

## Diversifying Revenue Streams for Nonprofit Organizations

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Choosing the right fundraising strategies for your organization

## Objective

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To gain knowledge about different revenue streams for nonprofit organizations so that the staff and volunteers can raise more money.

## Agenda

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- General Information
- Fundraising Methods
- Prospect Identification
- Choices!
- Next Steps

## General Information

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- 89% of households give an average of \$1620 per year

○ Independent Sector

## General Information

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- 44% of adults volunteer

○ Independent Sector

## General Information

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- Households who regularly attend religious services give more than those who do not (in the south by 143% more)

○ Independent Sector

## Polling Question 1

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- ## General Information
- 
- Individuals 76.3%
  - Bequests 7.5%
  - Foundations 11.2%
  - Corporations 5.0%
    - Giving USA

- ## Messaging
- 
- Case Statement
    - Motivational
    - Statistical
    - Why do you (your organization) matter – to the donor AND to the community

- ## Fundraising Methods
- 
- Annual Giving
    - Direct Mail
    - Special Events
    - On-line giving
    - Social Media

- ## Fundraising Methods
- 
- Direct Mail
    - Content
      - Thanks
      - Ask
      - Story
      - Statistics
      - Join Me


- ## Fundraising Methods
- 
- Direct Mail
    - Personalization
      - Address
      - Signature
      - Note



## Fundraising Methods

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- Direct Mail
  - Collateral Material
    - Giving envelope/pledge card
    - Brochure



## Fundraising Methods


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- Direct Mail
  - Follow Up
    - Second mailing
    - Phone call
  - Timing
    - 2-3 times per year



## Polling Question 2

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## Fundraising Methods

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- Special Events
  - ONE (maybe two) GREAT event per year!!!!



## Fundraising Methods

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- Special Events
  - Revenue Streams
    - Sponsorships
    - Ticket Sales
    - Auctions



## Fundraising Methods

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- Special Events
  - Use volunteers
    - Planning
    - Soliciting sponsorships and auction items
    - Recruit attendees

## Polling Question 3

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## Fundraising Methods

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- Website
  - On-line Giving
    - (idealware.net)
    - Donate now button
    - Drive people to website

## Social Media

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- Facebook/Twitter
  - Information
  - Sharing Good News
  - Create a Sense of Community
  - Viral Fundraising

## Fundraising Methods

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- Newsletter
  - Giving envelope
  - Variety of articles
  - ROI report to donors

## Fundraising Method

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- E-newsletter
  - Variety of articles
  - Drive people to website
  - Donate Now button

## Pros and Cons of Annual Giving

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- Pros
  - Unrestricted \$\$
  - Reliable \$\$
  - Large \$\$
- Cons
  - Time to build following
  - Takes considerable human resources

## Fundraising Methods

- Grants
  - Research
    - Guidestar
    - Foundation Center
    - Board Members
    - Grants.gov

## Fundraising Methods

- Grants
  - Match project to funders interest area
  - CALL the program officer!!!!!!!!!!!!
  - Follow the rules
  
- Only one strategy in a vital development program

## Fundraising Methods

- Grants
  - Match grant opportunities to existing programs
  - Apply for new programs only if they have been approved in a strategic plan
  
- DO NOT CHASE MONEY

## Pros and Cons


- Pros
  - Dedicated revenue to a project
  - Frequently large \$\$
  - Not threatening
- Cons
  - Time consuming
  - Generally not renewable

## Polling Question 4

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## Fundraising Methods


- Major Gifts
  - Organization determines amount
  - Relationships
  - Operational, programmatic or capital funding



## Fundraising Methods

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- Major Gifts
  - Case statement
  - Needs list
  - Recognition opportunities



## Fundraising Methods

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- Major Gifts
  - Anatomy of the ask
    - Open
    - Discussion about project
    - Answer questions about project



## Fundraising Methods

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- Major Gifts
  - Anatomy of the Ask
    - ASK
    - Shut up!



## Fundraising Methods

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- Major Gifts
  - Anatomy of the Ask
    - Overcome objections
    - Close



## Pros and Cons

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- Pros
  - Large \$\$
  - Renewable \$\$
  - Flexible \$\$
- Cons
  - Scary
  - Time consuming
  - Slow



## Fundraising Methods

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- Sponsorships
  - Provides funding for a specific thing
  - Donor expects return
  - Not all money can be spent on organization



## Fundraising Methods

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- Sponsorships
  - Event
  - Program
  - Out of the Box



## Fundraising Methods

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- Sponsorships
  - Written materials
  - Different funding pools



## Fundraising Methods

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- Sponsorship
  - Cautions
    - Co-branding
    - Advertising vs. sponsorship
    - Underselling



## Pros and Cons

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- Pros
  - Opens different funding sources
  - Can be large \$\$
  - Renewable \$\$
  - Co-branding
- Cons
  - Costs money
  - Not total control
  - Co-branding



## Pros and Cons

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- Pros
  - Quick turn around
  - Raises money for specific project OR operating money
  - Good for repeat donors
- Cons
  - Low response rate
  - Smaller gifts
  - Can expensive



## Fundraising Methods

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- Planned Giving
  - Stocks
  - Wills
  - Trusts

### Fundraising Methods

- Planned Giving
  - Life insurance
  - Qualified retirement plans
  - Real estate


### Fundraising Methods

- Planned Giving
  - Current operating
  - Endowment
  - Capital campaign
  - Recognition

### Polling Question 5


### Prospect Identification

- Bull's Eye Approach



### Prospect Identification

- Pyramid Approach




### Prospect Identification

- Linkage
- Interest
- Ability

LIA





## Prospect Identification

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- Annual Giving/Special Events/Social Media
  - Individuals
  - Corporate Partners (foundation and marketing sides)
  - Board members (past and present)
  - Recipients
  - Vendors



## Prospect Identification

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- Grants
  - Foundations
  - Corporate Foundations
  - Government



## Prospect Identification

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- Sponsorships
  - Marketing/advertising departments from corporations




## Prospect Identification

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- Major Gifts
  - Individuals
  - Corporations


New prospects and past donors



## Prospect Identification

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- Planned Giving
  - Long time donors
  - Consistent donors
  - Past board members
  - Recipients



## Prospect Identification

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- Matchmaking
  - Past history
  - Identify new prospects
  - Gather information
  - Match prospect interest to organizational need

## Choices

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- Where to start
  - Expand successes
  - Look for easy potential
  - Start relationships

## Next Steps

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- Identify 2-3 methods where you feel you have growth potential...obvious growth potential.

## Next Steps

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- Don't make special events and grants two of the three!

## Next Steps

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- Determine 2-3 items under each to help you get started.
- Decide when you can realistically get it done...but make sure you don't continue to push it aside.

## Joint Effort

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<ul style="list-style-type: none"><li>● Staff roles<ul style="list-style-type: none"><li>○ Prospect identification</li><li>○ Case preparation</li><li>○ Prospect research</li><li>○ Relationship building</li><li>○ Respond to board</li><li>○ Board prodding</li><li>○ Follow up</li></ul></li></ul>	<ul style="list-style-type: none"><li>○ Board roles<ul style="list-style-type: none"><li>● Prospect identification</li><li>● Prospect research</li><li>● Relationship building</li><li>● Respond to staff</li></ul></li></ul>
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## The Moral of the Story

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**Right Method +  
Right Case +  
Right people =  
Success**



## What can NLI do for you?

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- Development audits
- Development plans
- Coaching and trainings for board and/or staff
- General fundraising counsel (i.e. material review)

For more information call  
Nonprofit Leadership Initiative  
257-2542 or [kynonprofits.org](http://kynonprofits.org)

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