

Is there a Magic Mix of Fundraising Approaches?



Step 1: Web Login

<https://www.readytalk.com>

enter passcode 9492105

Step 2: Dial-In

U.S.: 866.740.1260

Access Code: 9492105

*6 to mute *7 to unmute

OR Use Monitor or Laptop Speakers



Monthly Open Coaching



10 am Central

July 31

August 28

Reserve your "seat" with Cara:
Support@IgnitedFundraising.com



Such a Deal - for Members Only!

presented by  **IGNITED FUNDRAISING**

THURSDAY AUGUST 6, 2015 BLOOMINGTON, MN

FUNDRAISING & ADVANCED STORYTELLING WORKSHOPS with LORI L. JACOBWITH

SESSION 1: \$99 / SESSION 2: \$89 / BOTH SESSIONS:  **\$160**
*Includes box lunch



Your fee is \$0 when you bring at least one paid guest.



Is There A Magic Mix?

What Works in Fundraising:
Results from the Nonprofit Research
Collaborative and Elsewhere



Melissa Brown, Manager, Nonprofit Research Collaborative
& Principal, Melissa S. Brown & Associates

July 16, 2015



Melissa S. Brown & Associates, LLC



What is the NRC?



www.NPResearch.org

- ❖ Data since 2010.
- ❖ Are you meeting your goals?
- ❖ Finding what works in fundraising.



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Key NPResearch results

- ❖ Paid staff meet goal.
- ❖ Most organizations use 5 – 8 different fundraising methods (of 15 in study).
- ❖ Larger organizations are more likely to meet goals, but small ones do, too.
- ❖ Stewardship matters.



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Fundraising “Climate Change”

- ❖ Tighter economy for “average income” donors.
- ❖ Institutional funders being more strategic, impact-focused.
- ❖ Organizations want potential “ROI” demonstrated before investing in fundraising.



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Which factor affects you most? (one only)

- ❖ Harder to raise funds from “average income” donors
- ❖ Foundations and corporations changing grantmaking/giving strategies
- ❖ Convincing organization of need for investment for fundraising



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ROI

Revenue

Expenses

If Expenses =	and Revenue =	Then ROI is
\$5,000	\$2,500	\$0.50 (or a loss)
\$5,000	\$5,000	\$1 returned for every \$1 invested
\$5,000	\$10,000	\$2
\$5,000	\$20,000	\$4

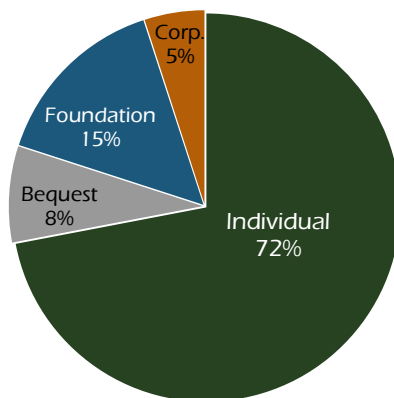
About \$3.60 for all Development, no campaign

Report on Giving, AHP

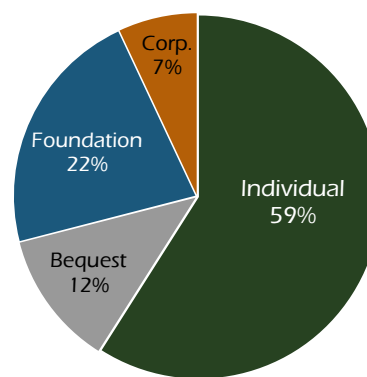


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Individual Donors Dominate



All Giving :\$358 Billion



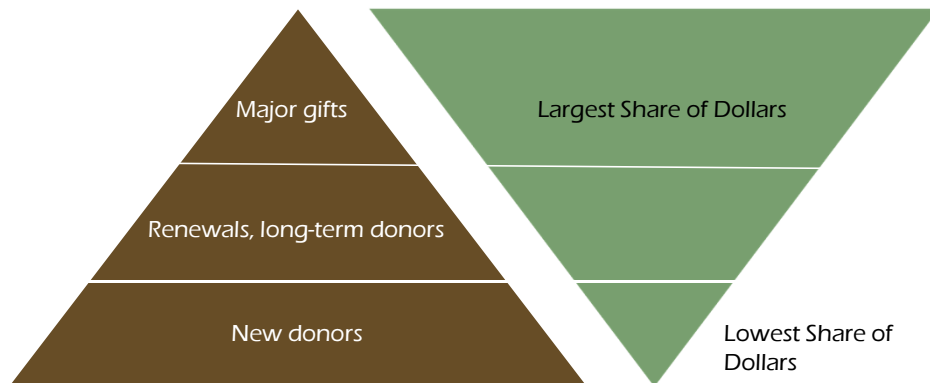
Exclude Religion Giving: \$244 Billion



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Giving USA 2015

Refresher: Donor Pyramid



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Adapted from The Fund Raising School

Different Methods by Expected Investment Level

Personalized requests

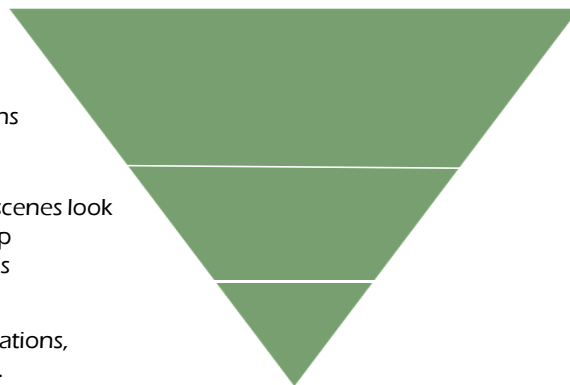
Face-to-face for individuals
Individualized proposals for foundations or corporations

Special experiences/status

Events offering behind-the-scenes look
Engagement with leadership
Customized communications

Widely distributed content

Mail, email, events, presentations,
SMS/Text, social media, etc.



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Adapted from The Fund Raising School

“The Base” offers

- ❖ NPO focus on communications, mission expression, education on issue.
- ❖ “Starter gift” concept as donor builds knowledge and trust.
- ❖ Engagement for all ages, stages.
- ❖ Donors to self-identify for issue.



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The Base

Experience suggests 5-10 prospects for every new donor from “house list.”

Recruiting new donors might take \$1 to raise \$1.
ROI discussion becomes important here.

Benefit is in retention and renewal.
5-10% renew AND upgrade to higher \$



Typical 1st gifts range : \$25 (mail) to \$100 (online).



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Various sources.

Which of these methods raises the most? (one only)

- ❖ Events
- ❖ Social media
- ❖ Direct mail by the post office
- ❖ Email requests



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What works ? – All methods (when economy good)

	Used by	Saw increased \$ 2014	% of total raised
Direct Mail	90%	58%	60% - 80 %
Online (give here, peer-to-peer)	87%	71%	< 10%
Email request	80%	70%	5-15%
Social Media	42%	79%	< 3%
SMS/Text	8%	68%	< 3%



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 Winter 2015

NOTE : High growth is not the same as large share

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SMS/Text	8%	68%	< 3%



Winter 2015 + Other

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Direct mail



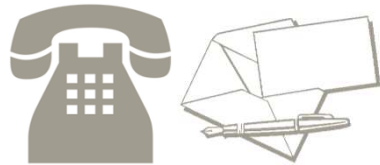
..... consistently performs as the most cost-effective and wide-reaching broad-based fundraising method.

Direct Marketing Association 2015



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Communication-> Retention



Thank you



News/Updates

39% of surveyed donors saw print in
top 4 communications forms from NPOs.
Website, email, social media preferred.



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DMA Statistical Report, 2015

Stewardship

- ❖ Thank you.
- ❖ Recognition, acknowledgement.
- ❖ Access: Donors want experience, knowledge of issue
 - Some institutions offer tickets, parking, other privileges – if it works, don't change it.



Winter 2013

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What is considered a really good renewal rate for 1st time donors? (one only)

- ❖ 30%
- ❖ 50%
- ❖ 70%



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Renew and upgrade

60-70% of renewed donors likely to renew again.

5% - 10% last year's 1st time donors will upgrade



Send letters and include website for online giving

Customize "ask amounts" by donor history.



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Various sources.

Consider ROI on Base + Upgrade

Tier	Preferred Approach	Costs Likely
Renew/Upgrade	Information/education on issue, letters, email news updates, involvement opps. (e.g., volunteering),	Research, mass communication (email, letters), data, volunteer management, list development, staff, stories, photos, design services, tech support, printing, postage, gift processing expense
Base	Information/education, online data, stories, interaction if possible	



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Sample ROI for 5 years from the base

With \$1 ROI for acquisition mailing

\$50 average gift
50% renewal rate and
5% upgrade rate to \$75

In 5 years, cumulative mail-only ROI is at least \$3

As long as costs never exceed \$7/donor in years 2–5



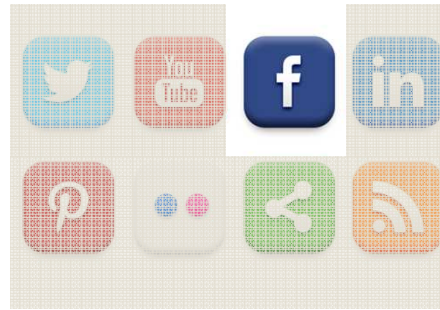
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MSBLLC calculations

The magic of online

But be sure you can do it well

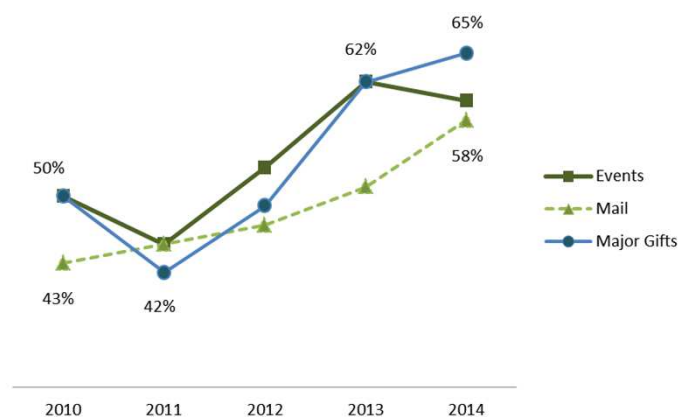
- ❖ Online reflect same messages as print.
- ❖ Website is essential.
- ❖ More donors use Facebook than other.



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DMA Statistical Report, 2015

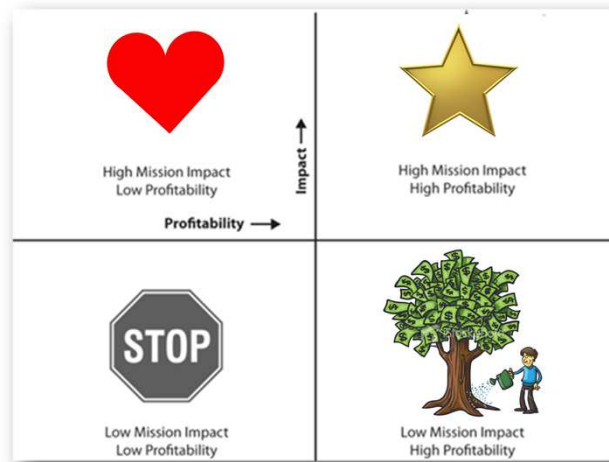
Tough economy? Consider events



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Nonprofit
Research Collaborative Winter 2015

Best Events=More than Money



Masaoka, Bell & Zimmerman



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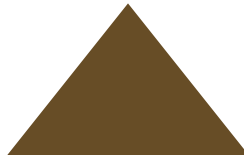
Which of these does your organization ROUTINELY do at events? (all that apply)

- ❖ Collect names for potential volunteers.
- ❖ Obtain contact information so you can send more information to participants.
- ❖ Share the organization's mission, impact, or achievements with participants.



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Donors at the Top



Board members

Long-term funders (institutional as well as individuals)

New institutional funders if likely to repeat gift in future
Cultivation, engagement help create relationship.



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Think about ROI at top

Tier	Preferred Approach	Costs likely
Major gifts	Cultivation, face-to-face request backed with documentation, close engagement with org.	Volunteer recruitment and training, staff, time for collecting stories, travel, wealth screening, impact data, CEO time, events, beneficiary engagement activities, printing, letters, technology support, website, etc.
Key continuing donors	Face-to-face, written proposals, events, service (committees, etc.), Awards/pins/tix/parking Focused communications	



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The most frequent reason for ending a relationship (pick one)

- ❖ Donor feels solicited too often
- ❖ Donor moved
- ❖ Donor lost interest



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Too often, donors see

Ask up to ___ x / year _____ Mail + online + email

Thank _____ - maybe

31% of surveyed organizations did not send thank you!!

Ask for special gift again and again— Mail + online + email



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The “Magic Mix”: What to send, not how to send it

Inform/educate	One-time volunteer opp., postcard?, email, newspaper, social media, mail, event
Ask	Mail + online + email
Thank	Phone + letter + email + donor list



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Mix and Repeat

Inform/educate	One-time volunteer opp., postcard?, email, newspaper, social media, mail
Ask	Mail + online + email
Thank	Phone + letter + email
Inform/educate/involve	Email, print, postcard?, event, longer-term volunteer opportunity
Ask for special gift	Mail + online + email
Thank	Letter + call if upgrade + event
Inform/education/involve more	Email + online + print + event + service



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Connect

- ❖  www.NPResearch.org
- ❖  Nonprofit Research Collaborative



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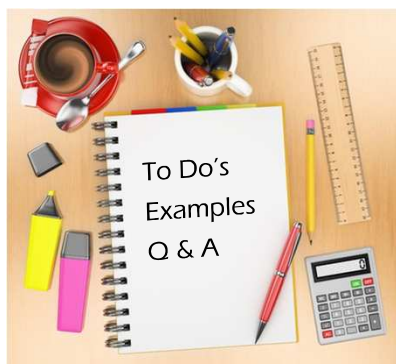
Resources Consulted

- ❖ www.ahp.org/reportongiving
- ❖ <http://www.gailperry.com/2010/06/115-tips-to-help-you-raise-more-money-by-mail/>
- ❖ Growth in Giving Initiative, www.afpfp.org (renewal statistics, upgrade data)
- ❖ Masaoka, Bell & Zimmerman. 2010. *Nonprofit Sustainability. (matrix)*
- ❖ www.NPResearch.org
- ❖ <http://www.pursuant.com/blog/direct-mail-is-still-the-king-of-fundraising-communication-but%E2%80%A6/>
- ❖ <https://smartannualgiving.com/appeal-response-rates/>
- ❖ <http://thedma.org/webinars/dma-2015-statistical-fact-book-preview-webinar/>



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YOUR August Member's Webinar



Thursday, August 20
11 am Central

Fall Appeal Coaching
with Lori



Building Sustainability for your Nonprofit



Thank You, Melissa!

Please take a moment to answer the short survey!
Your candid feedback is welcome.

