Leading Effective Capital Campaigns & Cultivating Major Donors

Pat McLaughlin, President and Founder
Ron Haas, Vice President

My Passions

Session 1  Laying the Foundation
Session 2  Cultivating Donor Relationships
Session 3  Implementing Effective Tactics
Session 4  Crossing the Finish Line

Why Launch a Capital Campaign NOW?
Donors are primed to Give!

• Take advantage of the soaring stock market!
• When your major donors are feeling wealthy, their charitable gifts often increase.
• Estate gifts are expected to rise.

2022 Giving
$499.33 Billion
If you don't know where you're going you're liable to end up somewhere else.

Yogi Berra, Philosopher

5 Markets

1. Individuals
2. Churches
3. Foundations
4. Businesses
5. Corporations

Individuals

1. Board Members
2. Major Donors
3. Mid-Level Donors
4. General Donors
5. LYBUNT/SYBUNT

Churches

1. Build Strategic Connections
2. Multiple Decision Makers
3. Cultivate, Cultivate, Cultivate
4. Special Offerings, Regular Support
5. Great place to meet individual donors

Foundations

1. RESEARCH
2. Approach like a Major Donor
3. Know Their Process
4. Multiple Decision Makers
5. PAPERWORK!

Business/Corporations

1. Look for an Internal Advocate
2. Listen for how to Communicate
3. Faith-based Worldview
4. Multiple Decision Makers
5. Matching Gift Opportunities
5 Methods

1. Direct Mail: 1%-5%
2. Phone: 30%
3. Events: 50%
4. Digital Media: >1%
5. Personal Solicitation: 75%-85%

Direct Mail

1. Message from Leadership
2. Stories with Photos
3. Emotion & Logic
4. Call to Action
5. Response Devise

When it has to be a Letter

Clear, short, and direct

You won’t get milk from a cow by sending a letter. You won’t get milk by calling on the phone. The only way to get milk is to sit by its side and milk it.

Si Seymour

Phone

1. Mid-Level Donor Calls
2. Board Thank You Calls
3. LYBUNT/SYBUNT

Events

1. Banquets
2. Golf, etc.
3. Tours
4. Vision Trips
5. Small Gatherings

Digital Media

1. Website Giving Page
2. Email Campaign
3. Social Media
Personal Solicitation

1. Board Members
2. Major/Mega Donors
3. Business Leaders
4. Parents/Grandparents
5. Foundation Directors

Are You Ready for a Capital Campaign?

Strategic Plan – Do you have a clear plan of what God wants you to accomplish?

Campaign Prep

ALIGNMENT
- Does your team agree on direction?
- Is your board supportive?
- Are you willing to commit time and effort?

TEAM
- Is the president willing to ask?
- Do you have the right team?
- Should you add team members?

Current Success

- Is your annual fund growing?
- What percent comes from major donors?
- How many new donors this year?

PATH TO SUCCESS

The critical path to campaign success:

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PATH TO SUCCESS
PRE-CAMPAIGN PHASE

Key questions:
• Would you consider contributing to this campaign over the next 3 years, over and above your current giving?
• Please estimate the amount you might consider giving.
• Would you serve as a volunteer?

PATH TO SUCCESS
COMPELLING CASE

• Your campaign must solve urgent problems and answers to pertinent questions.
• Consider the 3P’s: personnel, program, and property.
• Donors want to know the why and purpose of your campaign.

Session 1
Laying the Foundation

Session 2
Cultivating Relationships

THE DONOR CYCLE
1. RESEARCH
2. RECRUIT
3. RELATIONSHIP
4. RECOGNIZE

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DONOR ENGAGEMENT
RESEARCH

• Who do you know?
• Consider the Link – Interest – Ability.
• Look for stewardship focus, heart for ministry, appreciation for the work you do, and relationship openness.

DONOR ENGAGEMENT
RESEARCH

“Old Clyde” Types
Beware of stereotyping donor prospects.

DONOR ENGAGEMENT
RESEARCH

Segment your donor list.
Identify your Top 50 – 100 donors.
Utilize the Top 10 – Next 20 method.
Conduct a wealth asset screen.

DONOR RESEARCH

<table>
<thead>
<tr>
<th>Donor Name</th>
<th>Estimated Net Worth</th>
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<tbody>
<tr>
<td>Kristen Preston</td>
<td>$17,900,000</td>
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<tr>
<td>Shirley Sanford</td>
<td>$17,200,000</td>
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<td>Mike Holmes</td>
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<td>Jaime Johns</td>
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<tr>
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<tr>
<td>Gwendolyn Holden</td>
<td>$10,200,000</td>
</tr>
<tr>
<td>Michele Ewing</td>
<td>$8,700,000</td>
</tr>
<tr>
<td>Garrett Phillips</td>
<td>$6,500,000</td>
</tr>
<tr>
<td>Kristin Peck</td>
<td>$6,300,000</td>
</tr>
<tr>
<td>Troy Harris</td>
<td>$5,800,000</td>
</tr>
<tr>
<td>Dale Holmes</td>
<td>$5,900,000</td>
</tr>
</tbody>
</table>

DONOR RESEARCH

Hidden Gems: These prospects have capacity and are already giving to other nonprofits.

Distinguished Philanthropists: Major gift donors that donate to your cause, but may have additional capacity.

Not Now Prospects: Individuals that don't appear to be philanthropic with any nonprofits.

Your Champions: They donate to your cause but are not on the radar of other nonprofits.

DONOR RESEARCH

Where are your donor clusters?
DONOR ENGAGEMENT RELATIONSHIP

- Cultivating donor relationships is key.
- The donor relationship is a marriage between your mission and their values.
- Know your donors (store contacts, birthdays, kids’ names, pets, interests, etc.)

Major gifts require 3 components:

Head

Heart

Call To Action

FUNDRAISING’S BIGGEST CHALLENGE

Fear.
Uncertainty.
Doubt.

The Reluctance to Ask

- I’m uncomfortable with asking.
- I’m not sure we should ask for gifts.
- We’ve never done it like this before.
- I think God will meet our needs, so we don’t need to ask.
- I’m not sure asking for gifts is biblical.

Answer the Questions the Donor is Asking

- Why me?
- Why us?
- Why this?
- Why now?

A Comfortable Place

The Kitchen Table

In every home I’ve known the living room’s a tomb. In every home I’ve ever known, the dining room’s the room. Adam Gopnick
Silence is Golden
Ask, then listen

It is a balancing act for leaders to know when they should talk and when they should just listen.

Roxi Hewerton

The Golden Rule
Fundraising is Friend-making

Treat the potential donors the way you would want to be treated.

Influencing the Gift
Leadership in Fundraising

A fundraiser equips a donor with the needed information and inspires them with motivation to make a gift.

DONOR ENGAGEMENT REQUEST

Who? The right prospect.
What? The right project. The right gift amount.
When? The right time.
Where? The right place. The kitchen table.
Why? The right person.

“I do not like to have anyone tell me what it is my duty to give. But I do like a person to say to me, ‘We are trying to raise $4,000,000, and are hoping you may be desirous of giving ____ dollars.’”

~John D. Rockefeller

“Based upon your understanding and appreciation for our ministry, would you prayerfully consider a gift of $1,000,000?”

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DONOR ENGAGEMENT
RECOGNIZE

Thank you! Thank you!

DONOR ENGAGEMENT
RECRUIT

Donors are both customers and salespeople.

“Let me get this straight. I’m a little old lady with money and you want me to ask other little old ladies for money?”

“Yes, I can do that.”

DONOR ENGAGEMENT
REPORT

- How is the gift being used?
- What is the eternal impact?
- Share stories of how their gift is making a difference.
- Share answered prayer.

Bringing Meaning to Money
Fundraising is Stewardship

Fish prefer worms. So, when I go fishing, I don’t think about what I want. I think about what they want.

Gifts Chart

<table>
<thead>
<tr>
<th>Gift Amount</th>
<th># Gifts</th>
<th>Total Amount</th>
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<tr>
<td>$ 1,500,000</td>
<td>1</td>
<td>$ 1,500,000</td>
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<tr>
<td>General Gifts (x &lt;=$1,000)</td>
<td>1,131</td>
<td>$ 145,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$ 7,500,000</strong></td>
</tr>
</tbody>
</table>

Top 8 gifts account for two-thirds of the goal.
Top 20 gifts are almost 80%.
1.8% gave 80%.
A Successful Donor Visit

When the right person asks the right person for the right amount for the right project in the right place at the right time.

Session 2
Cultivating Relationships

Session 3
Implementing Effective Tactics

Fundraising Focus
A campaign is a series of individual campaigns with 10 to 100 of your most capable donors.

Fundraising Facts
Bigger Dollars Add Up Faster

Fundraising Facts
You’ve Got to Fish in the Right Ponds
PATH TO SUCCESS

Campaign Gifts can be 10 to 25 times annual gifts

Solicitation Strategies

- **Gold**
  - One to One
  - Personal Visits

- **Silver**
  - One to Few
  - Home Gatherings

- **Bronze**
  - One to Many
  - Banquet/Mail

PATH TO SUCCESS

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Quiet/Leadership Phase

- Recruit Campaign Leadership
- Secure Lead Gifts
- Prepare Campaign Materials

Campaign Leadership Organization Steering Committee

Campaign Chair

“Everything rises and falls on leadership.”

John Maxwell

Prayer Team

“Prayer is my first advice. Prayer is my second suggestion. And prayer is my third suggestion.”

Dr. Billy Kim
Major Gifts Team

Fundraising is a Team Sport

President
Board Members
Development Team
Faculty & Staff
Major Donors
Volunteers

PATH TO SUCCESS

COMMITTED LEADERSHIP

Board involvement is KEY!
- Host friend-raising event
- Invite friends to (virtual) events
- Present at local churches
- Introduce major donors
- Seek foundations, corporations, & businesses
- Thank major donors by phone (virtual) call
- Hand-delivery of receipts

PATH TO SUCCESS

WILLING VOLUNTEERS

- Be volunteer-led, not staff driven.
- Volunteers are willing to identify donors, cultivate relationships, and ask for gifts.
- Friends asking friends is the strongest donor strategy.
- Remember those offering to volunteer as marked on your donor survey.

PATH TO SUCCESS

PREPARED DONORS

- Key major donors are ready to give.
- Personal relationships inspire donors to give.
- Name storm potential donors.

90% of your capital campaign dollars may come from 10% of your donors!
PATH TO SUCCESS

Not Just Events...
DONOR EVENTS

The Best Events
SMALL GATHERINGS IN HOMES

PATH TO SUCCESS
MAINTENANCE PHASE

- Secure 36-month pledge payments
- Report campaign progress
- Continue to share success stories
- Cast vision for the future

Create a Fundraising Culture
More than asking

Culture eats strategy for lunch.
Peter Drucker

Create a Fundraising Culture
Practice Max DePree’s famous leadership statement:

a. We define reality for our donors.
b. We serve them.
c. We know what we owe them.
d. We say thank you.
Create a Fundraising Culture
More than asking

- Focus on face to face and voice to voice contacts.
- Don’t spend a lot of money to raise a lot of money.

Create a Fundraising Culture
More than asking

- Communicate often with each other.
- Be relationship driven not event driven.
- Present vision to communicate need.
- Don’t be afraid to ask.
- Set big goals.

Create a Fundraising Culture
More than asking

- Maximize your time and effort.
- Encourage good biblical stewardship.

Create a Fundraising Culture
More than asking

- Listen to your donors and honor their wishes.
Create a Fundraising Culture
More than asking

• Don’t take no from a person who cannot give you a yes.

Session 3
Implementing Effective Tactics

TWO REASONS CAMPAIGNS STALL

• Not Enough Donors
• Not Enough Asking

Session 4
Crossing the Finish Line

Next Level Fundraising
Solicitation  Inspiration
Cultivation  Education
Information

Fundraising Role of the President
How much time will you devote to fundraising?
CONUNDRUMS
WATCH THE NO’S

- Groundbreaking scheduled. NO building.
- New Development Director. NO mentor.
- Large Board. NO involvement.
- Presenting opportunity. NO motivation.

6 Detailed Action Steps to Engage Donors

1. Scheduling

THE DONOR CALL
Scheduling a meeting is often the most difficult part of the stewardship process. It takes discipline to set aside time daily and weekly to be on the phone, or text or both, encouraging partners, scheduling face-to-face visits.

No Surprises
Scheduling the Ask
Communicate to the donor that, with their permission, you want to present to them a project for their consideration. Let the donor know that you are seeking their involvement.

Listen to Your Donors
They will tell you what, when, and how much to ask for.

Sample Script
“Hello Bill, this is Fred, just checking in on you and Mary to hear how your summer is going…”

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The Call Should Accomplish 5 Goals

1. Thank Them – for their ongoing investment in your ministry and the eternal impact they are making with the people you serve.

2. Update Them – on your life, family, church, business, and plans that involve your ministry (prayer journey, a mission trip, special event). Invite them to a special event or gathering.

3. Share Excitement – with a story of how your ministry changed a life or one or two key metrics demonstrating forward momentum.

4. Give a Glimpse – by sharing your 60-second pitch on how the campaign will make a difference for Christ. Give a 30,000-foot overview of key reasons why it’s the right next step for your ministry.

5. Ask for Face-to-Face Meeting

“Could we schedule a time to meet? I would love to share our plans and ask for your prayer and financial support.”

(Remember—the goal of the phone call is to schedule the meeting, not ask for a gift.)

Visiting

THE DONOR

The kitchen table is where donors make true stewardship decisions. This personal setting creates the best environment for asking. It gives uninterrupted time and donors feel more comfortable to ask questions and share thoughts.

DURING THE VISIT...

• Share details about the campaign, answer their questions, and make a request.
• Encourage them to network with their friends and become “friend raisers”.
• Visit your top 50+ donors in person annually.
3 Answering

Donor Questions
Clearly share the vision and answer every question. Here are some scenario questions and answers that may help you during this crucial step.

QUESTION
WHY NOW?
ANSWER
As we look at our opportunities to serve others, this new facility will help us reach more people more effectively. We are convinced that the hour is late and we sense an urgency from the Lord to accomplish all we can.

QUESTION
WHY SO MUCH MONEY?
ANSWER
We have carefully reviewed our needs and the space required to meet those needs. Our goal is to solve our current restrictions and allow room for future growth. Our building will be functional, but not extravagant.

QUESTION
ROI & SROI
ANSWER
Let’s start with the spiritual return on investment. (Add some key metrics for your ministry.) We are good stewards of the resources God has entrusted to us. Our fundraising expenses are ___% of our budget, which aligns with other ministries of our size.

4 Making

The Ask
Should be a smooth transition leading up to asking these 5 crucial questions during the kitchen table visit.

- Will you continue to pray for the ongoing ministry and for open doors as we share this campaign with our partners?
- How could you help us open that door to an individual friend, family member, someone at your church, or a foundation, corporation, or business contact?
- Will you consider a gift of $200,000 per year for the next 5 years over and above your current level of giving, for a total of $1M? [Determine the ask amount for each visit in advance.]
- Have you included our ministry in your estate plan? Would you be interested in a further conversation about that opportunity?
Following Up
Your Donor Visit
This is a key step in the stewardship process. Be prepared for more questions and consider these responses.

RESPONSE
WOW, THAT IS MORE THAN WE WERE THINKING OF GIVING.
ANSWER
We understand.
This is the largest step of faith in the history of our organization. We are asking our ministry partners to prayerfully consider making the largest, most generous, and sacrificial gift they have ever made.

RESPONSE
WE NEED SOME TIME TO THINK AND PRAY ABOUT OUR DECISION.
ANSWER
We are delighted that you think enough of this opportunity to take this before the Lord in prayer. Will a week or two be enough time for you to pray and decide? May I call you in a couple of weeks to answer any questions and hear what God prompts you to give?

RESPONSE
HOW COULD YOU HELP ME WITH MY PLANNED GIVING/ESTATE PLANNING?
ANSWER
We have trained specialists who are experts in all areas of planned and deferred giving. They can help you by reviewing your existing plan or help you create a plan that will reflect your heart to impact the kingdom for God’s glory. We can schedule a phone consultation with one of our experts.

RESPONSE
WILL YOU BE SENDING US A PLEDGE CARD, COMMITMENT DEVICE OR A LETTER OF INTENT?
ANSWER
Yes, once you have made your decision, we will send you a letter of intent. It will detail our understanding of your commitment and when you plan to fulfill your pledge. This helps us plan as we move forward with our project. We can complete much of the information over the phone.

RESPONSE
IF WE REFER OUR FRIENDS AND INTRODUCE THEM TO YOU, HOW WILL YOU TREAT THEM?
ANSWER
We practice the “Golden Rule” and treat your friends how you would treat them. We believe giving is based on relationships and that building trust is key to long-term partnerships.
- Perhaps you could invite your friend and me to where I can listen to his or her giving interests.
- A home gathering is another way to introduce our ministry to your friends.
FOLLOW-UP WITH A HAND-WRITTEN NOTE

Sample

“Thank you for the wonderful visit in your beautiful home to catch up on our lives and share our exciting campaign. We trust you will give prayerful and careful consideration of our invitation to be a leader in this campaign with a 5-year commitment of $1 million dollars. I will call you in a couple of weeks. Thanks again. Your friendship and partnership mean so much to us.”

6 Nurturing

Your Donor Relationship
Take a personal interest in your donors and connect as often as you can.

ADDITIONAL TOUCHES

- Personal visit to catch up and share life.
- Phone or virtual call to give a campaign update or share a story.
- Text or email to ask for or offer prayer. Share an article, website or resource link.
- Hand-written note or special occasion card to congratulate or celebrate.

THE ABC AND D ASK TOUGH QUESTIONS

- Do you have an exciting strategic plan?
- Do your trustees give generously?
- Is your CEO an effective fundraiser?
- Is your annual fund drive successful?

THE ABC AND D BEFORE MOVING FORWARD

- If any of the “A” Questions had a negative response, you are not ready.
- Consider the cost of a failed campaign.
- Go resolve any issues.
- Get ready with a good plan.
THE ABC AND D CAMPAIGN FOR ALL YOUR WORTH

• Solicit Trustees first.
• Recognize the importance of the President and the VP for Advancement.
• Conduct the Leadership phase.
• Invite everyone to participate.
• Celebrate the victory!

THE ABC AND D DO IT AGAIN – ONLY BIGGER!

• Don’t disband your entire campaign team.
• Establish new goals.
• Recognize (say thanks) and Recruit (network with their friends).
• Build a strong stewardship program (annual, capital, endowment funding).

Barclay College

• Fine Arts $7.9M
• Nursing Program $800K

Barclay College

• Future Wellness Center $10M

HOLY BOLDNESS

"Once we are prayerfully committed to placing our whole trust in God, and have become clear that we are concerned only for the Kingdom; once we have learned to love the rich for who they are rather than what they have; and once we believe that we have something of great value to give them, then we will have no trouble at all in asking someone for a large sum of money."

~Henry Nouwen~

Resource Link

Sample Materials

• Presentation Copy
• Sample Annual Fund/Financial Plan
• Sample Development Calendar
• Sample Ask Piece (3)
• Sample Personalized Ask Piece
• Much, Much More!
The 4 C’s

See the People!
See the People!
See the People!
See What God Will Do!

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