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

General Information
- 89% of households give an average of $1620 per year
  - Independent Sector

General Information
- 44% of adults volunteer
  - Independent Sector

General Information
- Households who regularly attend religious services give more than those who do not (in the south by 143% more)
  - Independent Sector
Polling Question 1

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

- Direct Mail
  - Collateral Material
    - Giving envelope/pledge card
    - Brochure
  - Follow Up
    - Second mailing
    - Phone call
  - Timing
    - 2-3 times per year

Polling Question 2

Fundraising Methods

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

Fundraising Methods

- Special Events
  - Revenue Streams
    - Sponsorships
    - Ticket Sales
    - Auctions
  - Use volunteers
    - Planning
    - Soliciting sponsorships and auction items
    - Recruit attendees
Polling Question 3

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

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

Pros and Cons of Annual Giving
- Pros
  - Unrestricted $$
  - Reliable $$
  - Large $$
- Cons
  - Time to build following
  - Takes considerable human resources
Fundraising Methods

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

- 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

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

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

- Anatomy of the Ask
  - ASK
  - Shut up!

- Overcome objections
  - Close

Pros and Cons

- Pros
  - Large $$
  - Renewable $$
  - Flexible $$

- Cons
  - Scary
  - Time consuming
  - Slow

Sponsorships

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

- Sponsorships
  - Event
  - Program
  - Out of the Box

Pros and Cons

- 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

- Sponsorships
  - Written materials
  - Different funding pools

Pros and Cons

- Pros
  - Opens different funding sources
  - Can be large $$
  - Renewable $$
  - Co-branding

- Cons
  - Costs money
  - Not total control
  - Co-branding

Fundraising Methods

- Planned Giving
  - Stocks
  - Wills
  - Trusts
Fundraising Methods
- Planned Giving
  - Life insurance
  - Qualified retirement plans
  - Real estate

Prospect Identification
- Bull’s Eye Approach

Prospect Identification
- Pyramid Approach
  - Linkage
  - Interest
  - Ability
  - LIA

Polling Question 5
- Bull’s Eye Approach
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

- Major Gifts
  - Individuals
  - Corporations

  New prospects and past donors

Prospect Identification

- 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

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

Next Steps

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

Next Steps

- 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

- Staff roles
  - Prospect identification
  - Case preparation
  - Prospect research
  - Relationship building
  - Respond to board
  - Board prodding
  - 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 Initiative
257-2542 or kynonprofits.org

Lee Ellen Martin, CFRE
277-1121
leeellen@insightbb.com