www.glocalconsultantsgroup.com
info@glocalconsultantsgroup.com

Helping you define and grow your niche, locally and internationally

Glocal Briefs™

Fundraising 103- Individuals

Almost everybody's talking about raising more money from individuals, about diversifying their funding stream, about the challenges imposed by the economic recession, and about getting more unrestricted funding… just as they have for the last 20 years, and perhaps more. Bottom line, whether you've been talking about (and doing?) it for years, or are just starting to think about it, funding from individuals is a key part of an integrated fundraising strategy.

There are 3 basic types of individuals fundraising
1. the annual appeals and many, smaller donations
2. gifts and bequests from high net-worth individuals, aka major donors
3. online - crowd sourced funding for a project, a donate button on your website, e-mail marketing

The strategy is largely the same (define your constituency, reach out to them, thank them for their gifts), the approach differs slightly. So, before we get into it, what do we need?
- a CRM database - you can create one in Excel, but once it gets "larger" you'll want/need a more flexible and fit-to-the-purpose tool
- a constituency - i.e. a list of names interested in your issue, and their contact info
- a person who writes well
- a person who is a good relationship builder/manager
- a person who manages data well

The constituency

If you're raising money for a school, you have a natural constituency (students, parents, alumni), so it is a question of database management, consistent communication, and tiered benefits/thanks for donation levels.

Otherwise, you have an extra step and must define your constituency - people who have used or benefited from your service, people who have backgrounds similar to the population you are serving, your friends and family who support an organization or cause because you do, other generous and idealistic souls.

1. The appeal

If you don't already have a database of past, current and potential supporters, create it! Everyone should brainstorm names of friends and family who support the cause; everybody - admin, finance, development, executive staff, the Board, etc. Once or twice a year, write a brief letter (max 2 pages) that includes your organization's mission, program/s overview, thanks for previous donations, and 1- 3 stories of people who or communities which have benefitted from your organization's existence, and the call-to-action (the please support us at xyz level so we can continue to help the Davids, Susans, Fatimas and Marcos of the world). If you know your service delivery costs well, you can say $50 can do X, $100 can do Y, $300 can do Z, and $500 could do 7 Cs.

Do what you need to do to get the letter out to everyone by mid-November (or every quarter, if you want to build a direct mail campaign[1]), so potential donors can review, think and send in their donations during the holidays. If they don't respond within a month, send a follow-up note and appeal. Obviously, keep your database up to date on moves/addresses, returned mail, and any other changes as you find them out. If they don't respond for three years,

[1] This can be pricey, especially in an age of electronic, i.e. almost free communication; but it can also stand out and be noticed. Do your cost benefit analysis on paper based marketing, investigate getting your own endicia for NPO mailing rates, and remember there are services you can outsource much of it to for time and cost efficiency.

remove them from your database. Then manage the responses - note the donors and donation amounts in, get the $$ to your Finance department, and thank the donor.

2. High Net Worth individuals, or potential major donors

Donations from high net worth individuals - make a list of the people you know personally who have the capacity to give large donations (this level is different for different organizations - baseline $1000, $5000 or $20,000), again everyone adds names. Then Development staff, Exec Staff and/or Board will approach these people. But you have to build the relationship, figure out why they might want to give to you, and create engaging and informative leave-behinds.

After you've completed brainstorming all the people you know personally. Make a second list of people you've heard of who might be interested in your issue area - brainstorm the names, look at the annual reports and websites of similar organizations and note supporters they have, use databases. Once you have the list of names and addresses, *add information to your CRM*. Remember, these people are not ATMs, find out about their interests and background - where they went to school, what and who they give to, why they're interested in certain issues, anything they particularly love or hate. Try to get introduced to them, send them information on your organization and let them know you'd love to talk with them about your organization. Be respectful of their time, the fact that many probably ask them for $$, and be passionate about your organization and why it does what it does so well, and you'd love to be able to partner with them as well. You can organize tours with your large and potential large donors, name rooms or buildings after donors, have a "wall of honor" with plaques listing your large donors, and of course list them on your website and/or annual report. And you are going to thank them personally, for their donation.

Planned Giving and Bequests- this can seem emotionally complicated (especially bequests), but your long time supporters will likely have done some financial planning, are likely to have a will, and probably want to share their remaining riches and life insurance policy payout to family members, friends and their favorite charities. Make it easy for them to include you in their will or as a beneficiary of their policy - that means of course, having the established, honest relationship, but also figuring out the process for them to make a bequest and making it painless for them (who to speak with, about what, provide them the language to include in their paperwork, and the info on your organization).

3. Online fundraising

Technology has made things cheaper, easier, and yes occasionally more complicated. But take a little time to learn, then use the cheap and easy - we're all supposed to be running efficient organizations. This can be everything from having a donate button on your website, to a link in your monthly/quarterly e-newsletters, to posting a profile on a crowd sourced funding website like indiegogo, Kickstarter, Global Giving (or even crowd sourced investment like rebuildingsociety.com, SeedInvest and others).

Fundraising from individuals is all about making it easy for them to support you - you have programs that satisfy a need, are well-run, and you communicate well and regularly with all donors[2]. After you've identified your constituency, it's all about relationship building and execution. It's not rocket science, just keep at it, stay motivated by your mission, and best of luck!

If you would like help on your individual fundraising strategy and outreach, broader fundraising strategy, or other General Management issues, please contact us at info@glocalconsultantsgroup.com or call +1-773-218-8270 or +1-347-480-8679.

Glocal Briefs™ are pragmatic, five minute intros to diverse management and leadership topics. Check out others here.

[2] Ask for a copy of "Twelve Commandments of Effective Communication" or download it at glocalconsultantsgroup.com/glocal-briefs