

President's Role in Fundraising

February 10, 2016

Terry Munday

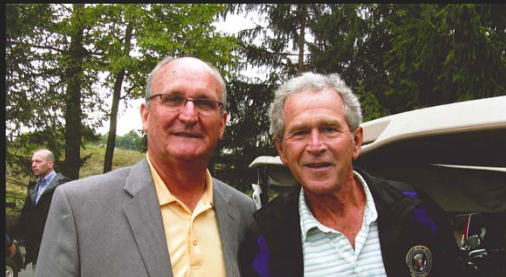
"Fundraising is one of the most visible & demanding roles expected from campus leaders today."
Kaufman



The Association for
Biblical Higher Education
Biblical • Transformational • Experiential • Missional

"Blessed are the fundraisers in heaven, they shall stand on the right hand of the martyr's."

John Mott



➤ "The almighty dollar bequeathed to a child is an almighty curse. No man has the right to handicap his son with such a burden as great wealth. Will my fortune be safe with my boy and will my boy be safe with my fortune."

Carnegie

➤ "Inherited wealth is a certain death to ambition as cocaine is to morality."

Vanderbilt

People want to see and Converse with the President

- **Person with Vision**
- **Inspires Donor, Confidence both external & Internal**
- **Creates climate where fundraising activities take place**

Historically, presidents have come from strength in academics

Recently, presidents have assumed a fundraising role.

We must help presidents understand & overcome the sense that asking for money is unbecoming to academics.

Observations about Presidency:

1. Known more for financial leadership & fundraising than
 - a. Curriculum advances
 - b. Student development advances
2. Most presidents will be more successful at the end of their presidency than at the beginning.

Presidential Time in Fundraising

Time spent where it is most effective & nets the greatest yield

- President cultivates top 1% of institution's prospects.
- 50% or more of time on fundraising
- Get in front of large donors

Move List

President – Chief Fundraiser

Past

- Hired a staff of professionals to raise gifts

Today

- Personal Involvement is critical

Today

- 50% or more of time on fundraising
- Knows the stories of the institution

Knows Gifts come from building a relationship.

- Gifts with a relationship 5 to 1 (Brooks Fortune)
- Gifts by Referral 8 to 1
- Gifts by Cold Call 10 - 1

3. Knows Key Times for Giving

- 24% given between Thanksgiving and the end of the year
- 34% given during the last 3 months
- 74% of people will give during the holidays
- 60% of people plan to give \$100 or more

Gap Calls

Why people give at these times:

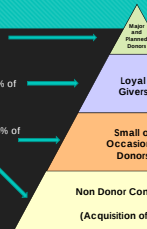
- Tax benefit
- Spirit of the season
- Charities are making appeals

Donor Pyramid 90/10

10% of Donors Account for 90% of Dollars Raised

20% of Donors Account for 5% of Dollars Raised

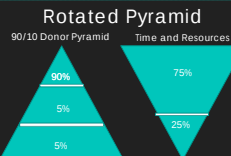
70% of donors Account for 5% of Dollars Raised



High Effort-High Cultivation
Personal Visits
Dinners
Telephone Calls
Personal Solicitation
Personal Letters
Personal Phone Calls
First Class Stamp Letters
Bulk Rate Letters
Internet Appeal
Website Requests
Marketing Materials
Newsletters

- Do not view donors as one group
- Where do you spend your time?
- Regular Donor Reports

How to have fundraising success



- More Fun to Ask for Larger Gifts
- Relationship Building
- Jim Sutter

Key Secrets to Fundraising: 3 "C" Principal

3 "C" Principal includes:

- See the people
- See the people
- See the people

Personal Solicitation is the best method

- Direct Mail – 1% - 5%
- Telephone – 25% -40%
- Personal – 75%-80%

"If we wait until everything is perfect before making the ask, we have the prescription for never asking."
Tom

What Do You Share?

1. Fiscal integrity of the organization
2. Stable Leadership
3. Their Passion- "make them cry"
-Appeal to the heart not the head

"Everyday we have students either drop out or cannot get a Christian education because of a lack of funds"

Story of Elliott Miller

What Do You Share

4. Specific amount on a concrete item

5. Show people that they can make a difference

6. Explain the benefits

7. Make it personal

8. Sense of urgency

9. Naming Opportunity

-Tax deductions (study reveals that the impact of taxes on giving ranks third most important motive)

-Percent spent of their gift

-The project can't be delayed. Time is working against the project.

Good Fundraising

- People give to people
→ Tom Stone → Jack Holmes
- Panas – people give to people with a cause

Hire A Competent VP for Advancement or Development Person

- Demonstrate confidence in VP
 - Pace members
 - Commencement speakers
 - Board members
- Include in team
- Encourage faculty, and staff to support VP position
 - Annual meetings
- Personal Chemistry with President
 - A. Long trip
 - B. Office near the president
 - C. Adequate budget
 - D. Weekly meetings or sometimes daily meetings

Statistics on Fundraisers

- 25% of executive fundraisers were fired in 2012
- 1 of 3 executives are lukewarm about the person holding their top development position
- 50% of fundraisers plan to leave their jobs within 2 years
- 40% want to leave fundraising entirely
- The average time to replace a fundraiser is 16 months – at a average cost of \$127,650.
- The average time that a fundraiser stays at his job is 16 months

Look Outside the Fundraising Box When Hiring

Characteristics

- Passion
- Commitment
- Communication Skills
- Common Sense
- Personable
- Curious
- Honest
- Good Ethics
- Creative

**We can teach skills –
can't teach attitude.**

Hiring Practices

- We want to hire standard and safe profile fundraisers
 - Fundraisers who have worked in a similar cause
 - higher education
 - Same geographic location

"Insanity is doing the same thing over and over and expecting different results"

Albert Einstein

Fundraisers Have Different Personalities and Skills

- No candidates have experience in all fundraising activities
- Bold to make an ask
- Hours writing a grant

High Performing Fundraisers

- Very, very bright individuals; above average mental ability
- Ambitious
- Achievement Oriented
- Competitive
- Gets Things Done
- Solutions to Overcoming Problems
- Goal Oriented
- Takes Chances
- High Energy

High Performing Fundraisers (Cont.)

- Works Well Under Pressure
- Outgoing
- Persuasive and Motivates Others
- Gets Noticed for Success
- Likes people around; does not enjoy working alone
- Dislikes details
- Does a lot of travel to meet donors

- Remember the gazelle wakes up every morning knowing it must run faster than the lion or be eaten. The lion wakes up knowing that it has to outrun the slowest gazelle or it will starve to death. The good fundraiser must be running.

- Top of an oak tree

Good Fundraisers are Proactive

Be more intentional in Board appointments.

- Board Involvement in Fundraising
 - Thank-A-Thon During Board Meeting
 - Give Board Members names of individuals to call as a thank-you
 - Give names of prospects
 - Make donor calls
 - Not all board members
 - Size of ASK
 - Top 3 Charities

Time vs. Money

- Persons who give time are volunteers.
- Persons who give money are donors.
- Board members must be both.
- Board members who give time as their gift are in a great position to ask others for time.
- However, "Time" does not pay staff, utilities or other expenses.
- Chairman of HSB-Trust

Board's Involvement in Fundraising

- 75% executives say their boards are insufficiently involved in raising money
- 36% of the boards have no fundraising committee
- 17% of the boards have no involvement in fundraising

Fundraising Responsibilities of Board Members

1. Make a proud personal gift

- ❖ "Stretch Gift"
- ❖ 100% participation
- ❖ "Your giving reveals your passion" Matthew 6:21
- ❖ Make a planned gift
- ❖ 7 years to get a planned gift (Art Hodson)
- ❖ Average Gift \$35,000 - \$75,000

2. Know the organization you serve

- ❖ 60 second elevator speech
- ❖ Board needs to know statistics, enrollment, budget, mission

- 3. Help thank donors.
Great strategy to get repeat gifts is to have Board Members send a note.
- 4. Personal Advocates

5. Help Identify Prospective Donors

- Open the Door
- Attend Campus Events
- Give Campus Tours

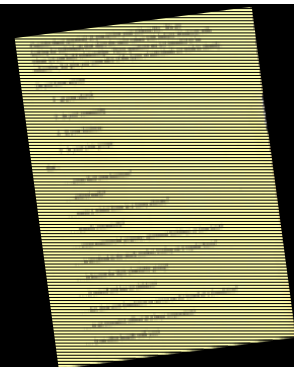
GIVE ME FIVE

Fundraising Responsibilities of Board Members



Kim Klein – "You already know all the people you need to know to raise all the money you need to raise."

Questions to Ask



Give Me Five

	Prospect	Amount of Ask	Relationship	Assist With Ask
1	John	\$5,000	Neighbor	Y
2	Mary	\$10,000	Bus Associate	N
3	Sue	\$25,000	Banker	N
4	Bob	\$50,000	Uncle	Y

- ★ Help cultivate donors
- ★ Host Dinners Sometimes ask for donations
 - Level of comfort with asking
 - Training is necessary
 - Based on Board Members ability
- ★ Support & encourage fundraising activities
 - Celebrate their successes
 - Become a cheerleader

President – To Do List

1. Visit each new board member at home or place of business
 - Endears new trustee to President
 - Solidify relationship
2. Solicit board members for specific needs not annual fund.
3. Hand write thank you notes to board members for all gifts received.
4. Offer board gifts as "challenge." Larry/Andrew Carnegie
5. Use board member to accompany president or visit a donor to show support for the project.
6. Send monthly "insider newsletter."
7. Find board members "hot button."

Observations of Bible Colleges

Deficient in fundraising

1. Institutional commitment to fundraising is not there.
2. Advancement leader has no authority or structure
 - No tools in toolbox
3. Not a qualified or experienced advancement staff or Fundraising is one person's responsibility
4. Lack proper planning & program evaluation.

Observations (Cont.)

5. Board is not sufficiently engaged
6. Not sufficient advancement activities
 - Annual fund
 - Build database
- 80-20 Rules**
 - 80% budget on acquiring & cultivating donors who are going to deliver the greatest revenue
7. Crisis fundraising

Successful Fundraising Costs Money

Estimate 400,000 to \$2.5 million = 10 million in new revenue

Research in Giving

- most major giving & planned giving in new prospect began as annual givers
- An alumni making a gift of \$1 million will have made their 1st gift 20 years earlier.
- "Show persistence – not rapid persuasion"
- 78% of planned giving donors gave 15 or more gifts during their lifetime to college named in their will.

Good Advice:

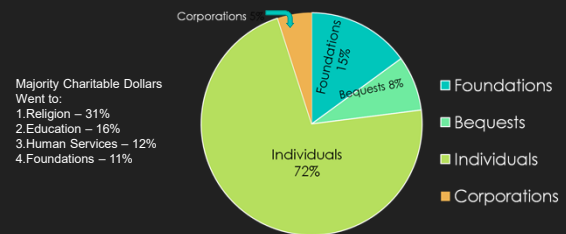
"The donors who are already supporting your organization are your best source for your next gifts"

BEST “PLANNED GIVING” PROSPECTS “Loyal donors”

- 10-20% of organization's donor population
- Make up about 90% of planned gifts
- 41% have made 10 years of consecutive giving to annual fund
- 50% have given 9 or more times but not consecutive years
- 77% have made 15 or more gifts to annual fund in their lifetime

- Key is not size of gift but consistency in giving
- Most planned gifts are now known by charity until death

2014 – Sources of Charitable Giving

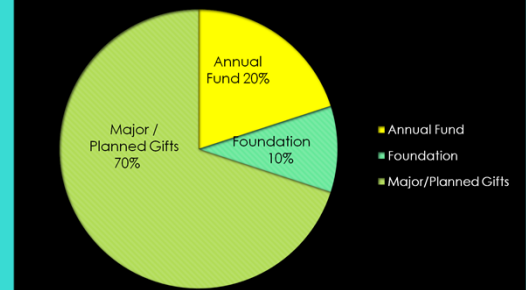


U.S. Total Donated \$358.38 Billion

Age Factor

% of Income	• 3%	25 year olds
	• 2%	26-35 year olds
	• 2%	36-45 year olds
	• 4%	46-60 year olds
	• 5%	61-75 year olds
	• 12%	76 year olds

MONEY AND DONATIONS COME FROM 4 AREAS



Why People Don't Give to your Organization

1. Never asked
 - Number 1 reason people do not give
2. Not educated about your organization
3. Lack a relationship
 - Relationship requires time
 - Donor needs to know you
 - Get their advice and ideas
 - Donor involvement and engagement

Salvation Army – Stanford Study

The Ask

- Proper ask is when the prospect is...
 - asked by the right person
 - asked at the right time
 - asked for the right gift

The Ask

2. The donor is asked to write a check
3. Ask for a specific amount no range
 - Westerville, Ohio
 - Rule of thumb (10-20 times annual gift)
4. Use staff and president, CEO
5. Use two volunteers
 - One to share vision
 - One to make the ask
 - One who has a relationship
6. After ask (SILENCE)
7. Minimal amounts of materials

The Ask

A "NO" - - -
does not
complete the
process of an
ask

Why did they answer with a "no"?

1. No great feeling or involvement with institution.
2. There is a lack of interest in this specific project.
3. I asked for too much amount.
4. The timing is a factor.

Tips During An Ask

- Smile early & Often
- Stand or sit tall
- Sit toward the front of your chair, lean into your ASK
- Be physically accessible. Don't cross your arms.
- Good voice inflection, speak with volume.
- Express gratitude for visit.
- Be curious. What do you see in the room?
- Make intentional small talk – kids, vacation, work projects, hobbies, likes & dislikes.
- Give compliments

Finally, always remember to say....
Thank you, Thank you, Thank you!!!

QUESTIONS

Terry Munday

terry.munday@indwes.edu

