ANNAUL GOVERNOR'S TRAINING CONFERENCE

Creating Integrated, Data-Driven Fundraising Campaigns for Year-end

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Network for Good.

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What are the elements of successful fundraising?

BRIAN LAUTERBACH: FUNDRAISING GENIUS; 26 YEARS OLD

HIRED BY A HUMAN STATE AGENCY,
NEEDED TO RAISE $1 MILLION

FIRST UP:
RENEW 530 DONORS
THAT GAVE $370,000

RED CROSS:
NEW FUNDRAISING
RECORDS SET
ONLINE

"YOU WANT $15,000 TO BUILD AN ONLINE GIVING PROGRAM

ELEVEN WEEKS OF PLANNING & DESIGNING AN APPEAL

$700

AWKWARD,
ENSUING PERIOD
OF REFLECTION

Fundraising isn't about the ask, it's about knowing who to ask, when and through what channel – and what's important to them.

Simple historical data is critical to demonstrating you have a relationship with the prospect – as well as getting a larger gift

You can't ask someone to give again when you haven't thanked them or told then how you leveraged their gift.

NEXT >

The essential fundraising metrics every fundraiser needs to know – or have immediate access.

Contactable universe. How many email vs. mailing addresses do you have for your combined prospect and donor file.

Goal, and progress to it. How much money do you have to raise, and by when, and how much is secured YTD.

Pledges vs. cash. Of the preceding total, how much has been received vs. actually received.

Renewable base. The total sum of contributed revenue from individual donors in the last fiscal year – that's reasonable to assume you can raise again this year.

Retention rate. Year-over-year, the percentage of donors and dollars you retain.

Segment counts. Lapsed donors. Current donors. Special event donors. Non-donors, & Volunteers.

Response rate. The percentage of recipients who receive email and direct mail from you, and give ("respond") as a result.

Unique website visitors. The number of monthly, unique home page visits on your website.

Delivery, Open and Clickthru Rate. The funnel KPI's of effective email communications.

Today we'll discuss what drives the campaign:

1 **Channel**. Use channels that produce data, not just communication outputs.

2 **Plan**. How to create a fundraising forecast & plan based upon fundraisings key metrics.

3 **Message**. How to create a true donor-centric message with metrics to validate it.

NEXT >

PART 1

Why and how people give and what motivates them to do so.
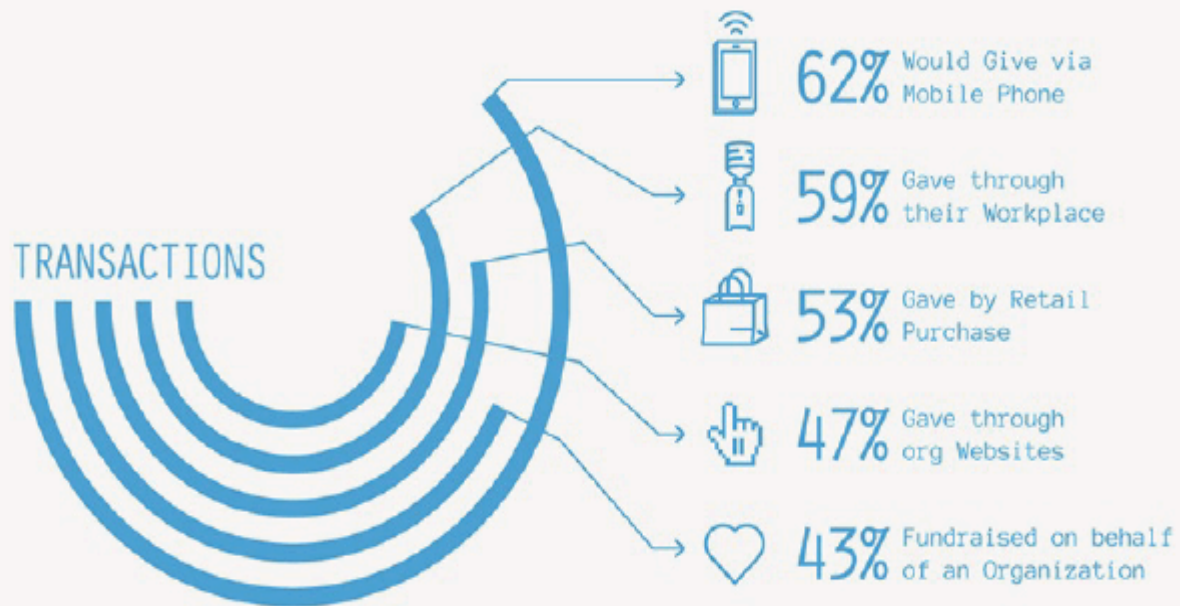
NEXT >

GENERATION Y

Age 18-32

60% in this generation give an average of $481 per year across 3.3 charities

Gen Y represents 11% of total giving

Y | X | Boomers | Matures

TRANSACTIONS

62% Would Give via Mobile Phone

59% Gave through their Workplace

53% Gave by Retail Purchase

47% Gave through org Websites

43% Fundraised on behalf of an Organization

GENERATION X
Age 33-48
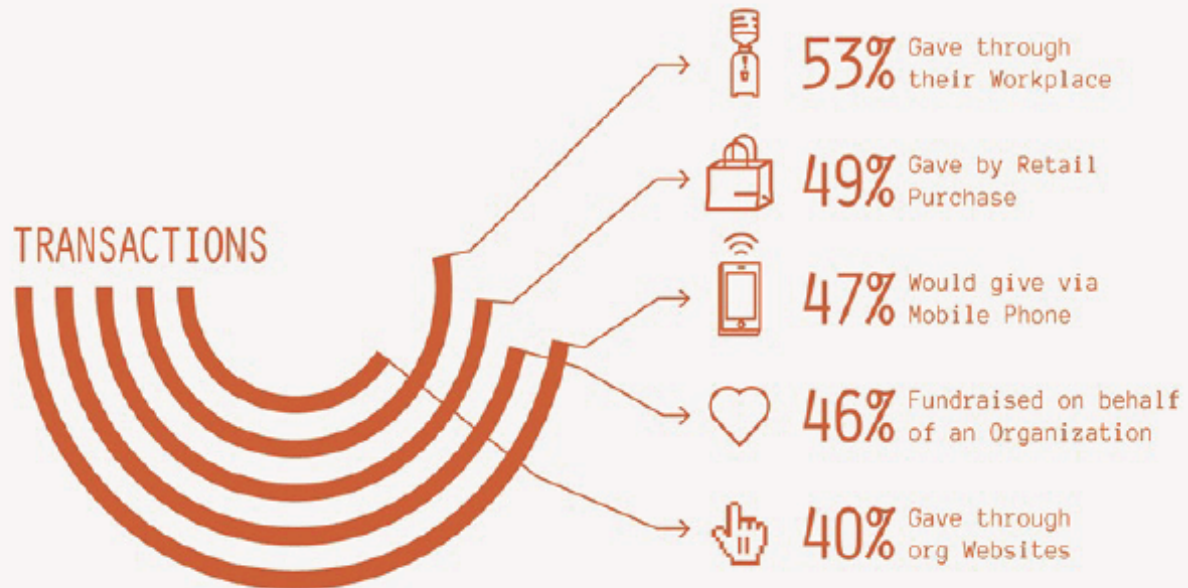
59% in this generation give an average of $732 per year across 3.9 charities

Gen X represents 20% of total giving

Y X Boomers Matures

TRANSACTIONS

53% Gave through their Workplace

49% Gave by Retail Purchase

47% Would give via Mobile Phone

46% Fundraised on behalf of an Organization

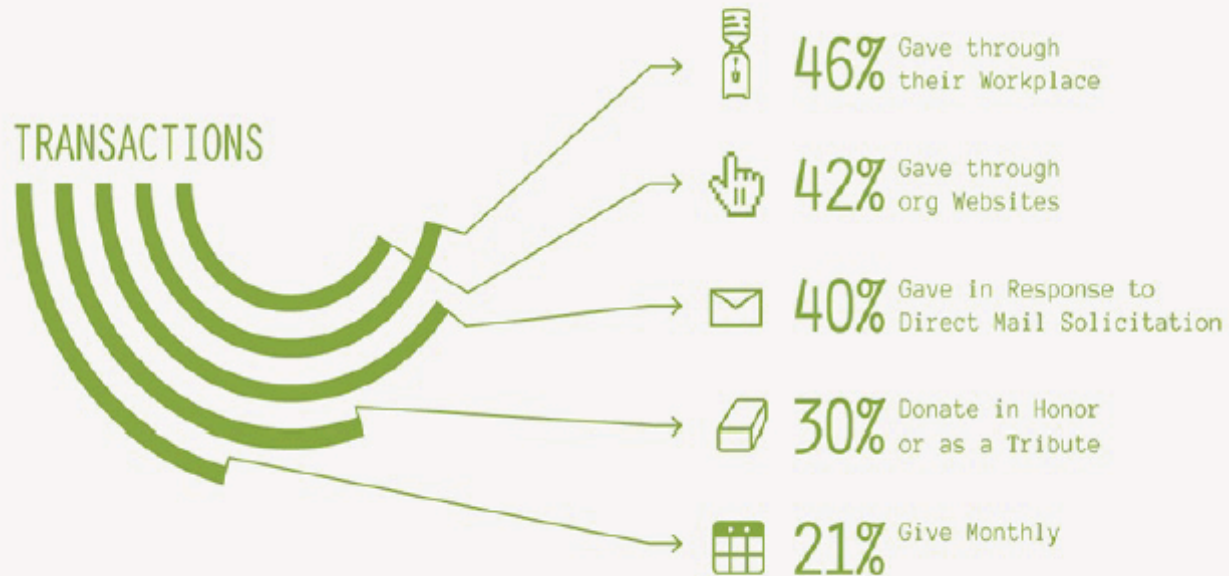40% Gave through org Websites

BABY BOOMERS
Age 49-67

72% in this generation give an average of $1,212 per year across 4.5 charities

Baby Boomers represent 43% of total giving

Y   X   Boomers   Matures

TRANSACTIONS

46% Gave through their Workplace

42% Gave through org Websites

40% Gave in Response to Direct Mail Solicitation

30% Donate in Honor or as a Tribute

21% Give Monthly

MATURES
Age 68+

Matures represent 26% of total giving

Y X Boomers Matures

TRANSACTIONS

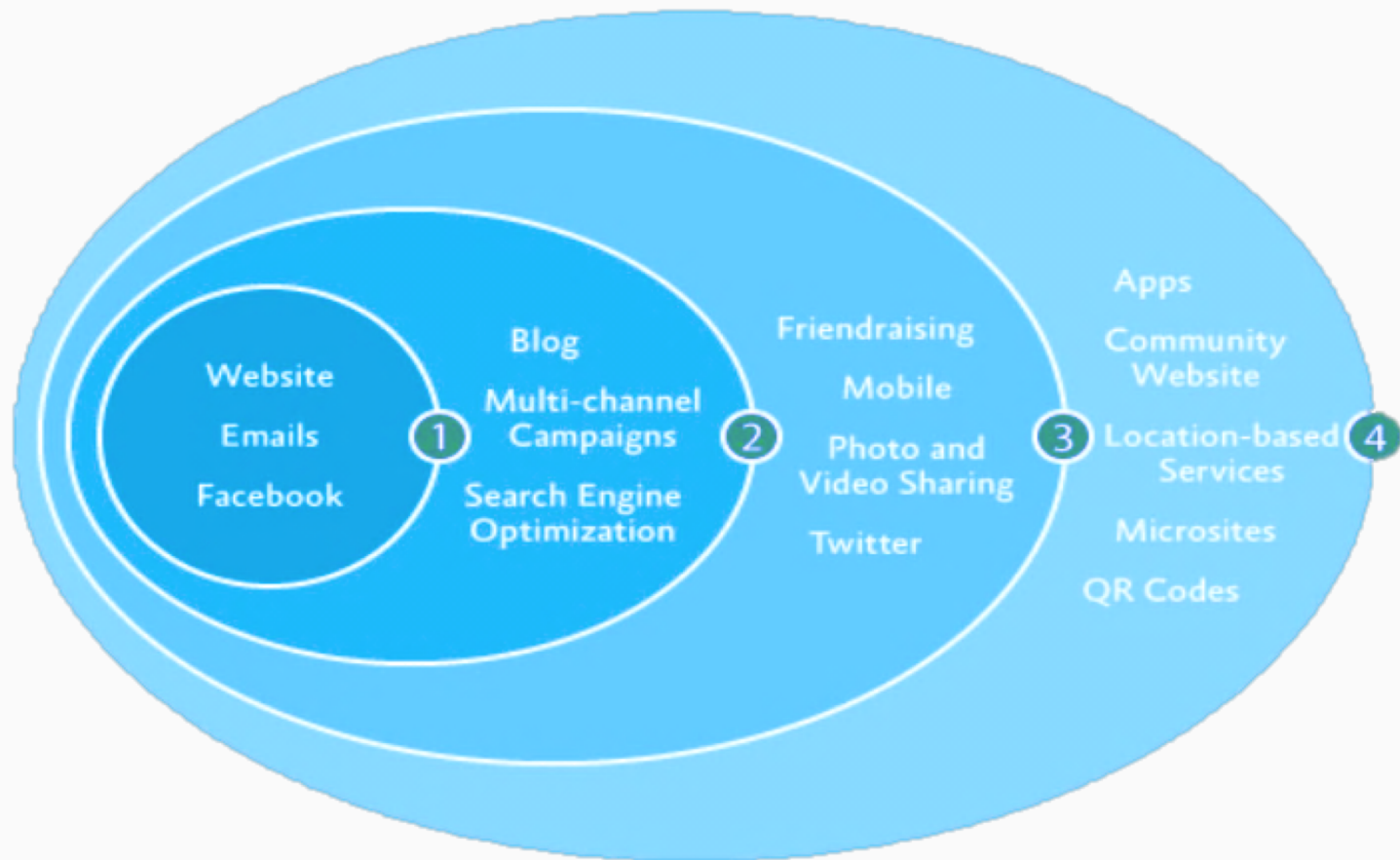✉ **52%** Gave in Response to Direct Mail Solicitation

🎁 **34%** Gave in Honor or as a Tribute

88% in this generation give an average of $1,367 per year across 6.2 charities

94% of all individual gifts are fulfilled, after direct mail, through the integration of the Group 1 Channels

With 78% of Americans now using smartphones, emails, texts, and optimized giving pages are critical for success.

What do you need to know?

You have to do a little bit of everything to reach everyone, but start with channels that can reach the most for the lowest cost – and the ones you can easily evaluate & measure.

PART ❷

How to create a fundraising plan, right-sized for your nonprofit based upon data.

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Aligns resources around what works and is possible

Requires you to think beyond good ideas

Establishes transparency-of-need/results to board

Helps you more easily allocate resources, including time

Provides rigor and framework to ongoing ideation

NEXT >

Top Line Fundraising Questions	Answer
How many contactable households do you have?	200
How many gifts did you receive last fiscal year from:	
Board members	10
Individuals	45
Sponsors	4
Small business	6
Private foundations	2
Government	1
Special events	80
Total amount of dollars you raised last fiscal year?	$50,000
How much was spent on fundraising last fiscal year, including both production and retention?	$20,000

Acquisition

Number of contactable households	200
Multiply by 10%	20
Average gift of $50	$1,000

Renewal

Amount raised last year	$50,000
Less natural donor attrition	30%
Renewable base	$35,000

Total Fundraising Potential (with no activity changes)   **$36,000**

Ruthlessly simple segmentation: How to organize your donor groups to create effective campaign messaging

Segment	Group	Attributes	Target Ask
Non-donors	Prospects	Prospects for whom you have a mailing or email address, but have not ever made a gift	First gift, flat amount of $25-$40 for a special program
Non-donors	Event donors	Attended an event in the current fiscal year, but has not made an annual gift	First gift, flat amount of $25-$40 for a special program
Donors	Current donors	Made a gift in the last fiscal year, but not yet in the current year	Last gift amount + 50% more; or recurring/monthly giving program enrollment
Donors	Lapsed donors	Made a gift two years ago, or prior, but not since or in the current fiscal year	Last gift amount, special program appeal

OVERLAYING NAT'L AVERAGES

ATTRITION: 59% & GIFT INCREASE: 12%

YEAR	DONORS	AVG GIFT	REVENUE
LAUNCH	100	$200	$20,000
2017	41	$224	$9,184
2018	16	$251	$4,219
2019	7	$282	$1,942
2020	3	$315	$885

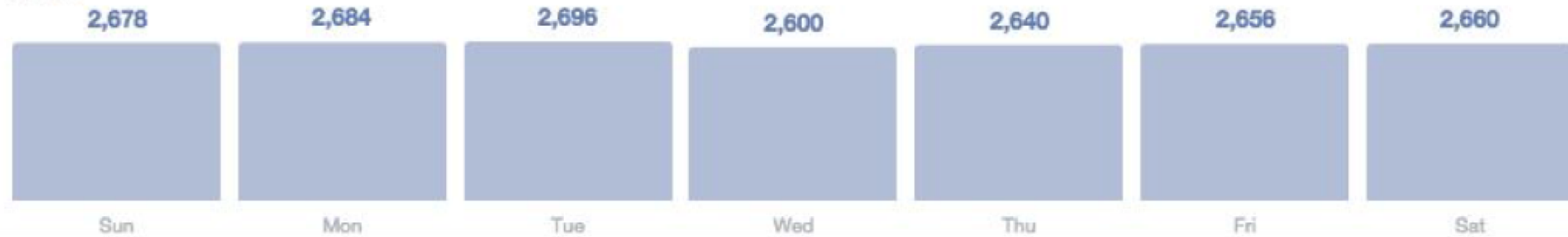| FUNDING SOURCE									
Individual Donors	Strategy	Number to be Solicited	Average Gift	Estimated Income	Associated Expenses	Net Income	Completion Deadline	Staff Responsibilities	Board Dependencies
Renewing annual donors			$	$	$	$			
Prospective annual donors			$	$	$	$			
Major Donors	Strategy	Number to be Solicited	Average Gift	Estimated Income	Associated Expenses	Net Income	Completion Deadline	Staff Responsibilities	Board Dependencies
Renewing annual donors			$	$	$	$			
Prospective annual donors			$	$	$	$			
Board Giving	Strategy	Number to be Solicited	Average Gift	Estimated Income	Associated Expenses	Net Income	Completion Deadline	Staff Responsibilities	Board Dependencies
Individual cash commitments			$	$	$	$			
Special Events	Strategy	Number to be Invited	Ticket Price	Estimated Income	Associated Expenses	Net Income	Completion Deadline	Staff Responsibilities	Board Dependencies
Event name			$	$	$	$			
Event name			$	$	$	$			
Private Foundations	Program Officer	Date of Meeting with PO	Target Ask Amount	Estimated Income	Associated Expenses	Net Income	Application Deadline	Staff Responsibilities	Board Dependencies
Foundation name			$	$	$	$			
Foundation name			$	$	$	$			
Government Grants	Contact/Liaison	Date of Meeting with Liaison	Target Ask Amount	Estimated Income	Associated Expenses	Net Income	Application Deadline	Staff Responsibilities	Board Dependencies
Agency/department name			$	$	$	$			
Agency/department name			$	$	$	$			
Business Donors/Sponsors	Strategy	Number to be Solicited	Target Ask Amount	Estimated Income	Costs	Net Income	Proposal Deadline	Staff Responsibilities	Board Dependencies
Small & local businesses			$	$	$	$			
Sponsorships			$	$	$	$			
Corporation name			$	$	$	$			
Corporation name			$	$	$	$			
Earned Revenue	Strategy	Point of Sale Location	Item Price	Estimated Income	Associated Expenses	Net Income	Completion Deadline	Staff Responsibilities	Board Dependencies
Ticket sales			$	$	$	$			
Merchandise sales			$	$	$	$			
Concessions			$	$	$	$			
Voluteer groups			$	$	$	$			
TOTAL			$	$	$	$			

Your plan is more than strategies and goals, it also is a calendar, sequencing <u>all</u> of the steps to deploy & measure.

1. **Create timeline** (When do I need cash to come in, not just hit goal?)

2. **Secure board commitment** (How much was given last year?)

3. **Create content & channels** (What channels performed best last year?)

4. **Create segments** (Who are current, lapsed, event, and nondonors?)

5. **Ready website** (How many gifts came in through website, bounce rate?)

6. **Move to production** (How much can I spend to raise a dollar?)

7. **Configure automated acknowledgment** (are they getting opened?)

8. **Deploy campaign** (How much do I need to raise every day to hit goal?)

9. **Assess progress towards goal** (What do I need to modify for next contact?)

10. **Begin retention** (Who is at risk of lapsing and is it channel or message?)

There is no longer a magic day and time to deploy digital communications – and direct mail.

DAYS

Sun	Mon	Tue	Wed	Thu	Fri	Sat
2,678	2,684	2,696	2,600	2,640	2,656	2,660

TIMES

Midnight · 3:00am · 6:00am · 9:00am · Noon · 3:00pm · 6:00pm · 9:00pm · Midnight

What do you need to know?

You can't mange what you can't measure. A data-driven fundraising plan is the single tool you use to align resources to reach goals. It's function and purpose to essential for success, evaluation, and sanity

PART ③

How to create effective fundraising message
& year-end case for support.

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- Create message that targets donors, not staff

- Leverage content for email, mail & social media

- Think in terms of characters/images, not pages

- Draw attention to your mission and outcomes

Donors all make gift decisions differently and you must creatively integrate all of them

Rational Reasons (Head): "What I am being asked to do makes sense and I understand why it's important."

Emotional Reasons (Heart): "I identify with this mission and programs because I know someone who...and I want to help."

Transformational Reasons (Halo): "This is a big problem and I want to leverage my resources to fulfill the vision and change the world."

TEMPLATE

Your message needs to embrace the notion that donors give through your organization, not to it.

Donors are hiring you to do the good in the community they want to happen but don't have time to do, directly.

Always answer the question and when you do, become relevant, "Why is your mission important to me?"

The founder or the facility doesn't drive giving or retention, the mission and impact you make does.

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TEMPLATE

Don't project your own metrics, needs or milestones into your message – they don't drive giving or retention.

| "Our fiscal year ends..." and "Close budget shortfall of..." uninspire, unless your mission is to balance a budget.

| "If everyone participates with a gift of..." only demonstrates you can do math, not fulfill the promise of your mission and program.

| Opportunity for to create and sustain immediate program impact creates urgency, not months calendar.

TEMPLATE

Tell the story you want donors and prospects tell their friends – that's what matters.

Quantify impact and opportunity, create your Needs Target with three, concentric circles.

Tell a story about someone who benefits from your mission instead or just articulating what you need.

Tell donors and prospects what they become after they support your mission and programs

TEMPLATE

Tax deductibility is already a known fact and it doesn't drive most giving

Only .008% of donors who give gifts under $1,000 report doing so in order to get a tax deduction

Reminding donors and prospects of deductibility wastes precious communication real estate to communicate impact

Talking about it implies you believe it's important and what motivates people to support your mission.

TEMPLATE

IDENTIFICATION | Example

What do people need to know about your mission and the work you do?

	Over 1,000 children in our community go to bed and wake up hungry every day -- and it's wholly preventable.

What are 3 reasons that describe why your mission is important to the communty you serve?

	Men, women, and children cannot work, go to school and be successful when they are hungry
	There are more than two tons of food wasted every day in our community that could be harvested
	Food pantries at homeless shelters cannot and do not have capacity to meet all of the needs

QUANTIFICATION | Example

How many people did you serve last year?

	400

How many people could you have served last year if you had more capacity?

	2,000

What are 3 mission-related outcomes you've achieved in the last year for your community, service population?

	We served 3,000 meals last year, providing critical, nutritious food to help 400 families
	We reduced hunger-related thefts and shoplifting by almost 25% among 60 local grocers
	We enrolled 12 low-income serving schools into our program to provide free, nutritious snacks

LEADERSHIP | Example

What is one reason you believe you are uniquely qualified to fulfill your mission over any other nonprofit?

	We are the only organization in our community that has the experience, technology, and relationships with restaurants, grocers and farmers to distribute excess food supplies before being discarded as waste.

Provide 3 examples of how your mission has helped an individual in your community in the last year?

	We provided Maria with access to proper nutrition during her pregnancy as she carried to a healthy term
	We provided Alex and his brother with nutritious snacks after school ahead of their afternoon of homework
	We provided Mark and Julie will access to nutritious food for a month while their family was homeless

RELATIONSHIP | Example

What's one reason you believe other people have made gifts to your organization in the last year?

	Our community understands the relationship between food, health, and self-sufficiency, let alone positive physical and mental health.

What do donors become when they make a gift to your mission?

	Donors become powerful advocates for a population of people in our community that do not have access to food to feed themselves.

VISUALIZATION | Example

Provide 6 images you have permission to share externally that show your work and/or the people you serve.

When possible, provide images that can be connected to your statements above.

What do you need to know?

You need to cause an interruption, not just deliver a message. A donor should not only know why they are hearing from you, but anticipate the value of the information you are sharing with them – and it can be measured