

Raising Funds from Individuals

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Objectives

During this workshop, you will learn:

- Philosophies behind individual fundraising.
- How to treat prospects and donors.
- How to ask for money from individuals.
- Different types of individual fundraising.

Road Map

1. Overview.
2. Direct Mail and Internet.
3. Telephone.
4. Special Events. ■
5. Face to Face.
6. Wrap Up.

THE MOST IMPORTANT THING

Protect, backup, check, secure, nurture,
expand, groom, utilize, and keep current your

DATABASE

Why Fundraise from Individuals?

- Vast majority of charitable dollars are given by individuals.
- Building blocks for all development activity.
- Helps to build a broad and varied fundraising pool.
- Individuals, in the end, are behind all gifts.

Development: A Definition

Development is managing the relationships between the key stakeholders and the institution.

- Be doting.
- Be protective.
- Be a steward.

SEE DONOR BILL OF RIGHTS

Hammer or Nail

Studies have shown that up to **50%** of new or upgraded donations are offset by lapsed or downgraded gifts.

Is your organization the hammer or the nail?

Stewarding current donors is more important than looking for new donors.

Know Your Prospect

- Gather as much knowledge as possible AND RECORD IT.
- Know what your prospect responds to.
- Act and dress accordingly.
- Know that everyone is busy.

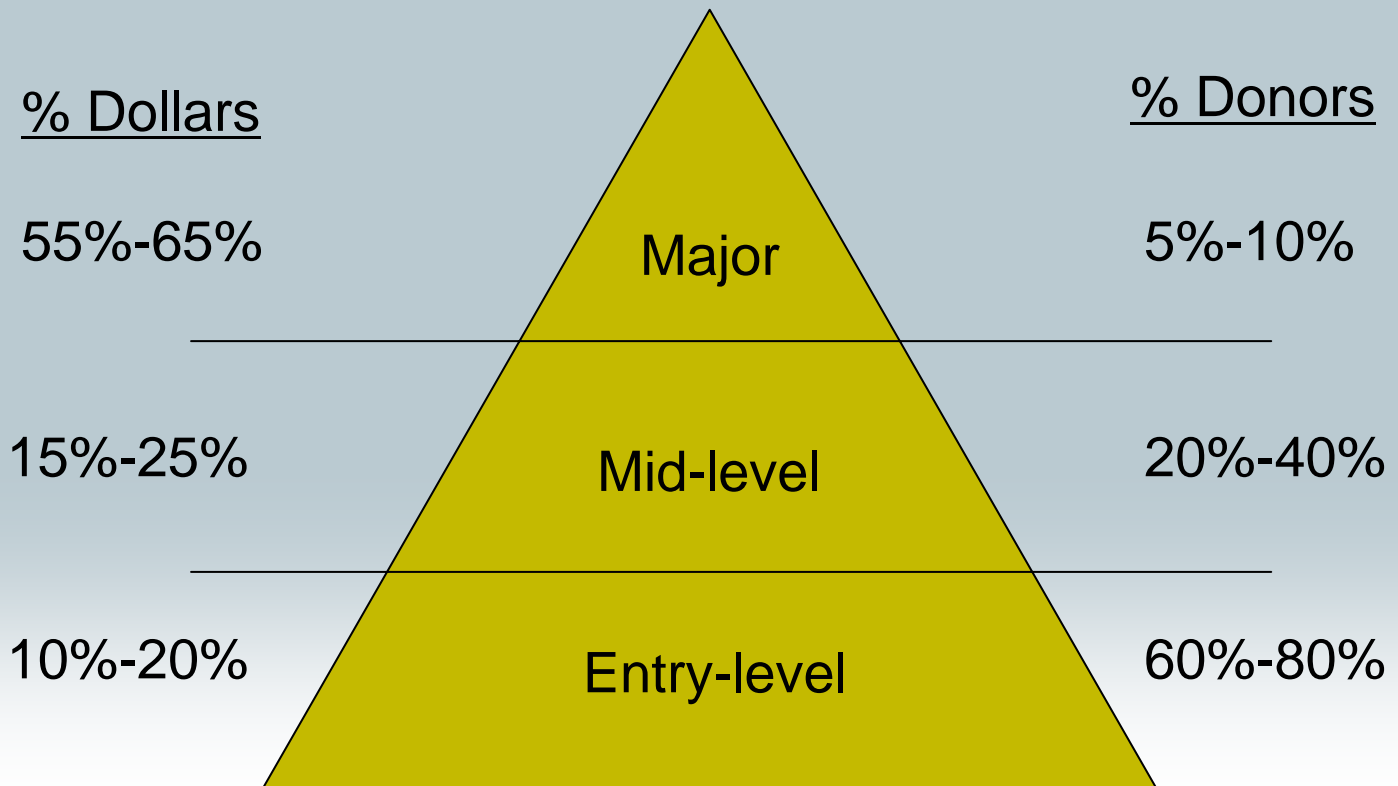
Addressing Your Fears

- Talk about your anxieties.
- Make your personally significant gift.
- Train, plan, rehearse, and debrief.
- Build peer support, ask for coaching.
- Solicit in pairs and watch someone else ask.
- Park your ego, let the mission walk through the door.
- Remember: it's about long term relationships.

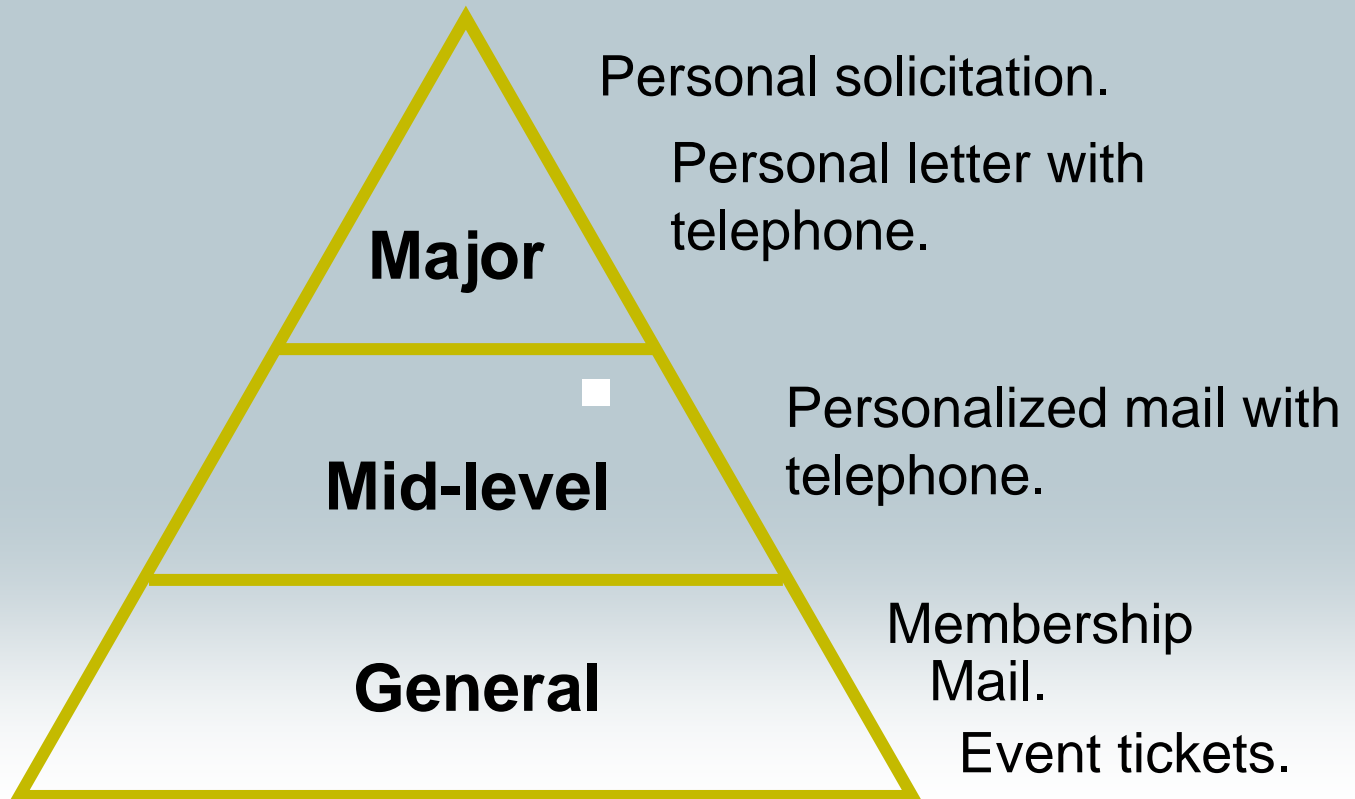
Pareto Principle

- Definition: A minority of inputs yields a majority of outputs.
- Fundraising successes come from “the vital few”.
 - Annual fund: 10% give 60 to 80% of dollars.
 - 10 to 20% of lower level donors are prospects to become major donors.
 - Fundraising programs grow at the top.

Individual Giving Annual Profile



Individual Giving Annual Profile



Prospect ABC

- Ability
 - Resources and Willingness.
- Belief
 - In Mission and/or program.
- Contact
 - To key individual and/or organization.

Did I mention?

Back up your Data

Types of Individual Fundraising

- Direct mail.
- Telephone solicitation.
- Special events fundraising .
- Face-to-face solicitation.

Direct Mail Fundraising

- Mail or E-mail request for support.
- Generally large numbers of small gifts.
- Message AND fundraising tool.

Advantages

- Effective by reaching large numbers.
- Reach new donors and create donor profiles.
- Can be low expense (especially E).
- Measurable results (response rate and cost).
- Renew current donors.
- Staff can carry out.

Disadvantages

- Front end investment; can be pricey.
- Hard to stand out.
- Smaller gifts and lower returns.
- Upgrading is slow and modest.
- Little donor contact.
- Technical challenges (E).
- Staff can carry out.

Considerations

- Do you have an accurate (address, name change, death, or “do not solicit”) database?
- Can you augment your database?
- Can you service a campaign; i.e. generate a TY note?
- Can you accept pledges?

What to Mail

- Outside envelope with proper postage.
- Appeal letter (one page).
 1. Customize appeal for audience.
 2. Tell a story. ■
 3. Ask in bold.
 4. If possible, sign each letter.
 5. Re-ask in P.S.

What to Mail - 2

- Reply mechanism.
 1. One sided card; preferably evergreen.
 2. Suggested, targeted amounts.
 3. All prospect info – including E-mail address.
 4. Ability to pledge.
- Reply envelope with or without postage.

Don't Forget

- Attract donors by mail. Cultivate them to another level.
- Byzantine bulk mail rules. Know the rules!
- How many times is too many?
■
- Track timing of responses – how long did people hold onto materials?
- Give donors ability to instantly E-donate.
- Policies on sharing your donor lists.

Notes on E-Fundraising

- Gather permanent E-mail addresses.
- Some constituencies will respond strongly to E-fundraising.
- Publicize your website.
- Information can be donor-directed and timely.
- Use a third party vs. do it on your own.
- Does not replace other cultivation techniques.
- Bricks and clicks.

Telephone Solicitation

- People give to people.
- More personal contact = better chance for a gift. ■
- Best bang for the buck.

Advantages

- Everyone has a phone.
- Next to direct mail, highest volume.
- Larger upgrades possible.
- Higher return than mail .
- Easier than face-to-face.
- Can involve volunteers in a positive experience.
- Can get instant donor feedback.
- Inexpensive.

Disadvantages

- Caller ID and mobile phones make reaching prospect difficult.
- Some may question your intentions or legitimacy.
- Smaller gifts, lower rate of return than face-to-face.
- Easier to turn down than face to face.
- Do not get full communications (facial expression, body language, etc.).
- Not good for prospecting.

Who Gives?

- People who have never given to you, but have given to similar NPO – 5%.
- Current donors – 15%.
- Lapsed donors – 10 to 30%.

Considerations

- Cold list means you have no list.
- Need volunteers!
- Phone script.
- Do you have access to a phone bank?

The Phonathon

- Make it an event.
- Give volunteers a script to include reason for ask and ask amount.
- Asking after “NO”. ■
- Record results on cards.
- Ensure data is current.
- Callers should smile!

Don't Forget

- Works best with direct mail campaign.
- Get flexible. Traditional phone campaigns are dying!
- IMMEDIATELY acknowledge pledges.
- Have a way to send info if it is asked for and then follow up.
- Keep calls concise.
- Every “NO” is that much closer to a “YES”.

By the Way

Have I mentioned that you should back up your

DATABASE??

Special Event Fundraising

- Most common form of fundraising.
- Make it profitable (25% rule).

Advantages

- Raise money (and it's the best kind).
- High profile.
- Generate excitement.
- Steward existing donors & cultivate new donors.
- Reach new prospects.
- Update database.
- Institutional synergy.

Disadvantages

- Risk – you can lose money.
- Labor intensive.
- Cash investment. ■
- Can be difficult to link mission and event.
- Difficult to convert to annual support .

To Party or Not to Party

- How does this fit into other fundraising activities?
- Is there a significant commitment: staff, board, volunteers?

Considerations

- Who will do the work, and do you have strong volunteer leadership help?
- Who is the constituency? Can you tie in to mission?
- Is this the best strategy for engaging this constituency?
- Does this need to be a fundraising activity?
- How will you "convert" or upgrade donors?
- What does it cost to raise a dollar?
- Spreading the word: Publicity.

General Tips

- Create a signature event.
- Each event is individual. Guidelines, yes. Templates, no.
- Create and maintain an event “bible”.
- One or two key people empowered to make decisions day of event.
- Staff are there to WORK. Dress the part, no eating or drinking.

Don't Forget

- Carefully choose your date.
- Create a budget. Expense = less revenue.
- Create roles and job descriptions.
- Auctions are hard to justify.
- Make sure you have enough consumables.
- Ask for feedback – you will be amazed!

Face-to-Face Solicitation

- This is WHAT WE WORK FOR!
- #1 rule: LISTEN.
- Recent donors: 50% can name NPO. 90% can name person who asked or at least describe her or him.

Advantages

- Larger upgrades possible.
- Highest return – 50% response rate if prospect and donor know each other.
- Pledges are solid and paid quickly.
- Best chance to manage relationship between prospect and NPO.
- Can get deep, rich donor feedback.
- Do a good job, and get a good reputation.

Disadvantages

Really there aren't any. But if you press me.....

- Labor intensive for ED, board members, and development staff.
- Requires research. ■
- Stakes of proper cultivation are raised.
- Induce anxiety for the inexperienced.
- Do more harm than good.

Considerations

- Ability to capture and use information?
- Can you make a compelling case?
- Can you solicit smartly?
■
- Do you have prospects, and have they been cultivated?
- Do you have volunteers?

Getting Started with “The Ask”

- Enlist Committee: 5 to 7 STRONG volunteers and staff.
- Select 20 to 30 best prospects.
- Set goal and timetable.
- Assign prospects.

Four Phases of “The Ask”

- Making the appointment.
- Solicit.
- Celebrate.
- Evaluate.

Solicitation Outline

- Open.
 - Establish, renew personal connection.
 - Introduce the big need.
- Question.
 - Explore prospect's interests and concerns.
- Present.
 - How your organization's vision and agenda meets the prospects interests.
- Close.
 - Ask ... and ask again.
 - Leave with a planned next step(s).

Don't Forget

- Don't out number prospect.
- Everyone has a role.
- Have a clear understanding of who will ask.
- Ask...then stop. ■
- Many donors are familiar with the process and consider it a compliment to be asked.

Random Thoughts

- Establish cultivation committee.
- Know your top 50 donors.
- Touch donors/prospects regularly.
- Work with a development plan.

BACK UP YOUR DATA

Good Things to Remember: Raising Funds from Individuals

- People will not give money if they aren't asked.
- You do not raise money by begging for it.
- Organizations are not entitled to support; they must earn it.
- Successful fundraising is not magic.
- Fundraising is not only raising money; it is nurturing relationships, building community, and enabling your organization to have sustaining impact.

**Thank you
for your participation!**

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