BASIC PRINCIPLES OF FUNDRAISING

1. Identifying your prospects. In general, prospective donors must meet at least two of the following three qualifications:

Ability – Do they have any available money to give?
Belief – Do they care about your issue, programs, etc.?
Contact -- Do they have a relationship with any of your board members, staff, or major donors?

2. The closer you get, the more you raise. As the old saying goes, people give money to people, not organizations. Therefore, you want as much human contact with the donor as is reasonably possible. In terms of solicitation strategies, the following list descends from most effective to least effective:

A. Personal face-to-face; team of two preferred over one
B. Personal letter on personal stationery; telephone follow-up will improve results
C. Personal phone call; follow letter will improve results
D. Personalized letter
E. Impersonal letter (direct mail)
F. Impersonal telephone (telemarketing)
G. Fundraising benefit/special event
H. Door-to-door canvassing
I. Media/advertising

3. The gift range chart. In a typical annual campaign – the money that organizations raise each year for general support –

10% of the donors yield 60% of the money;
20% of the donors yield 20% of the money;
70% of the donors yield 20% of the money.

In other words, most organizations rely on a handful of major donors to generate the majority of their unrestricted income. Using this principle, you can set your goal and then calculate how many donations at each level you'll need to meet that goal. For example, for a $50,000 annual campaign:

$ Gift Range	# Gifts	# Prospects	Total $ per Range
$2,500	2	10 (5:1)	$5,000
$1,000	5	25 (5:1)	$5,000
$ 750	10	40 (4:1)	$7,500
$ 500	15	60 (4:1)	$7,500
$ 250	20	60 (3:1)	$5,000
10% of donors			50% of goal
$ 100	100	300 (3:1)	$10,000
20% of donors			20% of goal
under $100	350	700 (2:1)	$10,000
70% of donors			20% of goal

This is an idealized chart; reality is never so orderly. Use this tool to plan, guide, and evaluate your fundraising campaign.

Raising Money in a Challenging Economy

"Most people's instinct is to cut expenses rather than raise money…
Resist this impulse as much as possible."
-- Kim Klein, *Fundraising in Times of Crisis*

1. **Don't panic.** In the weeks following September 11, 2001, many smart, seasoned fundraisers reacted in haste. They canceled their mailings, postponed their benefit events, and stopped engaging their donors. At the end of the year, they blamed their fundraising troubles on 9/11. My response: You didn't ask anybody! Of course you raised less money. The data backs this up: in the year following the attack, only one percent of U.S. giving went to 9/11 charities.

2. **If you assume scarcity, you'll get scarcity.** In 2008, charitable giving declined for the first time in 20 years. You know how much? *Two percent.* You may feel like all the money dried up, but the data doesn't show that. Nearly 70% of Americans continue to give, including many, many middle class and working class households. In the face of greater need, many people have *increased* their giving.

3. **Diversify your funding.** The more variety in your income, the better your odds. Groups that rely primarily on government funding or large foundation grants have the most risk. Reach out to individual donors and find ways to charge for the services you provide.

4. **Get closer to your donors.** Study the faith community. Churches, synagogues, mosques and other faith organizations raise more than one-third of all charitable dollars. The religious community was one of the few nonprofit sectors that raised more money in 2008. Why? They know their constituents really, really well – and they keep asking, regardless of the economy.

5. **Create a contingency budget.** Design a budget with two or three columns: worst case, middle case, best case. If you lose that big grant, what's your fall-back position? What steps will you take to replace the income? Can you design possible budget cuts in advance, rather than waiting for a moment of crisis?

6. **Change your fundraising model: All hands on deck.** In most organizations, the weakest link is not a poor case, nor a lack of prospects, nor a lousy database – it's a lack of *askers*. If there was ever a moment to engage everyone – board, staff, volunteers, key donors – in becoming better askers, that moment is now. Everyone in the game!

7. **Don't be afraid to talk about values.** As a wise person told me many years ago, "Statistics raise eyebrows, but emotions raise money." At end of the day, your work is not about the number of people who attend a rally, or the acres you've protected, or even the number of lives you've saved. Rather, it's about core values like justice, democracy, nonviolence, and community. We must become more fluent talking about values.

8. **This is not the time to cut fundraising staff or budgets.** Indeed, you may need to invest more money in fundraising -- not less.

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