

Strengthening & Sustaining Retention Programs

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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

World's largest, most comprehensive academic center devoted to increasing the understanding of philanthropy, improving its practice, and enhancing participation therein.

THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

□ Key Facts:

- Staff ~ 50
 - Faculty ~ 60 professors at IU/IUPUI
 - Fundraising training faculty ~ 50
 - Budget ~ \$13 million/year
 - Regular programs in U.S. and Europe. Also teach/train in Asia, Australia, and South America.
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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

- **Train sector leaders and scholars through Academic Programs**
 - **Degrees Offered:**
 - MA in Philanthropic Studies
 - MPA in Nonprofit Management
 - World's first and only endowed chair in Fundraising
 - World's first and only Ph.D. in Philanthropic Studies
 - Doctoral minors in several disciplines
 - **Learning to Give K-12 curriculum**
 - **Publications series**
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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

- Offer Philanthropic Services to strengthen the nonprofit sector
 - Individualized training for donors and their financial advisors
 - Home of the Philanthropy Incubator
 - Home of the Women's Philanthropy Institute
 - Home of the Lake Family Institute on Faith and Giving
 - Administer the Third Millennium Philanthropy & Leadership Initiative
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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

- **Increase awareness of philanthropy in society through Public Affairs**
 - Dozens of presentations annually to local, national, and international groups
 - Provide information to policy makers
 - Convene annual symposia
 - Black Philanthropy Conference (2004)
 - Women's Philanthropy Conference (2005)
 - Health & Philanthropy Conference (2006)
 - **Conduct annual Philanthropy Summit**
 - **Publish *Philanthropy Matters* magazine**
 - **400+ media contacts/year**
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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

- **Improve and enhance practice through Public Service**
 - Home of The Fund Raising School (TFRS) the world-renowned training center. TFRS is the nation's longest running fundraising program. (Since 1974)
 - Train ~8,000/yr in ethical and effective fundraising to help build organizational capacity. (More than 30,000 trained to date.)
 - Provide workbooks and text books about fundraising and about charitable giving.
 - Annual Seminar for new non-profit CEOs
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THE CENTER ON PHILANTHROPY AT INDIANA UNIVERSITY

□ Increase understanding through Research:

- Academic and applied research about giving, volunteering, and nonprofit management.
 - *Giving USA* written and researched under contract for the AAFRC Trust.
 - Local/regional giving studies conducted (*e.g.*, *Indiana Gives*, *Giving Memphis*, *Giving St. Louis*, *etc.*).
 - COPPS – Single largest study of donors ever conducted in the United States, reaching 7,800 households every two years through the University of Michigan’s Panel Study of Income Dynamics. COPPS is the highest quality source of giving data in the U.S.
 - Other research projects include the Personal Giving Index (PGI) and the *Million Dollar List*.
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THIRD MILLENNIUM PHILANTHROPY & LEADERSHIP INITIATIVE

- Five-year initiative funded by the W.K. Kellogg Foundation. (Currently in year four.)
 - Focus on people of color, women, and youth
 - Activities include convenings, lecture series, research, peer networking.
 - Expected outcomes include:
 - Elevate the visibility and participation of individuals and organizations from communities of color, women, and youth.
 - Integrate learning about leadership development, particularly as it relates to communities of color, women and youth, into the literature and practices of the larger field.
 - Integrate, implement, and exemplify effective practices in leadership development and inclusiveness of our target audience in the staffing and programs of the Center on Philanthropy.
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THIRD MILLENNIUM PHILANTHROPY & LEADERSHIP INITIATIVE

Highlights of 2004-08:

- Lecture Series
 - Ambassador James Joseph
 - Chris Letts (Harvard University)
 - Native American Philanthropy (partnered with Eiteljorg Museum)
 - Matthew Morton
 - Conferences
 - HBCU & Alumni Giving
 - ABFE (audio & video)
 - *Breakin' It Down* (audio)
 - Women's Philanthropy Symposium
 - YPII Immersion Project
 - Learning to Give curriculum
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THIRD MILLENNIUM PHILANTHROPY & LEADERSHIP INITIATIVE

Highlights of 2004-08:

- Research
 - Oral History Project
 - Native American Philanthropy
 - Non-Profit Board Diversity
 - IBIP
 - Website development
 - Other
 - Undergraduate philanthropic studies course development
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BEFORE YOU GO FOR THE DOUGH...

"CATCH A CASE!"

THE CASE STATEMENT

1. Definition of the case
 2. Reasons for developing the case
 3. Application of the case
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DEFINITION

The “case” is the expression of a *cause*. It articulates the reasons and justifications for supporting the advancement of the cause. In other words, the case validates your organization’s (or program’s) existence. Case and cause are measured by degrees of relevance, importance, and urgency. The statement is backed up by materials and documents that give the statement credibility. (Remember: Donors are less interested in you reaching your fundraising goals than they are in making a difference in people’s lives!)

ABOUT THE CASE STATEMENT

1. Development of a case statement should involve the board, staff, and volunteers. All should agree that the final product truly articulates the case.
 2. Leadership for fundraising will be enlisted and encouraged by having a role in developing the case. Enthusiasm will increase as all internalize the case and learn to articulate it in their own ways.
 3. The case, drawn from case resources, should include all information needed for various materials (case expressions) used in public relations and fundraising.
 4. Though intended as an internal document, the case can be shared with people whom the organization is cultivating for major involvement in various campaigns and projects.
 5. Strong campaigns make an urgent and compelling case.
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THE CASE FOR SUPPORT...

- Answers why your organization is worthy of support;
 - Answers who you are/why you exist;
 - Answers where have you been;
 - Answers where you are going;
 - Answers the difference that “arriving” will make;
 - Answers what it will take to get “there”;
 - Answers how gifts help you get “there”;
 - Is clear in all your marketing and fundraising materials!
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CASE PREPARATION

1. Part of the organizational planning process.
 2. Development professional can be catalyst and facilitate the process.
 3. Development professional often serves as a key interpreter of external constituency's concerns, needs, and perceptions.
 4. Board/Trustees and professional staff are involved in order to gain their "ownership" (*i.e.*, advocacy and full commitment).
 5. Key volunteers, donors, and community leaders should be involved in case validation. This ensures that differing views are identified and addressed. Such views could have a strong positive or negative impact on fundraising.
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WHAT'S IN A... CASE?

- Clearly stated organizational mission and need;
 - Documented community need;
 - Proposed strategies and tasks to alleviate need;
 - Identified beneficiaries;
 - Demonstrated organizational competencies;
 - Resources required to achieve mission;
 - Statement of how gifts can be made;
 - Benefits (to donor) of making a gift.
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CASE EXPRESSIONS AS USED IN FUNDRAISING CAMPAIGNS

- Direct mail pieces
 - Brochures
 - Proposals
 - Speeches
 - Newsletters
 - News articles
 - Websites
 - Telephone solicitation script
 - Prospectus for personal contact
 - Other?
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CASE EXPRESSIONS ARE BASED ON COMMUNICATIONS THEORY

1. Reflect what the community wants and needs;
 2. Are clearly stated;
 3. Are focused as to purpose of the issue the case reflects;
 4. Appeal to both the head and the heart (emotional and rational appeals);
 5. Indicate what response is requested.
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AN EXERCISE

With respect to your grant request:

1. Why does your organization need the money that it is trying to raise?
 2. What will be accomplished if you are successful?
 3. What will happen if you don't raise the money?
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ANALYZE SOURCES OF GIFTS

1. From whom do we currently receive support?
 2. How can we expand our donor base?
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ANOTHER EXERCISE!

1. What is the current source of the majority of your fundraising revenues?
 2. What types of sources might you be ignoring?
 3. What organizations might need further cultivation/stewardship?
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USES OF A GIFT RANGE CHART

- Planning
 - Internal education
 - Prospect involvement
 - Board and volunteer training and education
 - Determining where donors fit into your fundraising program
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ANNUAL FUND GIFT RANGE CHART

(\$60,000 GOAL)

Gift Range \$	# of Gifts	Cumulative # Gifts	Prospect #	Cumulative # of Prospects	\$ per Range	Cumulative \$
3,000	2	2	10 (5:1)	10	6,000	6,000
1,500	4	6	20 (5:1)	30	6,000	12,000
750	12	18	48 (4:1)	78	9,000	21,000
500	18	36	72 (4:1)	150	9,000	30,000
250	24	60	72 (3:1)	222	6,000	36,000
	10% of Donors					60% of Goal
100	120	180	360 (3:1)	582	12,000	48,000
Under 100 \$30 avg.	20% of Donors 400	580	800 (2:1)	1,382	12,000	60,000
	70% of Donors					20% of Goal

ANNUAL FUND GIFT RANGE CHART (\$500,000 GOAL)

Gift Range \$	# of Gifts	Cumulative # Gifts	Prospect #	Cumulative # of Prospects	\$ per Range	Cumulative \$
25,000+	2	2	10 (5:1)	10	50,000	50,000
10,000	4	6	20 (5:1)	30	40,000	90,000
2,500	18	24	72 (4:1)	102	45,000	135,000
1,000	30	54	120 (4:1)	222	30,000	165,000
500	110	164	330 (3:1)	552	55,000	220,000
250	320	484	960 (3:1)	1,512	80,000	300,000
	10% of Donors					60% of Goal
100	1,000	1,484	3,000 (3:1)	4,512	100,000	400,000
	20% of Donors					20% of Goal
Under 100	3,334	4,818	800 (2:1)	11,180	100,020	500,020
	70% of Donors					20% of Goal

SOLICITATION STRATEGIES

- Personal contact, face-to-face (preferably team of two)
 - Personal phone call (followed by personal letter)
 - Personal letter (followed by personal phone call)
 - Proposals (foundations, corporations, major donors, associations)
 - Personalized phone contact (phone-a-thons)
 - Personalized mailing
 - Impersonal mailing (direct mail)
 - Impersonal telephone solicitation
 - Special events, benefits
 - Internet
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STEPS IN FACE-TO-FACE SOLICITATION

1. Research
 2. Assignment of volunteers
 3. Planning
 4. Allowing time
 5. Clear reasons for support
 6. Solicit the gift
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SUGGESTED ONGOING ACTIVITIES FOR FACE-TO-FACE SOLICITATION

1. Be sure that it is a team effort;
 2. Involve senior development officers;
 3. Cultivate prospects through planned strategy;
 4. Strengthen your case for support;
 5. Update your list of prospects constantly;
 6. Provide attention, honor, gratitude, and recognition;
 7. Involve prospects based on LAI;
 8. Share ideas rather than needs;
 9. Listen to your prospect.
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KEY ELEMENTS TO A DIRECT MAIL PIECE

- Postage
 - Carrier envelope
 - Contents envelope
 - Text of letter
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RESULTS OF SUCCESSFUL DIRECT MAIL

- Dependable, renewable income
 - Build individual donor base
 - Communicate with major gift and planning giving prospects
 - Expand constituency
 - Upgrade new gifts
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CHARACTERISTICS OF PHONE SOLICITATION

- Acquire first-time donors
 - Renew and upgrade donors
 - Convert donors into major donors
 - Supplement direct mail program
 - Stimulate year-end giving
 - Raise funds for specific projects
 - Say “thank you” in a more personal way
 - Check information in your database
 - Promote special events
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PURPOSES OF SPECIAL EVENTS

- Publicity
 - Increase “visibility quotient”
 - Cultivate prospects and donors
 - Involve volunteers
 - Celebrate or recognize achievement
 - Raise money (duh!)
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ON-LINE GIVING

- Reactive (Donor comes to you)
 - Proactive (You go to donor)
 - Drive traffic to website
 - E-cultivation
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AUDIENCES

- Donors
 - Lapsed donors
 - Non-donors
 - Prospects
 - Major gift prospects
 - Planned giving prospects
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SEGMENTS

- Donors whose last gift was greater than \$500
 - Lapsed donors who gave via direct mail
 - Non-donors who attended the golf outing
 - Corporations that manufacture children's toys
 - Donors who have established a planned gift
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STRATEGIES: AUDIENCES - SEGMENTS

Segment / Strategy	Non-Donors	Boards	Donors	Friends	Corporations
Direct Mail					
Personal Solicitation					
Telemarketing					
E-mail					
Events					
Proposals					

CASE: AUDIENCES - SEGMENTS

CASE / Segment	Youth League	Computer Classes	Daycare	Healthcare	Economic Development
Non-Donors					
Donors					
Boards					
Friends					
Events					
Corporations					

PERFORMANCE INDEX

	<u>Museum</u>	<u>Shelter</u>
Donors	1196	8,788
Income	\$119,493	\$369,422
Expenses	\$16,800	\$120,000
% Participation	9%	5%
Average Gift	\$99.91	\$42.03
Net Income	\$102,693	\$249,442
Cost per gift	\$14.04	\$13.65
Cost per \$1 spent	\$0.14	\$0.32
Rate of Return	611%	207%

A WORLD ABOUT FOUNDATIONS

Each foundation is unique and may change the emphasis and direction of their grantmaking annually. Calling a foundation and reviewing the foundation website recent grants will provide clues to possible grant opportunities. Community, private, family and regional foundations in your area provide the most likely source of grant funding.

FOUNDATIONS SUPPORTING RETENTION PROGRAMS FOR UNDERREPRESENTED GROUPS:

- Lumina Foundation for Education
 - Kellogg Foundation
 - Ford Foundation
 - Irvine Foundation
 - Gates Foundation
 - Tom Joyner Foundation
 - Robert Wood Johnson Foundation
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FOUNDATIONS SUPPORTING RETENTION PROGRAMS AT TWO-YEAR INSTITUTIONS:

- Lumina Foundation for Education
 - Heinz Endowment
 - Houston Endowment
 - Nellie Mae Foundation
 - Knowledge Works
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FOUNDATIONS SUPPORTING RETENTION PROGRAMS FOR FOSTER YOUTH:

- Stuart Foundation
 - Walter S. Johnson Foundation
 - Casey Family Programs
 - Orangewood Children's Foundation
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OTHER FOUNDATIONS THAT MIGHT HAVE AN INTEREST

- Chicago Community Trust
 - Skillman Foundation
 - Edwin Gould Foundation
 - 21st Century Foundation
 - Southern Education Foundation
 - Schott Foundation
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