterns of existing donor database
  - Are you renewing donors each year?
  - Are we hard-wired to ask for increases?
  - What % of your gifts are coming from major gifts?
  - How many new donors are we acquiring each year and how?
  - What solicitations are donors responding to?

**7. Consider a signature special event for awareness building, donor acquisition and fundraising**



# Leverage Events for Multiple Purposes

- Tell story
- Fundraising
- Introduce donors
- Recognize VIPs
- Build prospect base
- Pipeline for you

## 6. Implement a donor recognition program



# Key Factors for Recognition

- Giving Levels/Recognition Program
- 7-12 touch points
- Annual Listing
- Personalized
- Timely
- Understand donors motivation for giving
- Stewardship

**5. Identify and put in play intentionally multiple vehicles for donor acquisition (shared opportunities with partner organizations)**



# Acquiring New Donors

- Systemize model bill insert program with utility companies  
– challenge, neighbor programs, online?
- Use Events/Fairs to capture prospect names
- Direct Mail
- Opportunities for collaboration with partner agencies
- Social Media/Online Giving



## 4. Prioritize Corporate and Foundation Relations efforts



# CFR Planning

- Conduct a Scan for Potential Foundation Prospects
  - Potential focus areas of health, energy, poverty
- Identify Top Five Corporate Prospects with strategies to “Get In the Door” with Philanthropic Decision-Makers
- Develop written proposals for prospects, corps and foundations
- Board as Connectors
  - Create volunteer opportunities to introduce community leaders who have both inclination and capacity to NJ Shares
  - Use board meetings for prospect review
- Build relationships with funders
- Have key initiatives

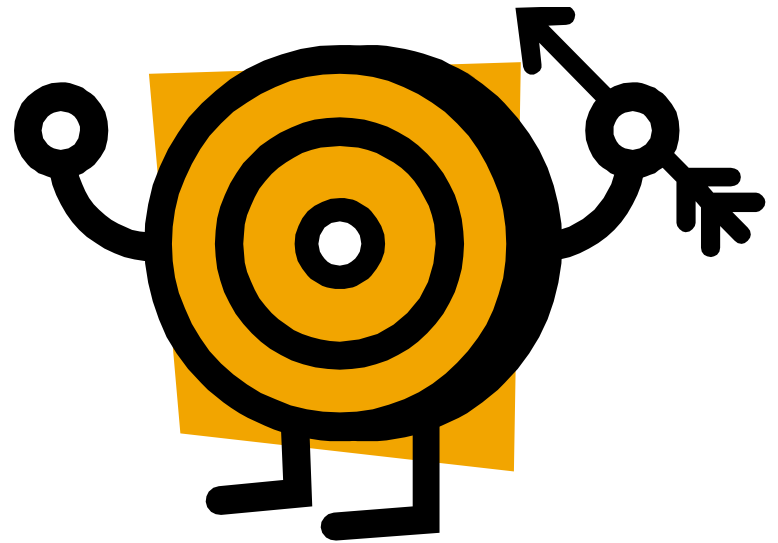
**3. Identify prospects for a more disciplined major gift fundraising focus; aim for 20**



# Why do People give Major Gifts?

- Someone they know and respect **asked**
- Desire to make a difference in the world; want to have impact
- Involved as volunteers
- Believe in mission; have had a personal encounter
- Perceive gift is an investment
- Have a sense of personal social responsibility
- Experience the joy of giving

**The Right Person**  
asks  
**The Right Prospect**  
for  
**The Right Amount**  
in  
**The Right Way**  
at  
**The Right Time**  
for  
**The Right Cause**  
with  
**The Right Follow-up**



From Jerold Panas in *Asking*

# Establish a Disciplined Major Gifts Strategy

- Identify a “Top 20” list of prospects for a disciplined major gift fundraising focus
- Develop written proposals for major gift prospects, corps and foundations
- Establish an annual fundraising program that provides opportunities for giving, recognition and communication for donors at the \$1,000+ level
  - Consider building this group (Chairman’s Roundtable) and moving donors giving in the \$250-\$500 to this special group of supporters; etc.
- Identify high impact giving opportunities

# Establish a Disciplined Major Gifts Strategy

- Visit with key leaders to test high impact giving opportunities and identify compelling areas of interest and potential “matches”
- Hold a major gifts training for volunteer and staff leadership
- Create a Major Gifts Fundraising Committee with focus on the cultivation, solicitation and stewardship of your top givers
- Create a “moves management” program for top donors and involve board and staff leadership in moving these important relationships forward

**2. Achieve 100% Board Giving (Best solicitors are donors) and Achieve 100% Staff Giving (help create the culture)**





# Board's Role in Fundraising

- Approve the plan, goals and use of funds (case)
- Act in key roles
- Recruit other volunteers
- Help develop and evaluate prospect list
- Open doors
- Give personal stretch gift – power of 100% participation
- Solicit others
- Supervise other volunteers

# Engaging the Board

- Board Development and Recruitment
  - Review By-laws
  - Analyze effectiveness of board make-up
  - Identify gaps
- Provide Board Training on Role in Fundraising
- Create opportunities for staff awareness and visits to see NJ Shares at work

**1. Put staffing resources in place to ensure focused attention to this critical function – hire a DOD**



# Staff's Role in Fundraising

- Develop the plan, goals and use of funds (case)
- Research/Know how much needs to be raised
- Determine best ways to fund efforts
- Partner with board in developing, qualifying prospect list
- Provide leadership for giving continuum
- Operationalize plan and create timelines
- Evaluate and monitor progress
- Identify, cultivate and solicit top prospects
- Liaison with volunteer committees

# NJ SHARES Experience or Barbara's Realism

- ➔ Acknowledge Climate Change and work together to address it
- ➔ All of the Debbie's Top Ten requires a change in conversation in the Boardroom
- ➔ Board Engagement (Passion and Influence) is Key to success

# Being Realistic Matters

- Development takes a lot of time, effort and planning
- Key Component for Staff and Board is a comprehensive development plan to align with the Strategic Goals and Budget of the organization
- Guide and Timeline of activities to align with key priorities
- Sets expectations and tracks goals

# Board And Donors

- Established an annual fundraising program
- Created Development and Fundraising Committee with focus on the cultivation, solicitation and stewardship of your top givers
- Created a “moves management” program, tracking donors giving patterns and move them up the ranks

# Our First Steps Toward Donor Communication

- Revamp website and Newsletter to speak to donors; added the donor testimonial
- Looked at the donor experience to ensure its one that we think they would want to have – *THANK EARLY AND OFTEN*
- Launched and Leveraged Social Media
- Anniversary Program Cultivation Effort
- Impact Video



# Donor Behavior

- Evaluated Giving Patterns
- Implemented Donor Analysis
- Executed Annual Solicitation
- Established a Top Donor Identification Program
- Established and effective LYBUNT Campaign

# NJ SHARES' on Corporate and Foundation Giving

- Funders Fund Relationships
  - Spend the time building the relationships
- Cannot subsidize the impact of government safety-net programs
- Identify targeted initiatives by creating programs and capacity building opportunities

# NJ SHARES Data

*80% of funds come from 20% of our donors...  
so are we focusing on those 20%.*

In the first year:

- Boosted Top Donor giving 5.5%
- Boosted Individual giving 10%
- Achieved 100% Board Giving
- LYBUNT Campaign – 45.5% return
- Renewed Gifts 70% retention rate

# Q&A

**Donors don't give to institutions. They invest in ideas and people in whom they believe.**

*- G.T. Smith*

**Fundraising is the gentle art of teaching the joy of giving.**

*- Hank Rosso*

**In good times and bad, we know that people give because you meet needs, not because you have needs.**

*- Kay Grace*