

BOARD'S RESPONSIBILITY TO FUNDRAISING

FEBRUARY 10, 2016

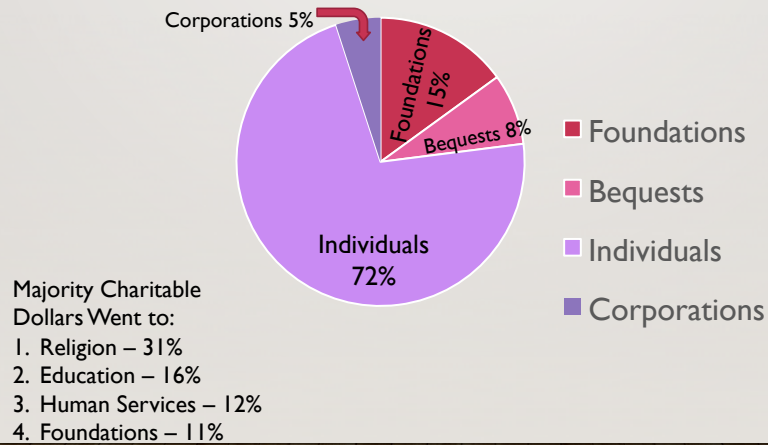
TERRY MUNDAY



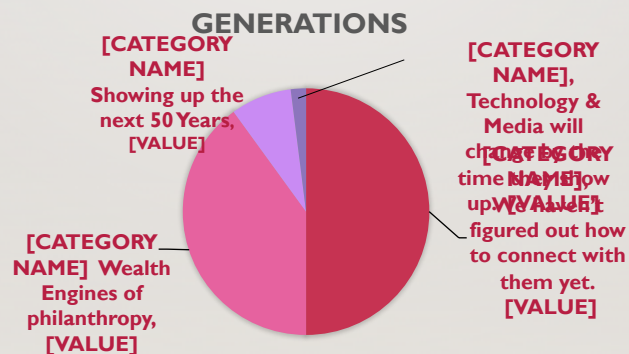
**“Blessed are the fundraisers in
heaven, they shall stand on the
right hand of the martyr’s.”**

- John Mott

2013 – SOURCES OF CHARITABLE GIVING



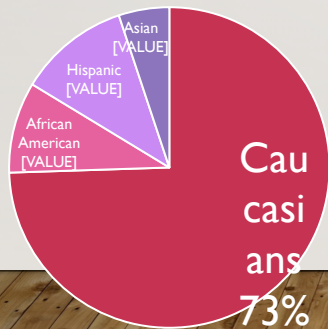
DONOR SEGMENTATION



DONATE TO CHARITY

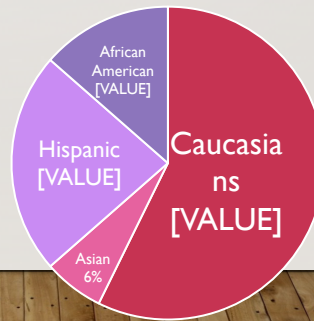
- Matures-88%
- Boomers-72%

2015



- Gen X-59%
- Gen Y-60%

2030



DATA ON MAJOR DONORS

- Each year \$400 billion is donated to non-profits in the U.S.
 - 50% coming from just 5% of individual donors
- Non-profit boards average 74% participation in giving
- Average of 46% of boards have 100% giving participation

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

HIRING PRACTICES

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

“Insanity is doing the same thing over and over and expecting different results”

Albert Einstein

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.

FUNDRAISERS HAVE DIFFERENT PERSONALITIES

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

Non-Profit executives say the biggest challenge is getting Board Members to help raise money.

BOARD 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

ELEVATOR SPEECH FOR BOARD MEMBERS KNOW THE STORIES OF THE COLLEGE

What would you say if you had 60 seconds to talk about your organization?

- List items you think are important

3 parts of an elevator speech are:

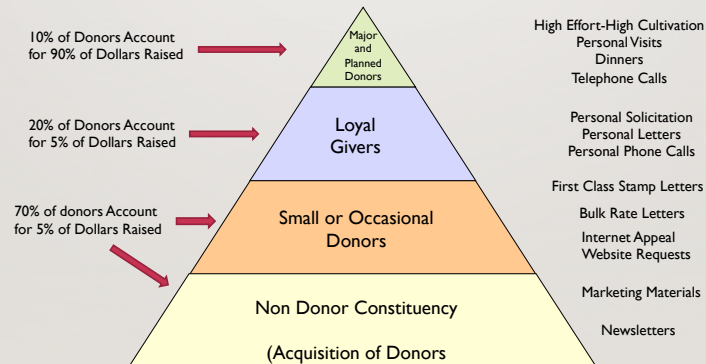
- Right things to say
- How to say them
- Request for follow-up

BROADEN PROSPECTS TO DONOR BASE

Research shows every person knows 250 people

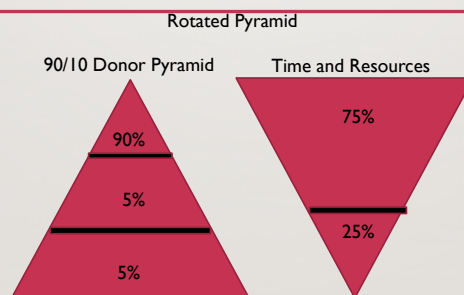
1. List the people who have attended events
2. Friends, business contacts
3. People giving to other non-profits (Brooks Fortune)

DONOR PYRAMID 90/10



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

FORMULA TO FUNDRAISING SUCCESS



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

GOOD FUNDRAISING

- Good fundraising is never about the money. It is about the desire to improve your community or world.
- I am looking for a friend, **not a donor.**
- People give to people
→ Tom Stone-Isle Royale
- Panas – people give to people with a cause
- People want to be treated as real people **not wallets.**

CHARACTERISTICS OF MAJOR DONORS

Chronicle of Philanthropy

- “Most mega-gifts happen close to home.”
- “We give our money where we give our time.”
- 89% of high net worth individuals volunteer their time and talents.

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

FUNDRAISING RESPONSIBILITIES OF BOARD MEMBERS

1. **Make a proud personal “stretch” gift.-Give according to your capabilities and capacity**
 - ❖ Lead by example
 - ❖ Make a planned gift
 - ❖ Top 3 Charities assist in recruitment of board members
2. **Understand your organizations fundraising program & strategies.**
 - ❖ Oversee and know direct mail & major gifts program.
3. **Help thank donors.**
 - ❖ Great strategy to get repeat gifts is to have Board Members send a note.
4. **Communicate with donors the great work that is being done**
 - ❖ Personal advocates
 - ❖ Board needs to know statistics, enrollment, budget, mission, distinctive majors

JOBS FOR BOARD MEMBERS IN FUNDRAISING

1. Assist in recruitment of new board members

1. Board must have a critical mass of members with capacity

2. Make friends for the cause

- Capitalize on social networks

3. Identify your organizations VIP friends

- VIP –Very Important Prospects

4. Open the door with advice visits

- The old adage “if you want money, ask for advice. If you want advice, ask for money.”
- Some refer to it as a “treasure hunt”

5. Become a tour guide-Know the Stories of your organization

1. Statistics
2. Passion

BOARD RESPONSIBILITIES

6. Help cultivate donors

- ❖ Dinners
- ❖ Social parties

7. Sometimes ask for donations

- ❖ Level of comfort with asking

8. Support & encourage fundraising activities

- ❖ Celebrate their successes.
- ❖ Become a cheerleader.

BOARD RESPONSIBILITIES CONT.

9. Ensure that fundraising has adequate resources

❖ Consistent funding = long term success.

10. Attend events & bring prospects.



Consider these questions as you review your address file. We are looking for individuals that share the same values with Indiana Wesleyan with whom we can build relationships. These questions are not intended to be exhaustive, but give you some idea of the types of individuals we wish to identify.

Do you know anyone

- ◊ at your church
- ◊ in your community
- ◊ in your business
- ◊ in your civic groups

that...

- ... owns their own business?
- ... retired early?
- ... owns a winter home in a sunny climate?
- ... travels extensively?
- ... owns commercial property, apartment buildings or farm land?
- ... is involved in the stock market, trading on a regular basis?
- ... is known for their charitable giving?
- ... is retired and has no children?
- ... has their own foundation or serves on the board of a foundation?
- ... is an executive officer at a large corporation?
- ... is on other boards with you?

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	\$50,000	Banker	N
4	Bob	\$100,000	Uncle	Y
5	Charles	\$150,000	Grandfather	Y

BOARD MEMBERS MUST TAKE A LEADERSHIP ROLE IN FUNDRAISING

1. They own the organization- responsible for its well- being.
2. Supporters see board members as the people most committed and dedicated to the organization.
3. Approaching Foundations – 100 % giving
4. One or two development people cannot do the fundraising.

Asking for money is a skill that can be learned

WHY ARE BOARD MEMBERS NERVOUS WHEN WE TALK ABOUT FUNDRAISING?

- Reasons Board Members are Reluctant to take responsibility for fundraising

1. They don't understand the importance of taking a leadership role in fundraising
2. They are afraid to ask for money
3. They think it is the staff's job to fundraise
4. Reciprocal giving-identifying your friends for a gift- friend will ask you for a contribution
5. Fear and Embarrassment-Money is a sensitive subject
6. Don't know how to raise funds
 - Art of Fundraising

WHY BOARD MEMBERS DON'T LIKE TO RAISE MONEY

1. Identifying prospects
 - They are afraid they will have to hit up their friends.
2. Think of fundraising with the "tin cup" approach
 - Begging for money
3. Some Christians think money is the root of all evil
 - "Love of Money"
 - Think of the blessing you are providing for the donor

SHOULD EVERY BOARD MEMBER RAISE MONEY?

- Participation based on his or her ability

SIGNALS OF WEALTH

- Expensive home, vacation home
- High Paying job, lucrative profession
- Owns a business, sold a business
- Professional, doctor, lawyer, etc.
- Drives a luxury car, has a boat, airplane
- Has an expensive hobby like flying or collecting cars

-
- Is over 60 years old: Older people have had longer to earn & save
 - Travel's a lot, cruises and travels around the world
 - Is retired, even at a young age
 - Younger people who do not work and have no apparent means of earning a living
 - People who have inherited wealth

CONSIDERATION

- **Therefore: Put high net worth individuals on your**
 1. Board
 2. Advisory Committees
 3. Committees
 4. Focus Groups
 5. Citizen Advisory
 6. Commencement Speakers
 7. Speaker at Event List

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- About 60% of high net worth donors cite “Giving back to the community as chief motivation for giving.”

--Brooksville

-- Sutter - YMCA

RELATIONSHIPS

Most people pick charitable organizations to have a relationship with because of a relationship with their family or community.



(Barb)

MAJOR DONOR FUNDRAISING IS AN ART

It is all about relationships

- Friend-raising requires much time.
- 7 years to get a planned gift
- Average planned gift is \$35,000 to \$70,000

Art Hodson

- Members of steering committee
- Honorary Chairman of Campaign
- Spent night after death of wife
- Moving to lake
- 90th birthday party
- Naming dorm

IT'S NOT ABOUT THE MONEY

Fundraising is about connecting people to the passion through your organization.

COMMON MISTAKES

1. Board members are requested to ask for money, not to build friendships.
2. We should protect Board members from rejection – preserve their self-esteem
3. Too many calls at too low a dollar level. Better use of Board member's time on larger prospects & fewer calls
4. Crisis Fundraising
5. Lack of Training
 - Send by 2's
 - Support of the staff or president

FUNDRAISING ADVICE FOR THE BOARD

- Are you giving regularly to this organization?
- How many friends have you taken on a tour of campus?
- Who have you introduced to the President or VP for Advancement?
- Are you challenging your friends to give to your organization?
- What have you done lately to encourage staff?

QUESTIONS

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