

Communication and Marketing for Nonprofit Fundraising

December 2, 2010
Afternoon Session

Alan R. Hutson, Jr., CFRE

Federal Reserve Bank of Richmond
& Nonprofit Learning Point
Richmond, Virginia

Small Group Art Project

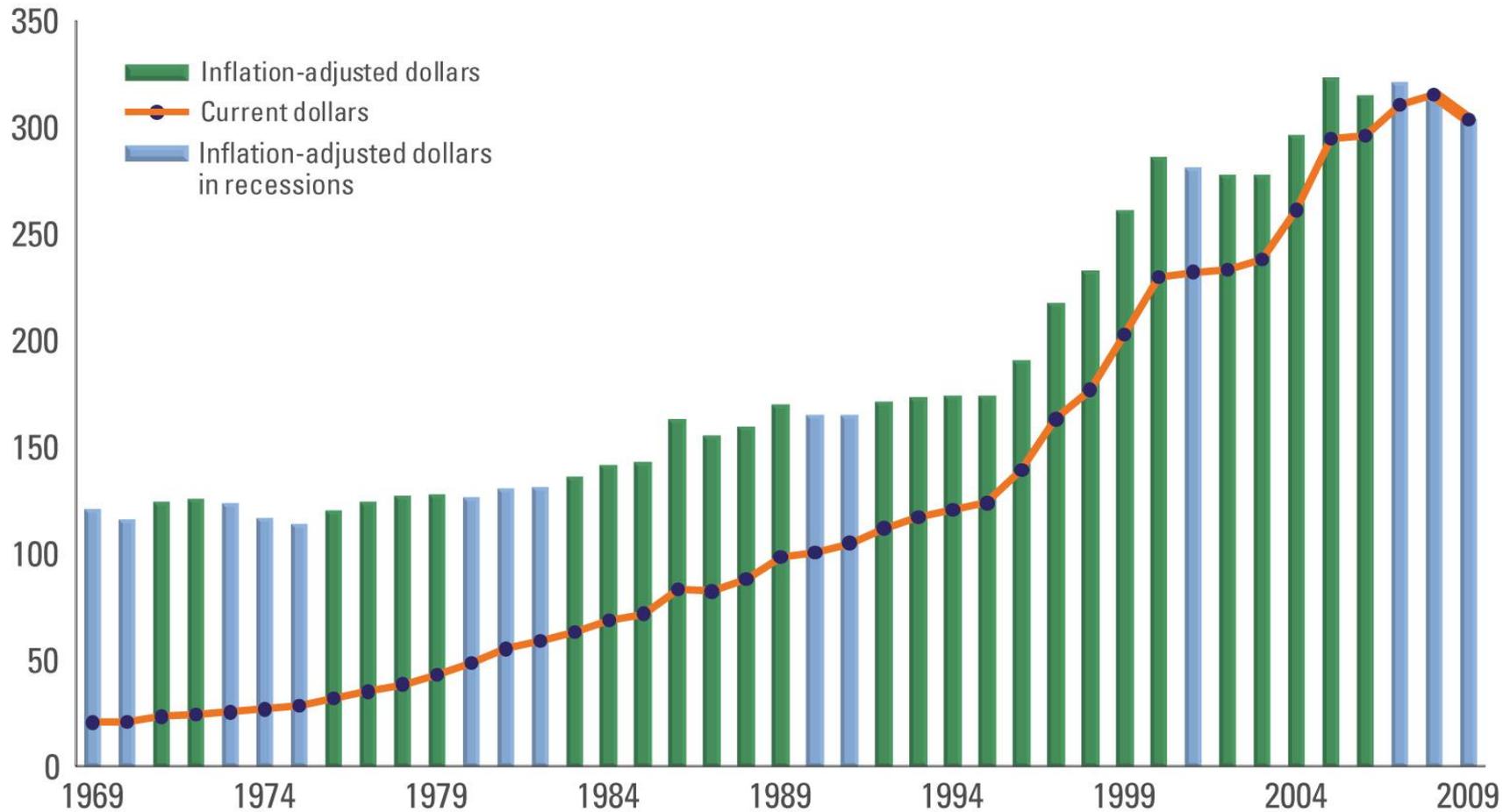
(5 minutes)

As a group at each table, draw a picture of what the word needs means in the context of the nonprofit world (without using any words).

Giving USA 2010 Crash Course

Total giving, 1969–2009

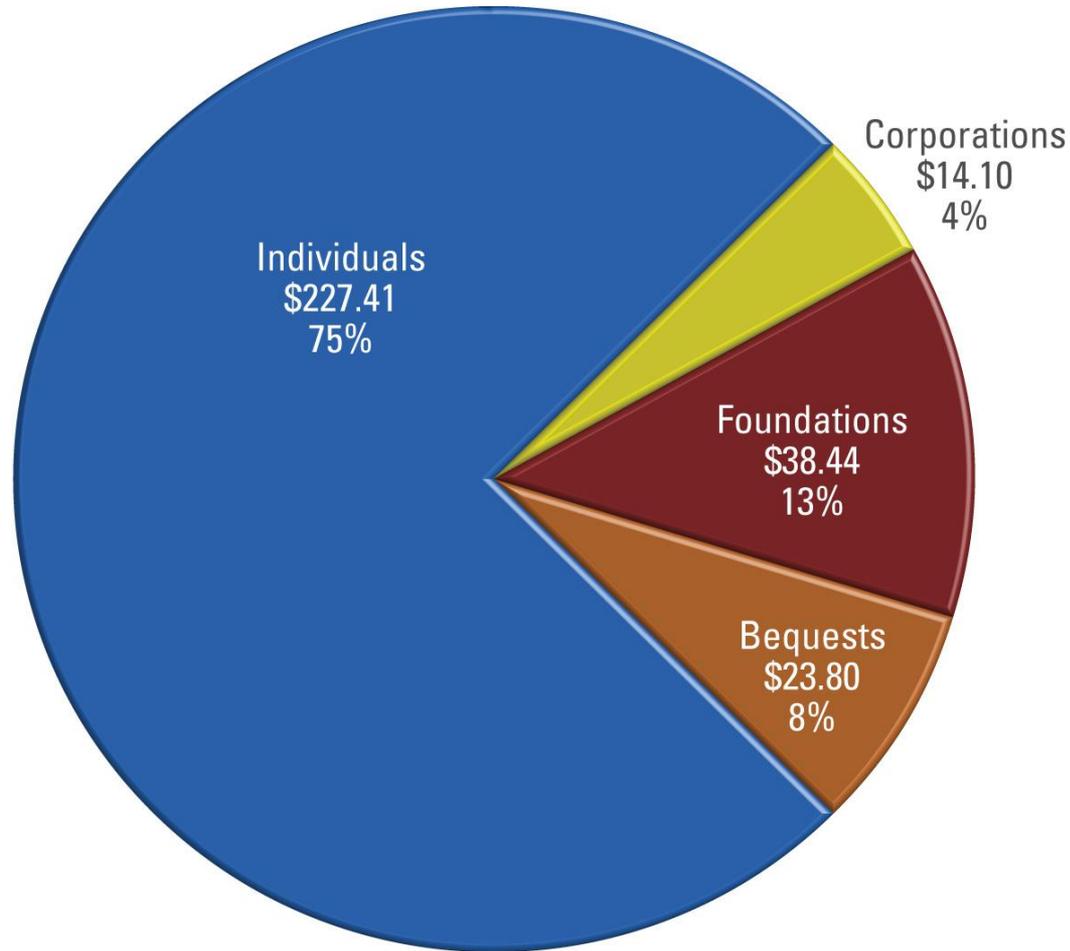
(\$ in billions)



2009 charitable giving

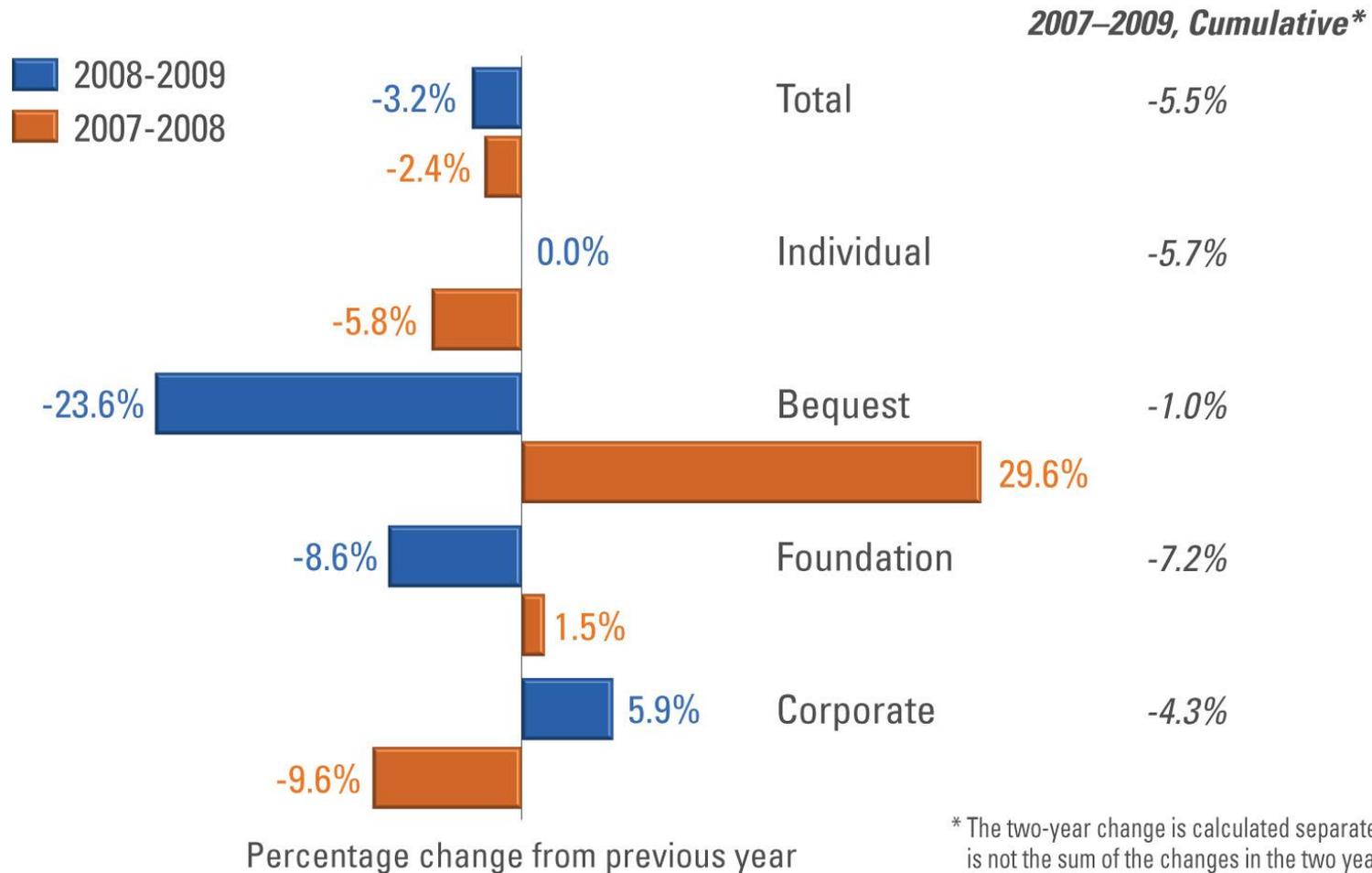
Total = \$303.75 billion

(\$ in billions – All figures are rounded)

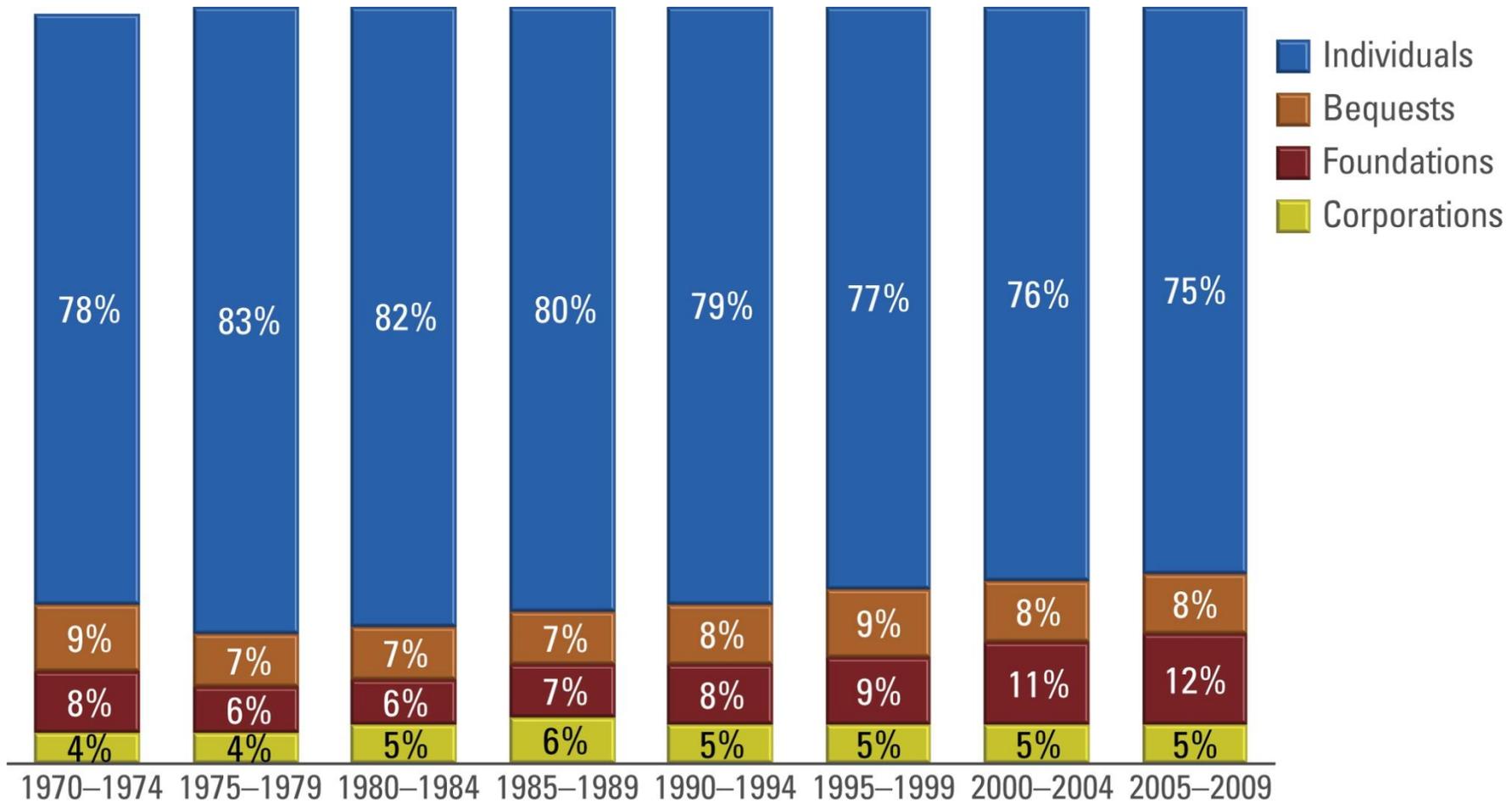


Changes in giving by source

Inflation-adjusted \$



Giving by source: Percentage of the total by five-year spans, 1970–2009



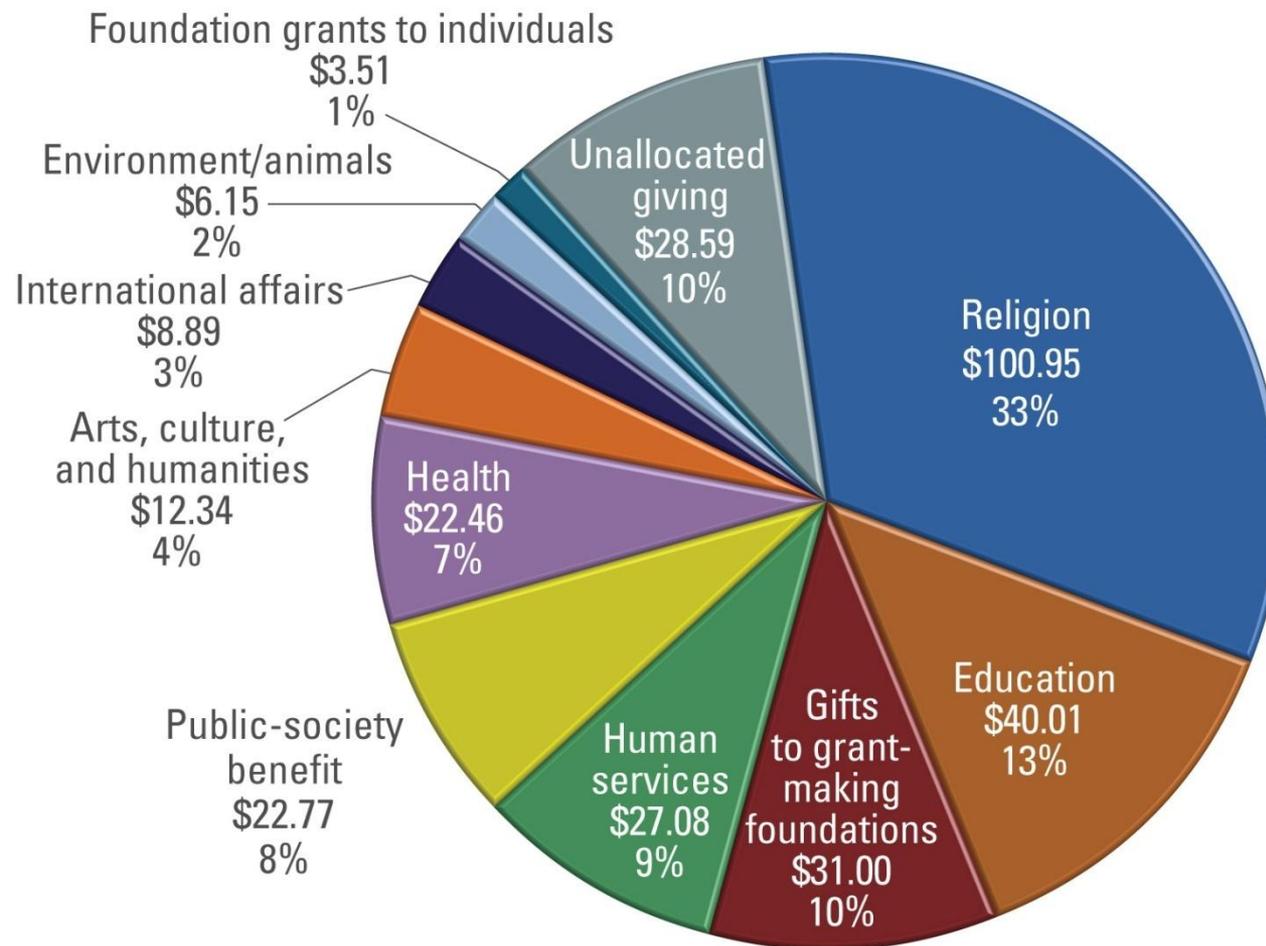
Sources of Contributions, 2009

- Total giving = \$303.75 billion.
- Decrease of 3.6 percent (-3.2 percent adjusted for inflation).
- Individuals remain the single most important source.
- Individuals + charitable bequests = 83 percent of total.
- Foundation grantmaking = 13 percent of the total.
 - About half of independent, community, and operating foundation giving is from family foundations.
- Individual + Bequest + Family Foundations = 89 percent.
- Corporate giving is an estimated 4 percent of the total.

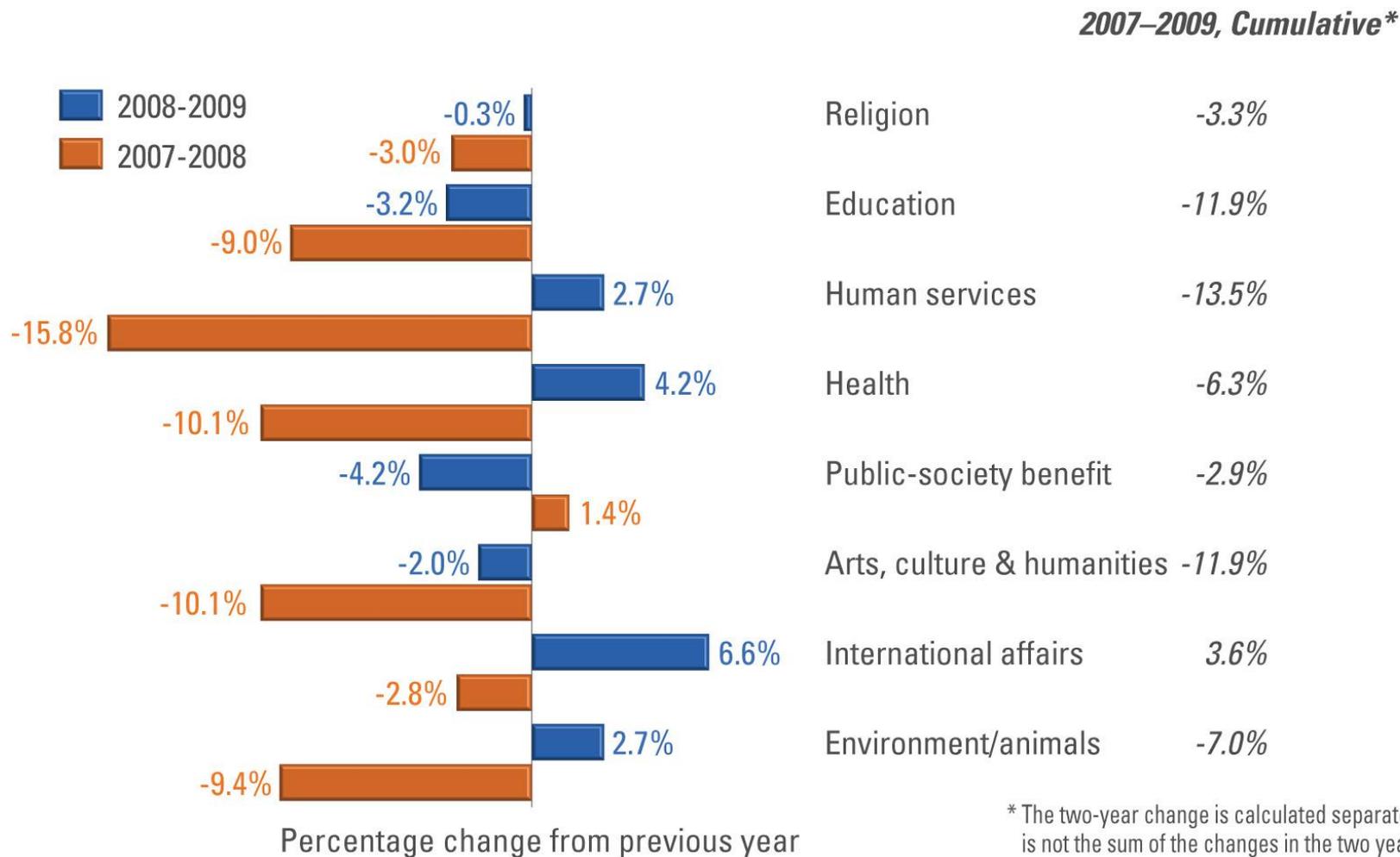
Types of recipients of contributions, 2009

Total = \$303.75 billion

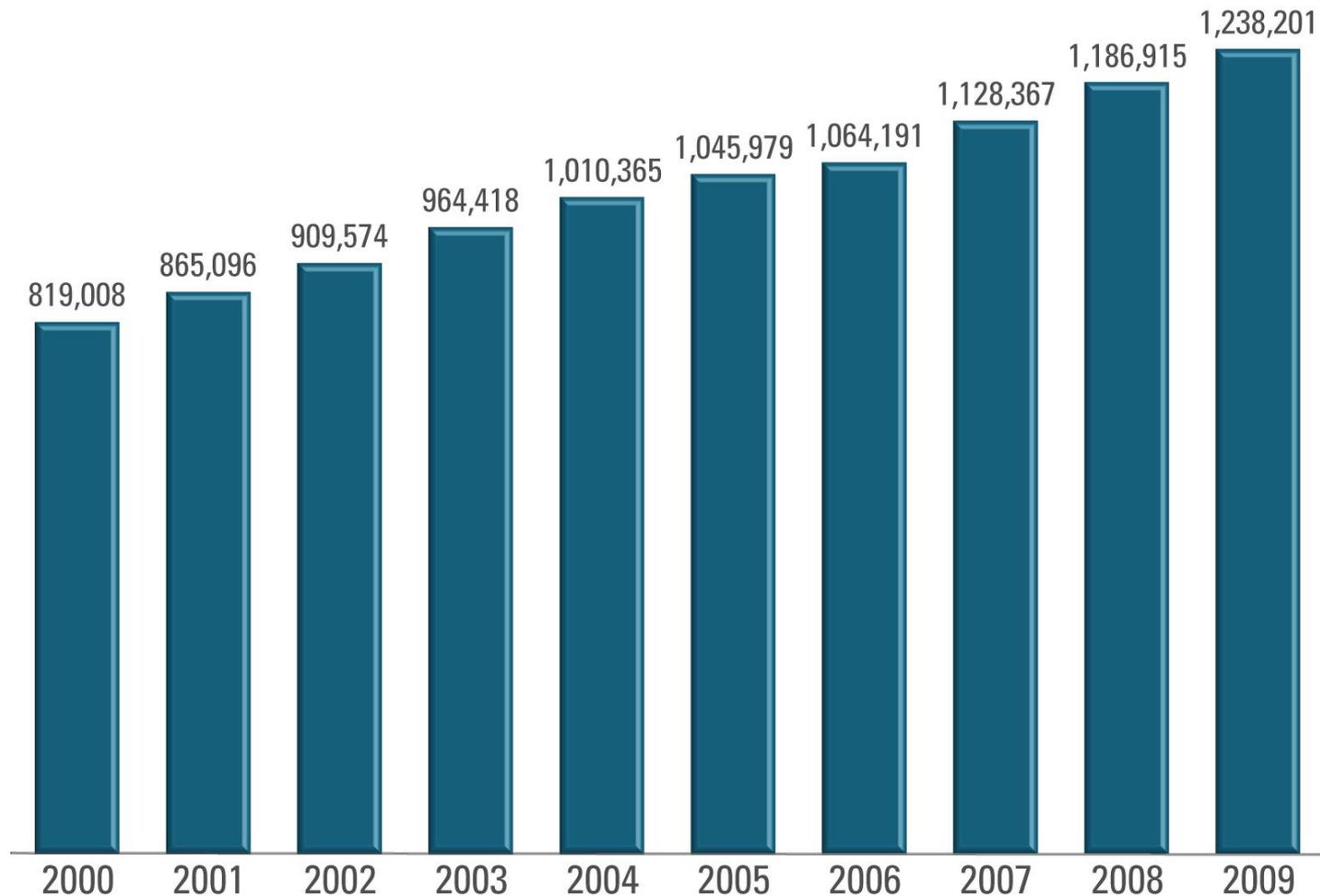
(\$ in billions – All figures are rounded)



Changes in giving by recipient organization, inflation-adjusted \$

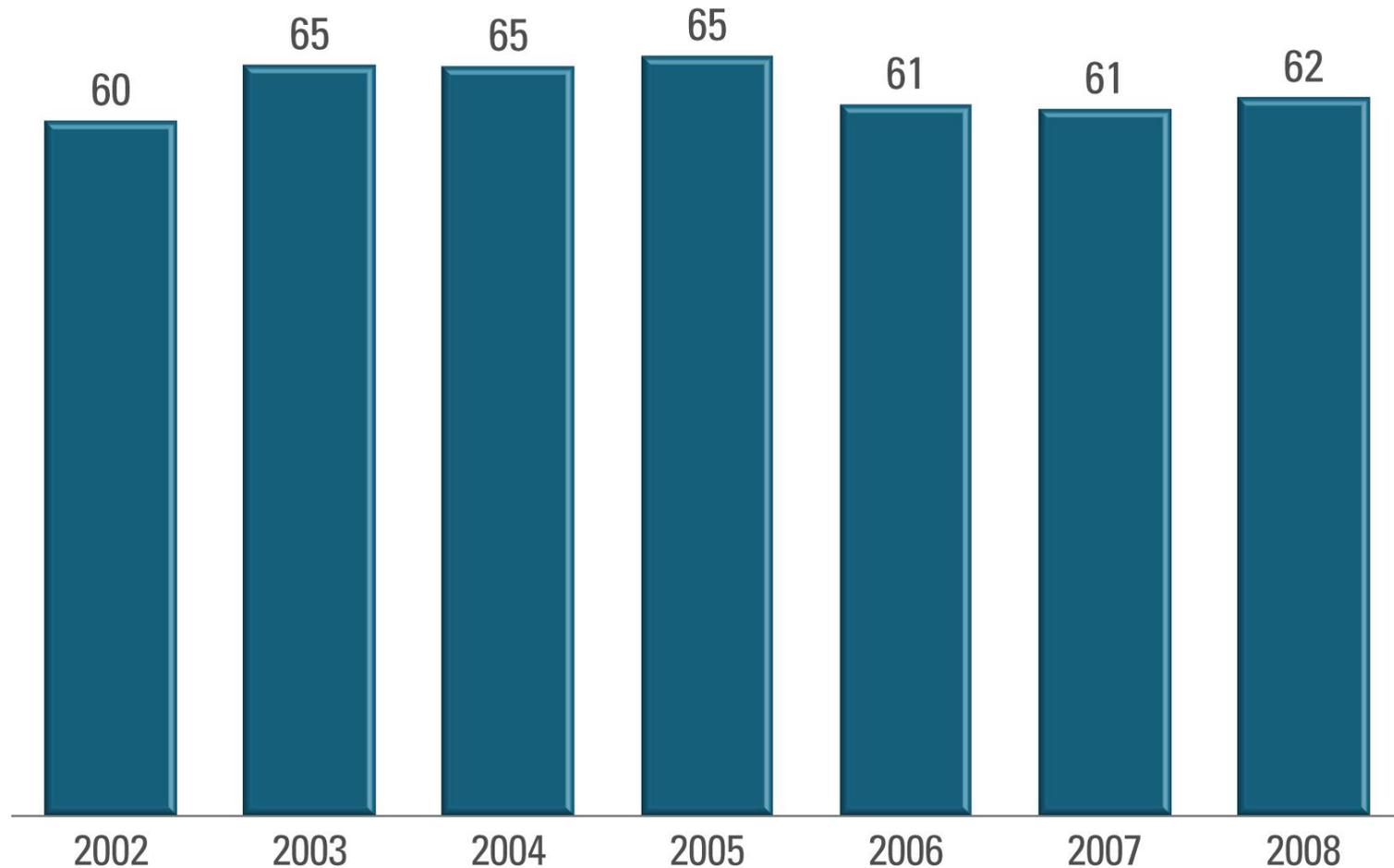


The number of 501(c)(3) organizations 2000–2009



Source: *Giving USA Foundation*TM / **GIVING USA 2010**

Number of volunteers in millions of people, 2002–2008



Source: *Giving USA Foundation*[™] / **GIVING USA 2010**

Economic & Demographic Trends

- Americans over age 50 control 70% of the wealth
- There are 3.1M millionaires living in the US and 6.9M living outside the US (World Wealth Report 2010)
- The wealthy give a smaller percent of their income, but in total dollars it's more
- 8% of charitable gifts are bequests (Giving USA, 2010)
- 55% of Americans do not have a will (Martindale-Hubbell, 2007)
- Intergenerational wealth transfer estimated to be \$41B by 2052 (Boston College, 2003)

Questions?

Needs

“I'm being quite useful. This thing is a Thneed. A Thneed's a Fine-Something-That-All-People-Need!”

- Dr. Seuss, *The Lorax* by Dr. Seuss.

Thneeds (think “the needs”)

- By your nonprofit conducting its business, whose needs are being met?
- When we talk about philanthropy or fundraising, whose needs are being met?

Meeting Your Donors' Needs:

- Listen your donors' motivations and passions
- Respond to those passions by telling them about your nonprofit in a language they understand
- Get their advice on your plans

What Does This Quote Mean?

“Donors not give because of need. They give because of hope.”

Fundraising Perspective

“When the paradigm shifts from asking for community support because an organization HAS needs, to asking for support because the organization MEETS needs, the tin cup disappears.”*

*** Kay Sprinkel Grace, *The Nonprofit Board’s Role in Setting and Advancing the Mission***

Interview

(4 min)

In pairs, share what you hope will result from your involvement in the nonprofit world.

What did we learn?

“They say that time changes things, but you actually have to change them yourself.”

- Andy Warhol

(1928-1987)

What Donors Want

- To be thanked in a timely and appropriate way
- To be recognized and treated as an investor in your organization
- To achieve a meaningful impact/outcome on a social problem or cause
- To be given assurance that the gift was stewarded properly
- To be able to realize their own aspirations through giving

Karla A. Williams, *Donor Focused Strategies for Annual Giving*, Aspen Publishers, 1997, p.74

Unit Costs

"We cannot solve today's problems using the mindset that created them."

-- Albert Einstein (1879-1955)

Paired Exercise: Create 5 Unit Costs for Your Nonprofit

(4 min)

For \$50, my nonprofit can do X.

For \$100, my nonprofit can do Y.

For \$1,000, my nonprofit can do Z.

etc.

Making the Ask

Fundraising Training

Some Basic Precepts:

1. 95% of fundraising is not complicated – we need to demystify it
2. To learn fundraising, we need to do fundraising
3. To understand the fundraising, we need to understand the donors' needs
4. Accountability is often a challenge – for ourselves, our staff, and our volunteers

What Are We So Afraid Of?

A Great Ask...

1. Connects with the donor's needs.
2. Acknowledges the donor's past involvement.
3. Makes it clear that you are asking for money and states the specific amount.
4. States why this money is needed.
5. Does not end in "or anything you can do is fine".

Paired Exercise: Practicing the Ask

(4 min)

1. Briefly tell them about your organization.
2. Ask for something specific.
3. Get their feedback on how you did.

Institutional Funding Sources

Finding Institutional Funding Sources

- Grants Connection
- Charity Navigator
- ConnectRichmond
- Corporate Philanthropy Report
- National Foundation Center
- Chronicle of Philanthropy
- Websites foundations and corporations
- Annual reports of foundations from corporations
- Donor lists from other peer organizations

Tips for Interacting with Institutional Funders

1. Do your research first! Know their:
 - giving priorities
 - geographic area served
 - size of grants they are willing to consider
 - black-out dates
 - proposal due dates
 - if they accept unsolicited proposals
 - organizations similar to yours that they have supported

Tips for Interacting with Institutional Funders

2. Call and discuss your proposal before submitting.
3. Remember that institutional funders love this work as much as you do.
4. They are looking for opportunities to say “yes.”
5. Be brutally honest with them. Tell the limits of your knowledge and disclose any risks in your plans.
6. If you do not get funded, call and ask for advice.
7. Think of them as a “Partner In Funding” -- and act accordingly.

Online Giving

- Turn-key products (e.g. Network for Good) versus PayPal
- Direct integration with your software
- How to promote
- Opportunity for monthly giving
- Why it's important regardless of how much you raise

Social Media

- Story-Telling and Passion
 - What is the real opportunity of Facebook, Twitter, etc.?
- Text Donations
 - Current cost
 - Where it's headed
- When do online giving and social media fail?

Ethics

“The most important persuasion tool you have
in your entire arsenal is integrity.”

-- Zig Zigler

Ethics

Sources of Ethical Guidelines:

- Donor Bill of Rights
- AFP Code of Ethical Principles and Standards
- Ethical Policy Statements within Your Organization
- The Gut Test
- The 60 Minutes Test

Ethics

Important Philosophical Question:

- Why do nonprofit professionals push the envelope with ethics sometimes?
- When a nonprofit professional pushes the envelope, what is at stake?

What does this quote mean to our work?

“A man without ethics is a wild beast loosed upon this world.”

-- Albert Camus

Fundraising Worst Case Scenario

Additional Resources

- AFP Ready Reference Series
- Books by Kent Dove
- CFRE Recommended Reading List (www.cfre.org)
- *Guerilla Marketing for Nonprofits* by Levinson, Adkins, and Forbes
- VCU's Certificate of Nonprofit Management
- Nonprofit Learning Point Classes (only \$45!!!)
- UR's Institute on Philanthropy
- AFP & VAFRE

Eating the Elephant

Where should we start?

Paired Exercise: Holding Ourselves Accountable

(3 min)

Based on what we learned today, commit to doing or changing at least 2 things within the next 2 weeks. Exchange contact information.

The Real Dirt: Secrets No Consultant Wants You To Know

The Real Dirt

1. 95% of fundraising is innate – there are no secret or costly messages. Intuitively, you know how to treat individual donors and how to be honest with institutional funders.
2. Think *free*.
 1. In terms of making the ask, you, your CEO, and your board are far better equipped to do it than the so-call pros.

The Real Dirt

3. It is impossible to understand the world of philanthropy – and be successful at fundraising – without being a donor.
4. There is no silver bullet in fundraising, but hard work, ethical behavior, and good follow-through always pay off.
5. Coffee is both a beverage and an indicator of quality.

The Importance of Coffee

How Did We Do?

“I may not have gone where I intended to go, but I think I have ended up where I intended to be.”

-- Douglas Adams