

Fundraising 101: How to work smarter, not harder

Presented to:
Alberta Land Trust Alliance
Conference 2009

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March, 2009

Prerequisites

- A loyal circle of supporters and donor prospects
- A compelling “ask” -- you must clearly explain the need
- Fundraising budget and plan
- Understanding of Canada Revenue Agency’s requirements and restrictions
- Charitable status or fiscal agent
- Outreach vehicles and community profile
- Fundraising ambassadors and committee members willing to work

A few relevant statistics:

- Charitable giving in Canada totals \$11.5 billion/year (2006)
- There are more than 84,000 charities registered with the Canada Revenue Agency (plus +80,000 non-profit groups)
- Only 1 in 4 Canadians donates to charity (tax filers reporting charitable gifts)

Statistics, cont.

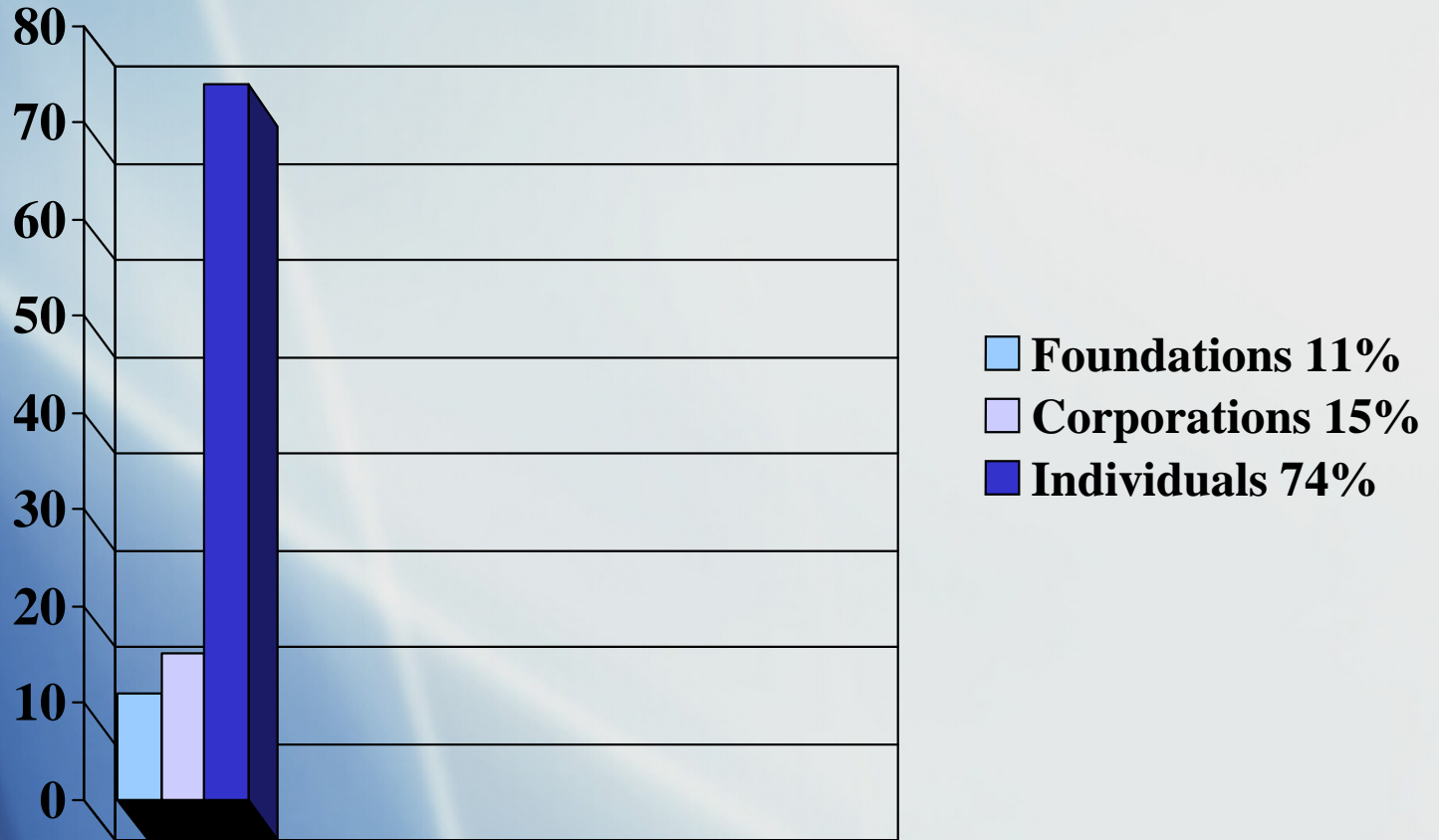
- Canadian donors are becoming increasingly sophisticated, want to see their gifts at work. More designated gifts, less core funding
- Churches (religious organizations) receive by far the largest share (45% of all individual giving)
- Environmental orgns receive only 2% of individual giving in Canada

Statistics, cont.

- Average contribution per tax-filer is \$1,500 (2006)
- Percentage of people filing charitable donations has declined slightly since 1991, but average contribution has increased

Show me the money...

Tax-receipted charitable giving in Canada: 2006
(does not include government funding)



Org's Core:
staff, board,
volunteers

Stakeholders, clients, partners, vendors
lapsed donors, donors to similar projects

People who know your org
(e.g. attended an event)

People who have heard of your org
(e.g. media coverage, neighbourhood assns., school
groups, local businesses)

Where you'll find your donors

Org's Core:
staff, board,
volunteers

Stakeholders, clients, partners

People who know your org
(e.g. attended an event)

People who have heard of your org
(e.g. media article/ saw a poster)

Is your fundraising R.E.A.L. ?

- Relevant to the donor's values?
- Emotive. Does it connect with the donor's dreams, values and emotions?
- Action. Does your work take action on behalf of the donor?
- Legacy. Does it inspire the donor's desire to leave a legacy?

Key Fundraising Concepts:

1. There is no silver bullet
2. If you want support, you have to ASK for it
3. Asking takes time & work
4. Focus on the donor, not the organization
5. Donors are people, not bank machines

Ye Olde Golden Rule
of Fundraising:

“Do Unto Thine Donors as
Thou Wouldst Have Done Unto
Thou”

The ABCs of Prospect Behaviour

A

B

C

Fundraising Method:

Direct Mail

(Fundraising materials sent by mail to a prospect list or donor list)

PROS

- **Can dramatically increase your donor base**
- **Source of unrestricted funds**

CONS

- **Some people are not mail-receptive (perceive it as “junk mail”)**
- **Per-piece cost high if quantity small (e.g. less than 1,000 pieces)**
- **Initial costs high, becomes more cost-effective as you grow your list**
- **High waste. 50 - 95% of mailings are thrown out**

Fundraising Method:

Individual Giving

(Personally asking people for money)

PROS

- **Very cost-effective**
- **Very effective in building loyalty & donor base**
- **Provides unrestricted funds**

CONS

- **Takes time -- but gifts can be substantial over the life of the donor**
- **Involves face-to-face asking or telephone conversations (need to get over fundraising fears)**

Fundraising Method:

Monthly Giving

(Pre-authorized monthly gifts)

PROS

- **Excellent source of ongoing income & provides unrestricted funds**
- **Builds loyalty (donors feel good about their gift on ongoing basis)**
- **Long-term source of support you can count on -- sometimes from beyond the grave!**

CONS

- **Need to develop a core donor base first**
- **Creates admin. work: banks, credit card accounts**
- **Requires staff time to administer every month**

Fundraising Method:

House Parties

PROS

- **Builds community support**
- **Low cost (host pays)**
- **Builds your donor base**
- **Provides unrestricted funds**
- **Minimal work for organization (hosts do the work)**

CONS

- **Requires volunteers willing to:**
 - **host get-togethers,**
 - **give funds themselves (as peer role models) and ask attendees for money**

(Tip: invite 3X more people than you need)

Fundraising Method:

Major Gifts, Legacy Gifts Programs

PROS

- **Can provide substantial funds (e.g. a \$100,000 bequest)**
- **Givers often become advocates for the organization, askers, ambassadors**
- **Scripps Institute raises 95% of its money from just 27 donors**

CONS

- **An advanced fundraising method. Requires a broad donor base and years to develop relationships**
- **Requires trained staff or volunteers dedicated to this task, and excellent record-keeping**

Fundraising Method:

Tours and Outings

PROS

- **Get donors' feet on the ground (or water) & connected to PLACE**
- **Friend-raisers, build engagement & credibility**
- **You get to be on the land and outdoors**

CONS

- **Time-consuming for staff & volunteers**
- **Requires vehicles, boats, insurance, logistics**

Fundraising Method:

Displays, Public Outreach

(Display table and volunteers or engagement officers at a mall or festival)

PROS

- **Builds awareness of your organization**
- **Low cost**

CONS

- **Time-consuming: requires volunteer or staff time**
- **May not raise a lot of money (but a source of friends and future donors)**

(Carefully select venue -- why are people there?)

Fundraising Method:

Telephone Solicitation

(done by in-house staff or volunteers *NOT* paid telemarketers)

PROS

- **Low cost (if use donated office space)**
- **Builds awareness and engagement with your cause**
- **Consider having a “thank-a-thon”**
- **Great tool for upgrading existing donors (ask for a larger gift or to become monthly donor)**

CONS

- **Requires a large volunteer base or substantial use of staff time**
- **Donor resistance to phone solicitation (if done improperly)**

Fundraising Method:

Corporate Sponsorships

PROS

- Provides useful in-kind gifts or services, offset hard costs (e.g. donation of office space, supplies, computers)
- Particularly useful to support special events

(There must be a “match” -- what’s in it for the corp.?)

CONS

- May require ethical screening. Your organization’s reputation is your most valuable asset
- May require a lot of solicitation time vs. value of goods or support received
- Can divert organization from its mission
- Corporations want visibility to sell more product

Fundraising Method:

Grants – Institutional Giving

PROS

- **Substantial money for specific projects**
- **Some provide multi-year funding**
- **Good \$ return for time invested, *if* you get the grants**
- **Credibility for your work and organization**

CONS

- **Funds are restricted to a specific project**
- **Temptation to “mission drift” to accommodate funder**
- **Extreme competition – expect a lot of “no”s**
- **Lengthy time horizon (6 to 12 months+ to get a grant)**
- **Putting all your eggs in one basket is risky**

Fundraising Method:

Service Clubs, Community Foundations

PROS

- **Community-building opportunity, build relationships**
- **Join local Chamber of Commerce**
- **Lions, Rotary, R.C. Legion often looking for projects to fund**

CONS

- **Competition for grants**
- **Amounts raised may be small (but connections made worth it)**

Fundraising Method:

Gaming

(Bingos, Lotteries, Casinos, Raffles)

PROS

- **Can provide substantial funds if done properly**
- **Some gaming funds (e.g. share of casino profits) do not require a large time commitment**
- **Easier “ask” because of prize (greed motivation)**

CONS

- **Does not develop your donor base (participants are motivated by greed vs. an interest in your cause)**
- **Can be high-risk (e.g. charity lotteries) – you can lose money**
- **Ethical concerns about gambling -- discuss with your Board**

Fundraising Method:

Online Giving

PROS

- **Source of unrestricted funds**
- **Convenient for donor**
- **Good reinforcement for other outreach**
- **A good web-site builds organizational credibility**

CONS

- **E-mail can be perceived as “spam”**
- **Web-site is a qualifying medium (are you legit?), not a strong fundraising tool**
- **Canadians not great online givers (gradually changing)**
- **Small, infrequent gifts**

Online Giving

Portals / Service Providers:

- **Canadahelps.org** (a charity itself, promotes online giving, lists all Canadian charities, issues tax receipts)
- **Gifttool.com** (processes online donations, issues tax receipts)
- **Justgive.org** (U.S. portal, worth a look)
- **Helpforcharities.com** (useful resources)

Fundraising Method:

Canvassing (door-to-door)

PROS

- **Still works in smaller communities**
- **Builds awareness and credibility -- excellent way to build community support (friend-raising)**

CONS

- **Large outlay of time and organizational energy**
- **Needs careful supervision (reputation, collecting funds)**
- **Requires a lot of canvassers (volunteers best)**
- **Many communities make canvassing difficult (i.e. no access to apartment buildings)**

Fundraising Method:

Workplace giving programs

(United Way, employee donation funds, employee volunteerism funds)

PROS

- **Some employers provide employee volunteer matching funds – ask your supporters to check**
- **Possible entry-point for broader corporate support**
- **Generally unrestricted funds for core operations**

CONS

- **Lot of competition for support**
- **Jumping through hoops can be time-consuming**
- **Tendency to not want new groups in the tent**

Fundraising Method:

Fee-For-Service

PROS

- **Build on what you already do well. Uses the professional skills of your staff**
- **Builds strategic partnerships**
- **Allows you to use the “Robin Hood Principle” to support less easily funded projects**
- **Can generate substantial funds**

CONS

- **Conflict-of-interest, ethical concerns**
- **Can divert attention from core program work: possible mission drift (chasing contracts)**
- **If revenue from “unrelated business,” can create problems with Canada Rev. Agency**

Fundraising Method:

Merchandise Sales

PROS

- **Select an item that reinforces your mission e.g.**
 - **water bottle for anti-pollution orgn.**
 - **coffee mug for fair-trade orgn.**
 - **smoked wild salmon for stream-keepers orgn.**
- **Select high profit-margin items**
- **Great for staff incentives, volunteer and donor recognition gifts**

CONS

- **Time-consuming, detail-oriented, takes time away from core program work**
- **Generally doesn't make a lot of profit**
- **Can turn into a headache once enthusiasm wanes**

Fundraising Method:

Fundraising Events

(Gala Dinners, Concerts, Walk-a-Thons, Golf Tournaments, etc.)

PROS

- **Raises organization's profile, great for "friend-raising" to build your future donor base**
- **Raises funds in a way that leaves the door open to ask for more**
- **Fun for participants and volunteers (Make sure event supports your mission)**

CONS

- **Take a lot of time and energy (4X more than you anticipated)**
- **Generally do not raise a lot of money for the amount of work put in**

What do you think will work for your organization?

- What has been tried already?
 - Start with a pilot project
- Talk to other organizations and learn from their experiences
 - Start with people you know
- Consider your work worthy and others will, too

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* Fundraising Workshops & Coaching *

* Feasibility Studies *

* Strategic Planning *

* Organizational Effectiveness *

* Meeting Facilitation * Communications *

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