MONEY IS THE ROOT OF ALL EVIL

In for a dime, in for a dollar

Money makes the world go round

A fool and his money are soon parted

Money doesn’t grow on trees

I want money, that’s what I want

Money is the mothers milk of politics
Strategic Fundraising: Models that Work

National Center for Victims of Crime
National Conference 2012

Beth Grupp
President
Beth Grupp Associates
Fundraising Strategy

1. WHAT are we doing - **Impact and Program**
2. WHERE are we going – **Goals**
3. WHO are we asking – **Target Donors**
4. WHY will donors give – **Message**
5. HOW will we ask – **Fundraising Tools**
6. WHO will ask – **Messenger**
7. HOW will this get done – **Infrastructure**
8. WHEN will it happen - **Time Line & Action Items**
CURRENT STATE OF GIVING
Giving 2011: $298.42 Billion

- Individuals: $217.79 billion
- Foundations: $41.67 billion
- Bequests: $24.41 billion
- Corporations: $14.55 billion

Source: Giving USA Foundation
Giving 2011: $298.42 Billion

Source: Giving USA Foundation
2011: Breakdown by Recipient

(£s in Billions of Dollars)

- Religion: 95.88
- Education: 38.87
- Human Services: 35.39
- Foundations: 25.83
- Health: 24.75
- International Affairs: 22.68
- Public Society: 21.37
- Arts/Culture: 13.12
- Environ/Animals: 7.81

Source: Giving USA
Percentage of Discretionary Income Given to Charity

- **$70,000+**: 3.3%
- **$50,000 - $69,9999**: 5.6%
- **$30,000 - $49,999**: 8.9%

Source: Bureau of Labor Statistics; Chronicle of Philanthropy, May 1, 2003
Percentage of Discretionary Income Given to Charity

White - 6.4%
African Amer. - 8.6%
Hispanic - 5.7%
Asian - 3.9%
All - 6.4%

Source: Bureau of Labor Statistics; Chronicle of Philanthropy, May 1, 2003
Fundraising MYTHS
Fundraising Myths

It is easier to do low-dollar fundraising than high-dollar fundraising
Fundraising Myths

It is easier to do low-dollar fundraising than high-dollar fundraising.

Fundraising is hard because there is fierce competition for limited dollars.
Fundraising Myths

Fundraising is hard because there is fierce competition for limited dollars

Only the rich give
Fundraising Myths

Only the rich give

Good fundraising is good schmoozing
Fundraising Myths

Good fundraising is good schmoozing

Good fundraising is good arm-twisting
Fundraising Myths

Good fundraising is good arm-twisting

All we need is a story in the New York Times
Fundraising Myths

All we need is a story in the New York Times

All we need is Oprah
Fundraising Myths

All we need is Oprah

Once someone has given, it's rude to ask for more
Fundraising Myths

Once someone has given, it's rude to ask for more

People will give if the cause is worthy enough
Fundraising Myths

People will give if the cause is worthy enough

People are motivated by charity and altruism
Donor Self-Interest
“What’s in it for me?”
Donor Self-Interest

WHAT’S IN IT FOR ME?

- Work
- Friends
- Community
- Identity
- Values
- Family
- Attitude

Individual Donor
Donor Self-Interest

Based on a model Developed by Dee Ertukel
Fundraising Attitudes

“A Fool and His Money are Soon Parted”

“Money makes the World go Round”

“Money is the root of all Evil”
Growing Your Donor Base
## Networking from the Core

<table>
<thead>
<tr>
<th>People in Your Circle</th>
<th>Prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane Smith - Board Member</td>
<td>Mary Moneysworth</td>
</tr>
<tr>
<td>Adam Gomper - Donor</td>
<td>Giving It Away Fnd.</td>
</tr>
<tr>
<td>Maria Estevio - E.D. of allied org.</td>
<td>Polly Goodsister</td>
</tr>
<tr>
<td>Milton Johnson - Investor</td>
<td>Major Dollares</td>
</tr>
</tbody>
</table>
Connectors Model

- Highly regarded
- Credible
- Well-networked
- Visible
- Trusted
- Have a reason to want to help you
- Will return your phone call
## Matching Connectors with Prospects

<table>
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<th>Prospects</th>
</tr>
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<tr>
<td>Jane Smith - Board Member</td>
<td>Mary Moneysworth</td>
</tr>
<tr>
<td>Adam Gomper – College friend</td>
<td>Shara Windfall</td>
</tr>
<tr>
<td>Maria Estevio – Member of Congress</td>
<td>Polly Goodsister</td>
</tr>
<tr>
<td>Milton Johnson – Donor</td>
<td>Major Dollares</td>
</tr>
</tbody>
</table>
**Scenario: Call Time**

You are the Executive Director of a small non-profit. You are usually always short on cash and have recently decided to get out of the hand-to-mouth cycle and put time and energy into increasing your donor base.

Your board chair, Anita Brake, has collected the names of 50 wealthy individuals and foundations. She feels strongly that the next step should be for you to cold call through the list to see if anyone will give you funding.

**Is this a good use of your time? What do you do?**
Developing and Upgrading Major Donors
Recognition and Stewardship: Say Thank You

- Each and every donor regardless of gift size must be thanked promptly in writing
- Call to thank major donors
- Use Visibility and Recognition to motivate donors
- Ongoing Stewardship is the process of cultivating the next gift
- Relationships are the key to successful fundraising
Recognition and Stewardship:
Say Thank You

As the relationship with the donor grows, so does his/her giving. Gifts increase in size the closer the human interaction and involvement. Personal visits generate higher gifts and commitment than phone calls, and phone calls generate higher gifts than the mail.

More human contact and connection, increases the return in fundraising.
Donor Engagement

- Thank
- Praise and Acknowledgment
- Ego - feeling important - a leader
- Ego - feeling important – needed
- Visibility and Recognition
- Making a critical difference
- Competition
- Part of a team
- Feel like insiders
- Professional contacts
- Social
- Fun
Best Practices: Donor Upgrading

- Deepen Personal Relationship – People give to people
- Increase sense of connection to project, community you serve, etc.
- Demonstrate success (touch, feel, see)
- Donors need to feel useful, essential, involved
Scenario: *Donor Development*

One of your board members hosts an outreach party. There is one person in particular who has the potential to be a major donor. You chat briefly with the donor, exchange information, and then the event ends.

The next day, you call your host to learn more about the prospect. Your hosts insists that the donor is an easy touch and all you need to do is to call and ask for the donation.

Is this a good idea? What would you do?
The Major Donor Ask
# The ASK: Anatomy of a Major Donor Visit

1. **Casual Conversation** - Build Relationship
2. **Reference points for relationship**
3. **Introduce Organization**
4. **Formal Presentation** - Macro to Micro
5. **Get Feedback** - Ask Questions!
6. **General Discussion** – Explore self-interest; Look for the match
7. **The Ask**
   - Say a number!
   - Stop!
   - Listen!
8. **Next Steps**
9. **Thank/Develop**
EVENTS
## Scenario: Fundraising vs. Outreach

<table>
<thead>
<tr>
<th>Event #1</th>
<th>Event #2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Format:</strong> Large cocktail party; wine and cheese</td>
<td><strong>Format:</strong> Small lunch; catered three-course meal</td>
</tr>
<tr>
<td><strong>Location:</strong> Downtown Hotel</td>
<td><strong>Location:</strong> Home of board member</td>
</tr>
<tr>
<td><strong>VIPs:</strong> Local Mayor, local TV news personality</td>
<td><strong>VIPs:</strong> None</td>
</tr>
<tr>
<td><strong>Cost:</strong> $50 per person</td>
<td><strong>Cost:</strong> $500 per person</td>
</tr>
<tr>
<td><strong>Invitees:</strong> Friends of the organization</td>
<td><strong>Invitees:</strong> Friends of two board members</td>
</tr>
<tr>
<td><strong>Projected Attendance:</strong> 100</td>
<td><strong>Projected Attendance:</strong> 5</td>
</tr>
</tbody>
</table>

Which is the better event?
Event Assessment Questions

1. Who will BUY the tickets? Why?

2. Who will SELL the tickets? Why?

3. Given your target group, where and when should you have the event?

4. Given your target group, what program components would be compelling (e.g. food, celebrity, entertainment, etc.)

5. How much will your event cost? How much will you raise? How much will you net? Is this event worthwhile?
Scenario: Event Assessment

Your organization has decided to put on a fundraising event. Cara Lot has gone right to work and found a caterer who will donate the food for free, a hotel who will donate their best ballroom for free, a printer who will donate the costs of the invitations, and she has convinced the Mayor to put the event on her schedule.

In addition, one of your board members has gotten hold of a list of 1200 donors who give $100+ to the symphony.

Does this mean you have everything you need for the event?
What key questions need to be answered?
Scenario: *The Event*

The staff and board are very excited. Your board chair, John Amazingo, has gotten Stevie Wonder to agree to appear at a fundraising event for you.

What's more, Wonder will be in town the same week that you are releasing a major news story and the timing could not be better.

The board is thrilled. The staff is thrilled. This is the big break you have been waiting for. You are asked to put together a fundraising event.

Is this a good idea? How do you decide? What do you do?
The Case Statement

- Why should I give you my money?
- Problem/Solution
- What is UNIQUE about your organization –
  - What do you have to “sell” than no one else has
- How will the world be different as a result of the donation I give you?
- Why YOU?
- Why NOW?
Message

- **Start Where They Are - Their Benefit/Interest**
  Begin with the donor's own set of interests, attitudes, and values. Ask questions!

- **Program, not Need**
  Talk about what you are doing, not about the fact that you need money.

- **Keep it Short**
  Be concise and get to the point.

- **Speak from your heart**
  Use your own passion to set the tone and guide the language.
Message

- Ask for a specific amount
  Your ask must include an actual dollar amount.

- Ask a question and get an answer
  "Close" the sale by asking a specific question and then waiting until you get a clear answer.

- Stop

- No Apologizing
  Remember that you are giving them an opportunity to do something wonderful!
Message

1. State Benefit

2. Prove Viability

3. ASK!
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STRATEGIES FOR SUCCESS
Donor Development

Step 1 - Identify Prospects

Step 2 - Prioritize Prospects
- Ease of outreach
- Potential for donation
- Easy money first

Step 3 - Initial Contact
- Who can make the initial approach
- Avoid first contact being completely cold

Step 4 - Explore Initial Interest
- Assess level of their initial interest
Donor Development

Step 5 - Cultivation: Provide Additional Information
- print (internal and external assessments)
- image (photo, video)
- in-person
- direct program experience

Step 6 - Cultivation: Build Personal Relationship
- identify individual to be primary contact (should be the one who will ultimately ask for donation)
- personal visits
- phone calls
- inclusion in relevant activities
Donor Development

Step 7 - Build Circle of Support
- Find other people to lend support to the program
- Expose prospect to peers who support the program

Step 8 - Ask
- Be sure you are dealing with the decision maker
- Ask for a specific amount within a specific time frame
- Ideally ask for a specific program need
HOW: TOOLS
Fundraising Tools

- Special Events
  - Auction (silent)
- Structured Giving Levels
- Planned Giving
- E-Mail/Internet
- Website
- Service Events
  - Bake sales, car washes
- Mail
- In-Person Visits
- Phone - Paid/Volunteer
- Government

- Direct Response Marketing
- Merchandising
- Foundations
  - Large, national
  - Small, family
- Corporations
  - National chains
  - Local Businesses
- Work place giving (CFC, United Way)
- Drives
  - Raffle
  - Canvassing/Blitz
  - A-thons
High-Dollar Giving Structure: Donor Circles

1. What levels of giving do we want to establish ($1,000, $100,000)?

2. How many levels of giving do we want to manage?

3. What motivational devices can we develop and offer?

4. What specific program components can we isolate for donors to "buy"?

5. Short-term goals (next 1-2 years)

6. Long-term goals (next 3-5 years)

7. What branding do we want to give to each giving level? To the program overall?
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