



The ABCs of Courting Individual and Major Donors

Presented by the Homeless Youth Capacity Building Project

Wednesday, February 16th, 10:00 to 11:30 a.m.

Call-In Number: **805-309-0021**

Access Code: **632-139-741**

Questions or Comments?

Enter questions on your screen by clicking the “Questions” panel, typing your question, and clicking “Send.”

Presentation slides and recording will be available within a week at: www.cahomelessyouth.org

The Homeless Youth Capacity Building Project

- Partnership between the John Burton Foundation & California Coalition for Youth
- Provides one-on-one TA, trainings, and capacity building grants
- Project launched in September 2009
 - 62 members; 120 affiliates

www.cahomelessyouth.org

Today's Presenters

Oscar Wolters-Duran, Project Coordinator, HYCBP

- former ED at Haas School Businesses' Young Entrepreneurs Program
- founder of Blue Thistle Consulting
- board chair for CommunityGrows
- oscar@johnburtonfoundation.org

Josh Krammes, Fund Development Director, Next Door Solutions to Domestic Violence

- former Major Gifts Officer for the Detroit Institute of Arts
- founder of Continuum Resource Development
- business development and fundraising consultant
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We will explore these topics:



- Building **confidence** in asking for money
- What are **individual** and **major donors**?
- Importance of **diversity of funding sources**
- Developing an **individual donor campaign**
- Cultivating **major donors**
- How to **retain** and **challenge** donors to increase giving
- Q & A

Springboard Question

Q: What percentage of Americans donate to nonprofits each year?

About 65% of households give to charity

Americans give about twice as any other country

Overcoming our fear of asking for money

- Understand that giving money is an **exchange** or **partnership**: people want to give for many reasons
- Be **passionate** about the mission and impact of your organization
- Be able to tell a **compelling, real-life story** about the impact of your organization

What defines an Individual Donor?

- A person who donates money to your organization
- **Inner circle:** immediate friends and family, board members, clients, staff, vendors
- **Outer circle:** friends of friends, cause-related donors

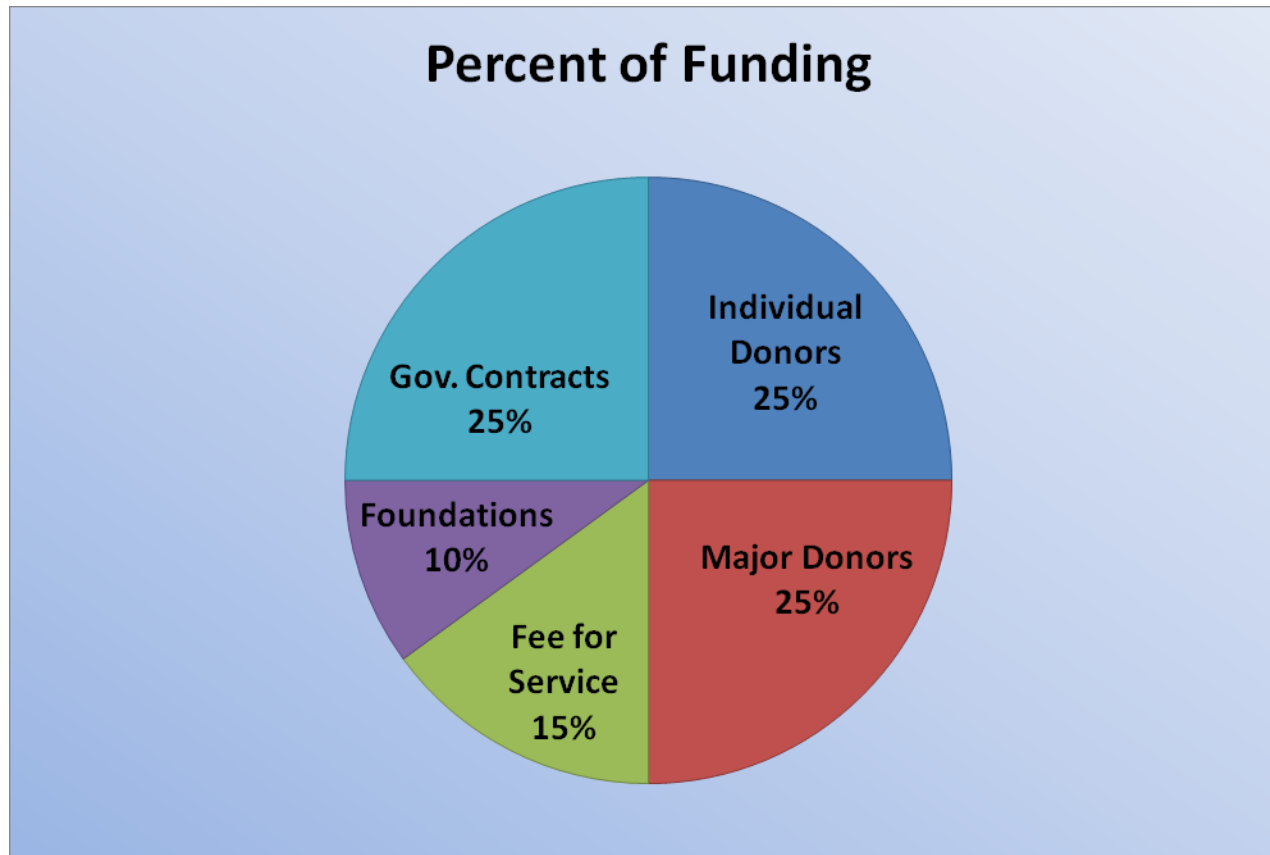
What defines a Major Donor?

- An individual who gives a significant amount to your organization annually (over \$500 is a common threshold)
- The process for cultivating, acknowledging and engaging major donors is often differentiated from individual donors

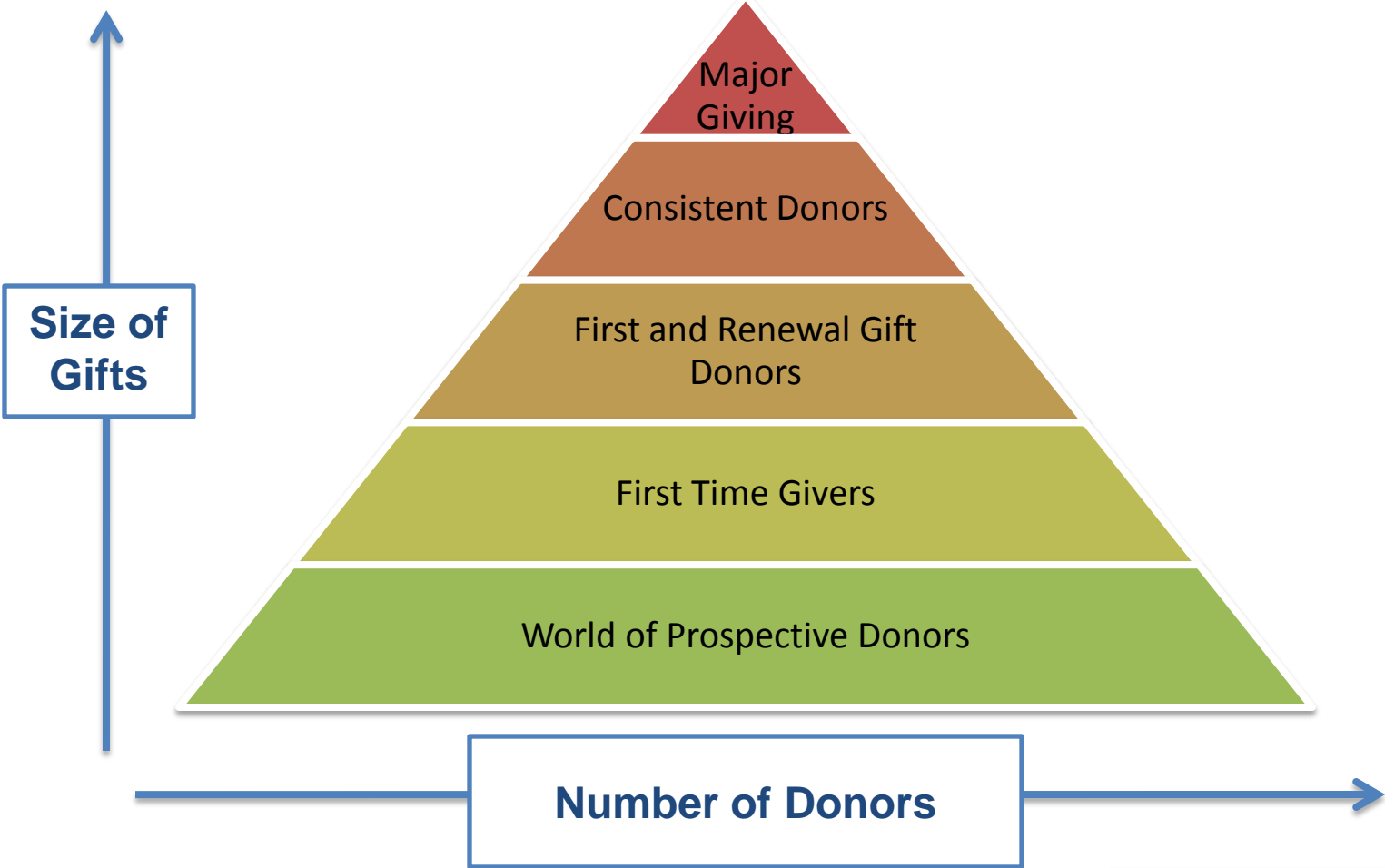
The Importance of a Diverse Funding Strategy

- **Protects Against Risk:** When a single large source of funding stops giving, it can cause great turmoil for the organization
- **Strength in Numbers:** The **capacity** for raising funds from individuals is large because the number of individuals is larger
- **Consistency:** When cultivated properly, individuals tend to give **year after year**
- **Building Grassroots Supporters:** The broader the base of individual donors the larger the pool of potential advocates, volunteers, and major donors
- **Unrestricted Funds:** Gifts from individual and major donors are often more flexible

Example of Diversified Funding Stream



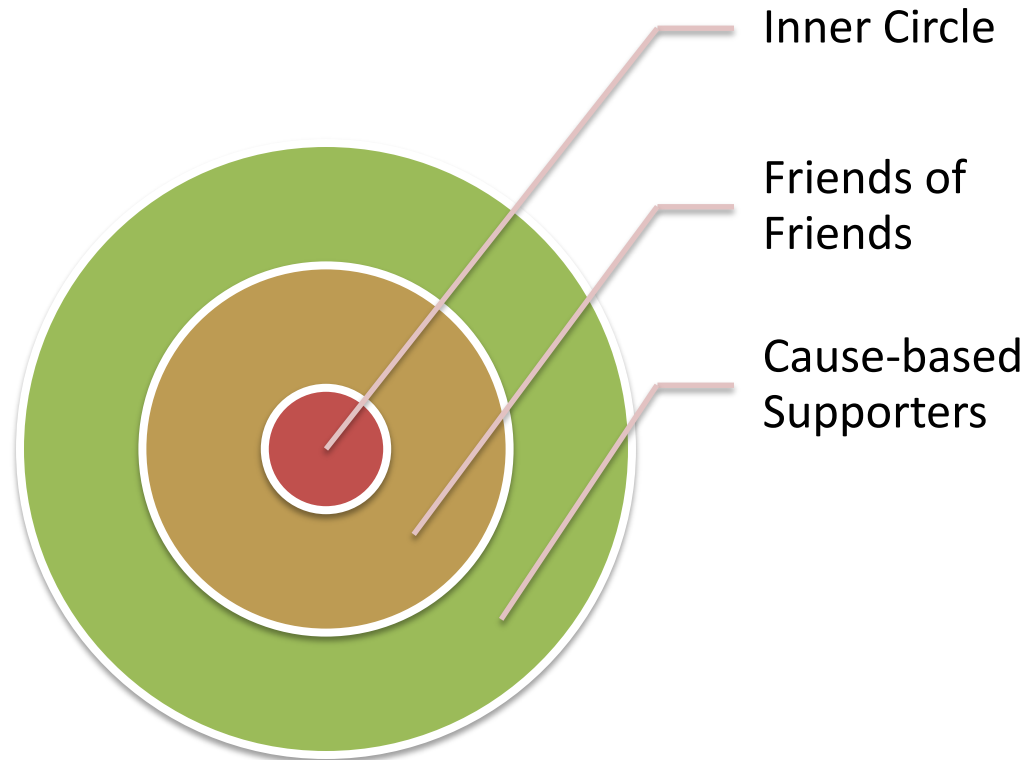
Donor Pyramid



The Individual Donor Campaign

- Set a **fundraising goal** and **deadline**
- Collect **contact information** for current and potential donors
- Develop strategies for reaching new, current and lapsed donors
- Create a **calendar** of mailings, events, donor meetings, etc
- Plan and develop **donor outreach materials**
 - direct mail
 - electronic media
 - online fundraising
 - emails
 - special events
 - phone banking

How do we find people who will give us money?



How do we find people who will give us money?

- **Inner Circle:** Start with those who best know your programs and then move out their friends and family
- **Cause-based Supporters:** media outreach, social media (facebook, twitter), volunteers, supporters of similar organizations, faith-based organizations, community groups, companies, special events and promotions,
- **Lapsed Donors:** reach out to try to understand why they stopped giving

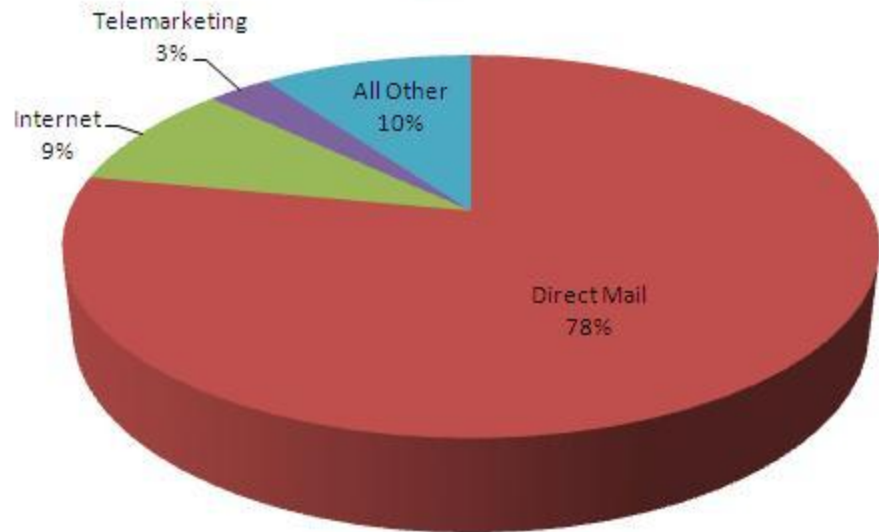
Strategies for Individual Donor Fundraising

Most new donors are acquired through direct mail. For index organizations in 2009 a median 87% of all new donors were acquired through the mail, while only 12% of all new donors were acquired online.

Over the past five years, the proportion of donors acquired online has risen – from a median of 6% in 2005 to 12% in 2009.

Internet gifts tend to be significantly larger than mail. The median online gift was \$79, the median telemarketing gift was \$45, and the median mail gift was \$40.

2009 Fundraising Revenue by Source



Source: Target Analytics Index of National Fundraising Performance

Sample Campaign Timeline (simplified)

- **Goal:** Raise **\$25,000** by **December 15**
- **June:** Secure a **lead gift** as a matching challenge
- **Summer:** Bring in **new board members**
- **July:** Clean up and add to **database** of current and potential donors
- **August:** Identify **major donors** and conduct research
- **August:** Create **fundraising tools:** online, direct mail and new brochure, elevator speech
- **October:** Hold 15th anniversary **fundraising event**
- **November:** Board phone bank night
- **November/December:** Meetings with **major donors**
- **December:** **Direct mail ask**

Tips for Individual Donor Fundraising

- Challenge gifts
- Facilitate the opportunity for monthly gifts through credit card withdrawals
- Encourage employer matching gifts

Cultivating Major Donors

- Start with your Board of Directors: who do they know?
- Are any of your regular donors able to give more?
- Research people in your community who care about your mission
- Attract people interested in your cause to special events
- Engage potential donors by asking for advice or assistance on special projects
- Research who donates to similar organizations

Cultivating Relationships Throughout the Year

- Acknowledge all gifts: “Thank before you bank”
- Inform donors about your programs throughout the year
- Provide opportunities to engage in the work of the organization
- Challenge donors to increase gift

Approaching Potential Major Donors

- Understand what “**exchange**” is meaningful for donor
- Board member requests a **face-to-face meeting**
- **Board member** and **key staff** attend meeting
- Board member creates **rapport**; staff person makes an ask for a **significant amount**
- If a “No,” try to understand the reason
- Thank potential donor and continue to build relationship

Resources

- Foundation Center: www.foundationcenter.org
- Fear-Free Fundraising (Holly Million)
- Kim Klein: www.grassrootsfundraising.org
- HYCBP Website: www.cahomelessyouth.org/resources.html
- The Fundraising Ladder of Effectiveness:
http://www.grassrootsfundraising.org/howto/dearkim/gfj_strategy_chart.pdf

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