LEARNING OBJECTIVES

Participants will learn how to:

• Organize and conduct a successful annual fund
• Add to existing prospect lists without conducting costly research
• Create a case for support that can be used in all methods of solicitation
• Utilize all annual solicitation methods-
  ➢ Direct mail
  ➢ Telemarketing
  ➢ Special events
  ➢ Face-to-face solicitations
USA Charitable Giving in 2014

$358.38 Billion Total Contributions

Listed by Source
(In billions of dollars — all figures are rounded)

Source: Giving USA Foundation / GIVING USA 2015

2014 Giving by Category

Source: Giving USA Foundation / GIVING USA 2015
INDIVIDUAL GIVING OVER TIME

Giving as a percentage of disposable personal income 1974-2014 (in current dollars)

Motivations for Charitable Giving

Why do you think people are motivated?
**Motivations for Charitable Giving**

- Belief in the institution and its purpose
- Desire to help
- Belief that current needs are important
- Sense of loyalty, gratitude, affection
- Friendship and respect for those that solicit me
- Identification with a “winner”

**Motivations for Charitable Giving**

- Honoring the past
- Ensuring the future
- Desire to give back to society
- To express emotions: joy, grief
- Peer approval
- Recognition
- Feeling of power
Motivations for Charitable Giving

- To gain influence/advancement
- Guilt/fear
- Ego gratification; self-esteem
- Tax considerations

The Absolute...

All Time, #1 Reason People Give is:
The "Numbers" Pyramid

- Deferred Gifts Donor
- Capital Donors
- Major Donors
- Special Donors
- Regular Annual Donors

The "Dollars" Pyramid

- Deferred Gifts Donor
- Capital Donors
- Major Donors
- Special Donors
- Regular Annual Donors
CREATING A PROSPECT LIST WITHOUT RESEARCH

• Current Donors

• Other non-donor names on mailing list

• Brainstorm other categories already within your organization

CREATING A PROSPECT LIST BY SECURING OTHER AVAILABLE LISTS

Brainstorm
UNCOVERING HIDDEN NETWORKS

An Extension of Mission and Services

MISSION

Friends
Constituents
Board
Foundations
Vendors
Parents
Volunteers
Business

Associates Through Work
Your Closest Friends
Members of Organization
Your Relatives
Your Neighbors
Business Owners You Know
Professionals You Know
People You Do Business With
Most Successful People You Know
**Case for Support**

**What it does:**
- Identifies the need in society and shows how your organization addresses that need or problem

**What it is:**
- The blueprint from which all other fund raising material is derived

**What it looks like:**
- A shared document
- 10-20 pages
- Not designed
- Not “produced”
- Not a brochure
CASE FOR SUPPORT

How it is used:
• Tool Chest
• Basis for proposals
• Basis for annual fund letters
• Basis for website and email appeals

How it is not used:
• It is never used in its entirety outside the office nor is it ever used in its entirety as a solicitation.

SEQUENCE FOR STARTING YOUR CASE

• Identify and validate the needs of the people you serve
• Document the needs with some objective data
• Identify your programs, which meet the needs
• Establish who will benefit: individuals, family, community, and society
• Identify resources required-costs involved
• Explain why the prospect should give
• Outline how the prospect can give – show variety of gift opportunities
• Respond to unasked questions in the prospect’s mind: what’s in it for me?

Helpful questions to consider while preparing the case for support:

1. If you meet someone at a cocktail party, how would you describe, in a sentence or two, what your organization does?

2. What business are you really in?

3. Why are you proud of this organization?

4. How does what you do strike at the heart of societal issues or problems?

5. How would you describe the “personality” of your organization? If it were a person, what adjectives would you use to describe it?

6. What’s different about this organization? What can you say/offer that no one else can?

7. What do we know about our constituents’ needs and concerns? What questions have we heard that give us a clue about donors’ values. What are the perceived benefits of association with your organization?
MAKING THE CASE FOR YOUR ORGANIZATION:  
10 QUESTIONS (CONTINUED)

8. Why would someone not want to give? What are the barriers or objections to giving?

9. Where is this organization going? How will it be different because of this potential support?

10. With added support, how will your organization be better positioned to address issues of concern to your constituents?

THE ANNUAL FUND

- Foundation for all fund raising
- Creates habit of giving
- Part of ongoing fund raising program – no stop and go
- Provides unrestricted support
- Taken to all constituencies
- Allows for segmentation of prospects
- Targeted strategy for each segment
**THE ANNUAL FUND**

**Objectives for the Annual Fund**

- Acquire new donors
- Renew support from current and previous donors
- Upgrade the level of support from current donors

**TECHNIQUES TO BUILD YOUR ANNUAL FUND**

- Written
- Verbal (Telephone)
- Face-to-Face
- Events
PLANNING THE ANNUAL FUND

• Evaluate results of previous year
• Prepare case for support
• Recruit leaders and other volunteers
• Clarify role of volunteers, CEO & staff
• Develop prospect lists
• Establish dollar goals
• Prepare timetable
• Select solicitation methods: direct mail, e-appeals, telephone calls, personal solicitation
• Segment prospects by solicitation method
• Prepare communication media

Direct mail and using mail successfully

USING THE MAIL
USING MAIL

Good way to reach a large number of prospects

Persuasive

Requires long-term commitment

FACTORS TO CONSIDER WHEN USING MAIL

- Does your organization have broad name recognition?
- What is the competition?
- How is your organization unique?
- Is there any special situation for direct mail appeal:
  - crisis
  - funding cuts
  - new issue
  - newsworthy development
  - special opportunities
  - new leadership, etc.?
LISTS TO CHOOSE FROM

**Hot Lists**
Current Donors  
Key Stakeholders  
Immediate Constituency

**Warm Lists**
Lapsed Donors  
Prospects with contacts involved with the org.  
Prime donors to other causes

**Cold Lists**
Donors / Members of similar organizations  
Purchased mailing lists

DIRECT MAIL LETTERS

1. Readable type  
2. Include date: month, year  
3. Personal salutation  
4. Vary format: length of paragraphs, indenting, use of bullets, checkmarks  
5. Opening and closing are critical  
6. Focus on people served, not on the organization  
7. Avoid jargon and technical words  
8. Appeal to emotions  
9. Keep the reader in mind  
10. Ask for action: the gift  
11. Include a “P.S.”
IMPORTANCE OF MAIL COMPONENTS

<table>
<thead>
<tr>
<th>Mailing List</th>
<th>Copy</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Offer (Case for Support)</th>
<th>Format</th>
<th>Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Mailing List: solicitation of the right persons
Offer: catches interest and attention
Copy: contents of the appeal
Format: post card? 1-page letter? 2-page letter?

TESTING DIRECT MAIL SUCCESS

Test one element at a time

- The list
- The offer
- Creative elements
- Timing
ENHANCING YOUR DIRECT MAIL PROGRAM

1. Include a return envelope in every mailing
2. Acknowledge gifts promptly
3. Individualize thank you letters for different donor groups
4. Welcome letters to new donors
5. Enclose reprint of favorable news articles
6. Use of handwriting to highlight the message
7. Test various kinds of outside envelope to cause donors to open letter
8. Consider a challenge gift as motivation
9. Ask donors to join a special gift club
10. Segment mailing list by size of gift, frequency, interests, etc.

USING YOUR PHONE

Telemarketing, phone-a-thon, etc.
LOGISTICS OF FUNDRAISING OVER THE PHONE

Conducted in-house

Volunteers
Paid Callers (e.g. students)

OR

Conducted by a professional telemarketing firm

FACTORS TO CONSIDER

Advantages
1. Can reach a large number of donors
2. More personal than direct mail
3. Allows for more persuasion
4. If using volunteer callers or students, can be highly successful
5. Good strategy to upgrade existing donors

Disadvantages
1. Can be perceived as "irritating" by the prospect
2. Poor strategy to acquire new donors
3. If using professional telemarketers, can be costly
4. An in-house phone-a-thon requires significant preparation by staff
PREPARING FOR AN IN-HOUSE PHONE-A-THON

- Select list of prospects to be called
- Produce prospect cards or tracking forms
- Prepare phone script
- Prepare list of objections and script for callers to overcome various objections
- Secure space from which to call (phone bank is preferable)
- Prepare schedule – which evenings, what time
  (when calling nationwide, keep time zones in mind – example: 5PM CST is 6PM EST, and 11PM CST is 9PM PST)

PREPARING FOR AN IN-HOUSE PHONE-A-THON

- Recruit callers
  - If using volunteer callers, recruit twice as many as needed per session due to volunteer no-show rate
- Prepare training materials
- Secure necessary “tools” – forms, pens, pencils, headsets (if using)
- Order beverages and food
- Create motivation and fun
- Outline post-calling logistics
- Conduct training of callers (can be conducted each night of calling)

GO!
Questions to Ask

1. Should we have one?
2. How would it fit in with the total fundraising plan?
3. Can we afford to have it?
4. What goals are to be met?

What type of events have you been to?

Why does your organization have special events?
SPECIAL EVENTS: INGREDIENTS FOR SUCCESS

- Strong case for support
- Board involvement/endorsement
- Financial and social clout
- Workers/Volunteers
- Staff support, organization, attention to details
- Good planning and time table
- Target audience – supportive
- Matching of event to constituency
- Cost effectiveness
- Timing of event
- Effective publicity and public relations

SPECIAL EVENTS OUTCOMES

- Attracts new prospects
- Opportunity to reiterate mission and goals and to re-educate constituency
- Visibility and publicity
- Recognition of VIPs
- Involve people as volunteers
- Raise money
- Provide a fun experience
Targeted, Customized ask

**USING FACE TO FACE SOLICITATION**

Face to Face Solicitation

Allows for targeted, customized ask

- The most effective method
- The most persuasive method
- The most cost-efficient method

**Appropriate use:**
- To upgrade/increase donor's gift size
- To ask for a major gift
- To seek involvement and engagement in a meaningful way

**Who should be involved:**
- Board member
- CEO/Executive Director
- Other volunteers
- Selected staff

Whoever is most likely to get a "Yes"
SIX PHASES OF A SOLICITATION

Opening
Questioning
Listening
Presenting
Overcoming Objections
Closing

MAKING THE ASK

ROLE PLAY
Practice making the ask

What are some things to keep in mind when making the ask?
CLOSING THE SOLICITATION

- Follow-up as agreed upon in meeting
- Keep to the time frame
- Send letter acknowledging their pledge
- Enclose pledge card and return envelope with acknowledgment
- Inform other solicitors of results

POST-SOLICITATION FOLLOW-UP

**Continue to steward the relationship**

- Insures fulfillment of the pledge
- Will lead the donor to give again in future years
- Always easier to retain existing donors than to acquire new donors

**Recognize the donor as appropriate**

- Donor rosters
- Donor plaques
- Acknowledgement gifts and invitations to events, as appropriate
RETAINING DONORS FOR SUBSEQUENT YEARS

Recognition and Stewardship are Key!

• Acknowledgment
• Donor plaques
• Annual reports
• Donor newsletters
• Birthday, holiday cards
• Invitations to donor events
• Gift clubs/societies
• Mementos
• Record-keeping

10 TIPS – INDIVIDUAL DONORS

1. Build a strong case for support
2. Build your prospect list
3. Cultivate donors
4. Find the right person to make the ask
5. Train solicitors
6. Ask top prospects first
7. Ask for a specific gift
8. Don’t forget to thank donors
9. Have deadlines
10. Set realistic goals
THE 20 BIGGEST AND MOST COSTLY MISTAKES IN FUNDRAISING

Thinking:
1. That our organization will attract support simply because it is a good cause
2. That others can raise the money for you
3. That because people are wealthy they will contribute to you
4. That you can whisk wealthy prospects in at the last minute
5. That publicity or written materials will raise money
6. That you can raise money by the multiplication table

Failing to:
7. Research and evaluate prospects
8. Ask
9. Recruit the right trustees
10. Have deadlines
11. Have a strong rationale
12. Cultivate donors
13. Set a realistic goal
THE 20 BIGGEST AND MOST COSTLY MISTAKES IN FUNDRAISING (CONTINUED)

Failing to:

14. Train solicitors adequately
15. Thank your donors
16. Concentrate on your top prospects first
17. Ask for a specific gift
18. Concentrate on the best sources and the most productive methods
19. Find the right person to ask
20. See your top prospects in person

Source: Chris Peterson, Contributions, March-April 1984, Vol 8. No. 2, 634 Commonwealth Avenue, Suite 201, Newton Center, MA 02159

Thank you for attending today’s workshop!

A link to a short evaluation survey is on the back of your handbook. Your feedback is important as we work to improve our programs.

Visit www.donorsforum.org for future events