Diversifying Revenue Streams for Nonprofit Organizations

Choosing the right fundraising strategies for your organization

Objective

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

Agenda

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

General Information

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

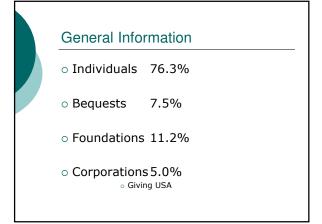
General Information

- o 44% of adults volunteer
 - o Independent Sector

General Information

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

Polling Question 1



Messaging

community

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

Fundraising Methods

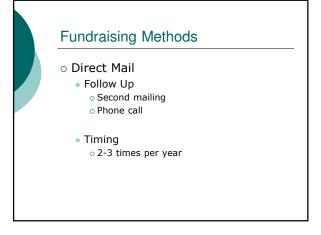
- Annual GivingDirect Mail
 - Special Events
 - On-line giving
 - Social Media

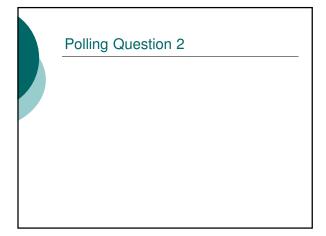
Fundraising Methods

- o Direct Mail
 - Content
 - o Thanks
 - o Ask
 - o Story
 - o Statistics
 - o Join Me

- o Direct Mail
 - Personalization
 - o Address
 - o Signature
 - o Note

Fundraising Methods O Direct Mail Collateral Material Giving envelope/pledge card Brochure







Fundraising Methods Special Events Revenue Streams Sponsorships Ticket Sales Auctions



Polling Question 3



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

Social Media

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

Fundraising Methods

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

Fundraising Method

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

Pros and Cons of Annual Giving

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

Fundraising Methods

- o Grants
 - Research
 - o Guidestar
 - o Foundation Center
 - o Board Members
 - o 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

- o 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

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

Polling Question 4

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

Fundraising Methods

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

Fundraising Methods

- o Major Gifts
 - Anatomy of the ask
 - o Open
 - o Discussion about project
 - $\circ\,\mbox{\sc Answer}$ questions about project

Fundraising Methods

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

Fundraising Methods

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

Pros and Cons

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

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

Fundraising Methods

- o Sponsorships
 - Event
 - Program
 - Out of the Box

Fundraising Methods

- o Sponsorships
 - Written materials
 - Different funding pools

Fundraising Methods

- Sponsorship
 - Cautions
 - o Co-branding
 - $\circ \ \mathsf{Advertising} \ \mathsf{vs.} \ \mathsf{sponsorship}$
 - ${\scriptstyle \circ \text{ Underselling}}$

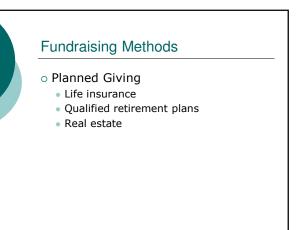
Pros and Cons

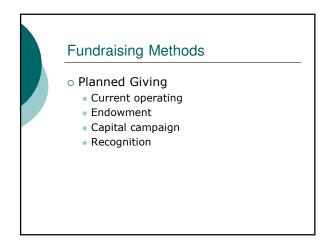
- o Pros
 - Opens different funding sources
 - Can be large \$\$
 - Renewable \$\$
 - Co-branding
- o Cons
 - Costs money
 - Not total control
 - Co-branding

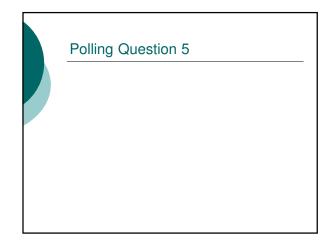
Pros and Cons

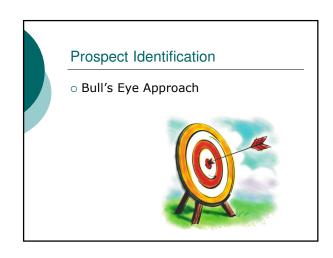
- o Pros
 - Quick turn around
 - Raises money for specific project OR operating money
 - Good for repeat donors
- o Cons
 - Low response rate
 - Smaller gifts
 - Can expensive

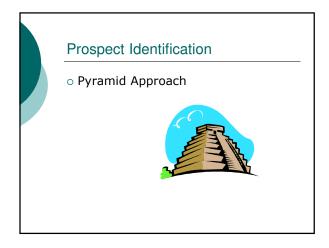
- o Planned Giving
 - Stocks
 - Wills
 - Trusts

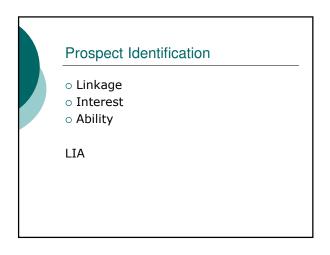












Prospect Identification

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

Prospect Identification

- Grants
 - Foundations
 - Corporate Foundations
 - Government

Prospect Identification

- Sponsorships
 - Marketing/advertising departments from corporations

Prospect Identification

- o Major Gifts
 - Individuals
 - Corporations

New prospects and past donors

Prospect Identification

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

Prospect Identification

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

Choices

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

Next Steps

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

Next Steps

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

Next Steps

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

Joint Effort

- Staff roles
 - o Prospect identification
 - Case preparation
 - o Prospect research
 - Relationship building

 - o Respond to
 - board o Board prodding
 - o Follow up
- Board roles

 - Prospect identification
 - Prospect research
 - Relationship
 - building
 - Respond to staff

The Moral of the Story

Right Method + Right Case + Right people = Success

What can NLI do for you?

- 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 Initaitive 257-2542 or kynonprofits.org

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