

Fundraising: The Big Picture

Presented By

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Fundraising is the gentle art of
teaching the joy of giving.

- Hank Rosso

Report of Philanthropic Giving

For Year 2008

Giving by Source		\$307.65 Billion	% of Total
Total (in billions of inflation adjusted dollars)			
Individuals		\$229.28	75%
Bequests		22.66	7%
Foundations		41.21	13%
Corporations		14.50	5%

Contributions Received by Type of Organization

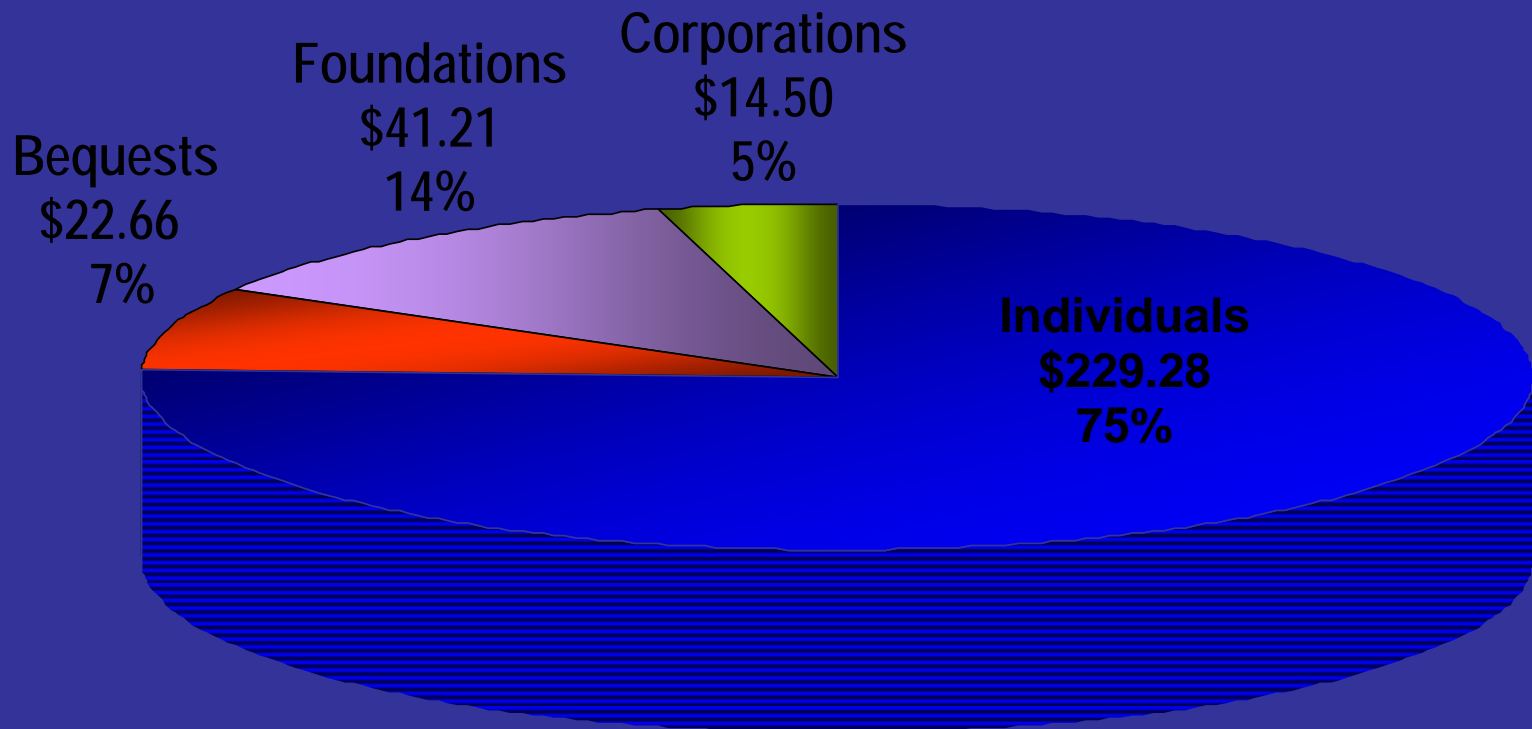
Religion	\$106.89	35%
Education	40.94	13%
Health	21.64	7%
Human Services	25.88	9%
Arts / Culture	12.79	4%
Public Society	23.88	8%
Environment	6.58	2%
International Affairs	13.30	4%
Gifts to Foundations	32.65	11%
Unallocated	19.39	6%

Source: *Giving USA/GIVING USA 2009*

Note: *Giving USA* uses the Consumer Price Index to adjust for inflation. All figures are rounded. Source for foundation giving: The Foundation Center. *Giving USA* changed its rounding procedure this year. All estimates are rounded to two places then operations performed. In the past, operations were performed first and the results were rounded.

2008 CONTRIBUTIONS: \$307.65 BILLION BY SOURCE OF CONTRIBUTION

Indicates a 2% drop from 2007



Source: Giving USA Foundation™ / *Giving USA 2009*

Giving Estimates

- Individuals — \$229.28 billion, down 2.7% (-6.3% inflation-adjusted)
- Foundations — \$41.21 billion, up 3% (-0.8% inflation-adjusted)
- Charitable bequests — \$22.66 billion, down 2.8% (-6.4% inflation-adjusted)
- Corporate giving — \$14.5 billion, down 4.5% (-8.0% inflation-adjusted)

Where Donors Gave in 2008

- Only religious, public-society benefit, and international affairs showed positive changes in contribution totals. The biggest percentage drops were felt by grant-making foundations and human services organizations.
- Of the \$307.7 billion given to US charities, more than \$106.89 billion went to religious organizations. This was an increase of 5.5%, or 1.6% adjusted for inflation. This is the second year in a row religious giving has topped \$100 billion

Where Donors Gave in 2008

- Education — \$40.9 billion, a decrease of 5.5% (-9% inflation-adjusted)
- Gifts to grant-making foundations — \$32.65 billion, a decline of 19.2% (down 22.2% inflation-adjusted)
- Human services — \$25.88 billion, down 12.7% (-15.9% inflation-adjusted)
- Public-society benefit — \$23.88 billion, up 5.4% (up 1.5% inflation-adjusted)
- Health — \$21.64 billion, down 6.5% (-10% inflation-adjusted)
- Arts, culture, and the humanities — \$12.79 billion, down 6.4% (-9.9% inflation-adjusted)
- International affairs — \$13.3 billion, up 0.6% increase (down 3.1% inflation-adjusted)
- Environment/animals — \$6.58 billion – down 5.5% (-9% inflation-adjusted)
- Deductions carried over and other unallocated giving — \$19.39 billion
- Foundation grants to individuals is a new category and accounted for \$3.7 billion

Fundraising Climate

- NPO's claim the fundraising climate is worst since 1998
- Philanthropic Giving Index (PGI) which is consumer confidence in giving is now 64.8, a 21.7% decrease from July 2008 and a 27% decrease from December 2007.

Center on Philanthropy Research dated December 2008

Online Giving

- More than \$15.42 billion was given online to US charities in 2008. This is a 44% increase over 2007's online giving estimates.
- Online giving accounted for just over 5% of total giving to charities in the US during 2008 and has been growing for many years now.

Charitable Donors Give More

- The study, *Significant Gifts: Where Donors Direct their largest gifts and why*, a national study conducted by the Center on Philanthropy clearly indicates that donors give more when personally asked.
- Study showed people give significantly more when people they know ask them.
- The study also showed a correlation between the amount of the gift and donor recognition.
- Donors given token gifts gave significantly less.

Other Findings

- Among all donors 43% directed their largest gifts to religious organizations.
- 57% of their gifts went to secular charities.
- The average gift per house hold was \$1,098.
- For households with income of \$150,000 or more the average gift was \$2,486.
- These gifts went to education, health, and arts and culture.

Thinking Like A Donor

- Donor's often give to get. They don't want to feel like they are giving their money away, they want to feel like they are investing in a cause.
- Having made a decision to give, a donor wants to believe that everyone in the organization knows who they are and what they did.

Thinking Like A Donor

- Some want financial information, annual reports, basically facts and figures.
- Others want a relationship with the organization and to feel a part of a worthy cause.
- Another may want the bottom line, what do you want from me; what will I get; and how much. A bullet point presentation.

Thinking Like A Donor

- Lastly, another donor will want to spend time with you but talk about themselves. Have you pay attention to them, make them feel special.
- Donors are different and we need to treat them as individuals with different needs.
- But all donors want respect, kindness, and appreciation.

Key Characteristics of Personal Solicitation

- Matching the donor's interests with the needs of the organization.
- Each personal solicitation is a mini campaign.
- Preparation and research are critical.
- Major gift solicitation may take 3 to 30 months.
- The personal solicitation prospects are generally in the annual fund donor base.
- The key is understand the donors motivations for giving.

Planned Giving

Definitions

A gift legally provided for during the donor's lifetime but whose principal benefits may not accrue to the organization until a future time, generally at the death of the donor and or the income beneficiary.

Benefits To Donor

- Gratifies human need for enjoyment of giving
- Encourages estate planning
- Can make a larger gift than if making one outright
- Can create a permanent memorial
- Can make a gift with retention of income
- Can provide income for self and/or beneficiaries.

Planned Giving Instruments

- Wills and bequests
- Charitable gift annuities
- Deferred payment gift annuities
- Pooled income funds
- Charitable remainder unitrusts
- Charitable remainder annuity trusts
- Charitable lead trusts
- Retained life interest gifts
- Life insurance gifts
- Retirement plans

Start-up Steps for a Planned Giving Program

- Secure commitment of board, staff, and development personnel.
- Appoint study committee to make recommendations to the board.
- Adopt the plan.
- Determine implementation steps.

Wills—The First Step

Prospects to solicit

- Prospects who may want to donate tangible property.
- Prospects of any age but particularly those who are 55 or older.
- Prospects who have no children.
- Prospects who love your organization and believe in the mission.
- Save on estate taxes.

Bequests and Definitions

- A bequest is a provision in a last will and testament whereby a gift of property is transferred from an estate to a charitable organization.
- A bequest can also be made by adding a codicil to an existing will.

Why Wills?

- Low start up costs.
- Can be accomplished without hiring a planned giving officer.
- Can involve local professionals with training in this area.
- You can use direct mail, volunteers and seminars.
- All solicitations or follow up are done face to face.
- Use their professional advisors to prepared their will.

Special Events

- A well implemented and enjoyable event experience and profit.
- Raise resource donations (money, materials, in-kind and pro bono donations)
- Stimulate increased giving from current donors
- Open new donor constituency markets and cultivate past donors
- Thank and recognize loyal donors and volunteers
- Attract publicity and place the organization's mission and needs in the public arena

Types of Special Events

1. Receptions
2. Breakfasts, luncheons, and dinners
3. Participatory events (athletics, auctions and gaming and dances, etc)
4. Community mega-events (festivals and parades)
5. Nonevents (pay a fee not to attend)

Choosing and Planning Your Event

- Choose an event that successfully incorporates characteristics that are the very essence of your cause.
- Choose an event that will not overtax your resources.
- Borrow ideas, don't copy events.
- Make sure that your volunteers and those who attend have fun.

The Planning Phase

This is where you create your event roadmap and set the direction for the journey ahead.

- What is the compelling reason to hold the event?
- What is the case for support?
- What will the event cost? Who are the sponsors? Volunteers?

The Tactical and Deadline Phase

- Endless details and meetings
- Finalizing site selection and event framework
- Turn your case material into sales materials
- Reviewing record keeping systems
- Dealing with legal, accounting and other business issues

The Enjoyment Phase

- Gifts and revenues come in
- Event logistics are finalized
- Everything comes together and your guests enjoy the event

Afterglow

- Capitalize on all the benefits that successful events can provide.
- Evaluate the event and make projects for future events.
- Complete thank you and acknowledgment phase.
- Create final report and inform constituents about the benefits gained from the event.
- Taking your next step toward next years events closing this event.

Managing the Capital Campaign

Managing the Capital Campaign is a workshop being held at the Kellogg Hotel and Conference Center on March 3rd-5th, East Lansing MI.

The course is through Indiana University, the Fund Raising School and qualifies for the Certificate in Fund Raising Management. The course runs 8:30 to 5:00 and will be presented by Gasby Brown, MPA and Carole Pence, MA.

Early Bird Registration \$800, has been extended to January 15th. Regular course cost is \$1025.

Register online at www.penceconsulting.com