

INVENTING • SOLUTIONS • TOGETHER

FUNDRAISING



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FUNDRAISING

Why Focus on Fundraising?

Raising the money to support your project can go very well or go very poorly, depending upon how much emphasis you put on it. With proper planning and preparation, you should be able to bring in the money you need to conduct your programs without too much wear and tear on the team. Failing to focus on fundraising, however, can jeopardize your chances for success.

Potential donors respond differently to the various methods of fundraising: some will only give at an event and others will never attend an event but will send a check if someone personally asks them to.

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Fundraising Plan

We recommend that you plan for your project's financial health in advance by writing out goals, tasks, timelines, and budget. Once the budget is established, the fundraising team knows what their mission is: make sure that enough resources are in the bank to pay the bills as they come due. Which methods to use, along with what message to deliver, who should make the request, and how much to ask for are strategic choices governed by the particular donor or donor group being approached.

The fundraising plan should also take into consideration the strengths, weaknesses, and comfort level of the people charged with implementing it. If you have several people who are comfortable doing personal solicitation, you may have less need for events and mail. It is also important to know what other groups and organizations are soliciting donations in your community during this timeframe. The economy and demographics of your area are also important.

Why People Give

Professional fundraisers know that the number one reason people contribute to causes is because they are asked. Of course, not everyone who is asked will give, but certainly people are unlikely to give if no one ever asks them to. Sometimes people give just to be nice, or because they care about the person making the request.

Mostly, however, people give to causes because they see the benefit to themselves of doing so. By asking for support, you are offering them an opportunity to help meet their own needs.

Perhaps they feel strongly about your project. Perhaps they are the insurance agent with the policy on your building, or the office supply store who sells you toner and sticky notes. Whatever the case, make sure you understand their needs and deliver solutions to them.

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Building Your List of Potential Donors

The effectiveness of your solicitation efforts is enhanced by starting with good prospect lists, so take some time early on to identify your potential donors and organize them into some sort of database. Early donors are most likely to be found in the personal rolodexes of the board or committee members. But once your project is running strong and your viability is established, there are others who can be approached for support, including:

- ◆ Vendors and others with an economic interest in your success,
- ◆ Those who have given to other non-profits or causes in your area,
- ◆ Members of civic organizations, and
- ◆ People who have contributed to candidate or issue campaigns.

Asking for Money

The basic elements of an “ask” include 1) getting to know the donor and his or her interests, 2) establishing the viability of your effort, 3) relating their interests to your success, 4) asking for a specific amount, 5) waiting for their reply, 6) thanking them for whatever they choose to give, and 7) collecting the pledge. This is true whether you are using an event, writing a letter, or asking in person.

How comfortable someone is asking others for financial support is often governed by their own personal means. For example, if someone working on your project believes very strongly in what you do, and they dig very deep to make the biggest contribution they can, and the check they are able to write is for \$100, then by rule of thumb \$100 is about the maximum that person can comfortably ask someone else for unless they have had some training. This is true even if a prospective donor could write a check for \$10,000 without batting an eye. If you can help the people who are out there raising money for the project stay focused on meeting the potential donor’s needs, you will go a long way.

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No matter how much time, effort, and energy you put in to learning about and meeting with a prospective donor, you have not actually asked for their support until the words, “So can we count on you for a contribution of X dollars today?” cross your lips. Even more challenging is to avoid over talking while they consider your request. In most cases, if the prospective donor cannot contribute the amount you requested, they will give a counteroffer, which you thank them for immediately. Most people are flattered if you overreach somewhat with a figure that is beyond their means. Still, if you ask for \$5000 from a donor who can only give \$500, they may feel that what they can give would not be helpful. Take care that nothing you say could create that impression.

Personal Solicitation

After the finance team has organized and prioritized the prospect lists, the most effective means of fundraising is personal solicitation, either in person or by telephone. Costs are limited only to postage and printing for follow up mail, and perhaps the occasional meal if you take someone out. Once the elements of an effective “ask” have been mastered, these techniques can be very productive.

Face-to-face: Because in-person solicitation meetings are generally reserved for those capable of making a major donation, chances are you won’t have many such meetings. When you have targeted someone for a major gift, call them on the phone to ask if they will meet you in their office or at a local restaurant. Be straightforward about your purpose. If there is someone on your team who knows the prospect well, ask that person to make the call or at least for permission to invoke their name when you call. Generally speaking, 50-70% of those who agree to a meeting on such terms will make a donation, the highest response rate in all of fundraising. Consider role playing the conversation with someone who knows the prospect and/or who is experienced at fundraising. Take a packet of materials to leave with them, or even send something in advance. If the prospect pledges but doesn’t have a checkbook with them at the meeting, go ahead and send a “thank you for your pledge” letter right away, being sure to include a return envelope. Follow up by phone in two weeks if the check is not received.

You’ll want to use the basic elements of an “ask” and take care not to keep talking once you have made your specific request. Let them answer with a yes, no, or offer a different amount than you suggested.

Dialing for Dollars: While the response rate for telephone solicitations is lower than for in-person solicitations (30-50%), it is still an efficient tool for medium to high-level donors because more people can be reached in an hour. You’ll want to keep accurate notes about what happens with each call, so we recommend setting up a call sheet system: one piece of paper for every prospect donor with a space for their name, ask amount, work and home numbers, fax, email, who referred, employer, occupation, giving history, record of contact with the organization, and notes.

As with in-person requests, you’ll want to use the basic elements of an “ask” and take care not to keep talking once you have made your specific request. Let them answer with a yes, no, or offer a different amount than you suggested.

Whatever their response, be sure to thank them for their support – or for their time – and let them know you’ll be sending follow up information. Expect to collect about 70% of dollars pledged over the phone.

One way to facilitate the fundraising efforts of board or committee members is to set up time to visit their offices for call time or have them bring their rolodex to your office. That way, as they make calls, you can keep notes, and handle the follow up. One person focused on making calls for an hour can dial 30 numbers on average, talk to ten people, and generate three to five pledges. To maximize collection, send a letter with a reply envelope within 24 hours, or send a fax or email immediately with information on where to send the check. If you are able to create a sense of urgency, you can collect most pledges within seven days.

Appeal Letters

Sending appeal letters is a favorite fundraising technique of many. The asking part is indirect, and donors are given a low-pressure opportunity to decide whether or not to respond. Some mailed solicitations can be very successful, depending upon how good the list is. We believe that generating \$1.00 per name above expenses is excellent. So if the cost to mail a letter to 1000 prospects is \$500, you should feel pretty good about raising \$1500 with the mailing. The real value in such a mailing is in identifying medium- to high-level donors who can be upgraded to larger contributions or at least resolicited later in the campaign.

Successful mail programs require good lists and effective appeal packages. Here are some tips for maximizing the response rate for your fundraising letters:

- ◆ The appeal package includes:
 - An outer envelope that is neat, hand-addressed if possible, with a first-class postage stamp, rather than metered. Make sure you spell the prospect's name properly.
 - A personalized letter directed to one person that includes a prominently-placed "ask" naming a specific amount, along with information about how the donor will benefit by giving.
 - An enclosure, such as a newsclip, brochure, or supportive note from a notable supporter, something that adds credibility to your campaign or demonstrates momentum.
 - A response piece, detailing how the check should be made out and collecting the information for your database.
 - A response envelope pre-addressed back to you. No postage required.
- ◆ The length of the letter itself is not as important as the easy detection of the message it contains. Many professional fundraising operations use two- and four-page letters very productively, making sure to highlight their key message points with the use of bullets, bolding, underlining, italics, and the like.
- ◆ The P.S. is the first and sometimes only thing most readers will read, so make sure to include a P.S. that contains the "ask" and creates a sense of urgency: "We need to pay the post master for letters next week. Won't you please consider sending in a gift of \$42 today?"
- ◆ If you can, try to hand-write something on each letter, or at least on the letters going to hot prospects. Something as simple as "Bob, we'd really appreciate anything you can do" next to your signature will increase your response rate.
- ◆ Assume any opponents you have as well as the media will see the letter, so put nothing in the packet that you don't want to see in the paper.
- ◆ Proofread, proofread, proofread. Proofread again.

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Events

Events tend to be a high-cost method of bringing in funds, but they absolutely have their place in the lexicon of fundraising methods used, especially for those who value the non-monetary benefits of events: building camaraderie, disseminating information, demonstrating momentum or viability, engaging a group of volunteers who enjoy doing events. Plus, there are some donors who will only respond to an invitation. Fundraisers can be planned for any giving level and can be targeted to different audiences. The response rate is generally 15-25% and is higher with telephone follow up after the invitation is mailed.

To maximize the income potential of a fundraising event, recruit a host committee of people who will each be asked to bring others. Many times such hosts can be solicited to sponsor the event or provide in-kind contributions to off-set food, printing, or site-rental costs.

Here are some other tips for boosting the income potential of events:

- ◆ Always set a ticket price. Creating tiers of donations is perfectly fine.
- ◆ Make sure the invitations are neat, hand-addressed if possible, with a first-class stamp (not metered.) Be sure to include a response piece and envelope.
- ◆ Set goals for the event, both in terms of attendance and in terms of dollars raised. If you have intangible goals, like building volunteer morale, make sure the program addresses that.
- ◆ Try to keep expenses to 10-15% of projected income.
- ◆ When recruiting your host committee, think in terms of who is well-connected to the community of targeted donors and who the go-getters are. If you want 10 members on your host committee, ask 20 people to do it.
- ◆ Use the telephone to increase attendance at the event a few days after the invitation has gone out. Train volunteers to ask for a donation, even if people are not free the day of the event.
- ◆ In an age when so few people bother with RSVPs, it is increasingly difficult to project how many people will attend an event, making it a challenge to give a number to those responsible for food and other logistics. A good rule of thumb is that about 25% of the people who reply “yes” will not actually attend unless paid in advance. This is often offset by people who don’t RSVP but come. People who respond with a “maybe” are unlikely to attend.
- ◆ If the location for your event is not very well known in your community, consider including directions or a map with the invitation.
- ◆ Make sure you can walk through your venue in advance, and that you know where your sign-in table will be set up, where the podium is, and whether you need a microphone.
- ◆ No one likes wearing a name tag, but everyone is pleased to see one when they are greeted by someone whose face they recognize and whose name escapes them. Printing name tags in advance helps streamline the sign-in process.
- ◆ Remarks should be kept to a minimum: a two-minute introduction of the lead speaker, introduction of all elected officials and other VIPs, a short presentation making the best case for your project, five minutes for questions and answers, and a closing speaker to solicit additional contributions.
- ◆ Thank all donors and host committee members within the week, both verbally and in writing.

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Resolicitation

Every project's best source of donations is people who have already demonstrated their commitment by giving once. If you have shown appropriate appreciation for their original gift, and established a viable project with solid backing, you should be able to go back to your donors regularly.

Low, medium, and high donors can all be resolicited via mail and some can even be upgraded to a higher giving level. If you make sure to follow all of the rules for effective appeal mail discussed above, this will turn out to be one of your most fruitful efforts.

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Internet

These days every organization should have a website, and if you can get one together that accepts contributions via credit card, so much the better. Keep the website fresh with pictures of events, press releases, important news clips, your question and answer sheet, and a means of contacting you for more info. Take care that everything you post there is public information, because the media will be checking it often. The web address should be printed on everything you send out.

E-mail has become an increasingly significant means of soliciting prospective donors, especially following up on pledges and resoliciting supporters. Note that success here may cut in to your mail program, but if it works for you keep it going. As with paper mail, e-mails must be attractive, include an "ask", be specific, and contain information on how to contribute. Take care when using e-mail that you aren't sending out too much of it for other purposes. If someone gets several e-mailed opportunities to come volunteer for your project, for example, they may miss the donation request when it comes.

Conclusion

Fundraising success is a matter of advance planning, setting goals, and focusing attention on the effort. By putting together a strong list of prospects, researching their interests and giving potential, applying tried and true techniques for soliciting them, showing appreciation, and resoliciting your donors later, you should be able to meet the financial needs of your organization. Take care to match donor targets with the best person on your team to make an "ask", and provide training and support for anyone on your fundraising team who wants or needs it.