Fundraising-Annual Giving, Campaigns, Annual Funds, Giving Days, Leadership Gifts, and Donor Cycle
Agenda

• Trends in Philanthropy
• What Donors Want
• Giving Cycle
• Cultivation
• Solicitation
• Listening
• Questions and Discussion
For the first time ever, charitable giving exceeded the $400 billion mark in 2017, spurred by growth from all four sources of giving.

$410.02 billion

Where did the generosity come from?*

Giving by Individuals
$286.65 billion
Increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

Giving by Foundations
$66.90 billion
Increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

Giving by Bequest
$35.70 billion
Increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

Giving by Corporations
$20.77 billion
Increased 8.0 percent (5.7 percent when inflation-adjusted) over 2016

Contributions by source (by percentage of the total)

Giving by individuals increased $14.27 billion over last year for a growth rate of 5.2 percent, on track with the growth in total giving.

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

- 31% Religion $127.37 billion
- 14% Education $58.90 billion
- 12% Human Services $50.06 billion
- 11% To Foundations $45.89 billion
- 9% Health $38.27 billion
- 7% Public-Society Benefit $29.59 billion
- 5% Arts, Culture, and Humanities $19.51 billion
- 6% International Affairs $22.97 billion
- 3% Environment/Animals $11.83 billion
- 2% To Individuals $7.87 billion

Corporate giving as a percentage of pre-tax corporate profits (in billions of current dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate giving</th>
<th>Corporate pre-tax profits</th>
<th>Corporate giving as percentage of pre-tax profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>12.40</td>
<td>1,382</td>
<td>0.9%</td>
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<tr>
<td>2009</td>
<td>13.79</td>
<td>1,473</td>
<td>0.9%</td>
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<tr>
<td>2010</td>
<td>15.82</td>
<td>1,841</td>
<td>0.9%</td>
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<td>2011</td>
<td>15.58</td>
<td>1,807</td>
<td>0.9%</td>
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<td>2012</td>
<td>17.22</td>
<td>2,131</td>
<td>0.8%</td>
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<td>2013</td>
<td>15.86</td>
<td>2,156</td>
<td>0.7%</td>
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<tr>
<td>2014</td>
<td>18.26</td>
<td>2,249</td>
<td>0.8%</td>
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<tr>
<td>2015</td>
<td>18.44</td>
<td>2,159</td>
<td>0.9%</td>
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<tr>
<td>2016</td>
<td>19.24</td>
<td>2,159</td>
<td>0.9%</td>
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<tr>
<td>2017</td>
<td>20.77</td>
<td>2,248</td>
<td>0.9%</td>
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Things to Consider

• Costs 4 ½ to 6 times as much to acquire a new donor as it does to keep an old one

• The competition for the dollar today is ferocious - 4X more fundraising by nonprofits than 20 years ago

• Average donor supported 5 organizations last year
What Donors Want: A New Breed of Donor

With Heightened Expectations for the Organizations They Support

An Emerging Donor on Advancement’s Mind

The Donor-Investor Seeks

Transformative Impact
Evidence that their gift has led to change that would not otherwise be possible

Compelling Ideas
Innovative, large-scale solutions to local, national, or global problems

Credible Connections
Investment in people who can link big ideas to impact

Strategic Philanthropy: The Shift in Donor Behavior That’s Shaking Up the Nonprofit Sector

Philanthropy: How to Give Away $1B

Treat Donors Like Investors, a Top Philanthropist Urges
A Big Idea Should:

- Transform the Organization and the world
- Make the Organizations unique in the marketplace
- Focus on where the Organization is good but could become better
- Include areas where the Organization is emerging as a leader

A Big Idea Should Not:

- Be defined *solely* by a capital project
- Bundle together smaller ideas
- Solely feature a naming opportunity
- Lead to slow, incremental improvement
Gift Cycle

1. Identification
2. Cultivation
3. Solicitation
4. Stewardship
Vicious Cycle

Development Director Leaves (or is fired)

Fundraising Revenue Drops

New Development Director Hired

Board Sets Unrealistic Expectations

Little or No Training Provided
How we make our donor experience superior?

• We have to personalize our approach, create memorable moments.
• Approach with the assumption you and the prospect share the goal of advancing your cause.
• Don’t take the donor for granted-appreciate and celebrate the fact that the donor is engaged in this important work.
• Have to do our homework-understand as best you can where the donor is (mining for data).
• Create a relationship that the donor enjoys; express genuine interest, and listen to the donor’s story.
Donor-Centered Cultivation Plan

Instructions
Create a cultivation (or stewardship) plan that integrates stakeholders across the organization by listing each stakeholder who should be involved, then creating a comprehensive list of activities in which they will be involved. Once created, the chart should be distributed to everyone involved in the process and entered into the data system. Work proactively with campus partners to ensure that steps are completed before the deadlines.

After creating a cultivation plan for a large-scale project, it can be adapted for future donors instead of starting from scratch each time.

Donor and Project Details
1. Donor Name(s):
   _________________________________________________________________________
2. Proposed Gift: _____________________________________________________________
   ___________________________________________________________________________
3. Estimated Solicitation Date (Month, Year): ____________________________________
4. Development Point-of-Contact: ______________________________________________

Stakeholders

<table>
<thead>
<tr>
<th>Department</th>
<th>Stakeholder(s)</th>
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Cultivation Plan Template

<table>
<thead>
<tr>
<th>Activity</th>
<th>Stakeholder(s)</th>
<th>Start Date</th>
<th>End Date</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Clinic Tour</td>
<td>Fred Flintstone</td>
<td>10/10/2018</td>
<td>10/17/2018</td>
<td>✓ Completed</td>
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Creating a Development Plan

• The Elements of a Development Plan

  • Case Statement and Materials

  • Annual Calendar

  • Operational Plan
Making the Case

• Written case statement
  • Establish Need
    • How does your program meet that need?
  • Establish your team’s competency to meet it
• Outline the resources required
• Establish the impact a gift will make
Making the Ask

• Do your Homework
  • Be Ready to Ask
• The Four R’s
  • The Right Person
  • The Right Amount
  • The Right Time
  • The Right Cause/Project
• Listen for the Gift
Listening

• Many assume listening is the same as hearing, that it is instinctual and passive.

• It is actually an active process demanding energy and discipline.
## Listening

### The Communication Process

<table>
<thead>
<tr>
<th>Mode</th>
<th>Years of Training</th>
<th>% of Time Used</th>
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</thead>
<tbody>
<tr>
<td>Writing</td>
<td>12 Years</td>
<td>9%</td>
</tr>
<tr>
<td>Reading</td>
<td>6-8 Years</td>
<td>16%</td>
</tr>
<tr>
<td>Speaking</td>
<td>1-2 Years</td>
<td>35%</td>
</tr>
<tr>
<td>Listening</td>
<td>0-1/2 Years</td>
<td>40%</td>
</tr>
</tbody>
</table>
Recommended Reading

Asking by Jerold Panas
A 59-Minute Guide to Everything Board Members, Volunteers, and Staff Must Know to Secure the Gift
Questions and Discussion