

Week Three: Fundraising

- Fundraising Facts and Figures
- Projections for the Future
- The Fundraising Cycle
- Creating a Fundraising Plan
- Developing a Case Statement



Your slice of the fundraising pie

- How many 501 c 3 organizations are vying for the fundraising dollars in the U.S.?
- U.S.: over 1.5M in 201
- Czech Republic: over 75,000 in 2006

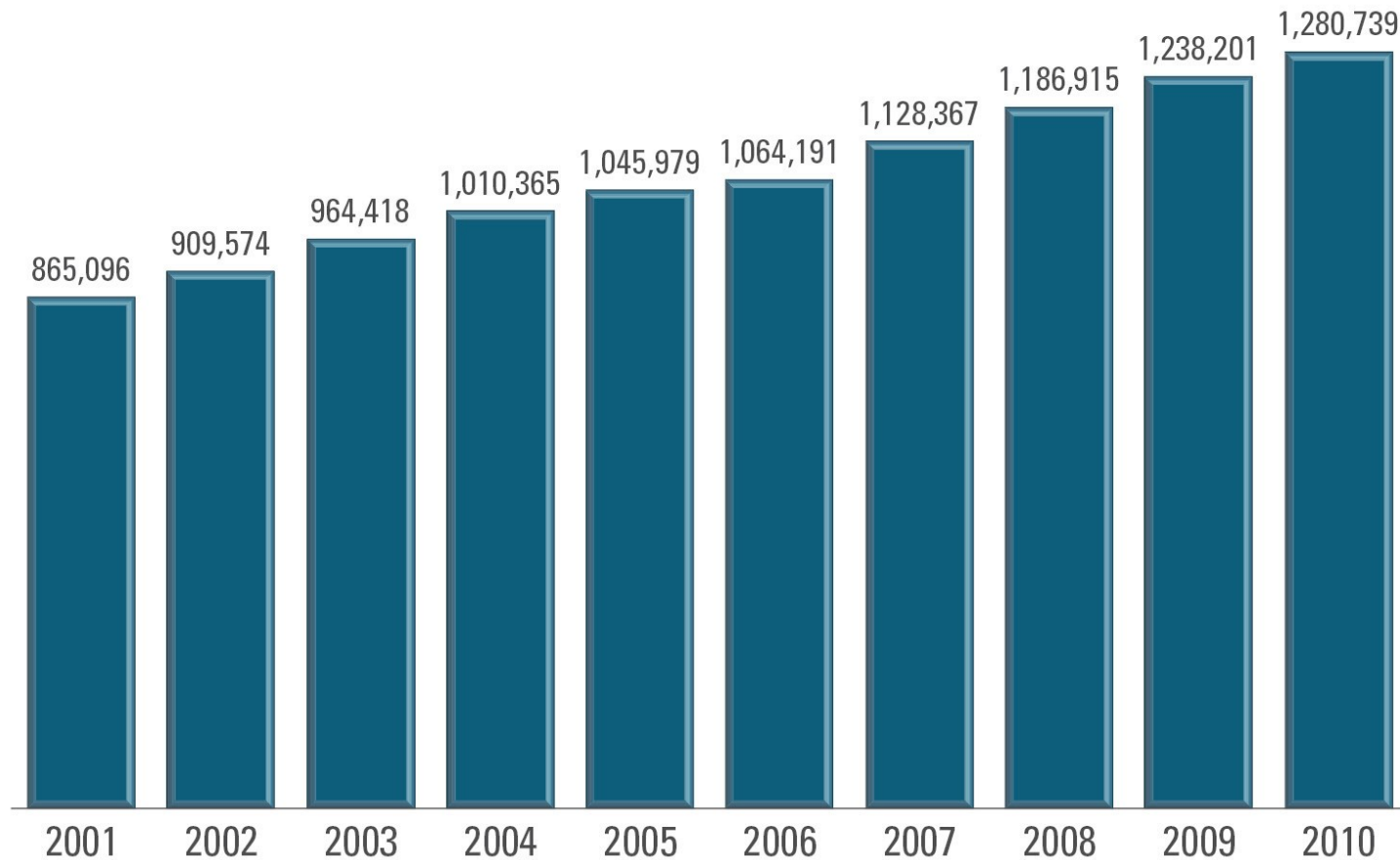


Facts about Philanthropy in the U.S.:

- The U.S. has the largest system of organized private philanthropy in the world.
 - If nonprofits in the U.S. were a single industry, they would rank as the nation's largest industry, accounting for just under 10% of the workforce and about 5% of the gross domestic product.
 - As of 2011, the IRS recognized more than 1.5 million tax exempt organizations.

*Source: United States Internal Revenue Service,
2012*

U.S.: The number of 501(c)(3) organizations 2001–2010



Facts about Philanthropy in the Czech Republic:

- **Thirteen legal forms of non-profit organizations in the Czech Republic**
 - Foundations, Funds, Public Benefit Companies, Association of Owners of Dwelling Units (3), Public Universities, Political Parties, Associations (1), Organizational Branch of Associations (2), Church Organizations, Professional Organizations or Chambers, Chambers (other than professional), Association of Legal Persons, Hunting Communities
- **In 2006, there were 75,224 entities registered as non-profits** (some, however, with limited fiscal activity would not be included in this number)

Source: CZSO, NPI Satellite Account 2006

Global Philanthropy

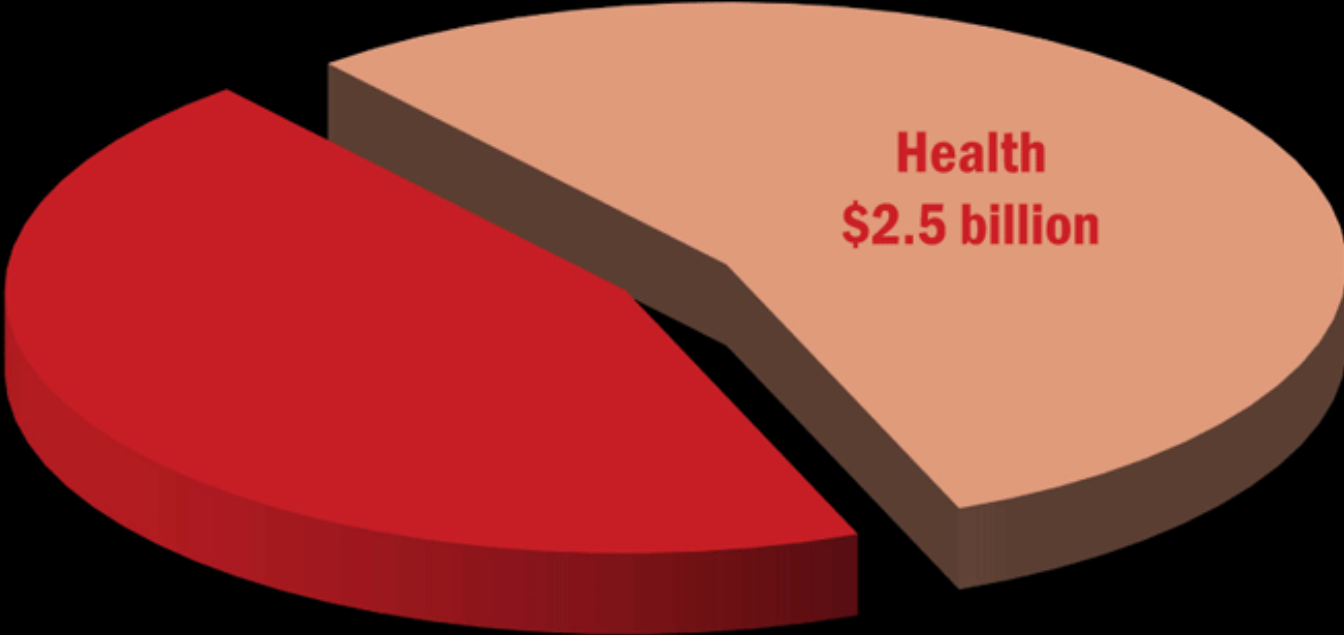
- Foundation growth in global giving outstripped domestic giving over last two decades; now 24% of \$ given
- Background:
 - Foundation assets increased four-fold since 1990
 - Foundation giving increased more than five-fold over same period
 - Number of foundations more than doubled over same period; new foundations more likely to give internationally

Global Philanthropy (cont)

- Health received the largest share of foundation funding with intended beneficiaries outside the US (43% in 2006, 39% in 2008)
- Gates gave almost all the global health funding

Giving by U.S. Foundations for Global Health, 2008

Total for Developing Countries = \$4.5 billion



Source: The Foundation Center

Global Philanthropy Modes

- Grants
- Loans
- Time/effort
(volunteering)

Broader Global Philanthropy

- Foundation giving only a small part of global giving
- Other donors include:
 - Individuals
 - NGOs
 - Religious organizations – by far the largest generally; globally too?
 - Corporations

International Giving Comparison

(lists countries by the amount of money they give *as a percentage of their gross national income*)

- [Sweden](#) – 1.12%
- [Norway](#) – 1.06%
- [Luxembourg](#) – 1.04%
- [Denmark](#) – 0.88%
- [Netherlands](#) – 0.82%
- [Belgium](#) – 0.55%
- [Finland](#) – 0.54%
- [Ireland](#) – 0.54%
- [United Kingdom](#) – 0.52%
- [France](#) – 0.47%
- [Spain](#) – 0.46%
- [Switzerland](#) – 0.45%
- [Germany](#) – 0.35%
- [Canada](#) – 0.30%
- [Austria](#) – 0.30%
- [Australia](#) – 0.29%
- [New Zealand](#) – 0.28%
- [Portugal](#) – 0.23%
- [United States](#) – 0.21%
- [Greece](#) – 0.19%
- [Japan](#) – 0.18%
- [Italy](#) – 0.16%
- [South Korea](#) – 0.10%

Source: Organization for Economic Cooperation and Development, 2009

International Giving Comparison

(lists countries by the amount of money they give *in absolute terms*)

- [United States](#) – \$28.67 billion
- [France](#) – \$12.43 billion
- [Germany](#) – \$11.98 billion
- [United Kingdom](#) – \$11.50 billion
- [Japan](#) – \$9.48 billion
- [Spain](#) – \$6.57 billion
- [Netherlands](#) – \$6.43 billion
- [Sweden](#) – \$4.55 billion
- [Norway](#) – \$4.09 billion
- [Canada](#) – \$4.01 billion
- [Italy](#) – \$3.31 billion
- [Denmark](#) – \$2.81 billion
- [Australia](#) – \$2.76 billion
- [Belgium](#) – \$2.60 billion
- [Switzerland](#) – \$2.31 billion
- [Finland](#) – \$1.29 billion
- [Austria](#) – \$1.15 billion
- [Ireland](#) – \$1.00 billion
- [South Korea](#) – \$0.82 billion
- [Greece](#) – \$0.61 billion
- [Portugal](#) – \$0.51 billion
- [Luxembourg](#) – \$0.40 billion
- [New Zealand](#) – \$0.31 billion

Source: Organization for Economic Cooperation and Development, 2009

International Giving Comparison

(Humanitarian donation in absolute terms from non-DAC countries)

- [Saudi Arabia](#) – 51.8 million
- [United Arab Emirates](#) – 35.3 million
- [Kuwait](#) – 34.2 million
- [Russia](#) – 32.5 million
- [India](#) – 14.6 million
- [South Korea](#) – 13.2 million
- [Qatar](#) – 12.9 million
- [Turkey](#) – 4.8 million
- [Czech Republic](#) – 4.3 million
- [Hong Kong](#) – 4.0 million
- Other countries – 16.5 million

Source: Global Humanitarian Assistance, July, 2010

Giving in the Czech Republic

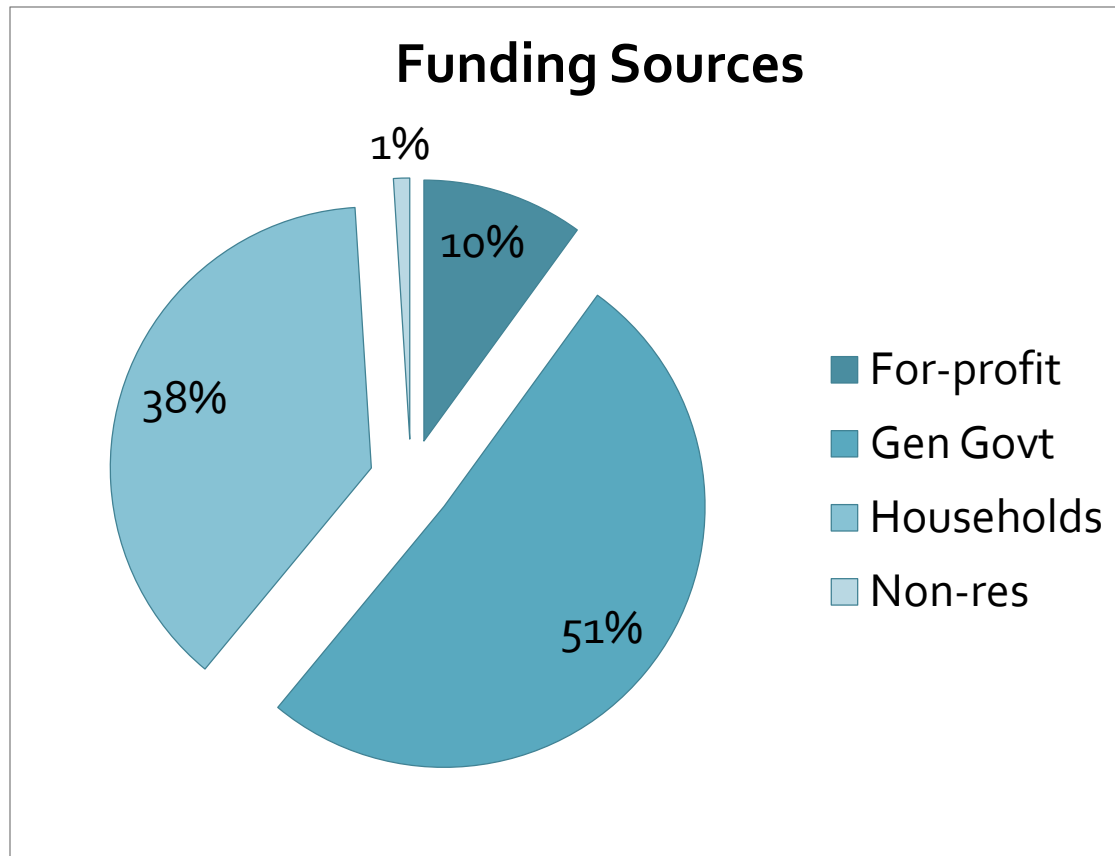
Facts and Figures

Civil Society in the Czech Republic

- 47% of citizens made a material or financial donation to a CSO in 2004. (Four percent increase since 2000)
- 47% of Czechs are a member of at least one CSO
- Almost 60% of citizens take part in civic and social activities (work brigades, assistance to older citizens, organization of cultural and sporting events in their communities)
- 32% of Czechs did voluntary work in 2003
- CSO types with largest memberships: sports organizations, trade unions, beekeepers and similar organizations, voluntary fire brigades

Source: An Assessment of Czech Civil society in 2004: after fifteen years of development by Tereza Vajdova

2009 Czech Giving Data



Source: Czech NPI Satellite
Account 2005–2009

Giving in the Czech Republic

- Corporations:

<http://www.youtube.com/watch?v=gjV-b2Fgex4>

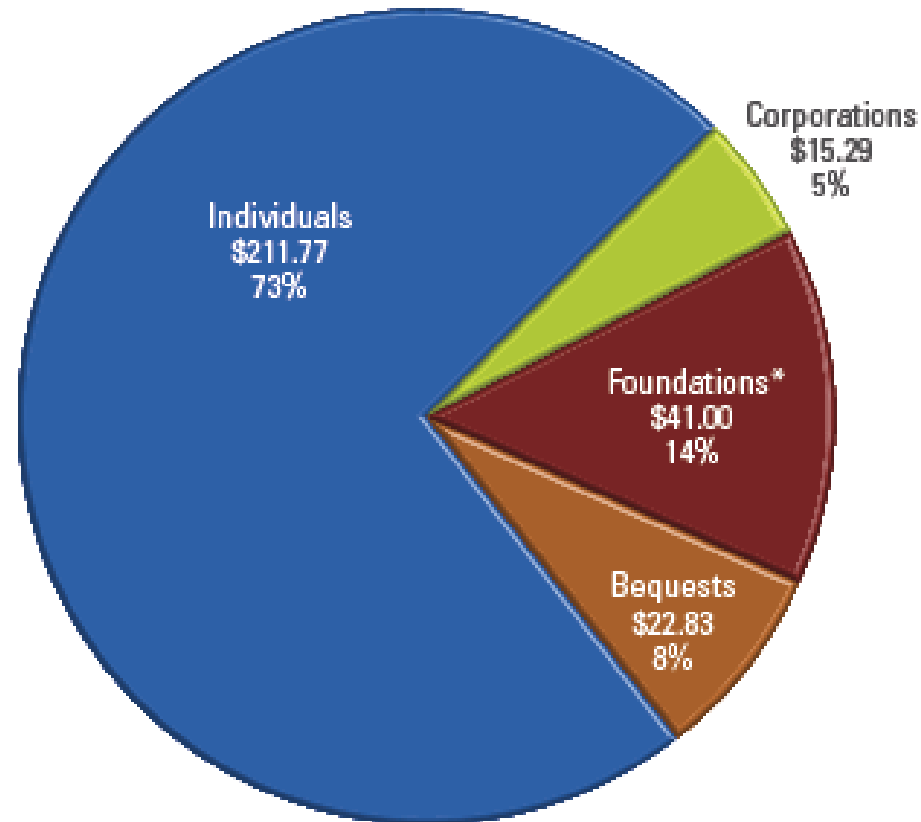
Giving in the U.S.

Facts and Figures

U.S. 2010 charitable giving

Total = \$290.89 billion

(\$ in billions – All figures are rounded)



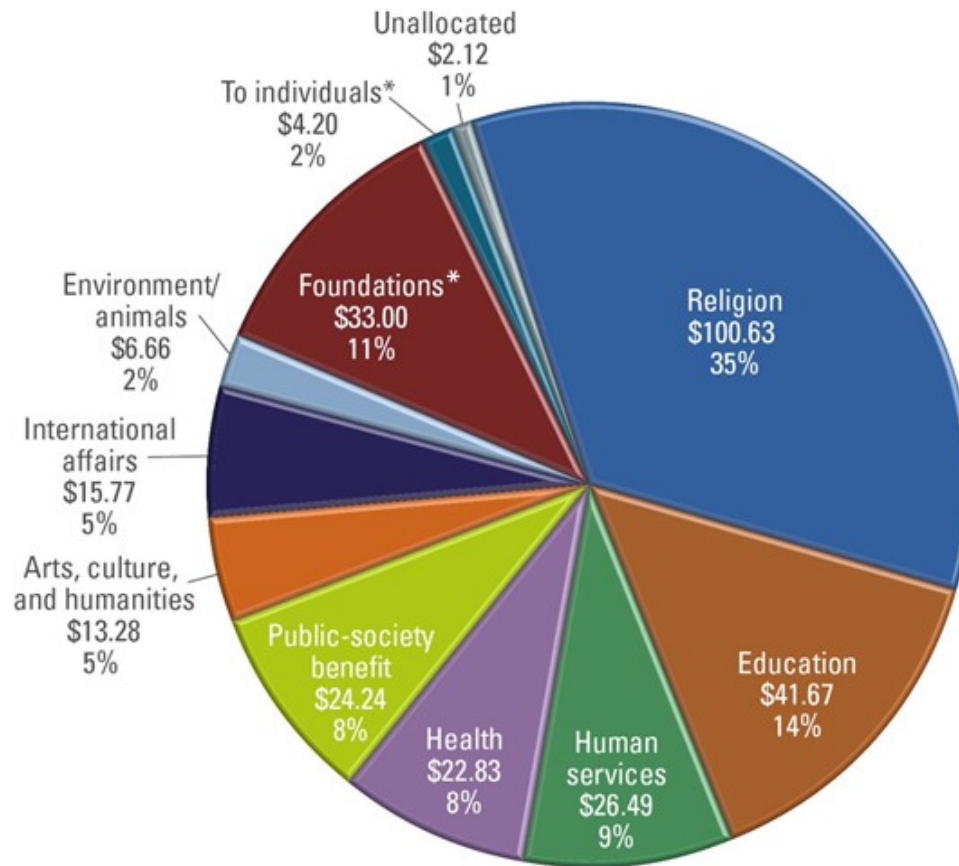
*The giving by foundations estimate is provided by the Foundation Center.

Sources of Contributions, 2010

- Total giving = \$290.89 billion.
- Increase of 3.8 percent (2.1 percent adjusted for inflation).
- Individuals remain the single most important source.
- Individuals + charitable bequests = 81 percent of total
- Foundation grantmaking = 14 percent of the total.
 - About three-fifths of independent foundation giving is from family foundations.
- Individual + Bequest + Family Foundations = 87 percent.
- Corporate giving is an estimated 5 percent of the total.

U.S. Types of recipients of contributions, 2010 Total = \$290.89 billion

(\$ in billions – All figures are rounded)



Includes rounding to get to 100%

*Estimate developed jointly by the Foundation Center and *Giving USA*

Changes in giving by source

Current \$

- Total up 3.8 percent in 2010.
- Increase attributable to modest economic recovery.
- Individual giving up by 2.7 percent from 2009.
- Charitable bequests rose an estimated 18.8 percent in 2010 after a very large decrease (38.7 percent) in 2009.
- Foundation grantmaking decreased an estimated 0.2 percent in 2010.
- Corporate giving increased an estimated 10.6 percent in 2010, attributable to large in-kind contributions and increased corporate profitability.
 - Includes grantmaking by corporate foundations.

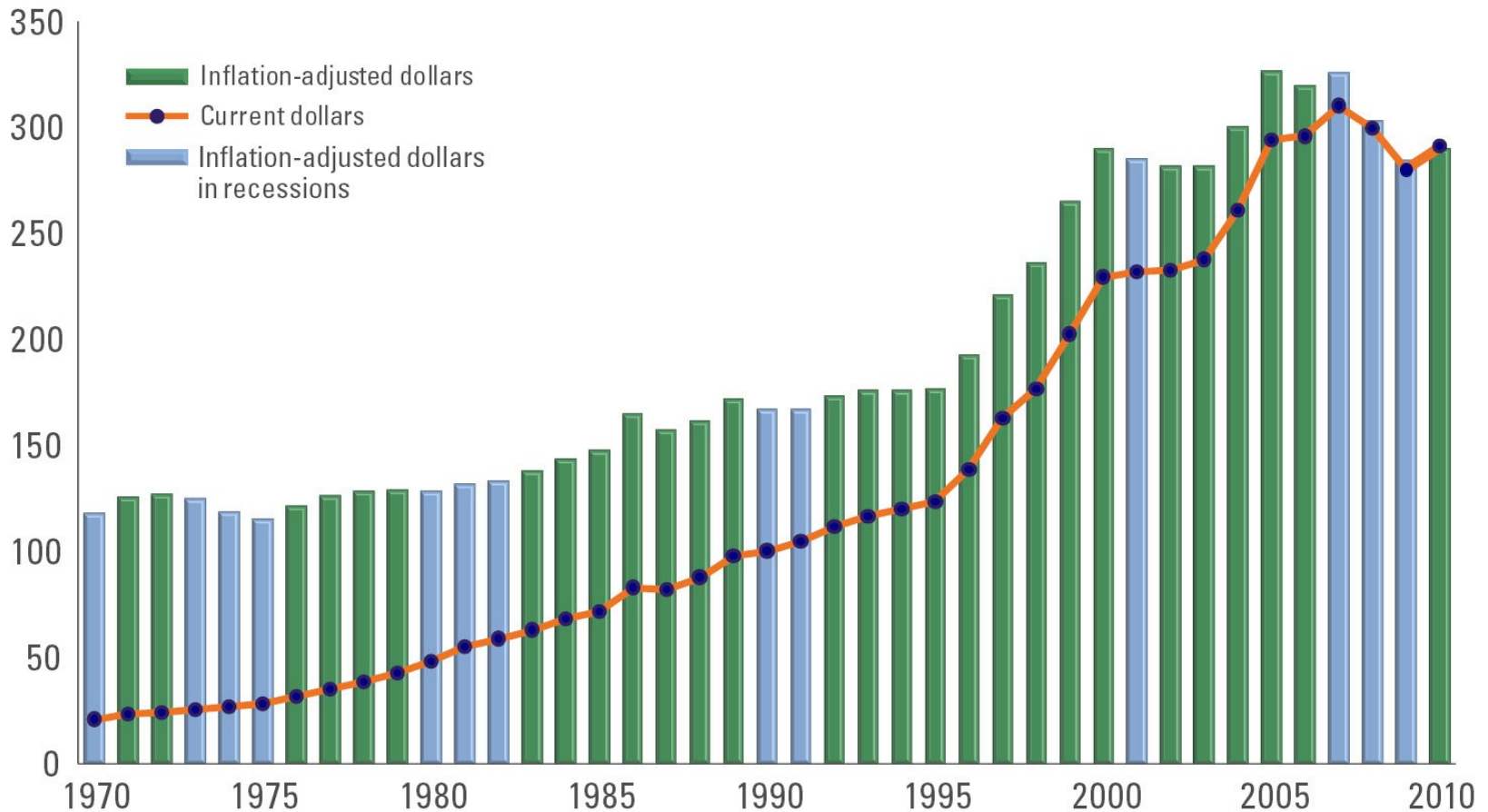
Changes in giving by recipient organization

Current \$

- Estimated giving in current dollars held steady or increased modestly in all subsectors except international affairs, which saw a large increase, and environment/animals, which saw a slight decrease.
- *Giving USA* estimates growth in giving by:
 - International affairs 15.3 percent
 - Public/society benefit 6.2 percent
 - Arts, culture, and humanities 5.7 percent
 - Education 5.2 percent
 - Giving to foundations 1.9 percent
 - Health 1.3 percent

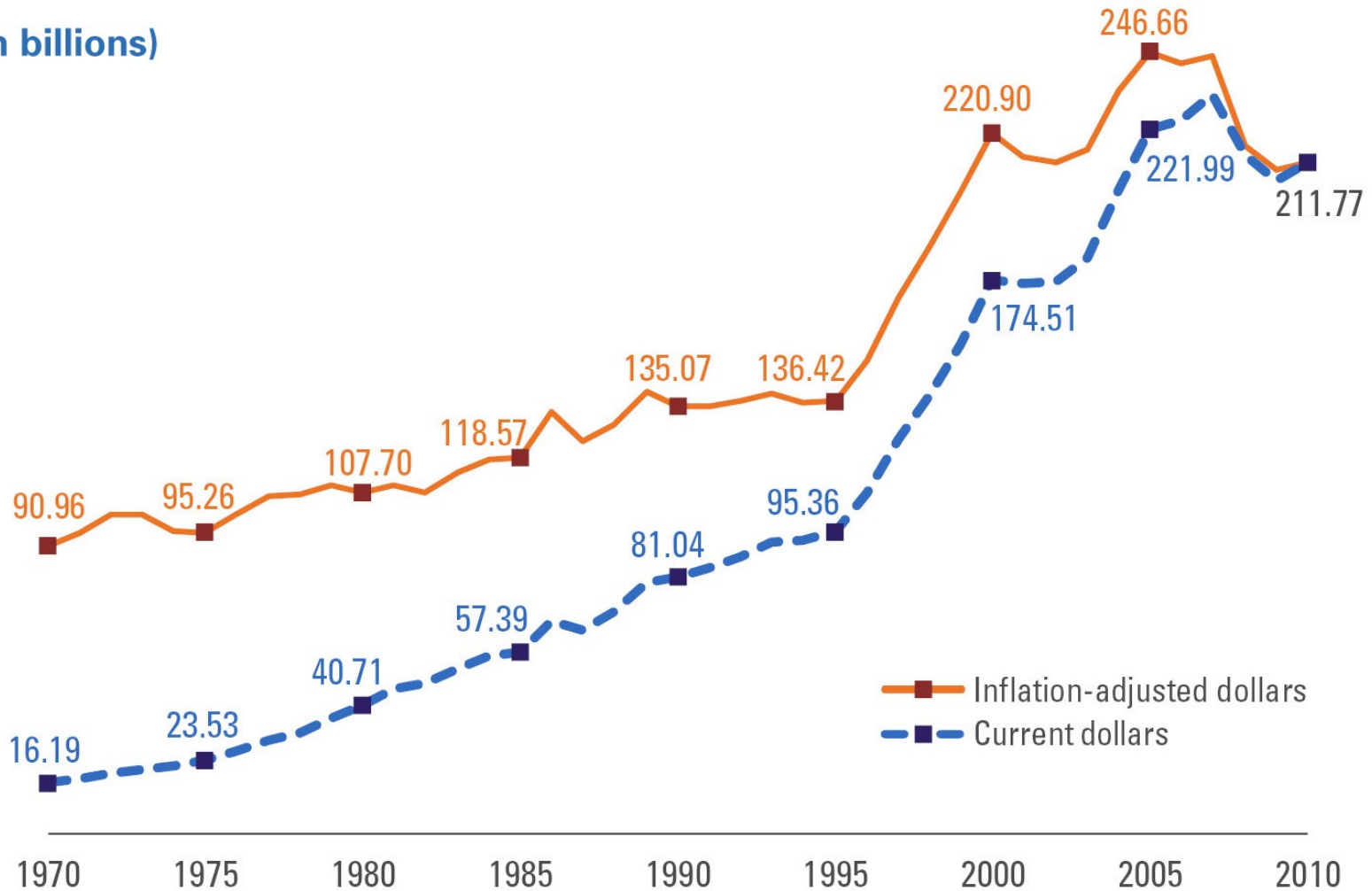
Total giving, 1970–2010

(\$ in billions)



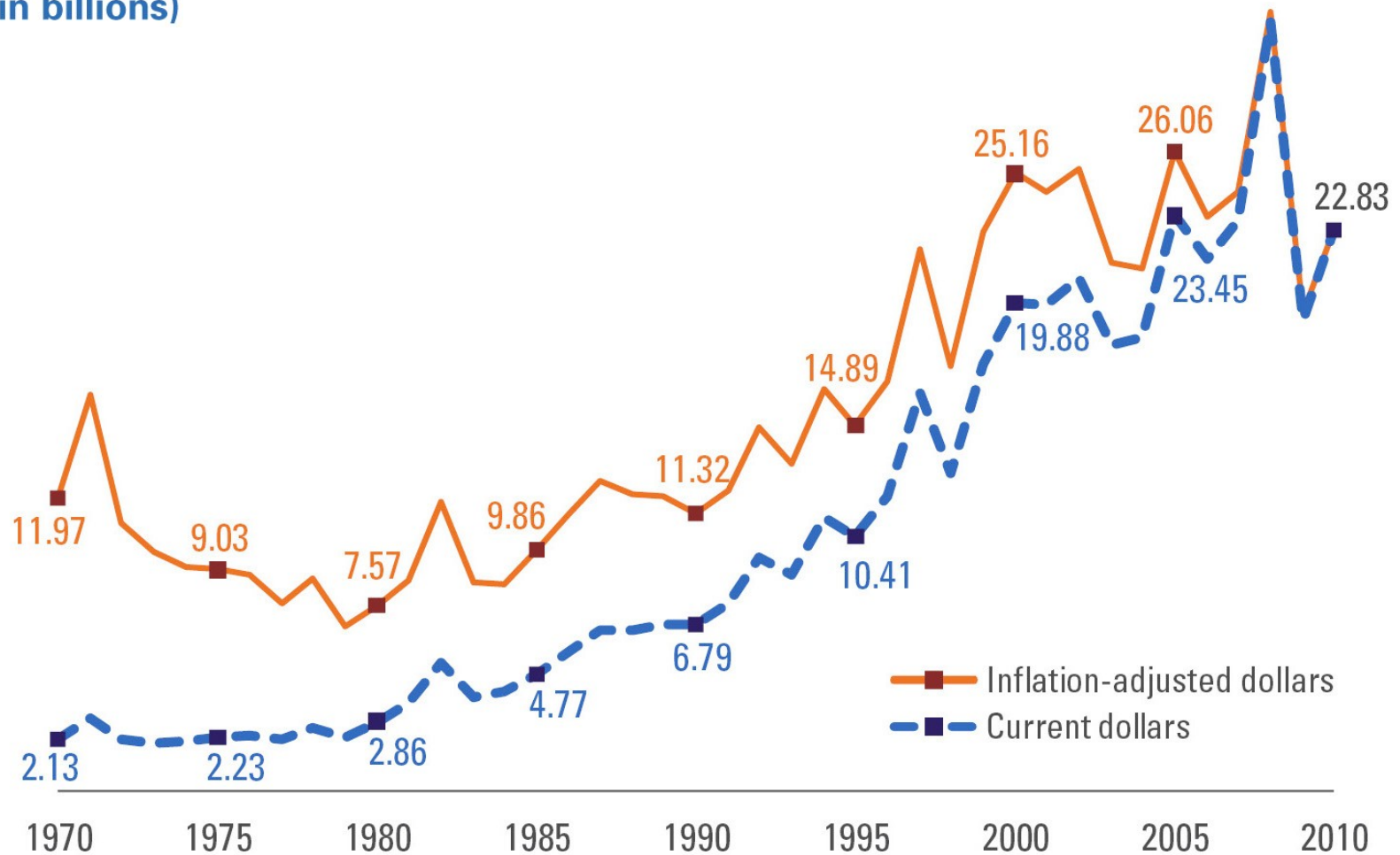
Giving by individuals, 1970–2010

(\$ in billions)



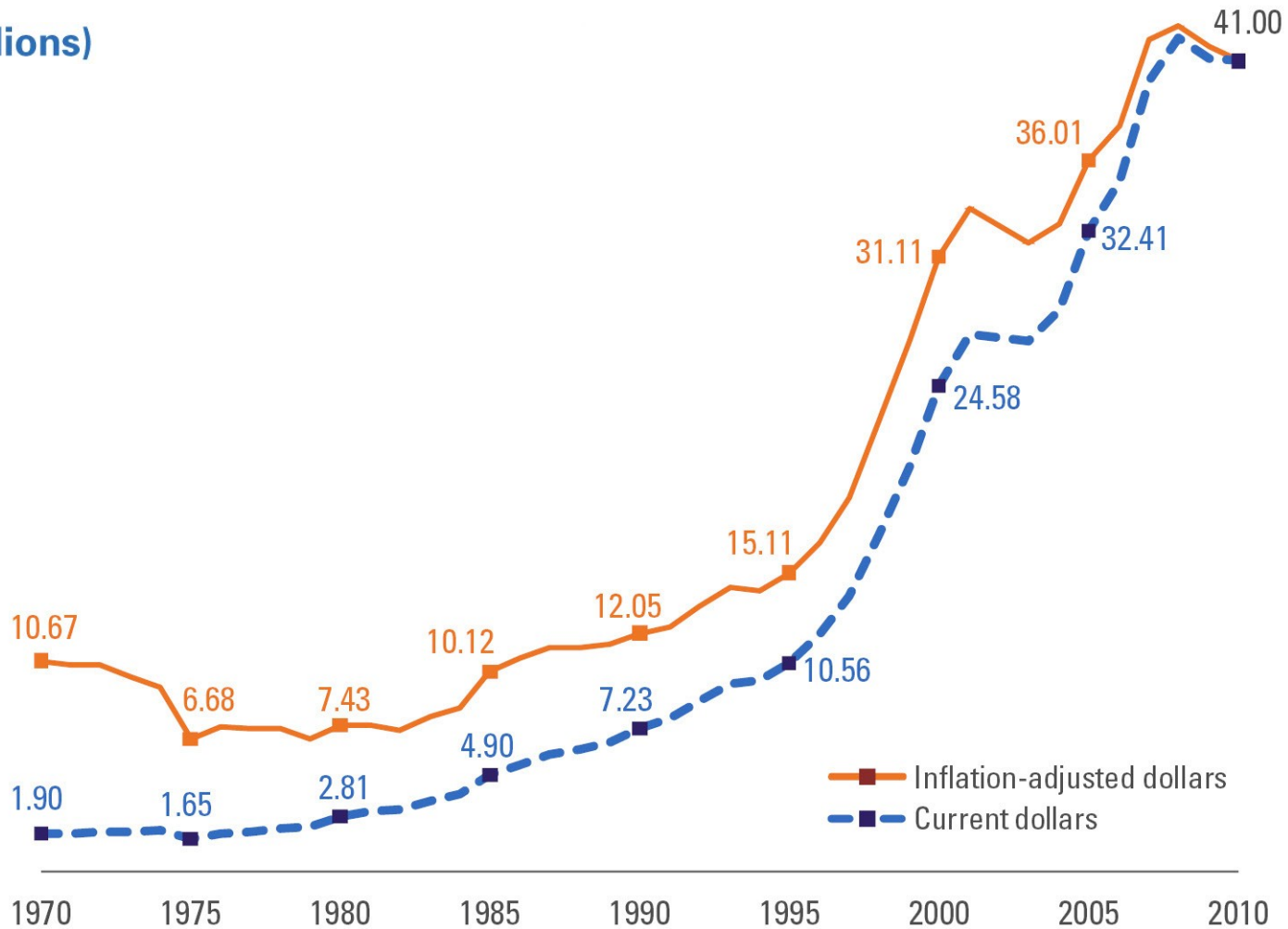
Giving by bequest, 1970–2010

(\$ in billions)



Giving by foundations, 1970–2010

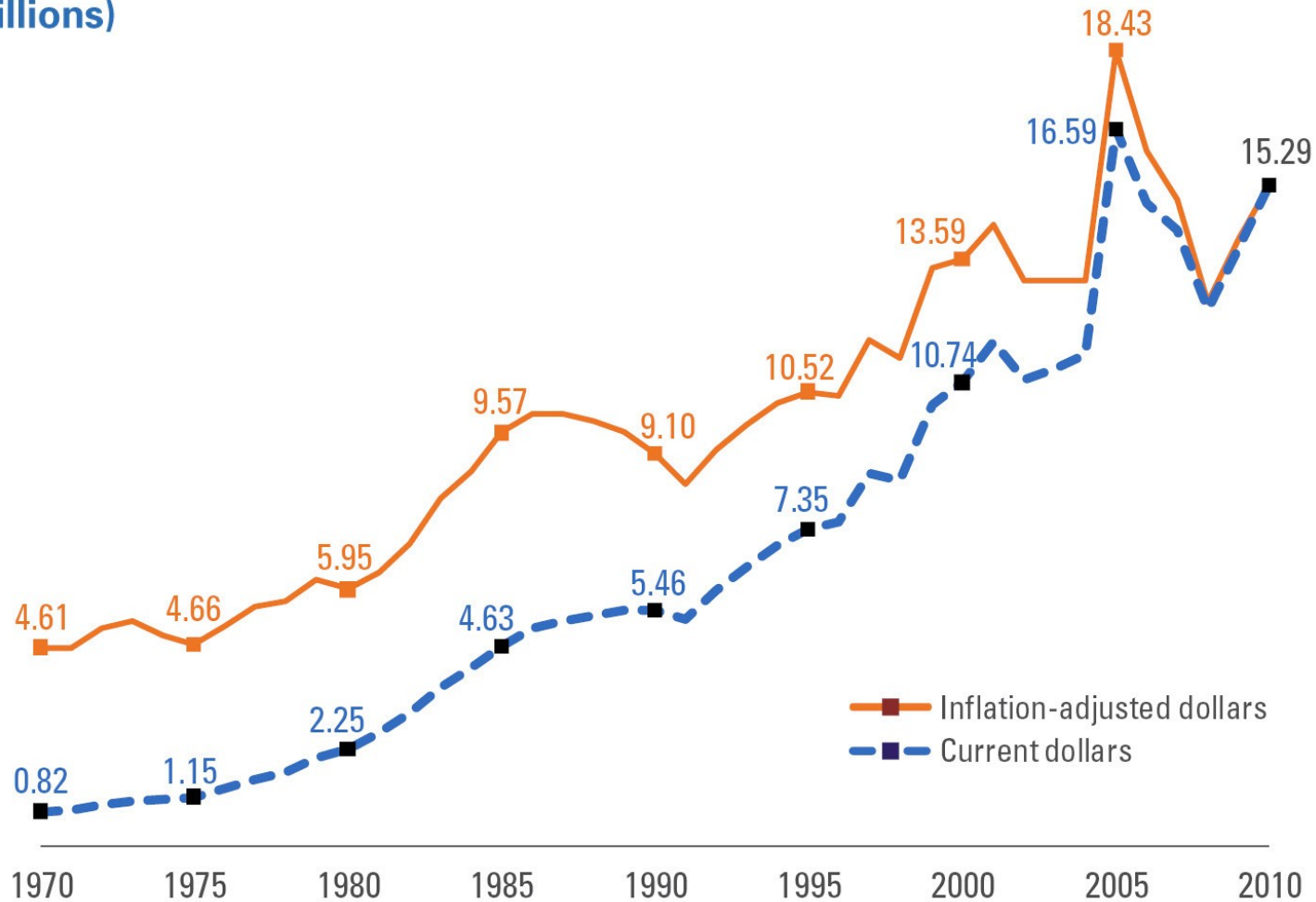
(\$ in billions)



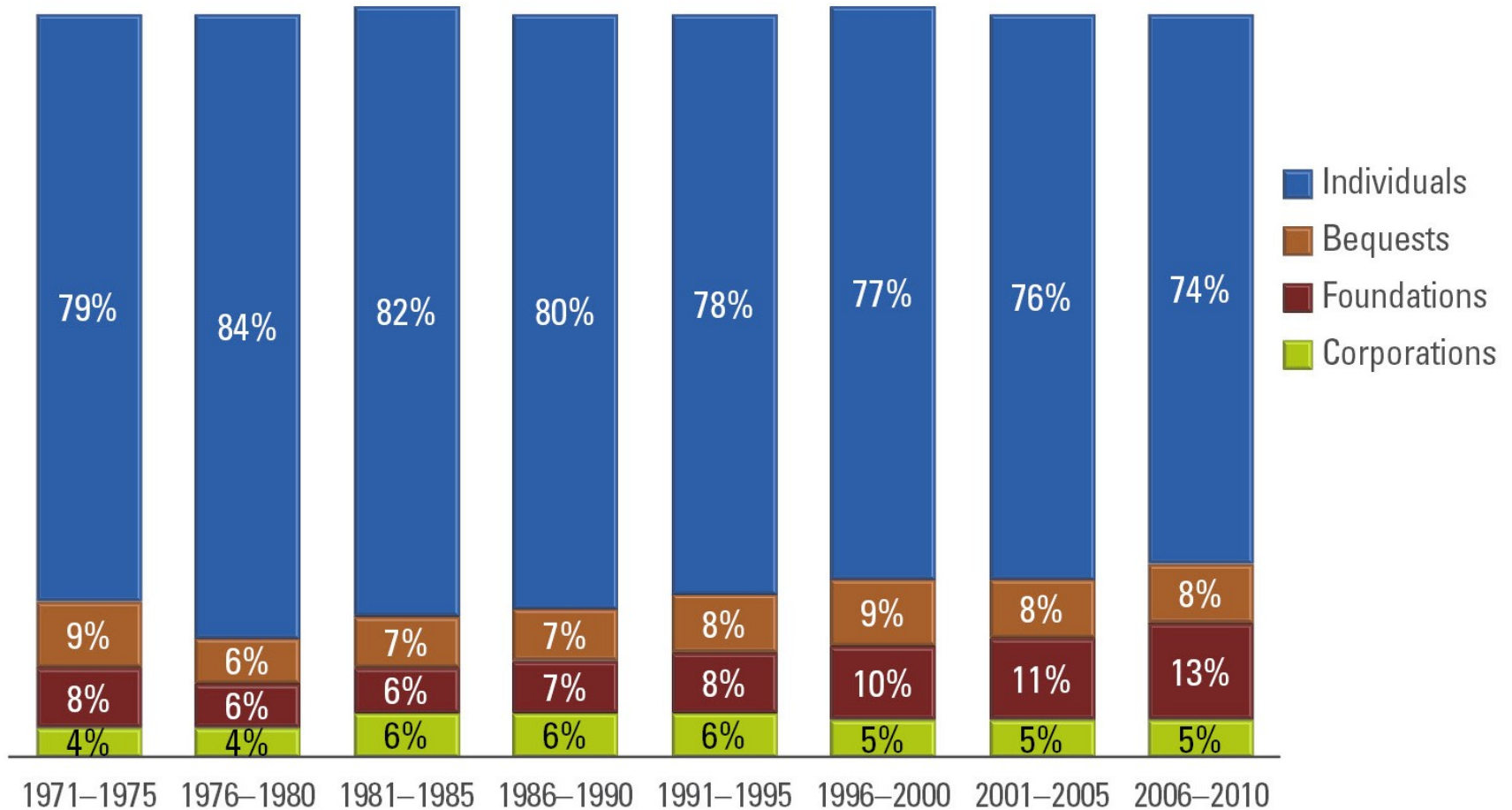
Data: The Foundation Center

Giving by corporations, 1970–2010

(\$ in billions)

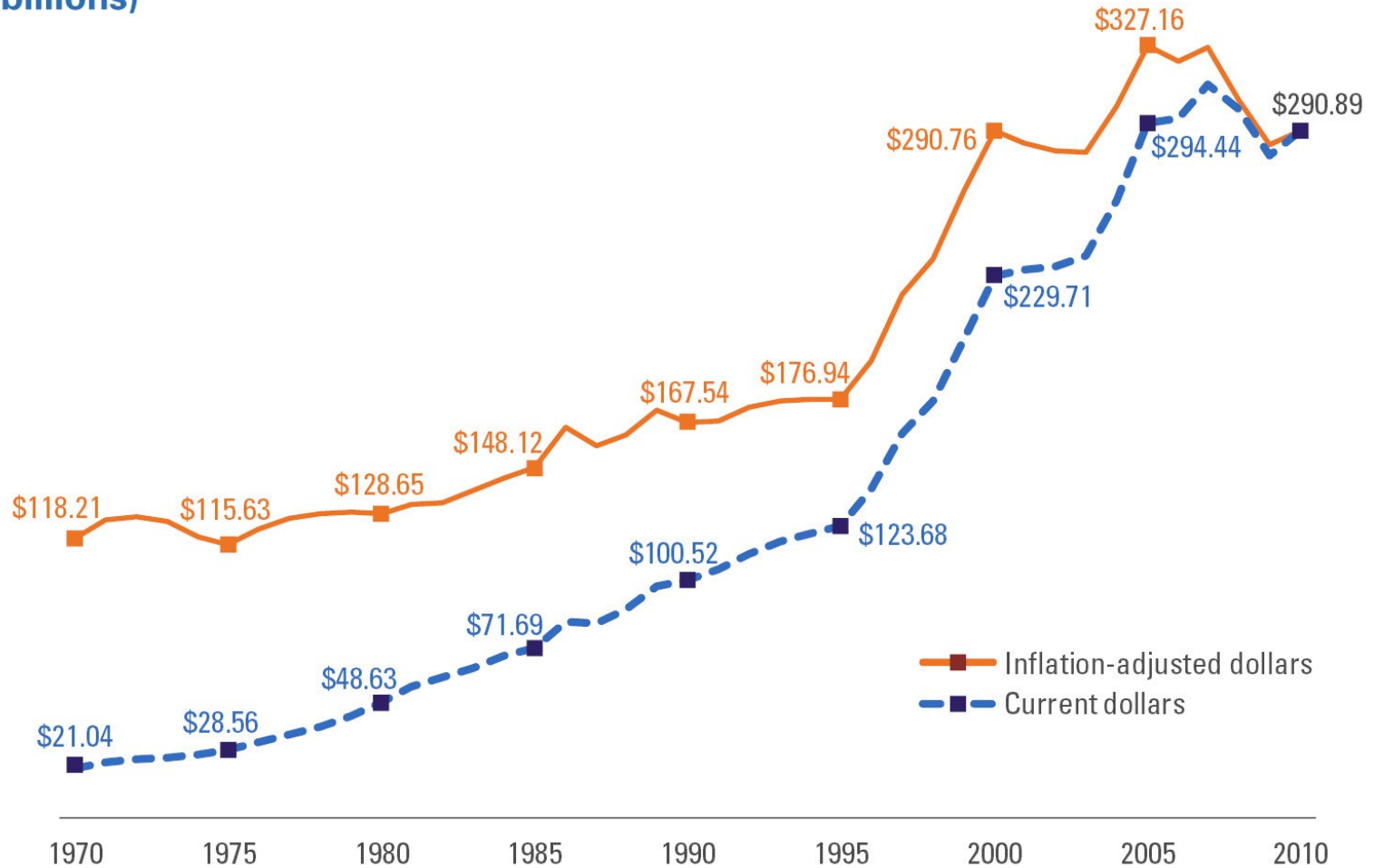


Giving by source: Percentage of the total by five-year spans, 1971–2010



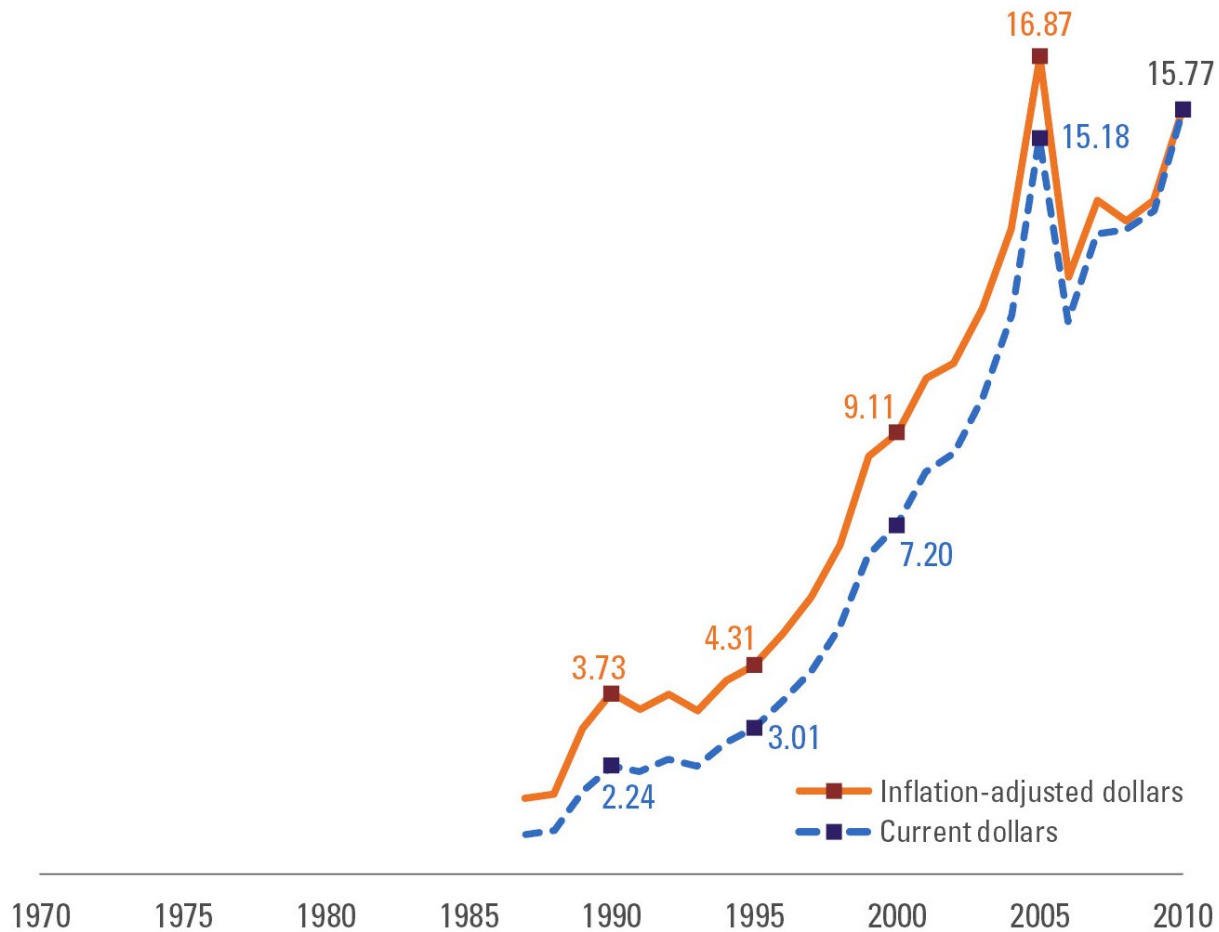
Total giving and trends for total giving: 1970–2010

(\$ in billions)



Giving to international affairs, 1970–2010

(\$ in billion)



*Giving to the international affairs subsector began to be tracked separately in 1987.

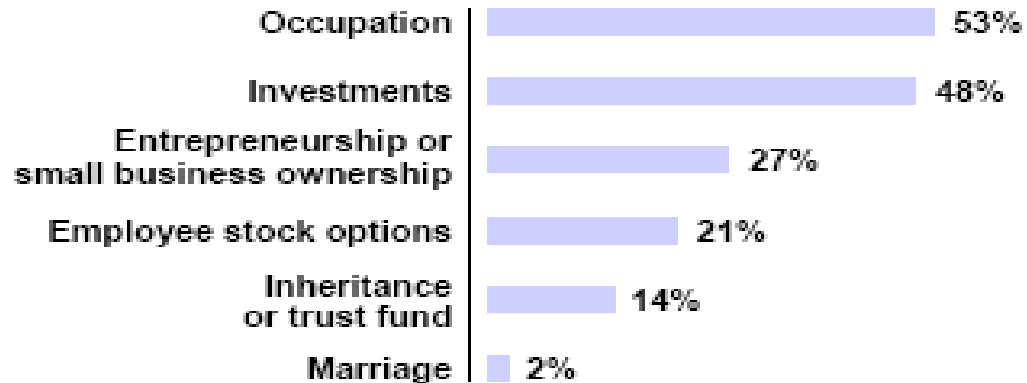
Wealth Transfer

- As our wealth increases, the percentage contributed rises markedly.
 - 97% of families with a net worth in excess of \$1 million give to charitable organizations annually and 99% of families with a net worth in excess of \$5 million give annually
 - 93% of the affluent would increase giving if they found additional causes they felt passionately for
 - 66% would give more if they were better informed about giving options and the effectiveness of their contributions
 - 85% would be anxious to receive guidance from their advisor on philanthropy

Wealth Source

hnw

Most of the wealthy are self-made



Multiple responses allowed

Source: HNW WealthPulse™

WEALTH MARKETING SOLUTIONS™

Projections for the Future

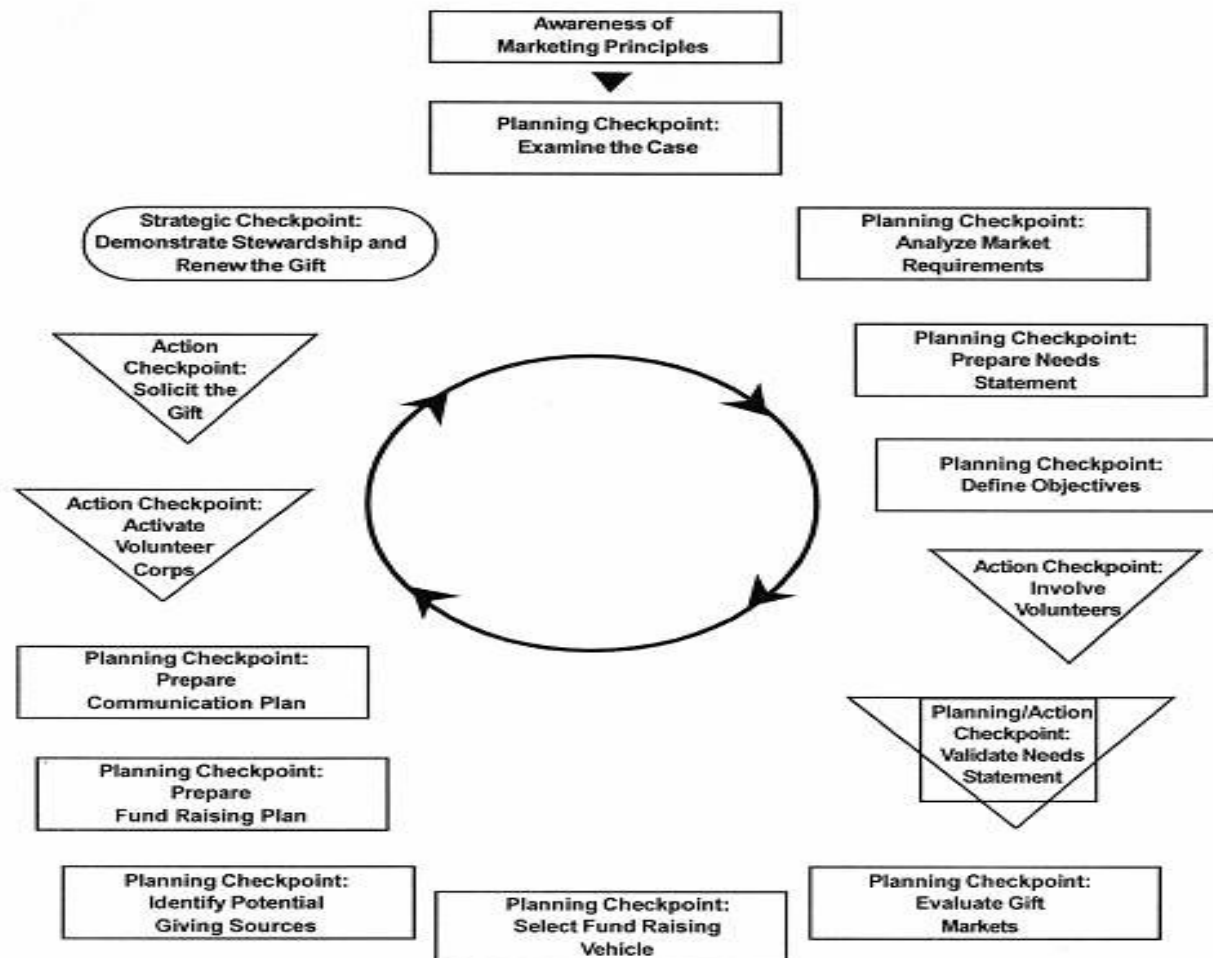
- Globalization of giving
 - Problems and solutions will be less bound by geo-political borders
- Transfer of Wealth
 - Despite economic downturns, next generation will inherit unprecedented sums for giving
- Diversification of Giving Streams
 - Organizations will strive for diversified revenue streams to stabilize funding
- Shifts in Recipient Organizations
 - Moves away from traditional recipients (religion) toward new solutions (international relief, environment)

How do you get your slice of the fundraising pie?

- The fundraising cycle
- The fundraising plan



The Fundraising Cycle



The Fund Raising Cycle

The Fundraising Planning Model

- Understanding the big picture
- Identifying plan inputs
 - Build the case: case statement
 - Identifying the key donors/prospects
 - Selecting effective fundraising activities
- Putting the plan together
- Implementing the plan
- Monitoring plan results and refining plan

CREATE A WRITTEN FUNDRAISING PLAN

1. Set a goal (based on your budget)
2. For each income strategy, note the following details:
 - Tasks required to complete the strategy
 - Due date for each task
 - Who is in charge of each task
 - How much the strategy will cost and how much it will raise

FUNDRAISING PLAN (cont'd)

3. Plot out your plans for raising money from individuals
4. Decide on numbers of donors and match them to strategies
5. Put the plan onto a timeline and fill out the tasks

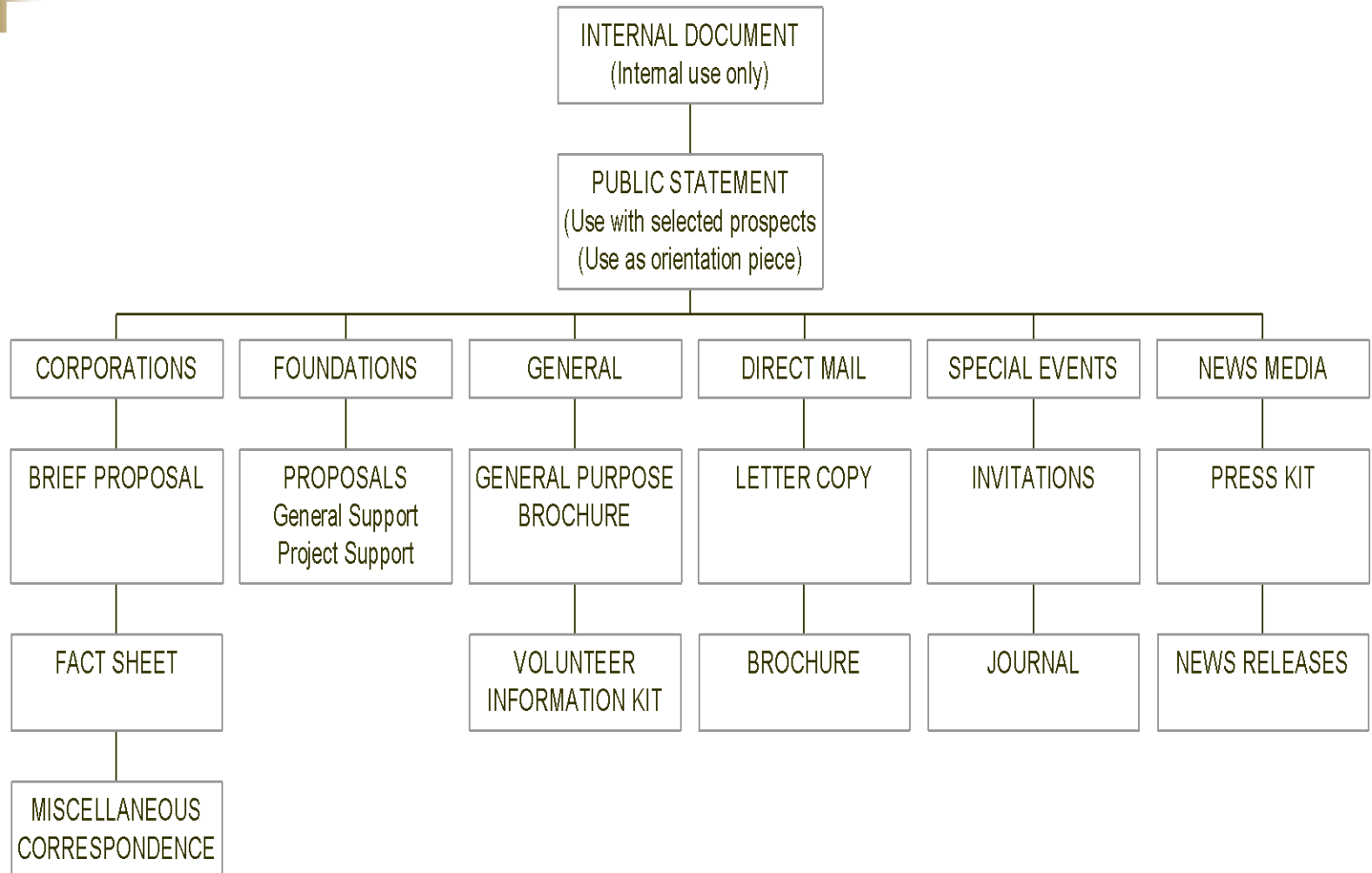
FUNDRAISING PLAN (cont'd)

- **INDIVIDUAL FUNDRAISING GOALS:**
 - 60% from major donors
 - 20% from habitual donors responding to retention strategies
 - 20% from first- or second-time donors giving through acquisition strategies

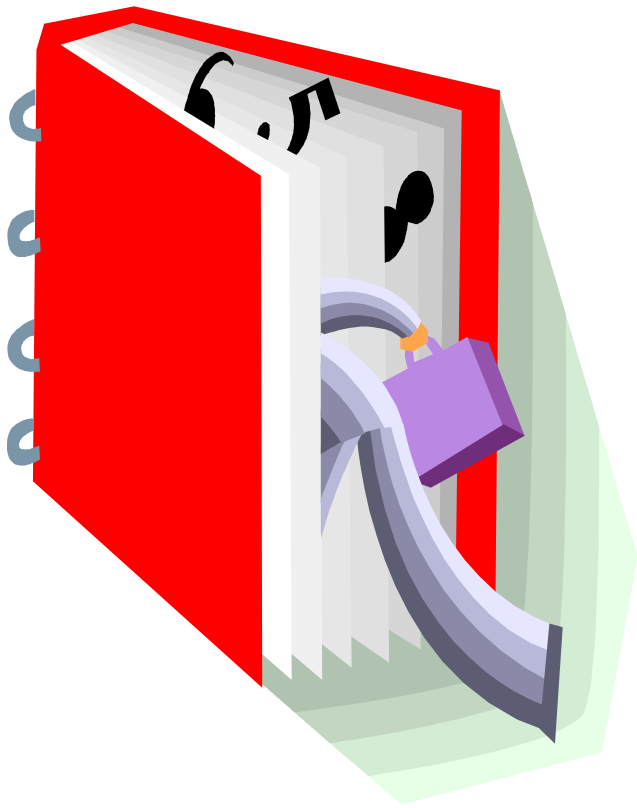
Description of Case Statement

- A message to a particular audience, designed to:
 - Establish an organization's needs and merits
 - Articulate benefits to the contributor to stimulate monetary response
- Case statement should:
 - Be brief/direct
 - Demonstrate success
 - Be targeted to the motivations of each specific market
 - Describe how contributor's investment will solve specific problem
 - Be compelling

THE CASE STATEMENT



Case Statement Data



- Organization's mission
- History and track record
- Goals, strategies and specific objectives
- Organization resources
- Accountability
- Problems to be addressed
- Trends affecting problem
- Future organization plans