



Notes from Fundraising in Weird Times

Kim Klein at 2017 NC Center for Nonprofits Conference

Taken By Teri Beckman

There are 1.5 million nonprofit organizations today, up from 300,000 in the 1970s.

There are intensifying debates around the role of nonprofits in society. For a long-time there are advocates that nonprofits can replace the government sector.

Kim suggests we focus on people. This is our strength as a sector.

Seventy percent of people give way money. This is more people than vote!

Most of us give money.

The main reason people give? Someone asked.

Fifty percent of people cannot remember who they last gave to.

Main reason people do not give, they have not been asked.

How well can you articulate your cause to smaller givers?

Total giving in 2016: \$390 Billion

Individuals	\$281 billion	72%
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Bequests:	\$30 billion	8%
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Foundations:	\$59 billion	15%
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Corporations:	\$18 billion	5%
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Giving by all these sources was up 3 to 4% with the exception of bequests which were down 9%.

Of this, 1/3 of all giving goes to religious organizations, followed by healthcare, higher education, then arts and the environment.

Why do religious organizations get so much money?

They ask. A lot.

Like every week, sometimes many times in the same service.

Givers start giving money when they are young. They don't start at age 45.

Kim has found if you stay in your lane and ask everyone you meet to support your organization, you will have enough money to fund your organization.

Where to start. There is a (relatively) simple formula.

Step 1:

How do we bring people into our organization – get them in the door?

We begin with a small gift.

They sign up for a list.

They volunteer.

Step 2:

Thank them for their efforts, for their money. Thank before you bank. Personalized thank you's are the best **with content**.

"Thank you so much Jane for your gift of \$____, it will help our athletes attend a competition in Detroit they have been practicing for the entire last year. You are helping make this happen! We are so grateful."

Change the content of your note monthly. Not everyone gets the same note. Do it with intention.

This may be the only thing they ever read from you! Realize its potential impact.

Step 3:

Only wait three months to ask them for the next gift.

Step 4:

Ask three to four times per year. Help make it a habit for them.

Larger gifts are often in the 4th or 5th gift.

The final money is a bequest.

Evaluate/Inventory your relationship building.

1. How do we invite people to make their first gift?

- a. Examples: events (distinguish them)
 - Direct mail
 - Door to Door
 - On line
 - In person request
- 2. How do we invite people to give their 2nd, 3rd and 4th gifts?
 - a. Examples thank you notes
 - Newsletters
 - Appeal letters
 - Events (galas, private parties, sporting events)
- 3. How do we ask people to consider substantially increasing their gift?
 - a. Examples upgrade campaigns
 - Personal meetings

Being able to tell stories is critical. If your work is highly confidential, change people's names or give a summary of their story.

What brings donors in?

What keeps them?

Answers to these questions are very different.

Most donors do not begin as monthly donors. This is something they grow into.

The industry standard for retention among donors is 67%.

For example if you have a 67% retention rate (you want to know yours!) and 1,000 donors, you will need 300 new donors a year. 'Recapture' is your ability to move donors back into the fold who have lapsed. These people already know and love you. The money lives in people who have given before.

Evaluate **where to focus your efforts.**

Move to an exchange Framework

Old way

Please, please, please donate.

Exchange Framework

I think you may be interested in something we are doing.

I have done nothing to deserve funding.

What are we doing that needs to be done and who will pay for us to do it? Who has a real interest in seeing this accomplished?

For example, Kim thinks it is morally reprehensible that the San Francisco Bay Area has some of the most expensive housing in the world and one of the largest homeless populations in the US. So she pays nonprofit organizations to address the homeless problem there.

Donors want to know:

- Why do you exist? What problem are you solving and what do you believe will be the result of your work?
- Where would I go to see you raise money from people like me? (Would I see a thermometer in your office? Would I see easy buttons to use on your website? Would it be in an e-newsletter? Special event?)

That is, they want to see themselves reflected in your group of donors.

80% of millennials are givers. Some day they will be able to give bigger gifts. They are more about causes than organizations.

Multi-channel fundraising: Integrating all of your donor touch points, mail, e-mail, phone, web, so they at you have consistent and coordinated messaging and solicitation.

There is lots of cross over these days between the web/phone/snail mail. A donor may get a letter in the mail and make a donation on line. You may call a donor and they may mail in a check. Sixty percent of people who write checks go to an organization's website first.

Focus on only one or two social media sites only. Too easy to be distracted by this. Facebook seems to be fading, especially among young people.

Board members should be those individuals who have your organization in their top three giving priorities.

Volunteers are primed to become donors. Be clear however, that their time is their most precious gift to you. It is the only thing you cannot give and get more of. You can never get it back. Money goes up and down.

How much do you need to raise in the next twelve months? What are your goals?

Kim advises creating a fundraising team. It can be the Executive Director and one or two board members.

Start people with meaningful but not scary tasks.

For example,

- thank you notes and thank you calls to donors (see earlier notes on best content for this).
- Ask donors for gifts who are very likely to say yes – work on a little campaign around these folks to give your fundraising team a positive experience to begin.
- Eventually begin to solicit larger gifts as part of a team.

As ED or CEO you do not want to be the single point of failure, that is you leave and everything falls apart. Eventually, you will leave! Build a real team around you.

Play to people's strengths in building a team.

- Some people will not ask others for money, so ask them to do something else.
- Some people love events.
- Some people enjoy working alone.
- Some people prefer approaching strangers. Some people prefer approaching people they know.
- Some people prefer approaching institutions

What are your preferences? **INVITE PEOPLE WHO ARE NOT LIKE YOU!**

Thank your team. No one ever feels appreciated enough.

Where will you get your team? In small organizations it often begins with the Executive Director and a couple of board members. In larger organizations there may be dedicated fund raising staff.

Consider Team Members should be able to:

1. In one sentence easily be able to explain the vision/mission.
2. Name three accomplishments of the organization in the last year.
3. Know three goals for the coming year (i.e. what are you doing to make the world a better place?)
4. Know the total budget (gross revenue) for this year and some detail. (How are you going to raise it and how much more you need to raise.)
5. Talk about how the organization raised money.

As an ED believe the board can be a board. Hold the bar high to become a team that can do it. The ED should not be writing the newsletter!

Now is a great time to ask people to give who may have highly appreciated stock because the market is at an all time high. They get to take a deduction at the current fair market value of the stock and avoid capital gains tax. Once they give it to you as a nonprofit, you want to have a policy that you sell it.

Be aware of cure balls and how they affect your timing, for example Hurricanes Irma, Harvey and Maria will make fundraising unusual this Fall. Next Fall a lot of funds will go into elections. There is always tons of competition in December. Many donors decide in September, so ask why not ask in August?

You can have fundraising plans, but systems are almost more important. Systems are about regular creating habits and actions around fundraising.

Focus on real prospects. (Oprah is not in most of our orbits.)

Look at the three As:

Access: Prospects know you or they know someone who knows you.

Ability: Do they have the capacity to give?

Affinity: Do they deeply care about your cause? This is the difference between wishing you well and hitting the donate button.

For example, in the case of statewide coalitions, these groups want access to fewer people – those who really care about the power of a coalition. These people are different than those who give to the humane society. It is a broader focus.

We don't like to ask people to do the thing they actually love to do. People love to give away their money to something that is truly meaningful to them.

Once you get a donation, have a back-end system set up. For example:

Thank you note always go out within 72 hours

Website is updated to acknowledge their gift within a week.

Focus on asking in person.

Money is a taboo subject in our culture.

What are our attitudes about money? Be aware how this taints your ability to effectively ask.

Money is the root of all evil. (Actually, the Bible is about behaviors being evil, it is not about money.)

Money does not buy happiness. (Poverty does not buy anything!)

People hate to be rejected. Desensitize yourself to this. It is harder to say yes to something, so give them a chance to say yes to something easy. Give them a chance to get involved on some level with your cause.

Take nothing personally. They are not rejecting you or your organization. The 'no' is about them, not about you.

1. Success is in the act of asking. Your job is done. Let the donor have their job. Their job is to say yes or no. Watch your language. "I got the money!" No you did not "get the money". He or she chose to give nor not to give.
2. Be okay with no. And then 10% of the money people say they will give never shows up.
3. Focus on what you believe in, and not what you fear. If you can't put your organization's mission above your anxiety, you're in the wrong job.
4. Don't ask everyone. Especially, if you don't like them, don't ask them.

Preparing to ask:

Have ready: stories, statistics *wrapped together*.

Know why your organization does what it does.

Have responses to common objections and questions ready.

Share budget and fundraising success so far – so they know how much more you need to raise.

Don't talk too much. 2:1 rule. Let them talk twice as much as you. Ask questions. Then be silent. Ask yourself – why am I talking? Know why. Listen for what they know and what they want to know.

Share why the cause moves you.

The close: Ask for the gift. Shut up and wait for a response.

"That's a lot of money" means I have it, but I don't know if I want to give it to you.

"I know it's a lot of money, that's why I wanted to talk with you in person about it. Act as if they are literally telling you the truth. Meet them where they are.

If they say "I don't know if you are going to make that fundraising goal", reply "I don't know if we can make it either. How would you know if we were going to make it?" (then the conversation continues, they might want to see you reach a certain level and then they will commit.)