



PRE-CONFERENCE:
 “Fire Up Your Fundraising”

How to create a successful and recurring fundraising plan for your Library

(Handouts: <https://www.goettler.com/resources/conferences-speeches/>)

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GoettlerAssociates From Basics. Matters	580 South High Street Columbus, Ohio 43215	614-228-3269 www.goettler.com
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The Nonprofit Sector

- 1.54 million tax-exempt organizations in U.S. And, 1,088,447 are 501(c)(3) charities
 - 113,676 tax exempt organizations in PA (\$347 Billion in Assets - \$208 Billion in annual income.)
- In 2018 total private giving est. to be \$427.1 billion
- In 2018, est. that 90% of individual donors are non-itemizers and represent 40% of total giving
- 25.1 percent of US adults volunteered in 2017, giving 8.8 billion hours valued at \$195 billion

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Where does the money come from?

Total Giving 2018 = \$ 427.71 billion (+0.7%)

- Individuals = \$292.09 billion
- Foundations = \$ 75.86 billion (17.8%)
- Bequests = \$ 39.71 billion
- Corporations = \$ 20.05 billion (< 5%)

NOTE: Nearly 50% of all foundation giving came from private family foundations (+ donor advised funds), directed by individuals. Combined, individuals accounted for nearly 86% of all gifts.

(Giving USA 2019)

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General Giving Statistics

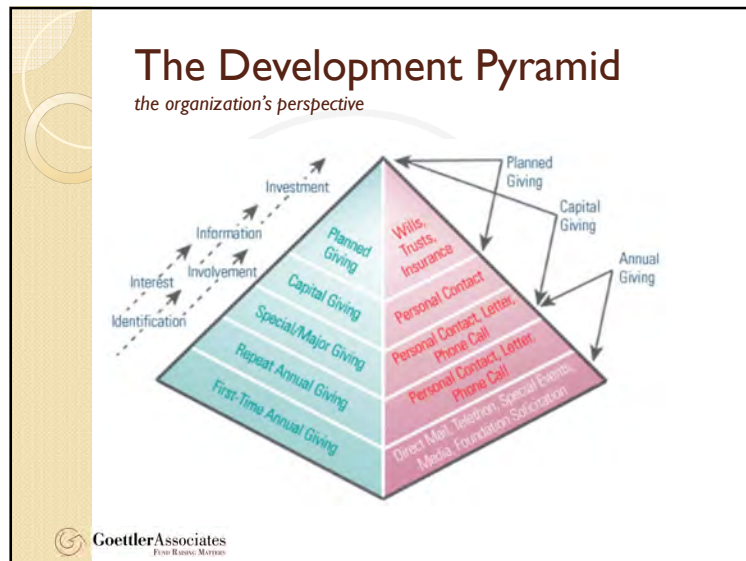
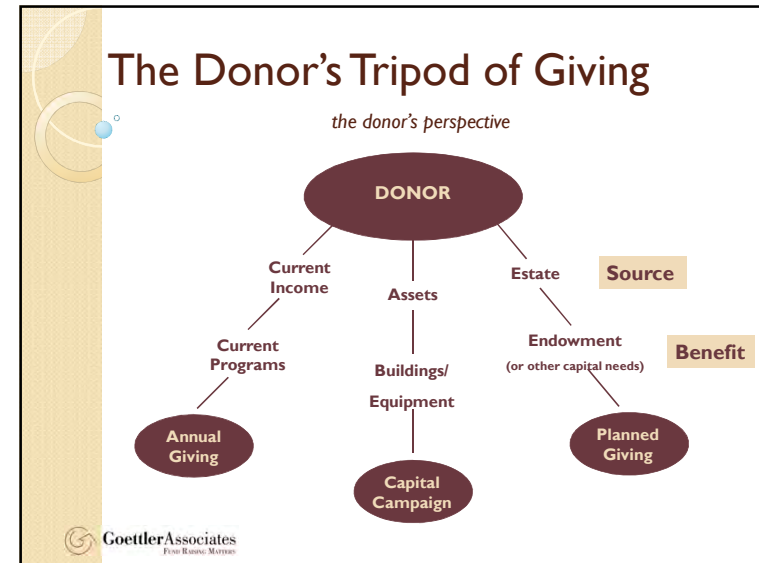
- 30% of annual giving occurs in December
- 10% of annual giving occurs on the last 3 days of the year
- 64% of donations are made by women
- 69% of the population gives
- The average person supports 4.5 charities each
- \$6,332 average contributions for the 10% of tax filers that itemized in 2016 representing 4.3% of adjusted gross income

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A Fundraising Program

- Fundraising in its simplest form is a revolving process involving four recurring steps:
 - Identification (*capacity*)
 - Qualification / Prioritization
 - Cultivation (*increasing awareness & interest*)
 - Solicitation (*invitation to invest*)
 - Stewardship (*donor retention*)
 - ... and repeat

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From Transaction to Transformation

- Fundraising** – a simple transaction - ask for and receive money.
- Donor Development** – building donor relationships to increase involvement and financial commitment
- Institutional Advancement** – focus on institution-wide engagement of community relationships, based on shared vision and values to advance community, and transformational investment in your library

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What is Institutional Advancement

A "Culture of Philanthropy"

institutional advancement, 1) a process of building awareness and support from all constituent bodies. **2)** the programs within an institution that relate to its constituency, including development, public relations, marketing, communications and government relations.

- An organization-wide commitment to mission, vision and values and **to building relationships**
- Understanding each interaction with anyone from the community is part of the development process
- Everyone thinks "development" (of relationships)
- Staff and volunteers understand the importance and purpose of the Library (impact)
- Patrons, individuals, teachers, families, students, employees, donors and volunteers feel the culture when they are with you

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Organization Matters

- There is more to successful fundraising than just the "right ask"
 - The charitable purpose/mission *matters*
 - The structure of organization must support FR\$ and mission
 - The concept of development and institutional advancement *matters*
 - Sufficient resources *matters*
 - A track record . . . of success, impact, and relationships
- No one gives away money, donors invest in the future . . .

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Identification: Who Are the Donors?

Consider proximity, pathways & influence

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Donor Demographics

What We Know About Donors

- Overall giving is about 2% of personal income
- Giving as a % of income tends to go up with age
- Married people tend to give more than single people
- Volunteers give more than non-volunteers
- Members of organized religious groups tend to give more than those who are not members of such groups.

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Donor Psychographics


philanthropic giving behavior

PEOPLE DO:

- Give money because they want to
- Give money to people - best person to ask is a person well respected by the donor
- Give money to opportunities, not needs
- Give money to success, not distress
- Give money to make a change for the better


PEOPLE DO NOT:

- Give unless they are asked
- Make large gifts unless they are asked to make large gifts

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
Cultivation: Increase positive awareness and visibility of your organization

- Engagement, involvement, education and communication are essential cultivation tools
- Ask for opinions before asking for investment
- A well-conceived strategic plan and a compelling case for support are essential FR tools
- Communication materials to deliver a well-crafted message (to support volunteers)
- Empower staff to become involved
- **Energize trustees, volunteers and others for involvement in the process**

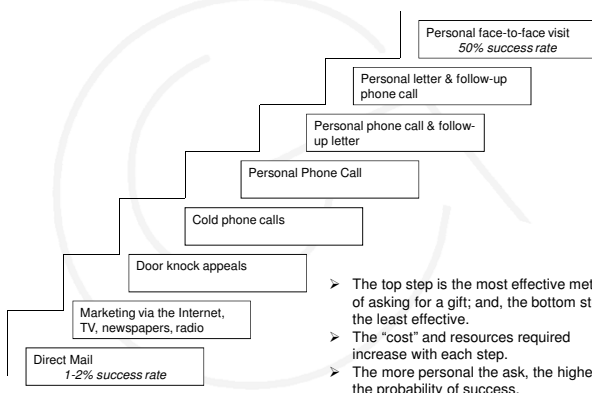
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Solicitation: What are the right fundraising methods for your Library?


- Special events
- Direct mail, email, social media
- Annual appeal
- Major gifts
- Grants
- “Capital” campaign
- Planned or testamentary giving

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The Ladder of Effectiveness



- The top step is the most effective method of asking for a gift; and, the bottom step the least effective.
- The “cost” and resources required increase with each step.
- The more personal the ask, the higher the probability of success.

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Donor Stewardship: Why People Stop Giving?

- 5%** - Charity did not need them
- 8%** - No information on how the gift was used
- 9%** - No memory of supporting
- 18%** - Poor service or communication

53% of donors leave because of a charity's lack of communication

Nonprofit Donor Loyalty Primer
Why Commercial Customers vs. Donors Leave

Customers	Donors
1% Death	5% Charity did not need them
3% Relocation	8% No info on how gift was used
5% Limited by a Company	9% No memory of supporting
9% Lower Price	13% No recognition
14% Poor Customer Service	16% Death
68% Willingness to Switch	18% Poor service or communication
	36% Poor communication
	54% Could find a more effective charity

87% of donors leave due to the charity's lack of communication

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Focus on Metrics to Raise More Money

- How much money do you need to raise?
- Fundraising goal divided by number of gifts at various gift levels equals:
 - number of individual constituents (& volunteers) you need to successfully identify, cultivate, solicit and close.
 - (note: averages can be deceptive)

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The Development Plan

GOAL: to provide opportunities for donors to give philanthropic support to an organization that matches their interests, needs or values.

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Four Deadliest Mistakes

...a fundraiser can make in a challenging economy:

- #1 *Spend less on fundraising.*
- #2 *Become pessimistic.*
- #3 *Apologize when asking for money.*
- #4 *Not Asking!*

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What Should You be Doing ?

What you should have been doing all along!

- Planning
- Analysis
- Communication
- Donor Stewardship

Focus on the Fundamentals!



Okay, let's get this over with.....




You Need A Plan

As you begin to think about the giving season and the next year, you need to determine:

- Target audiences - who
- Target programs - what
- Target methodology - how

Remember: people still give to people!



Elements of a Comprehensive Plan


- ✓ Your Mission
- ✓ Your case – Why you? Why now?
- ✓ Urgency
- ✓ Fundraising goal and projections
- ✓ Table of gifts
- ✓ Methods & strategies
- ✓ Metrics/Evaluation



Evaluation: Development Metrics

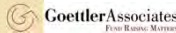
Major Donor Fundraising Goal	\$150,000
Average Historic Major Gift Amount	\$ 5,000
# of Gifts Needed to Close to Reach Goal	30
# of Solicitations Needed (conversion rate 1 in 3)	90
#Visits Needed to Qualify/Cultivate/Ask/Close (at least)	240
• With top prospects	60
• With middle prospects	120
• With qualification names	60

- Annual Activity 240 visits = 30 solicitation = 10 gifts
- Monthly Activity 20 visits = 3 solicitations = 1 gift



A Comprehensive Development Plan...

- Includes methods and strategies for each target audience and program
- Development structure:
 - prospect identification & research
 - cultivation program
 - appeals & fundraising programs
 - recognition & stewardship
- Identify fundable projects and programs (*marketplace perspective*)
- Involves board, staff, and donors
- Has a structure for evaluation through metric analysis




A Comprehensive Plan

...using annual giving strategies should include:

- Your mission statement

The mission justifies fundraising. The act of asking for funds is validated when the library asking for funds meets a need based on the **shared values of society**.



A Comprehensive Plan ...

...contains overall development goals.

This section of the annual development plan should focus on the most global types of development goals:


- ✓ Donor acquisition, retention, and upgrading
- ✓ Donor awareness for charitable mission and relationship building
- ✓ Philanthropic need for growth/expansion
- ✓ Goals should be supported by objectives that will be met through philanthropic investment



A Comprehensive Plan ...

...includes fundraising projections: income & expenses.

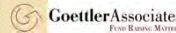
- ✓ This section of the development plan outlines the program needs separately, with realistic projections.
- ✓ Should include a financial section that gives a profile of annual giving and an annual gift range chart.
- ✓ A matrix for each project: what have you raised before? What can you do now?



A Comprehensive Plan ...

Provides an Executive Summary:


- Background and Overview
- Description of Process
- Definition of Elements & Trends
- Critical Considerations



A Comprehensive Plan ...


...using annual giving strategies should include:

- A Fundraising Campaign Matrix




A Sample Matrix: XYZ Library

Program / Event—Appeal	Goal	Children's Early Literacy	A Safe Place for Teens (after-school)	Adult Technology Support	Speaker Series
Golf Outing	\$125,000	\$60,000			
Memorial/ Tributes	\$50,000			\$50,000	
Third Party	\$45,000	\$12,000	\$12,000	\$6,000	\$15,000
Fun Run	\$25,000	\$25,000			
Gala Dinner	\$110,000				\$110,000
Board Gifts	\$90,000	\$20,000	\$20,000	\$20,000	\$30,000
Employees	\$35,000	\$9,000	\$8,000	\$8,000	\$15,000
Direct Mail	\$275,000	\$75,000	\$75,000	\$50,000	\$75,000



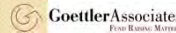
A Comprehensive Plan

- Includes methods and strategies for each target audience and program
- Has a structure for evaluation through metric analysis




The Plan Should

- Help staff and board set realistic income goals
- Outline strategic steps to reach those goals
- Outline board and staff responsibilities in accomplishing the plan




Financial Goals

- Compares prior year Actual Income with current year Projected Income.
- Expresses income line item projections as a % of total goal.
- Can be expressed as monthly actual vs. projected income.
- Should incorporate adjustments made for current economy e.g. lowering projections for foundation gifts (rolling averages).



Example: \$720,000 Operating Budget

Income	FY2017 Actual	FY2018 Projected	% of 2018 Income
Gov't	\$350,000	\$375,000	52%
Fdn.	\$50,000	\$55,000	8%
Corp.	\$50,000	\$60,000	8%
Major	\$100,000	\$130,000	18%
Events	\$75,000	\$100,000	14%



Method & Strategies for Each Project

Each development activity should have a separate section in the development plan.

Each project section should include:

- ✓ Summary
- ✓ Goals and objectives
- ✓ Definition of Roles & Responsibilities
- ✓ Activity timeline and schedule

Plan Elements: Example

Major Gifts

History & Overview

Issues/Challenges/Opportunities

Primary Recommendation

\$\$Goals

Methods

Time Frame

Assigns those Responsibility

Metrics/Evaluation

Major Gifts vs. Annual Campaign

In an economic downturn, smaller gifts become optional – may become smaller or disappear.

Changes in tax laws and itemization seems to have changed the landscape.

2019 FEP Report: Fewer donors giving larger gifts but retention rates still below 50% overall.


Are we headed for a recession? It depends on who you ask.


Donor Stewardship

- Steward with dignity. In this economy, you need to be more flexible in how/when they give their gift.
- Steward with flexibility. Offer long-term options or combinations of giving methods that fit their financial realities.
- Steward with foresight. In uncertain times, giving through wills and estates can be attractive options.

Stewardship Calendar

	Jan	Mar	May	June	Sept	Oct
	1-on-1	Tours	ED letter	newsletter	Annual Meeting	Donor Event
\$2,500+	x	x	x	x	x	x
\$1,000-\$2,499	x	x	x	x	x	
\$500-\$999		x	x	x	x	
\$250-\$499		x	x	x		
\$100-\$249		x		x		
\$1-\$99				x		

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- ### Top 10 Tips for Year-end
- 1) ASK!
 - 2) Board thank-A-Thon
 - 3) Mobilize your Friends
 - 4) Segment your asks
 - 5) Communicate!
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- ### Top Ten Things
- 6) Hold a Strategic Planning Session with Friends & Board Members
 - 7) Host a year-end virtual thank you (with an ask)
 - 8) Share stories and testimonials & integrate through all platforms
 - 9) Share the Library Use Calculator
lovelibraries.org/what-libraries-do.calculator
 - 10) It's not about you.....
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And Don't Give Up!



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The slide features the title "And Don't Give Up!" at the top. Below the title are three photographs of animals: a penguin chick, a brown rabbit, and a kitten with two ducklings. The GoettlerAssociates logo is in the bottom left corner.



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The slide features a photograph of colorful blocks spelling "THANK YOU" in two rows. The GoettlerAssociates logo is in the bottom left corner.