

Fundraising

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Introduction

- Practice in every country differs
- But, there are universal principles

Mission comes first

Then,

Friend raising precedes fund raising

Friend Raising Before Fundraising

- People give of their time and money when they feel a **connection** with the cause or institution they have chosen to support

Definition: Fundraising

- The activity leading to contributions from individuals, foundations, corporations or government sources.
- A contribution is normally a philanthropic act, also called a charitable contribution.

Definitions: Sponsorship

- A promotional initiative in exchange for publicity or advertising.
- The sponsor then judges the performance of the investment in terms of visibility, top-of-the-mind awareness, and the vehicle's reach – that is, the number of consumers receiving the message.

Definition

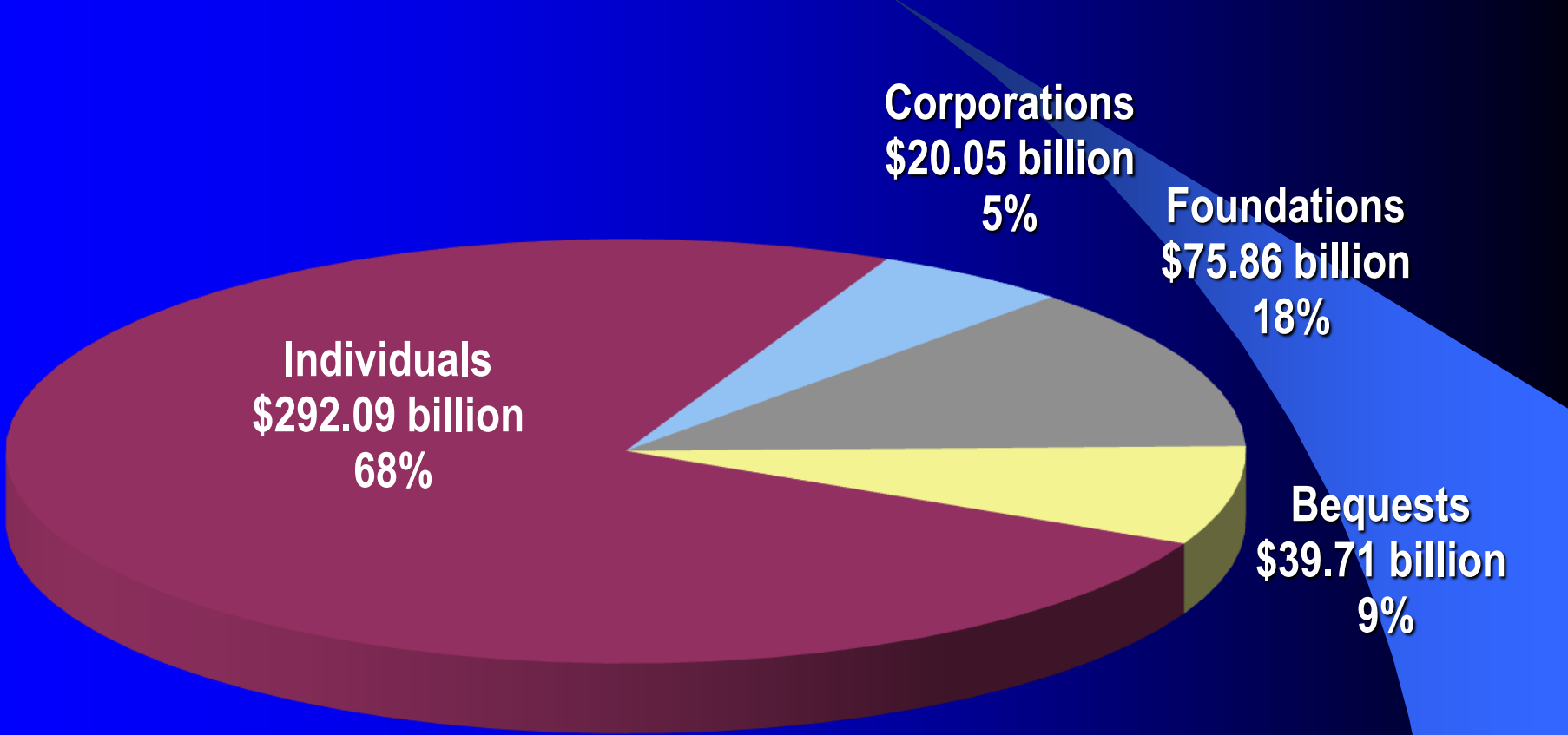
- Donors – a person, or entity that makes a charitable contribution.
- Prospect (potential donor) – a person, or entity that has interest and the ability to make a contribution.

Background Information

- During 2012, charitable giving in the United States totalled \$316.23.
- During 2014, charitable giving in the United States totalled \$358.38 Billion
- During 2016, charitable giving in the United States totalled \$390.05 Billion
- During 2017, charitable giving in the United States totalled \$410.02 Billion
- During 2018, charitable giving in the United States totalled \$427.71 Billion

Giving in the USA – in Billions of Dollars

\$427.71 Billion (percentages are rounded)



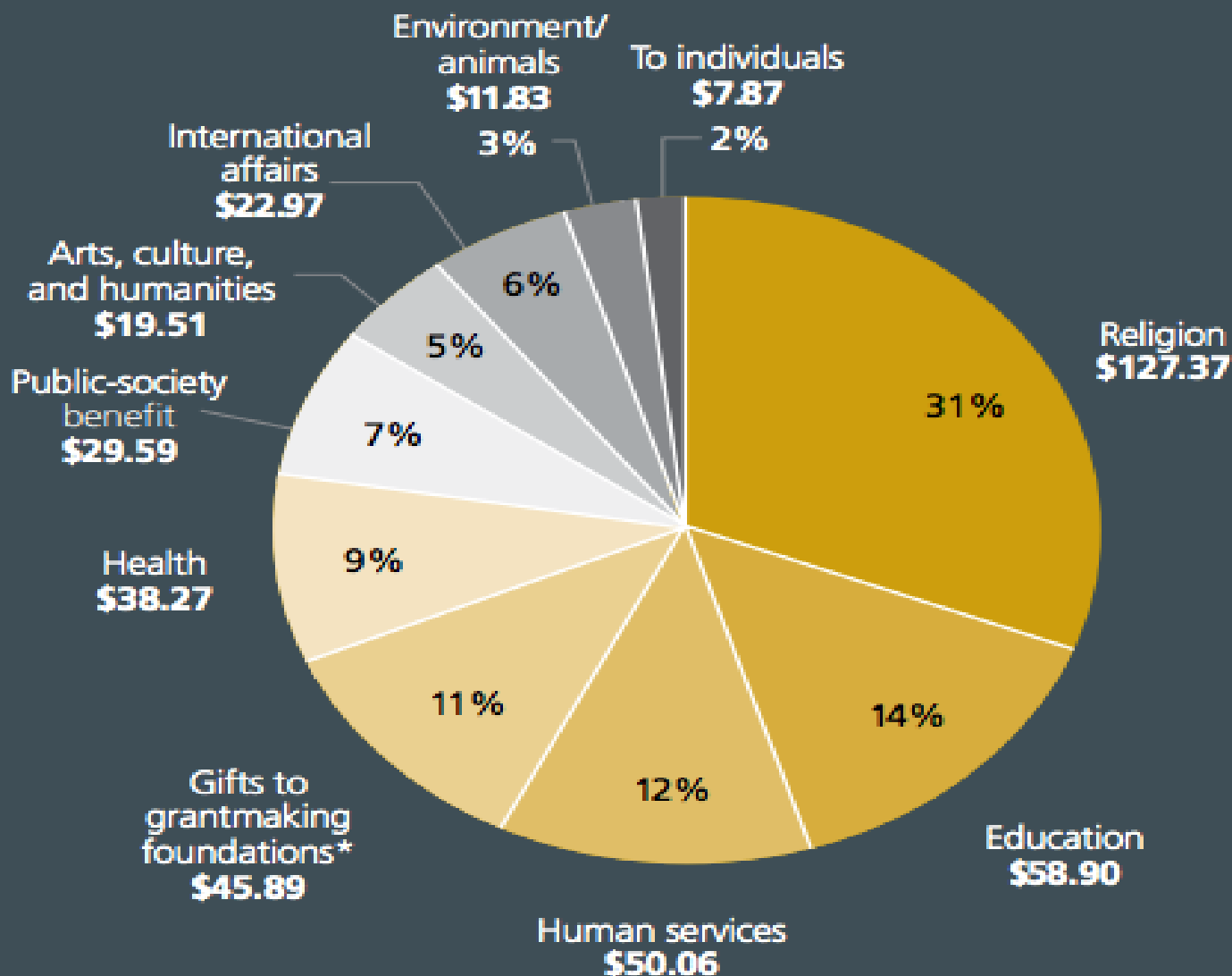
How Is the USA Different?

Combined charitable giving from individuals and by bequest amounted to an 77% of total giving.

Who Got the Money?

2017 contributions: \$410.02 billion by type of recipient organization

(in billions of dollars—all figures are rounded)



* Estimate developed jointly by the Foundation Center and Giving USA

Development the fundraising process

- Cultivation
- Solicitation
- Recognition

On-going process – We want this!

Cultivation



Solicitation

Recognition

In addition to giving financial support in the USA:

- Approximately 25% of all Americans, over the age of 16 volunteer for a non-profit organization.
- Americans who volunteer also tend to make larger financial gifts
- 84% of all charitable contributions were given by households that also volunteered

So What Now?

For the first time in fundraising history, we are faced with four different “generations” and mentalities around fundraising.

This appears to be true worldwide

Who are these “generations”?

1. *Traditionalists*: Grew up with mail and NGO's responded with direct mail solicitations
2. *Baby Boomers*: Grew up with television and NGO's responded with television announcements and advertising

Who are these “generations”?

3. *Generation X*: Grew up with the start of the Internet and NGO's responded with e-newsletters and e-mail
4. *Millennials*: Grew up with social networking and NGO's have responded with social media platforms like Facebook Groups and Twitter's Twestival

Fundraising Communication

- Web and email communications have become the most powerful online communication tools that NGOs have to inspire philanthropy and create awareness for their mission and programs.

Fundraising Communication

- NGOs that are successful at online fundraising have embraced a content strategy of regularly publishing news articles and blog posts focused on stories of hope and empathy that include a prominent call-to-give which are then shared in email updates and fundraising appeals.

Fundraising Communication

But is cultivation peer-to-peer? e-mail?
Telephone? Facebook? Twitter? Word of
mouth?

COMMUNICATION TOOL THAT MOST INSPIRES GIVING

 29% SOCIAL MEDIA

 3% RADIO AD

 27% EMAIL

 1% MESSAGING APP

 18% WEBSITE

 1% TEXT MESSAGE

 12% PRINT

 6% TV AD

 3% PHONE CALL

Female Donors Prefer to Give

Online (credit/debit card) 54%

Direct Mail/Post 11%

Bank/Wire Transfer 11%

Cash 10%

Male Donors Prefer to Give

Online (credit/debit card) 52%

Direct Mail/Post 10%

Bank/Wire Transfer 10%

Cash 12%

Medium they prefer to use for giving

1. Donors of all types from micro-donors to major donors prefer, today, to give online.
2. Next choice is direct mail/post
3. Third choice is bank/wire transfer
4. Last choice is PayPal.

Crowdfunding Is Important

- Crowdfunding campaigns are growing in popularity worldwide.
- **41%** of donors to charitable organizations also donate to online Crowdfunding campaigns that benefit individuals.
- Worrisome to some organizations, but not surprising, **16%** of these donors say that they give less money to organizations due to their Crowdfunding in peer-to-peer fundraising campaigns to benefit their favorite NPO or NGO.

Donors Are Involved

Donors are very involved with their favorite causes and charitable organizations offline.

- **67%** volunteer locally,
- **9%** volunteer internationally, and
- **56%** attend fundraising events.

Donors Are Involved

- Individuals that give money are also willing to give their time.
- Donors are also highly engaged in civic life.
 - **91%** vote regularly,
 - **72%** sign online petitions,
 - **27%** attend marches and protests.
- Donors are very involved with their favorite causes and charitable organizations offline.

What All Donors want to know!

What is in it for me?

The Rise of Web 2.0

- The rise of social media began during an era of the internet that technologists have coined Web 2.0.
- While Web 1.0 is defined by the static, non-interactive web experience indicative of the 1990's, Web 2.0 is characterized by a dynamic, interactive web experience, such as conducting a personalized Google search or posting a status update on Facebook.
- **Web 2.0 has been as consequential as Web 1.0** and the transition from static to dynamic web content fundamentally changed how NGOs communicate with their donors and supporters.

Some Differences in Tactics

Web 1.0

Brand in control

One way / Delivering a message

Repeating the message

Focused on the brand

Educating

Organization Creates Content

Web 2.0

Audience in control

Two way / Being a part of a conversation

Adapting the message/ beta

Focused on the audience / Adding value

Influencing, involving

User created content / Co-creation



Source: "What's Next In Media?" by Neil Perkin

Obtained from Leveraging Social Media for Fundraising Success by Michael Ames

Social Channels – Number of Users

- 330 billion users
- 800 million users
- 500 million users
- 111 million users
- 200 million users
- 178 million users
- 1.5 billion users
- 1.3 billion users
- 234 Million users

Twitter

Instagram

LinkedIn

Google+

Pinterest

Snapchat

YouTube

WhatsApp

Reddit

Vkontakte:Ru

- 100 Million Russian Users
- 46 Million Russian Daily Users

Innovation and Tradition

- Social media marketing is not a replacement for other marketing tactics
- Social media marketing works best when combined with other marketing activities
- Permission is important but it is not a substitute for a complete marketing campaign which includes new media and old media!

Why Donors Give” or “People Give to People”

Any gift requires some thought on the part of the donor.

The donor will consider whether the request for funds is legitimate and whether the institution matches with their interests.

This has not changed over time!

How to Eat an Elephant?

- One Bite at a time!

