



FUNDRAISING TRENDS

*Best Practices
in a nutshell*

AGENDA

- I. Fundraising Overview
- II. Fundraising Facts and Figures
- III. Basic Fundamentals for Fundraising Success
- IV. Best Practices I've learned and use every day

FUNDRAISING OVERVIEW

fundraising- (noun) the raising of assets and resources from various sources for the support of an organization or a specific project.

FUNDRAISING IS ABOUT RELATIONSHIP BUILDING

1. Your job is to connect like minded donors to your organization mission and goals so it's a win-win for both involved.
2. You will move your mission forward by ensuring that your fundraising methods adhere to ethical standards

THINGS YOUR ORGANIZATION SHOULD HAVE BEFORE YOU START

Organizational budget

Non-profit tax status

A donor tracking database

Create donor recognition policies

Individuals (staff, board, volunteers) who are trained in how to ask for money

Knowledge of available funding sources

Basic materials about the organization

- Case Statement of need

Clarity and agreement about how the funds will be used

GIVING TRENDS FOR 2018

For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

\$410.02 billion

Where did the generosity come from?*

Giving by Individuals ↑ 5.2% **70%**
\$286.65 billion

increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

Giving by Foundations ↑ 6.0% **16%**
\$66.90 billion

increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

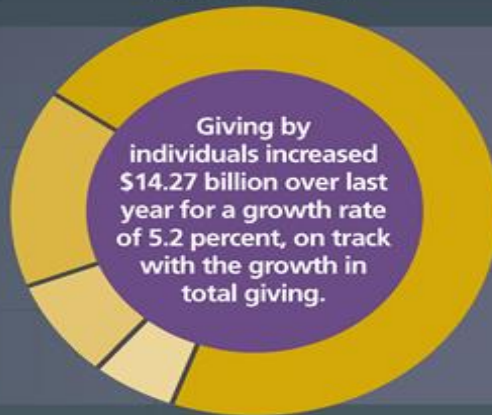
Giving by Bequest ↑ 2.3% **9%**
\$35.70 billion

increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

Giving by Corporations ↑ 8.0% **5%**
\$20.77 billion

increased 8.0 percent (5.7 percent when inflation-adjusted) over 2016

Contributions by source
(by percentage of the total)



Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*.

* All figures on this infographic are reported in current dollars unless otherwise noted.

Giving to arts was the second-fastest growing subsector, with an 8.7 percent increase over the previous year to a total of \$19.51 billion in 2017.

Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.

Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

31% **Religion** \$127.37 billion

14% **Education** \$58.90 billion

12% **Human Services** \$50.06 billion

11% **To Foundations** \$45.89 billion

9% **Health** \$38.27 billion

7% **Public-Society Benefit** \$29.59 billion

5% **Arts, Culture, and Humanities** \$19.51 billion

6% **International Affairs** \$22.97 billion

3% **Environment/Animals** \$11.83 billion

2% **To Individuals** \$7.87 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



BASIC FUNDAMENTALS FOR FUNDRAISING SUCCESS

Your leaders need to be on the same page about fundraising.

If you want robust revenue, then everybody in your organization – all the staff, board members, leaders of all types – need to understand and agree on certain fundamentals in your fundraising approach.

That's how you develop a **culture that supports philanthropy and fundraising**. That's how you develop the money you need to do your great work.

SUCCESS IN FUND DEVELOPMENT TAKES A LONG TERM CONSISTENT EFFORT

Success doesn't happen overnight.

Over time, your visibility spreads and your pool of donors gradually grows. The dollar returns build up and generate more and more revenues.

It takes consistency in your communications, and your contacts with donors and potential donors, to develop relationships that will generate bigger and bigger gifts.

***This means that:** you can't expect a fundraiser – or businesses – to come in out of the blue and immediately work miracles. They have to have something to work with.*

INVESTING IN FUNDRAISING MAKES MONEY FOR YOU. IT'S A PROFIT CENTER, NOT A COST CENTER.

Fundraising costs are not a black hole into which you pour money.

Instead, every dollar you spend in fundraising actually pays for itself – and brings in a multiple dollar return on your investment.

***This means that:** generally, investing one dollar in fundraising will probably yield 3-4 dollars back.*

I've seen plenty of CEO's squeeze the fundraising budget dry and then are unhappy when contributions drop off. They don't see the cause and effect. They don't understand that if they cut their direct mail budget and send out poor quality appeals, then giving will drop.

EVENTS ARE THE LEAST EFFICIENT WAY TO RAISE MONEY. WORKING WITH MAJOR DONORS IS THE MOST EFFICIENT

Smart nonprofit folks consider how much a particular fundraising strategy will cost in terms of time, money and effort, vs the amount of funding it will bring in.

The return on your investment from an event is typically 50%. Half of what you raise is eaten up with costs. Events are not the most efficient or effective ways to raise money.

The return on individual donor fundraising is much higher, only costing 10 cents on each dollar raised.

This means that: when you invest in major gifts staff or in capital campaign consulting, then you will probably get about a 10-1 return on your investment.

FUNDRAISING IS NOT ABOUT MAKING A “PITCH” TO A DONOR.

Some board members are terrified of fundraising because they think it involves an aggressive asking situation.

Not so!

The larger gifts come from long term happy relationships with donors who love us and who want to be involved. The conversations are gentle and easy, and based on the donor's wishes.

And smaller donors give because they feel connected and emotionally moved by an organization's story.

Fundraising is about the relationship with a donor – NOT about the pitch!

This means that: developing a trusting relationship with your donor is AS IMPORTANT as the asking conversation.

RETAINING YOUR CURRENT DONORS IS MORE IMPORTANT FINANCIALLY THAN FINDING NEW DONORS.

I know this doesn't sound logical, but think about it a minute.

Did you know that on average, 50-60% of your donors do not renew their gifts?

Did you know that **it costs up to 10 times more to secure a NEW DONOR** than it does to retain a CURRENT donor? So where do you think we should be spending our time, energy and our focus?

Donors think we are treating them like "ATM machines,". When we go to them for money, money, money, they resent it and reward us by dropping off.

Treat your donors like they are real people instead of wallets and you'll be rewarded with donor loyalty and long term gifts.

Engage them year round and not always about the ask!

This means that: the real high dollar opportunity is to work on retaining your current donors. That's how you build a sustainable funding base that you can count on year after year

INVESTING IN DONOR COMMUNICATIONS ALSO MAKES MONEY FOR YOUR ORGANIZATION.

The reason many donors don't renew is because they lost contact with your organization.

Good communications help prepare the donors for another gift.

Every nonprofit now needs a Donor Loyalty program with warm and fuzzy, regular touches to your donor base.

Then you'll keep in better touch with your donors, raise your renewal rates, and bring in more repeat, consistent gifts.

This means that: *your communications to donors have everything to do with whether they give again. If you cut your marketing budget, you'll probably see lower fundraising results.*

MAJOR GIFTS FROM DONORS ARE NOW MORE AVAILABLE THAN EVER BEFORE.

We're approaching the [Golden Age of Major Gift Fundraising](#). With the economic boom of the past few years, the wealthy are getting wealthier.

Look at all these huge collegiate campaigns. You might ask how are they raising billions and billions? Here's the answer – they are investing in huge major gift operations.

You actually have major donors lurking within your own donor files. But you have not identified them, and are probably treating them like small donors.

This means that: *If you make a commitment, and are willing to invest – you can enjoy the biggest payoff of all – robust major gifts for your cause.*

BEST PRACTICES I'VE LEARNED

1. Donor acquisition, retention, engagement, and stewardship still remain of utmost importance to drive charitable giving.
2. Progression of Giving
3. Fundraising lessons

PROGRESSION OF GIVING

Annual Fund Giving

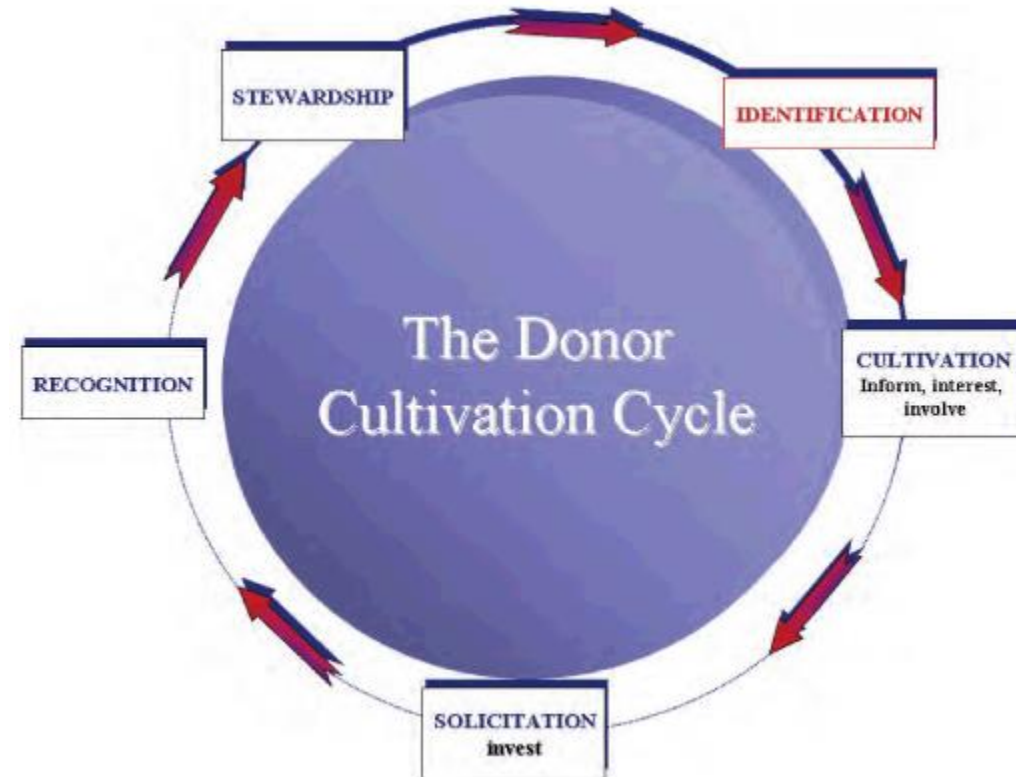
1. Little cultivation – Big Ask
2. Make this type of strategy automatic
3. Practice Moves Management- targeted personalized appeals

Major Gift

1. Deep Data Dive
2. Use the Donor Cultivation Chart

Planned Giving “Ultimate Gift”

1. 5-7 years of giving is a perfect candidate
2. R & D of planned giving opportunities
3. Connect with Community Foundations and local resources



FUNDRAISING LESSONS

1. Sit down and create a year long Fundraising Calendar
2. Find a balance between asking and communicating.
3. Scrub database every 90 – 120 days of duplicates and out of date info
4. Ask your top donors for advice- what they think is working and not
5. Set aside 1-2 hours a day to strategize
6. Be genuine and don't take it personal if a donor says no, it's not the right time for them but keep them in loop.
7. The worst thing they can say is no. You are not asking them personally you are asking on behalf of the organization.
8. Educate yourself in best practices, take classes, connect with other fundraisers and network