

Week Six: Fundraising

- Three Stages of Fundraising Development
- Annual Giving Programs
- Direct Mail
 - Writing Fundraising Packages: the market, the business, the creative
 - Managing the Process
- Special Events
- Assignment One



Three Stages of Fundraising Development

Stage: 1: Formative 2: Normative 3: Integrative

<i>Who:</i>	Vendor	Facilitator	Strategist
<i>What:</i>	Product	Relationships	Growth partnerships
<i>Skills:</i>	Sales	Soliciting	Building & maintaining relationships
<i>Result:</i>	Make sale	Relationships with donors	Assure growth

Source: *H.A. Rosso, The Fundraising School*

The Optimal Fundraising Strategy includes:

- The *total* integration of the three three types of giving:
 - Annual
 - Major/Capital
 - Planned

The Annual Fund, which supports annual operations, should be sustained and supplemented- not supplanted- by a major/capital campaign. Planned Giving enhances organizational longevity.

The Optimal Fundraising Strategy includes:

Annual Gifts

- Relatively *small* gifts from as *many* as possible as *often* as practicable

Major/Capital and Planned Gifts

- The *largest* possible gifts from as *few* as necessary as *seldom* as practicable

“Little from many, much from few”

Annual Fund Campaign

- Foundation of all fundraising efforts
- Annual Gift: Any gift that can reasonably be expected from same donor on an annual or regular (monthly) basis
- Personal solicitation, direct mail, internet appeals
- Primary source for attracting new donors and raising giving levels of existing donors
- Goals: Bring in new donors, renew existing donors, increase size of gifts

Elements of Annual Fund Campaign

- Personal Touch
- Focus on prospect and donor interests
- Solid overall plan that includes goals, research, feedback/assessment



Measuring Success

- Net income
- Pledge or response rate
- Average pledge or gift
- Number or percentage of new donors
- Number or percentage of donors retained
- Increase in gift size
- Involvement of specific group: current donors, non-donors, specific demographic or geographic characteristic, etc.

Annual Fund Drive: Salvation Army

- Is it effective? Why or why not?
- Does it have personal touch?
- Does it focus on donor/prospect interests?
- What would we expect the goals to be?
- http://www.youtube.com/watch?v=h70epPi_mN4&feature=relmfu
- <http://www.youtube.com/watch?v=fQkpkJDkK5k>

Direct Mail

- Defined: Targeted mailings of fundraising appeals
- Any standardized mailing of more than ten pieces
- Key vehicle for conducting annual fund campaigns



Why Direct Mail?

- Build base of donors beyond board and friends
- Renew gifts of lapsed donors
- Upgrade donors
- Convert event donors
- Learn more about donors
- Increase visibility
- Complement public relations efforts
- Save time and resources

Direct Mail: Are you realistic?

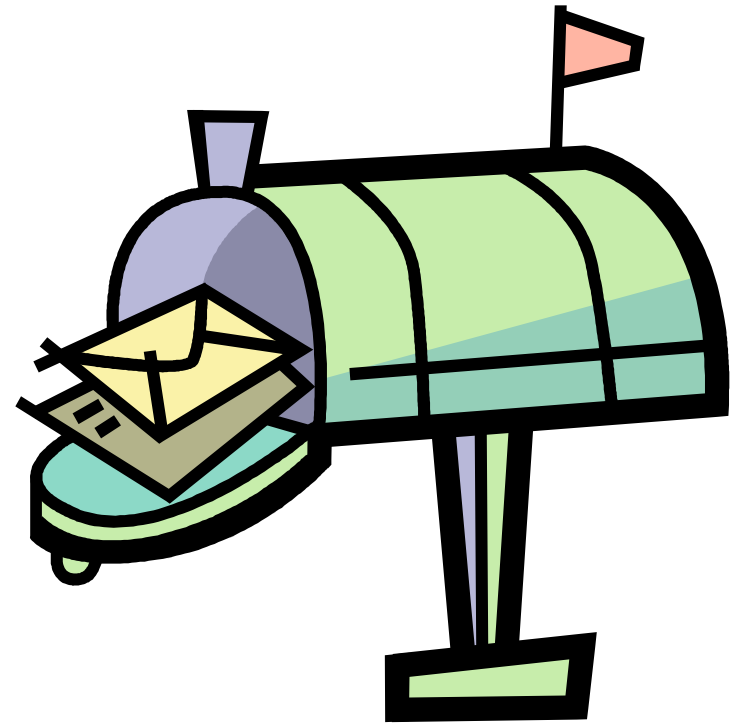
- What is potential response rate? 2- 5%
- How long has the program been in place?
- What are your costs?
- Do you have a long-term outlook?

Organizing the Direct Mail Effort

- Three key elements: the market, the business plan and the creative effort
 - The market – the mailing list
 - The business plan – the goals
 - The creative effort – the printed package

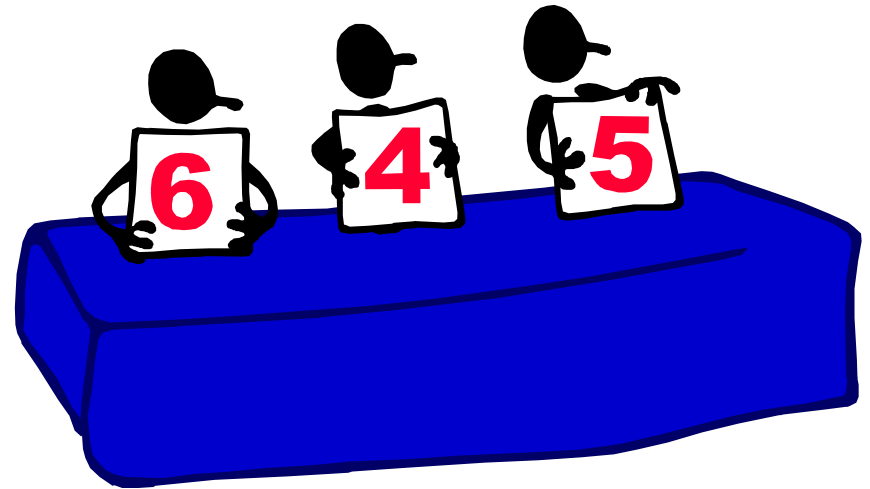
Direct Mail: The market

- Your mailing is only as good as the name and address data you have
- Types of lists
 - House lists
 - Compiled lists
 - Mail order buyer lists
 - Publication lists
 - Donor lists
 - Exchanged lists
- Postal regulations
- Maintaining the list



Direct Mail: The business plan

- Be clear about goals: monetary, donor, other
- Setting the ask amount
- Consider all costs
- Consider the timing
- Consider mechanics



Direct Mail: The creative plan

- Capturing attention, creating interest and prompting action
- Perceptions of direct mail
- Turn-offs:
 - Expensive mailings, false urgency, outlandish claims, mass produced look, misspelling of names, errors in grammar and punctuation, persistent reminders
- Mail segmentation: Vary your mailings

Direct Mail: The creative plan (cont.)



- Creating an image
- Piece reflects organization
- Appropriateness of spokesperson
- Aesthetics and function
- Producing the mailing

Direct mail: Aesthetics and Function

- Generally, four pieces
 - Outer envelope
 - Reply envelope
 - Letter
 - Reply card

Effective fundraising letters

- Grabs attention in first sentence/paragraph
- States problem and tells story
- Tells reader how they can help and benefits of involvement
- Asks for and suggests specific amount
- Uses personal approach
- Uses P.S.
- Asks for action today



Other Considerations

- Use I and you (but mostly you)
- Appeal on basis of benefits, not needs
- Write a package, not a letter
- Write in simple, straightforward language (short sentences and paragraphs)
- Format letter for easy reading
- Write only as long a letter as need to make your case

Effective fundraising letters

- Is the writing easy to read?
- Does it engage the reader?
- Does it acknowledge past support?
- Does it focus on people or interests served (not organization)?
- Does it ask for donation in straightforward and explicit way?
- Is it personal?

Outside Envelope: How to Get Your Letter Opened

Photos, graphics, colors, startling facts, giveaways promised. Examples:

- **From North Shore Animal League:** Your beautiful holiday labels are enclosed...
- **From Susan G. Komen for the Cure:** Turn your passion into progress! And stamped to the right of the address window: Gift Enclosed.
- **SmileTrain:** Make one gift now and we'll never ask for another donation again!
- **From the International Campaign for Tibet:** positioned in the upper left corner (where you'd normally look for a return address): A Message from His Holiness the Dalai Lama Enclosed.
- **The Connecticut Audubon Society:** (beneath the photo of a wide-eyed owl) Milton is a people friendly 'teacher' at Connecticut Audubon Society, who seems to enjoy his role as an educator whether during the day or night! See where to meet him inside...

Donor Reply Card

1 **SAMPLE ONE**

2 **YES!** I want to help build homes for more families in need.

3 **OPTION 1: Monthly contribution**
I have completed the form on the other side.

OPTION 2: Single contribution
I prefer to offer my support by making a donation of:

\$25 \$50 \$100 \$250 Other: \$ _____

4 Mr. Joe Sample
743 Renaud Avenue
Dorval, Quebec H9P 2N1

5 1907 403

6 ACQ48904 - HFF-B

7 8830 - 800018

8 I am paying by:

Cheque or money order
(payable to Habitat for Humanity Canada)

9 Card Number _____ / _____ () _____

Expiry Date _____ Telephone _____

10 Signature _____

11 E-mail _____

12 8830018E

A tax receipt will be issued for all donations. Our charitable registration number is 11806 0120 RR0001.

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Reply device front

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PRE-AUTHORIZED MONTHLY GIVING PROGRAM

HOPEBUILDERS

By joining HOPEBUILDERS, you help Habitat for Humanity Canada provide affordable housing for families in need all across Canada. You help us increase awareness, and keep our administrative costs to a minimum.

I would like to contribute :

\$10 \$15 \$20 Other \$ _____ PER/MONTH

Yes, I authorize *Habitat for Humanity Canada* to withdraw the following amount from my credit card or bank account on the 15th day of every month. I may change the amount or cancel my monthly contribution at any time by notifying Habitat for Humanity Canada.

I have provided credit card information for monthly withdrawals on the other side.

I have enclosed a cheque with VOID written across it so that *Habitat for Humanity Canada* can arrange the monthly withdrawal from my bank account.

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Reply device back

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Receive free tips like this each week by email. Sign up for Alan Sharpe's Fundraising Letter at www.BalserSharpe.com

Write a Fundraising Letter

- Based on what you know about your nonprofit agency, write a one-page fundraising letter that could be sent to a prospect that has not yet supported the organization
- What would your direct mail package (outside envelope, reply envelope, letter and reply card) look like? (color, size, graphics, paper, photos, print, etc.)

Producing the Mailing

- Ten weeks
- Money-saving production and mailing tips
- Test mailings
- Use of premiums
- Use of service bureaus vs. volunteers

Special Events

- The process of using sports, arts, entertainment, festivals, fairs, auctions, and other gatherings of people to generate revenue.
- Functions of special events:
 - Generate revenue
 - Enhance reputation
 - Generate interest
 - Educate individuals
 - Generate publicity
 - Gain donors who normally wouldn't contribute
 - Foster social unity

Special Event Planning

- Consider
 - Fit with organization image
 - Timing
 - Energy required
 - Front money
 - Repeatability
 - Revenue potential (Break even analysis)

Types of Special Events

EVENTS

Examples:<http://www.worldmsday.org/wordpress/2010/06/15/raising-money-for-ms-a-concert-and-a-cake-in-the-czech-republic/>

- Luncheons/dinners
- Musical or Theatrical Performances
- Golf tournaments
- Dances
- Festivals
- Trivia Nights

Special Event Planning

- It's all in the details!
 - Date and site
 - Budget
 - Timeline
 - Event leadership
 - Management structure
 - Sponsorships
 - Invitation lists
 - Printed materials
 - Public relations
 - Financial oversight
 - Record-keeping
 - Holding the event
 - Post-event activities
 - Murphy's law



Review

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