Raise the Money You Need: Building an Individual Donor Program

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Understand the elements of successful fundraising
Learn new skills
Get more comfortable asking for money
Identify next steps for your organization or coalition in building a successful fundraising program

Workshop Goals

What’s going well in your fundraising?
What’s your biggest challenge?
What would you most like to get from today’s session?

Opening Questions

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What are we dealing with?

External Landscape

- Growth in number of nonprofits
- Government cutbacks outpacing increases in private sector philanthropy
- Increasing gap between rich & poor

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External Landscape, cont.

- Professionalization in place of movement-building
- Rapid changes in technology
- Demographic Shifts:
  Racial & generational changes

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Sources of Funds for Nonprofits

1.9 million nonprofit organizations generate:

$1.4 trillion per year in income from:
- Government: 30%
- Earned Income: 50%
- Private Sector: 20%

Source: National Center for Charitable Statistics and Foundation Center
Private Sector

- Total Given in 2012: $316.23 Billion
- Individuals: $228.93 Billion (73%)
- Bequests: $23.41 Billion (7%)
- Foundations: $45.74 Billion (14%)
- Corporations: $18.15 Billion (6%)

Elements of Successful Fundraising

- A clear case for support
- Focus on building relationships
- Choosing the right strategy (for what you’re trying to achieve)
- Teamwork
- Infrastructure

Making a Case for Support

- Why does your organization exist?
- Why is your work important?
- What are your core beliefs?
Move into an “EXCHANGE” Frame

Go from this:
“Please, please, please...”

To this:
“I think you would be interested....”

The Purpose of Fundraising is to Build Relationships

The Final Gift (Bequest)
Upgrade Donors
Retain Donors
Acquire Donors

Choosing the Right Strategy

What does your organization want back for the time and money you are spending?
Be Clear About What You Need

- Money
- New Donors
- Happy donors
- Legacy donors
- Advocates
- Volunteers
- Visibility

Ladder of Effectiveness

(Time In — Money Out)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>In person asking</td>
<td>50%</td>
</tr>
<tr>
<td>Personal Phone Call</td>
<td>25%</td>
</tr>
<tr>
<td>Personal Letter or email</td>
<td>10-15%</td>
</tr>
<tr>
<td>Phone bank</td>
<td>3-5%</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>.5-1%</td>
</tr>
<tr>
<td>Email</td>
<td>.08%</td>
</tr>
<tr>
<td>Special Events</td>
<td>Varies</td>
</tr>
</tbody>
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A few words about online fundraising
**Five Tips for Successful Online Fundraising**

1. Maintain a compelling & up to date website
2. Build your email list
3. Engage with your supporters
4. Ask for money (by email, social media, personalized web pages)
5. Integrate online & offline communications

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**Building a Fundraising Team**

Who's on the team?
- **Board members**
- **Staff members**
- **Volunteers**
- **Donors**

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**Role of the Board in Fundraising**

- Give Money
- Raise Money
- Develop Fundraising Philosophy & Strategy
- Set Fundraising Policies
Consider establishing a “give/get” policy

Coalition Boards:
The issue of competing loyalties

Does your board feel like this? Or this?

Sample Board Fundraising Commitment Form

I, Cecilia Ortiz, board member, agree to:

1. Contribute $250 by Dec. 31st
2. Sell at least one table of tickets (10) to our annual dinner
3. Solicit 8 local businesses for ads in our ad book
4. Participate in major gift campaign by asking 5 donors for a gift of $500 or more
Who else can you recruit to your team?

- Former board and staff
- Long time board members or volunteers
- People who have recently upgraded their own gift
- Recently retired professionals
- Who else?

Infrastructure for Fundraising

Do you have the following:

- Database to keep track of donors
- Website that includes invitation to give
- Staffing to support fundraising efforts

Getting Over the Fear of Asking

Think about:
- Your earliest memory of money

What were you taught about money? What messages did you get about money from family, peers, the larger community?
Four Tips For Successful Asking

1. Success is asking
   
   **Tip:** Create a visual, such as a thermometer, which shows # of asks completed

Four Tips, Cont.

2. Be OK with NO
   
   "No" has nothing to do with you.
   People say no because:
   ✦ They have too much else on their minds
   ✦ They have given already to someone else
   ✦ They don’t have the money
   ✦ They need to think about it

Things can sound like no...

But mean “not now” or “maybe”.

“I’ll get back to you”
“I have to ask my partner/spouse”
“I haven’t had time to look at your information”
“Send me something in the mail”
“I’m giving to so many other things right now”
“Yes, I’ll send something later”
Four Tips, cont.

3. Believe in your cause

![Image]

Four Tips, cont.

In general, don’t ask people who:
- you know will give only so that they can ask you for their cause,
- owe you a favor,
- you don’t like,
- you really don’t want to

![Image]

Identifying Prospects

- Ability: Gives away money
- Belief: Cares about this cause or something similar
- Contact: You know them or know someone who knows them or they’re already a donor to your organization
The Process of Asking

1. Send letter (or email)
2. Follow up with a phone call (or email to schedule a call)
3. For very large gifts, meet with the prospect

Preparing for the Phone Call

Have ready:
- Opening sentence
- Message for VM
- Why you’d like to meet
- Where are you toward the goal?
- How much do you want?

Prepare for the Meeting

Have ready:
- Stories
- Statistics
- Questions to ask your prospects
- Responses to common objections and questions
- Budget and fundraising success so far
Don’t do all the talking
Ask different types of questions:
How did you first hear about us?
How long have you lived here?
How is that donut shop that just opened?
What is most compelling about this issue to you?

Individual Donor Campaign
STEPS:
1. Set fundraising goal
2. Recruit team
3. Identify prospects
4. Write & send letters
5. Make follow-up phone calls
6. For very large gifts, ask for face to face meeting
7. Send thank you notes promptly
8. Celebrate end of campaign & evaluate
Helpful Resources

**Magazine and e-newsletter**
*Grassroots Fundraising Journal*
www.grassrootsfundraising.org

**Books**
*Reliable Fundraising in Unreliable Times* by Kim Klein  
*Fundraising for Social Change* by Kim Klein  
*Accidental Fundraiser* by Stephanie Roth and Mimi Ho  
Order from www.josseybass.com or your local bookstore

Bio & Contact Info

**Klein and Roth Consulting** helps organizations build strong fundraising programs that are mission-driven. We provide practical, hands-on advice on how to build a broad base of individual donors, grounded in social justice values.  
**Stephanie Roth** is a trainer, consultant and coach for nonprofits, with a focus on fundraising, board development and meeting facilitation. Stephanie has written widely on the topic of fundraising and organizational development, and is the co-author (with Mimi Ho) of *The Accidental Fundraiser: A Step-by-Step Guide to Raising Money for Your Cause*.  
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**Rona Fernandez** has worked with social justice nonprofits since 1996, always with fundraising as a key component of her work. She has raised money from individuals in several capacities — as a community organizer, house party coordinator, development director, executive director and board member. Most recently, she was the Managing Director of Californians for Justice, a statewide grassroots organization, and the Fundraising Committee Chair of the Asian Pacific Environmental Network.  
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