An Integrated Approach to Find the Money to Fuel Your Mission

Isabella (Boo) Martin of I Martin and Associates
November 10, 2019
Why I Wanted to Do This Presentation

• To help you and your center have the tools to create a well organized, consistent, integrated, common-sense and successful Development Plan to make your program to flourish;

• To encourage a Culture of Philanthropy at your center....Fundraising is a TEAM SPORT!

• To provide a methodology to help match the fundraising opportunities that fit your organization’s stage to foster more success finding money to fuel your mission.
Getting Up Close and Personal with Major Donors...

Identification...

Stewardship...

Solicitation...

Retention...
Why Are We Here?

• Programs are never able to charge enough to cover our expenses!
• Without fundraising, our programs will not be sustainable!
• People and animals will not be served!
The Keys To Successful Fundraising

Organizational Stage
  Diversification
  Statistics
  Donor Pyramid
  Planning
  Implementation
Organizational Life Stages

Figure 1.
The Model of Nonprofit Organization Life Stages

- Stage One: Imagine and Inspire
- Stage Two: Found and Frame
- Stage Three: Ground and Grow
- Stage Four: Produce and Sustain
- Stage Five: Review and Renew

There are five nonprofit life stages. An organization can move into decline and dissolution from any one of those stages.
Diversify Your Fundraising...
“Don’t Put All Your Begs in One Askit”

- Capital Campaigns
- Corporate Support
- Digital (On Line) Fundraising
- Direct Mail/Annual Giving
- Earned Income
- Grants
- Major Gifts
- Membership Campaigns
- Phone-a-Thon
- Planned Giving
- Special Events
Common Mistakes Made by Nonprofits

• NO written plan with specific time lines, responsibilities and diversity
• Over-dependence on Grants
• Mis-aligned Goals
• Limited Engagement in Community
• Lack of Positive PR
• Over-identification with One Face vs Team
• Weak Board Involvement in Solicitation
• ***No Laser Focus on Major Donors
What Do the Statistics Tell Us?

Who is Donating?

- Individual Donors 72%
- Foundations 16%
- Bequests 8%
- Corporations 4%
Focus on Major Donors!
Who is a Major Donor?

The following graphs and statistics are from the 2018 US Trust Study of High Net Worth Philanthropy by the Bank of America Credit U.S. Trust, Bank of America Private Wealth Management Team partnering with Indiana University Lilly Family School of Philanthropy.
Portraits of Generosity

• Major Donors are your primary givers.

• Donor Profile varies upon your organization’s stage of development, size, and location.
Who is Giving?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Age</th>
<th>Year of birth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation Z</td>
<td>9 to 23</td>
<td>1996-2010</td>
</tr>
<tr>
<td>Millenials</td>
<td>24 to 38</td>
<td>1981-1995</td>
</tr>
<tr>
<td>Generation X</td>
<td>39 to 54</td>
<td>1965-1980</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>55 to 73</td>
<td>1946-1964</td>
</tr>
<tr>
<td>Silent Generation</td>
<td>74 to 94</td>
<td>1925-1945</td>
</tr>
<tr>
<td>The Greatest Generation</td>
<td>95 and older</td>
<td>1910-1924</td>
</tr>
</tbody>
</table>

WHO IS GIVING?

PERCENT GIVING TO CHARITY IN 2017

- Women: 93%
- Men: 87%

- Millennials: 84%
- Older than millennials: 91%
- African American: 92%
- Asian American: 85%
- Hispanic: 89%
- White: 90%
- LGBTQ: 87%
- Non LGBTQ: 90%
Major Donors Give A LOT!

**Percent of Households Giving to Charity Among High Net Worth Households**
- Total: 90%
  - Secular: 85%
  - Religious: 49%

**Percent of Households Giving to Charity Among General U.S. Households**
- Total: 56%
  - Secular: 47%
  - Religious: 34%

*Source: Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households.*
Race and Ethnicity

“While Baby Boomers, and the Silent Generation born before them, are still very much active in American society, Millennials already are imprinting their own values and priorities on the way wealth is created, used and distributed.”
Why Donors Give

**Extent to Which Giving Decisions in 2017 Reflected Personal Values Among High Net Worth Donors Who Gave in 2017**

- Completely: 43%
- A lot: 33%
- A little: 19%
- Not at all: 4%

**Factors That Led, or Would Lead in the Future, to Decisions About Contributing to a Particular Cause or Organization Among All Respondents**

- Personal values: 74%
- Interest in the issue area: 57%
- First- or second-hand experience benefiting from organization: 54%
- Recognizable or reputable nonprofit: 50%
- Perceived need of the organization or issue area: 49%
- Association with another institution: 26%
- Nonprofit report rankings: 18%
- Endorsement, recommendation, or pressure from a friend/social circle: 10%
- Compelling pitch (in-person or collateral): 9%
How Do Donors Decide WHO To Give To?
Where Donations Are Going

PERCENT OF HIGH NET WORTH HOUSEHOLDS GIVING BY CHARITABLE CATEGORY – 2017 VS. 2015
2015-2017

1. Basic needs: 54% (63%)
2. Religious or spiritual: 50% (49%)
3. Health care or medical research: 40% (36%)
4. Combined charities*: 38% (31%)
5. Youth or family services: 29% (36%)
   Other**: 24% (25%)
6. Disaster relief efforts: N/A in 2015 (25%)
7. Animals: 33% (25%)
8. Education (K-12): 24% (33%)
9. Arts, culture: 27% (24%)
10. Higher education: 22% (31%)
11. Environment: 21% (20%)
12. International aid: 11% (11%)
The More Personally Involved…the Better

“Personal engagement is a powerful way to generate impact, both on the organization and on the fulfillment level of the volunteer.”

Claire Costello Managing Director, National Practice Executive, Philanthropic Solutions Group U.S. Trust
Desired Attributes of a Nonprofit

**Organizational efficiency and governance factors**
- Spends reasonable amount of gift on administrative and fundraising expenses: 65%
- Demonstrates sound business practices; full disclosure of financial statements: 60%
- Communicates specific impact of gift and outcome effectiveness: 25%

**Trust and privacy factors**
- Doesn’t distribute name to others: 59%
- Honors request for privacy or anonymity: 53%
- Honors request for how gift is used: 45%

**Communications / follow-through factors**
- Provides receipt for tax purposes: 46%
- Sends thank you note: 18%
- Sends ongoing communications (e.g., newsletter): 9%
- Makes future requests with financial limits: 7%
### Current Confidence in Societal Institutions

**Extent to Which the Wealthy Have Confidence in Societal Institutions and Individuals - 2017 vs. 2015**

*Among all respondents*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Some Confidence</th>
<th>A Great Deal of Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit organizations</td>
<td>68%</td>
<td>31%</td>
</tr>
<tr>
<td>Individuals</td>
<td>59%</td>
<td>22%</td>
</tr>
<tr>
<td>Religious institutions</td>
<td>42%</td>
<td>14%</td>
</tr>
<tr>
<td>The President/Federal executive branch</td>
<td>45%</td>
<td>8%</td>
</tr>
<tr>
<td>The Supreme Court/Federal Judiciary</td>
<td>54%</td>
<td>9%</td>
</tr>
<tr>
<td>Small- to mid-sized businesses</td>
<td>58%</td>
<td>12%</td>
</tr>
<tr>
<td>Large corporations</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>State or local government</td>
<td>55%</td>
<td>5%</td>
</tr>
<tr>
<td>Congress/Federal legislative branch</td>
<td>36%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*2015 vs. 2017*
Reasons Not to Give

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't want to give</td>
<td>31%</td>
</tr>
<tr>
<td>Family needs are a higher priority</td>
<td>27%</td>
</tr>
<tr>
<td>Don't have a connection to an organization</td>
<td>20%</td>
</tr>
<tr>
<td>Don't have the resources</td>
<td>13%</td>
</tr>
<tr>
<td>Wasn't asked</td>
<td>13%</td>
</tr>
<tr>
<td>Don't know</td>
<td>12%</td>
</tr>
<tr>
<td>Plan to do all giving at the end of life</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
<tr>
<td>Don't feel gift would make a difference</td>
<td>8%</td>
</tr>
<tr>
<td>Don't know which causes to give to</td>
<td>7%</td>
</tr>
<tr>
<td>Timing of request was not optimal</td>
<td>5%</td>
</tr>
<tr>
<td>The giving process is too complicated</td>
<td>1%</td>
</tr>
</tbody>
</table>
Why Donors STOP Giving

REASONS WHY DONORS STOPPED GIVING TO A PREVIOUSLY SUPPORTED ORGANIZATION
AMONG THOSE WHO DID NOT DONATE IN 2017 TO AN ORGANIZATION DONATED TO IN 2015

- The organization made too many financial requests, too close together: 41%
- Change in personalphilanthropic priorities: 25%
- Change in personal circumstances: 21%
- The organization was not effective or did not sufficiently communicate its effectiveness: 16%
- The organization changed leadership, its mission, or its activities in a way the donor did not want to support: 13%
- Project funding was completed or impact goal was met: 10%
- Amount of financial request was inappropriate: 9%
- The organization did not respect privacy / personal information: 8%
8 Important Themes from Donor Data

1. Charitable Giving grew 15% from 2015 to 2017

2. Women are at forefront of Philanthropic engagement with 93 %

3. Giving is being shaped by a diverse universe of donors

4. Donor’s direct involvement with organization impacts Charitable Giving

5. Higher degree of knowledge about charitable giving results in more giving
6. Donors have high expectations of the organizations they are supporting who demonstrate sound business and financial practices

7. Confidence in nonprofit organizations’ ability to address social issues remains strong...86% confidence level in NP ability versus decline in confidence in the Government or public sectors

8. Majority of wealthy donors plan to maintain giving despite recent tax law changes...84% expect to maintain giving at current levels with 4% will increase their giving
Are you convinced yet that Major Donors are the key????
Donor Pyramid: Key Principle of Effective Fundraising
“Rope ‘em in”… Fundraising is a team sport

• Board Involvement
• ED & DD Involvement
• Staff
• Volunteers
• Clients/Student/Family
• Community Members
• Donors
Make a Written Plan that’s Fun, Inclusive and Fits Your Stage of Development

### XYZ Organization
**Development Plan for 20XX**

#### Mission:
To engage our community in activities that strengthen our connection and strengthen our community.

#### Goal:
To raise $140,000 in revenue this fiscal year.

#### Strategy: Annual Appeal

| Goal(s): $20,000 / Encourage donations from past/potential supporters. |
| Note: Donations are calculated at $100 average. |

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Who</th>
<th>When</th>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Send annual appeal letter to supporters who have given over the past three years (500 people), with the goal of receiving donations from 50% (150).</td>
<td>Staff</td>
<td>March</td>
<td>$400.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>2. Send second letter to past supporters who did not respond to initial appeal.</td>
<td>Staff</td>
<td>June</td>
<td>$150.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>3. Call supporters who have donated for past two years, but have not yet responded.</td>
<td>Staff &amp; Board</td>
<td>August</td>
<td>$0.00</td>
<td>$2,000.00</td>
</tr>
</tbody>
</table>

**Subtotal:** $550.00 / $20,000.00

#### Strategy: New Member Acquisition

| Goal(s): $25,000 / Aquire 500 new members. |
| Note: Membership dues are calculated at $50/year. |

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Who</th>
<th>When</th>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conduct two direct mail campaigns, each to 5,000 prospective members, with the goal of gaining 300 new members.</td>
<td>Staff</td>
<td>May &amp; November</td>
<td>$2,000.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>2. Encourage board members to recruit two new members each month, for a total of 120 new members.</td>
<td>Board</td>
<td>Ongoing</td>
<td>$0.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>3. 10% of raffle ticket purchases become members, resulting in 40 new members.</td>
<td>Staff &amp; Board</td>
<td>Summer - Fall</td>
<td>$0.00</td>
<td>$4,000.00</td>
</tr>
</tbody>
</table>

**Subtotal:** $2,000.00 / $25,000.00

#### Strategy: Member Renewals

| Goal(s): $17,500 / Regain 70% (350/500) of lapsed members. |
| Note: Membership dues are calculated at $50/year. |

<table>
<thead>
<tr>
<th>Action Steps</th>
<th>Who</th>
<th>When</th>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Call lapsed members from the past year and encourage them to renew.</td>
<td>Staff &amp; Board</td>
<td>October</td>
<td>$0.00</td>
<td>$17,500.00</td>
</tr>
<tr>
<td>2. Give away free tickets to spring event to returning members.</td>
<td>Staff &amp; Board</td>
<td>Ongoing</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Reach for the Stars Preschool
Development Plan
January 1, 20XX – December 31, 20XX

Mission Statement: “To bring out the best in our children”

**Overall Goal – Secure $75,000 in annual gifts, grants and pledges**

**Context:** Reach for the Stars Preschool (RSP) has a 5 year history of trying to raise funds from donors. The Board has been very active in its fundraising efforts, and recently recruited several new board members with fund raising experience.

Last year, Reach for the Stars was selected as the state’s “Child care Nonprofit of the Year” and received free publicity through our local television station. Thanks to this recognition and resulting public relations activities, RSP is attending to increase the annual amount raised by 50%.

**Goal #1: Raise $25,000 from individual donors through the annual appeal**

- Mail annual appeal from Board Chair to current list of approx. 800 friends and members by Sept 15
  - Followup with 2nd letter written by Executive Director by Nov 1
  - Followup with 3rd letter written by Board Chair by Dec 10
- Promptly thank those who have given with a gift of $100 or more with personal note and/or phone call.
# ORGANIZATION DASHBOARD

<table>
<thead>
<tr>
<th></th>
<th>This Quarter</th>
<th>YTD</th>
<th>Budget/Goal</th>
<th>Mgmt Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$100,000</td>
<td>$500,000</td>
<td>$450,000</td>
<td>Excellent</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$125,000</td>
<td>$370,000</td>
<td>$425,000</td>
<td>Excellent</td>
</tr>
<tr>
<td>In-Kind Donations</td>
<td>$50,000</td>
<td>$75,000</td>
<td>$150,000</td>
<td>WATCH*</td>
</tr>
<tr>
<td><strong>Fundraising</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual fund</td>
<td>$10,000</td>
<td>$75,000</td>
<td>$100,000</td>
<td>WATCH</td>
</tr>
<tr>
<td>Major donor gifts</td>
<td>$30,000</td>
<td>$45,000</td>
<td>$50,000</td>
<td>Good</td>
</tr>
<tr>
<td>Special Events</td>
<td>$12,000</td>
<td>$25,000</td>
<td>$35,000</td>
<td>Good</td>
</tr>
<tr>
<td>Corporate Sponsorships</td>
<td>$10,000</td>
<td>$15,000</td>
<td>$20,000</td>
<td>Good</td>
</tr>
<tr>
<td>Grants</td>
<td>$5,000</td>
<td>$10,000</td>
<td>$50,000</td>
<td>WATCH*</td>
</tr>
<tr>
<td><strong>Program Impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># people served</td>
<td>1050</td>
<td>1500</td>
<td>2000</td>
<td>Good</td>
</tr>
<tr>
<td># meals served</td>
<td>5,500</td>
<td>7500</td>
<td>8000</td>
<td>Good</td>
</tr>
<tr>
<td># people referred to transitional housing</td>
<td>100</td>
<td>250</td>
<td>350</td>
<td>Good</td>
</tr>
<tr>
<td># rides provided</td>
<td>1250</td>
<td>7500</td>
<td>1500</td>
<td>WATCH</td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># newsletters produced</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>Good</td>
</tr>
<tr>
<td># website hits</td>
<td>10,000</td>
<td>25,000</td>
<td>35,000</td>
<td>Good</td>
</tr>
<tr>
<td># PSA’s aired</td>
<td>3</td>
<td>7</td>
<td>12</td>
<td>Good</td>
</tr>
<tr>
<td><strong>Board Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># board members who attended a training</td>
<td>3</td>
<td>6</td>
<td>10</td>
<td>WATCH</td>
</tr>
</tbody>
</table>
How to Identify, Steward, Solicit and Retain Major Donors
Identify

• Friend Raisers
• Volunteers
• Community Involvement
• Open Houses
• Annual Giving Campaigns
• Corporate Interest...see Chambers, Rotary, other Fundraisers
• Grantors...People give to People...
• Special Events
• State and Regional Nonprofit Associations
Steward, Steward and then...
Steward Some MORE!

Fundraising is about Relationships.....

- Write me and I give $1.
- Call me and I give $2.
- Come visit me and I give $10.
Stewardship Galore...“Skin On”

• Write ALL Major Donors a hand written note!
• Thank you from a parent, a rider, a horse!
• Call to check in
• Email to say how “Nice to see you, Meet you, Be with you”
• Be “Out and About” at the Bank, the Bakery, the Barbeque
• Special visit to their home or the farm
• Give out ribbons and help judge a fun class at the horse show

• Highlight key donors in the newsletter or newspaper (with their permission of course)
• Give them some swag or special designation when they come to the facility
• Put their picture on the classroom wall or the horse’s stall door
• Put a name plate on a paver, a bench, a flower garden
• Put a plaque on the ring fence
• Special Head Table as guests of honor at the fundraiser
Stewardship = Connection

• Make a major donor feel genuinely valued
• Connect the donation with the impact

• Do not be the college kid...
The Solicitation

- Know your donors
- Work smarter, not harder
- Remember the Donor Pyramid
The Donor Pyramid: “Prospects”

All hands on deck!
The Donor Pyramid: “Paper”

- Paid staff and volunteers implement low-touch campaigns
- Data Base is key
- Annual or Bi-annual Appeals
The Donor Pyramid: “Parties”
Increasing Public Connection
Done with Board, ED, Staff and Committees

• Fundraisers….really are Friendraisers…Capture this information!
• Open Houses
• Exhibitions
• Horse Shows
Donor Pyramid: “People”
High Personal Connection, Focus of ED and Board Members

• Visits to Donor Homes or Offices
• One-on-One Farm Tours
• Select Appreciation Dinners
• Naming Opportunities
Where is Our Focus Going to Be???????????
3 Key Ways of Asking Major Donors

Largest Donors
• Pull out all the stops and bring your team pressed and dressed

Key Major Donors
• Pull up your boot straps and go alone

“All the Rest” of Major Donors
• Write personalized letter
• Follow-up with personal call

Regardless of Size of the Ask: PREPARATION IS KEY!!!
Road Map to the Major Donor Ask

Step 1: Plan your Ask!

What to Ask for?
Who goes to the Ask?
Where should the visit take place?
What to bring to the visit?
Who makes the Ask?
Road Map to the Ask

Step 2: Choreograph your plan

• Who is the designated Lead?
• What contribution will each person on your team make?
• When to present materials?
• Who closes the deal?

Step 3: Work your plan!
On the phone…
Make Donors Feel Special

• Personalized letter alerting them to the call
• Preparing for the call and determining the Ask
• Making the call, prepared with personal information, such as their child’s or pet’s name
  • Ask if this is a good time to chat!
  • Have a basic script so call can be natural
  • Get to the Ask
• Follow-up with a note immediately recapping the Ask and their Response
Donor Pyramid: Retention

• Thank!!!! Note, signature, little fun personalized message on bottom of form letter...IRS Charitable Recognition for their tax prep

• #1 reason people don’t give is that they were not asked. #1 reason people don’t give again is that they were not thanked!
And MORE Retention...

• Connect
• Re-Connect
• Deepen the Relationship
• Steward
• The Process is Ongoing Forever and Ever!!!
Moving Donors Up The Donor Pyramid

Prospects $0

Lower-level Donors $1-100

Mid-level Donors $101-999

Major Donors $1000 &↑
Key Points

• PEOPLE GIVE TO PEOPLE!!!
• Focus on Major Donors
• Fundraising is short term
• Development is for the long haul
• Never stop developing
  Relationships and Connections!!!
Good Luck and Thank YOU!

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