

Yes, We Need More Donors

Talking to Your Board and Leaders about Investing to
Build a Base of Individual Donors

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Today's Discussion

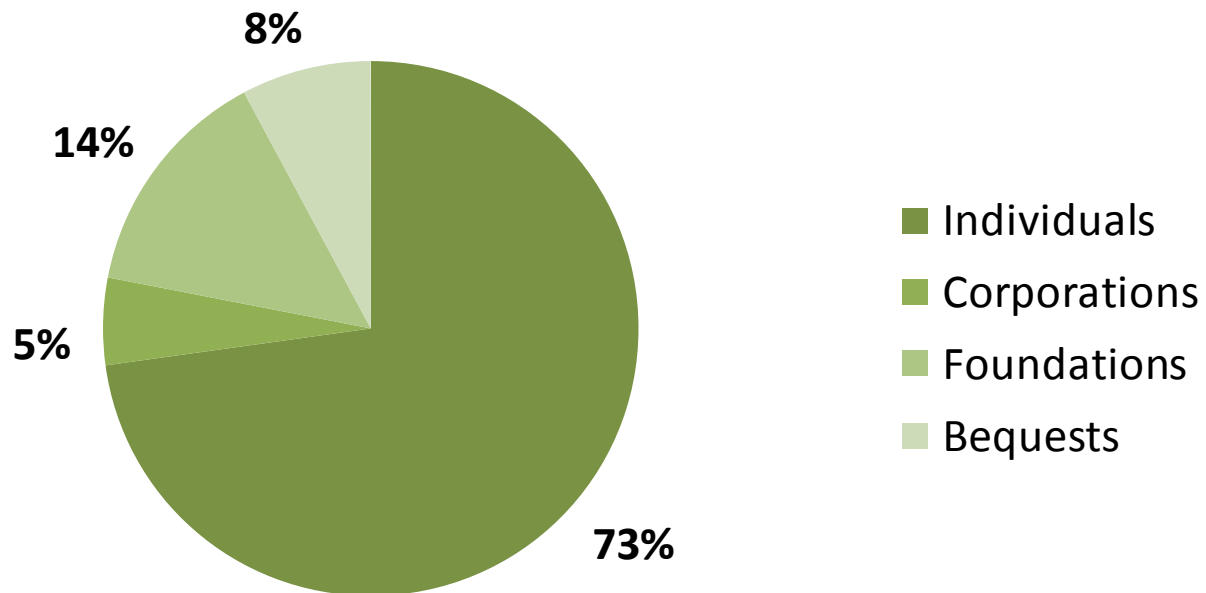
- Themes
- Case Study: MAG America
- Continuing the conversation with your Board
- Case study: AFHU
- Final thoughts

There are Many Ways to Fund Your Mission

- Government grants
- Foundations
- Corporate gifts
- People!
 - Large events
 - Small events
 - Major gifts
 - Planned gifts
 - Few people
 - Many people

Why Individual Donors?

Individuals Contributed \$290.89 Billion to Charities in 2010!

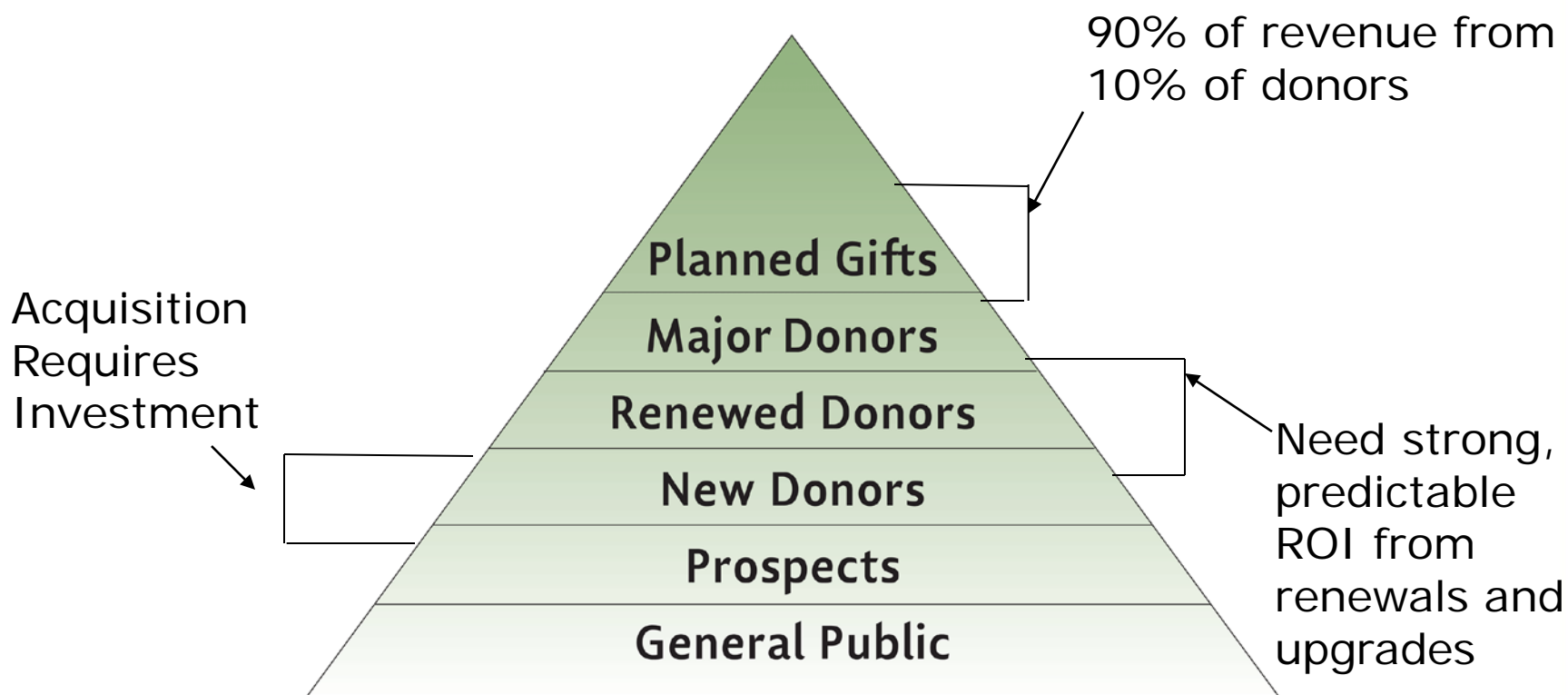


Figures from *Giving USA 2011* (06/2011)

Donations from Individuals Increased in 2010

- According to *Giving USA*, individual contributions increased 2.7% in 2010.
- Federal, state, and local governments cutting back.
- Foundation giving flat.
- Bequests hard to control.

To Get Major and Planned Gifts, Need to Build Up the Donor Pyramid



Building the Donor Pyramid Requires an Investment

- Events, mail, phone, house meetings, local events – many sources of lower dollar donors.
- Acquiring donors who will produce long-term stability generally requires an investment of 1 – 5 years.
- The organization must be committed at all levels to ensure donors are cultivated and move up the pyramid – and that the investment period is manageable.
- How do you explain all this to your leadership and get their support, and help?

MAG America: Starting a Donor Program from Scratch

MAG America

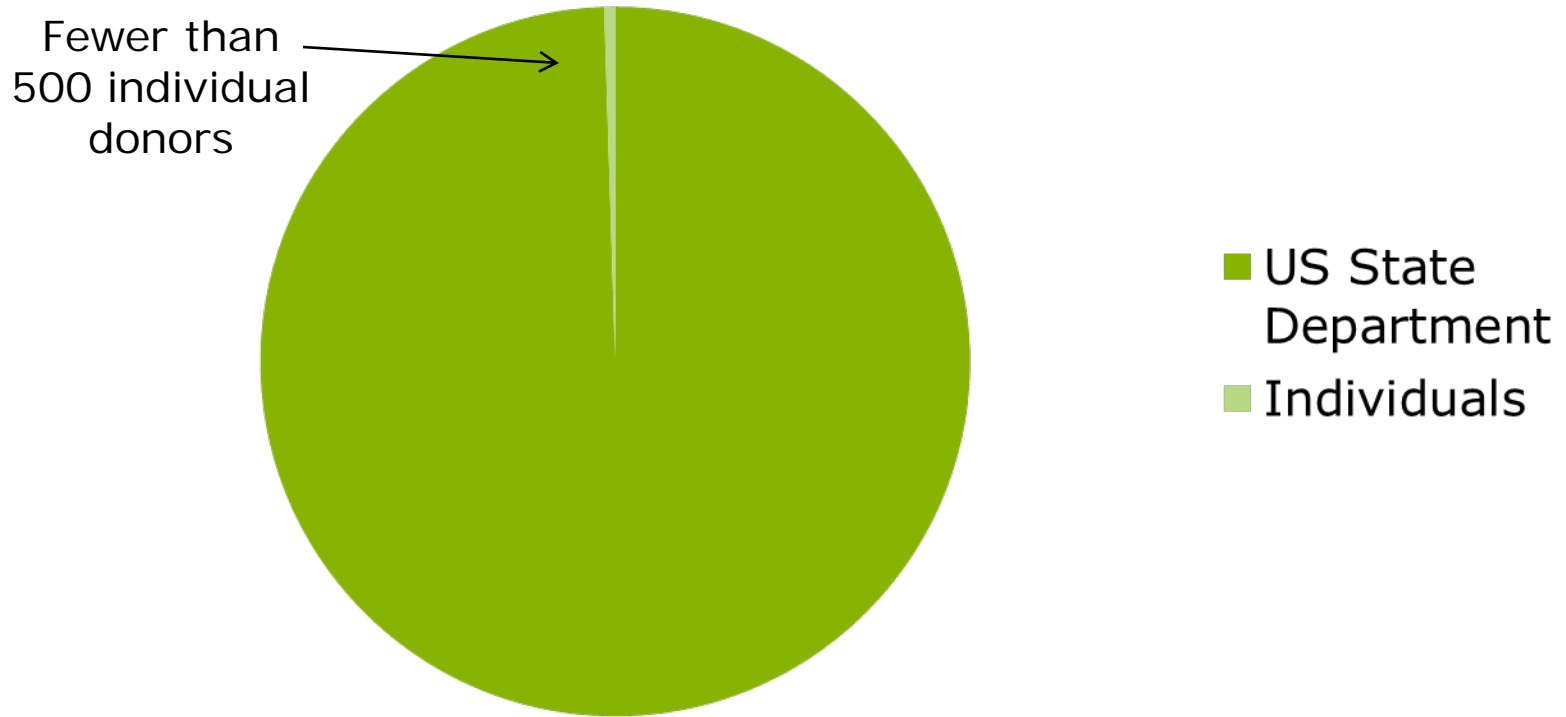


MAG is an international organization that helps people recover from conflict by removing the explosive remnants of those conflicts, including landmines, unexploded ordnance, and weapons

MAG - Organization History

- Founded in 1989 in Afghanistan.
- Awarded the 1997 Nobel Peace Prize.
- Have worked in 40 countries.
 - Currently has programs in 17 countries.
- Headquartered in UK.
- MAG America
 - Fundraising
 - Education
 - Partnerships

Funding Prior to 2009



Board and Staff Recognized Need to Diversify Funding Base

- State Department grants fund specific efforts and provided no long-term stability.
- Had no internal source of prospective donors.
- Small Board with limited fundraising connections.
- Staff recommended testing direct mail to increase the number of individual donors and develop a pool of prospects for major gifts.

Talking with the Board

- Market study determined that direct response (primarily mail) would be a good way to build base of supporters.
- Because of uncertainty in the donor market (launched in early 2009) the conversation with the Board focused on the test.
 - Discussed what would be learned about markets and future potential.
 - The Board understood it would be a multi-year investment, but no detailed projections were provided without test data.

So, How'd That Conversation go?

The Good

- On the same page about diversifying funding.
- Board was excited to have more donors.

The Challenging

- Apprehensive about investing \$25-\$40 for each new donor.
- Concern about ability to find major donors from mail-acquired pool.

Test Acquisition for New Donors

MAG saves lives builds futures
MAG America
 1750 K Street, NW
 Suite 350
 Washington, DC 20006
 www.maginternational.org/usa


Help MAG Stop Needless Death and Suffering

I will help MAG do the difficult work needed to rid the world of landmines and other dangers of war that continue to kill, injure or maim every hour. Enclosed is my tax-deductible contribution of \$_____

YES! I will help MAG do the difficult work needed to rid the world of landmines and other dangers of war that continue to kill, injure or maim every hour. Enclosed is my tax-deductible contribution of \$_____

\$26 \$35 \$52 \$100 Other \$_____

** will field one fully trained deminer!*



A father real dangerous

Jane Sample
 1730 Rhode Island Avenue, NW
 Suite 301
 Washington, DC 20036

Mines Advisory Group (MAG)
 1750 K Street NW
 Suite 350
 Washington, DC 20006

Jane Sample
 1730 Rhode Island Avenue, NW
 Suite 301
 Washington, DC 20036

DANGER: Landmines kill 1 child every hour.

MAG in action **SOUTHEAST ASIA UPDATE**

FOCUS ON: LAOS

MAG Laos: Stopping the Deaths



Three million tons of ordnance was dropped on Laos during the 1960s and 1970s, with craters still scarring the landscape. On average, a child in Laos is blown up every week.

MAG has worked in Laos since 1994, making us the most established and experienced humanitarian unexploded ordnance (UXO) clearance operator in the country. On average, a child in Laos is killed or injured every week by explosive items that remain from the conflict.

Singing to Save Lives

For mine-affected about



A father in Laos looks at a garden littered with unexploded ordnance

By some games, sing more awareness songs, and dance. The message is clear and is repeatedly reinforced as the translated lyrics to one of the songs demonstrates:

"Don't touch
 Don't touch UXO
 Children should remember that UXO
 are everywhere
 are bad, Bombs are dangerous
 Children must not touch or handle
 is dangerous for your life
 you find them you must go away
 - be safe!"

Also Tested Email Approach to Prospective Donors

 petitionsite

action **ALERT**

Hi Emily,

Decades after soldiers have laid down their guns, the remnants of conflict still render land unusable and kill civilians.

[Support efforts to remove "cluster bombs" »](#)

When cluster bombs are dropped, they release thousands of explosive fragments, littering battlegrounds, farms, towns and homes with "bomblets." But many bomblets fail to explode on impact. They lay dormant until, perhaps years later, a curious child picks it up and it explodes.

Nobel Prize-winning organization MAG removes bomblets from some of the most contaminated areas like Sudan, Iraq and Laos. Their work saves lives and allows communities to [put their violent past to rest and move forward.](#)

A ban on cluster bombs went into effect this month, but its not enough to stop future use. [We must clean up the mess they've already made »](#)



Thanks for taking action!

Emily V.

Care2 and ThePetitionSite Team

Take action link: <http://www.care2.com/go/z/e/AFZv4/zKbk/b48UP>

[Clean Up Cluster Bombs](#)



Take Action!


post to
facebook


tweet
this



Where are we now?

- Second full year of program.
- Market confirmed.
- Continue to increase the number of donors.
- No major gifts yet.

How Have Things Changed?

- Income from individuals has increased by more than 400%.
- Now more than 2,000 individual donors.
- More online traffic.
- More than 300,000 people have been exposed to MAG's work through prospect mailings and emails.

And The Board is Involved!

- Reviews progress on 5-year projections.
- Approve budgets, receive updates.
- Pleased that program is outpacing projections.
- Continue to be concerned about ability of program to yield major donors.
- Getting the Board more involved a priority.
 - Thank you letters/calls
 - Meeting some prospective major donors
- Just hired a Director of Development to Coordinate.

It's an Ongoing Conversation With the Board

- We have not had any major gifts from the growing pool of individual donors.
 - Hard to keep confidence of the Board
- Launching in a recession has been challenging.
- Hoping for a big “win” soon!

Must be Strategic About Investment

- Case studies today focus on groups who grew using direct response.
 - Constantly looking at metrics.
 - Must monitor available market.
 - Staff must be available to follow up.
- Direct response programs can be flexible.
 - Can prioritize donors or dollars.
 - Can manage costs.
- Return on investment must look at total lifetime value of donors.

Can Direct Response Expand Our Donor Base?

- Broad name recognition?
- Proven track record?
- Dynamic response to critical need?
- Issue or threat?
- How will the gift make a difference?
- Survive the loss?
- Patience for long-term investment?

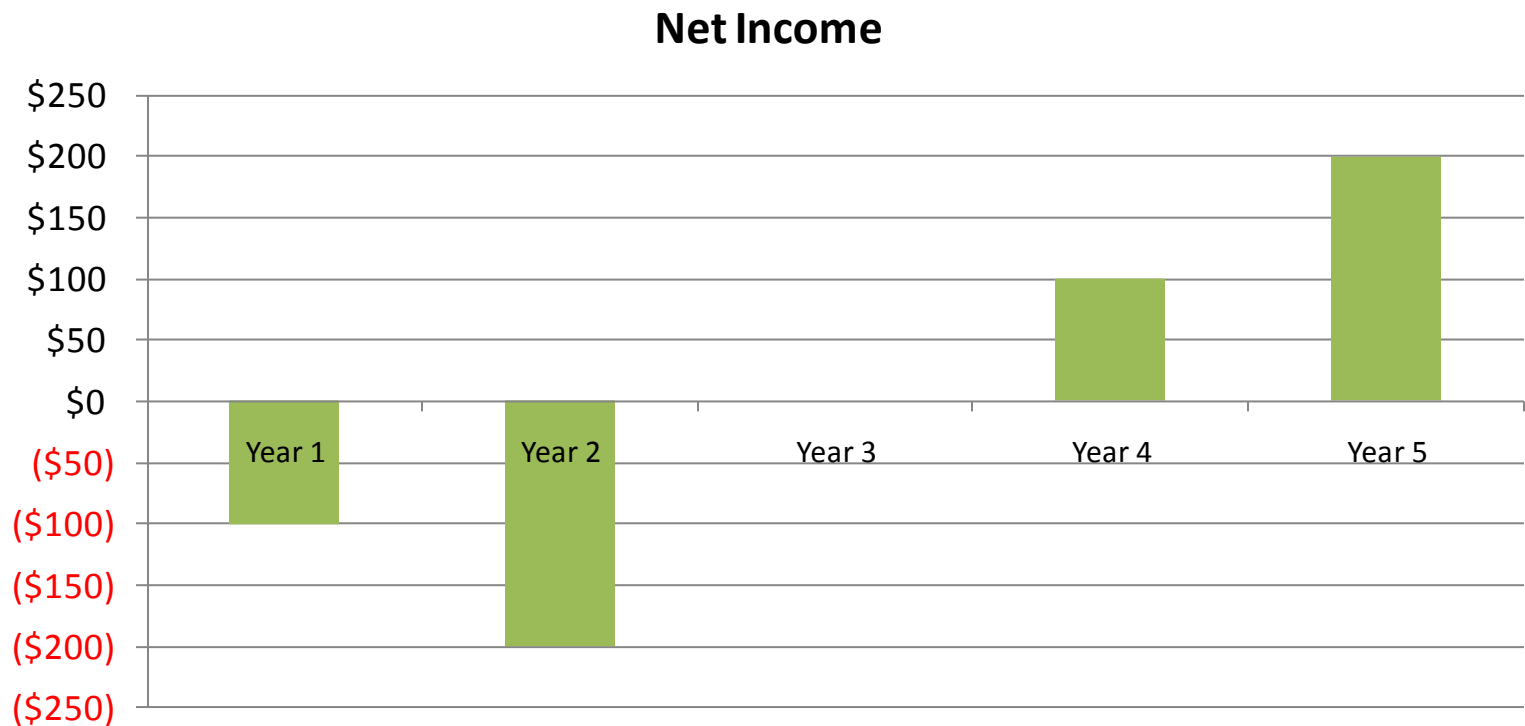
Expanding Can be Advantageous

- Educate the public.
- Enhance visibility.
- Broaden the donor (or member) base.
- Long-term raises money cost-effectively.
- Recruit prospects for other non-direct mail fundraising (major gifts, planned giving, volunteers, etc.).
- Direct response donors major source of planned gifts.

Building the Pyramid Requires Investment - but Large Pay Off

- Launching an expanded individual fundraising program generally requires a **3 year investment**.
- Average investment for each new donor is **\$30 - \$40**.
- Break-even 24 – 36 months.
- Most programs reach **ROI of 30%** or more 5 years after launch.
- Need to monitor all channels (events, personal solicitation, direct response) to find best ROI.

Early Years for an Individual Donor Require an Investment



When the Investment Period Ends

- Continue to work with the Board.
 - Must constantly mine donor pool – upgrade donors.
 - Need to evaluate if it is working as a major donor prospect pool.
-
- Case study - AFHU

American Friends of The Hebrew University



The American Friends of The Hebrew University (AFHU) raises awareness of, and support for, The Hebrew University of Jerusalem, Israel's foremost institution of higher learning and research. 23,000 students study on 4 campuses led by 1,100 faculty members.

AFHU - Organization History

- Founded in 1925 – co-founders include Albert Einstein, Sigmund Freud, Chaim Weizmann.
- Heaviest support of HU during the 20th Century were American Friends concerned about the well-being of Israel.
- AFHU raises millions each year to fill many needs: pioneering research projects, new facilities, creation of scholarships, faculty recruitment.
- Committed to maintaining a balanced budget.

Funding Prior to 2003

- Major donors of \$25,000 or more obtained through a variety of sources.
- Missions to Israel.
- Events and programs in the United States.
- One-on-one solicitations.
- Family Foundations.
- Foundations.

What Motivated Expansion of Individual Donors through Direct Response?

- Most funding was from individuals giving \$25,000 or more.
- Shrinking base of donors to American Jewish charities made it challenging to find new \$25,000 prospects working one-on-one through regional offices.
- Many potential donors did not live near a regional office.
- Executive Director introduced concept of diversified, multi-dimensional campaign.
 - Broaden network of support
 - Develop leads for future major and planned gifts

Talking With the Board

- Executive Director met with individual leaders and decision makers.
- Larger meetings with national Board and several Committees.
- Presentation to entire Board.
- Open communication for questions.

So, How Did it Go?

The Good

- BOD has a strong financial orientation, good questions.
- Understood that profits would occur gradually.
- Began to view program as way to boost visibility of Hebrew University.
- Direct response is a source of major gift leads.

The Challenging

- Large investment for low dollar donors was a major culture shift.
- Concerned with ability of staff to follow up with leads.
- Worried about “tapping out” audience.

Original Donor Acquisition Mailing

AFIHU AMERICAN FRIENDS OF THE HEBREW UNIVERSITY
 P.O. Box 2035, New York, NY 10021-0051
 800-567-AFHU • info@afhu.org • www.afhu.org

Dear Friend,

Israel's greatest asset is — and always has been — the intellectual strength of its people.

Now you can play a vital role in nurturing and safeguarding this precious asset — particularly now with Israel poised at a crucial turning point in its history as a nation.

Before I tell you how you can help, let's go back more than 90 years, well before the beginning of the Jewish State, which has already celebrated its 60th anniversary. A group of visionaries, including Albert Einstein, Sigmund Freud, Martin Buber, Judah Magnes and Chaim Weizmann, dreamed of a place where intellectual curiosity and educational excellence would be prized above all else. It would be a true **University of the Jewish People** that would serve as part of the foundation for the Jewish State to come.

When **The Hebrew** stated proudly:

"In the course of time achievements of which

Einstein's words have taught and research institutions. The Hebrew University has seven academies and humanities. Several are

Hebrew University's medicine, agriculture, Jewish and many Knesset members researchers have helped to

These achievements of the Hebrew University and improve the lives of its people.

Today, I hope to count you among Hebrew University's with work that is now both more difficult and more important than

Israel's self-defense concerns over the past decade have financial resources. To address acute security needs, the government higher education — creating a tremendous challenge for the countries institutions such as The Hebrew University of Jerusalem.

Yes, I want to assist American Friends of The Hebrew University in safeguarding Israel's intellectual strength in this time of greatest need.

Here is my best gift of:

- \$36 \$50 \$100 \$250
 \$500 \$1,000 Other \$ _____

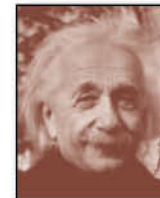
Method of payment:

- My check is enclosed. Charge to my credit card (please fill in information on reverse).
 My e-mail address is: _____
 My telephone number is: _____



From Israel's next generation of leaders, scientists, educators and scholars, thank you!

AFIHU AMERICAN FRIENDS OF THE HEBREW UNIVERSITY
 P.O. Box 2035, New York, NY 10021-0051
 800-567-AFHU • info@afhu.org • www.afhu.org



"In this course of time this institution will demonstrate with greatest clearness the achievements of which the Jewish spirit is capable."

— Albert Einstein
 A Founder of The Hebrew University of Jerusalem

Free Gift Enclosed for You.

Integrating EAppeals



Dear American Friend,

As we come to the end of 2010, I want to thank you for your dedicated support. The Hebrew University of Jerusalem flourished this year not only due to the work of outstanding faculty and students – but thanks to concerned people like you.

To continue our track record of success in 2011, [I urge you to make a generous year-end gift today in support of AFHU's mission.](#) Your help is vital to the university's continued growth in so many ways.

The Hebrew University is preparing to face some daunting challenges in 2011. Continuing government budget cuts, the risk of losing faculty to institutions abroad and the increased need for scholarships make your support more important now than ever.

[Your year-end gift will make an enormous difference in strengthening a premier institution of higher learning and research.](#) Just think of what we can do when all of our American Friends come together: provide more scholarships for deserving students, ensure faculty does not succumb to Israel's brain drain of talent, and help recruit exceptional new faculty.

Your steadfast support can make a crucial difference for this great university. [I hope we can count on you as we begin a new year filled with the promise of innovation and discoveries.](#)

Sincerely,

How Have Things Changed

- Have more than 25,000 individual donors
- Return on investment from direct response improving.
- Many donors giving \$1,000 or more through direct response.
- Major gifts (of \$25,000 or more) and planned gifts have been solicited from donors acquired through direct response.

How the Board Has Continued to Be Involved

- Maintains financial oversight.
 - Review frequent reports
- Review list of direct response donors who become major donors.
 - Several donors acquired through the mail with original gifts under \$100 have become major donors.
 - Strong planned giving prospects.
- Occasionally help with the cultivation of donors.
- BOD recognizes and supports commitment to keeping costs low.

Ongoing challenges

- Board continues to question cost-benefit of the program.
 - Recession has hurt responses and donor upgrades.
- Concerned about the relatively small market for future donors to AFHU.
- Board concerned about long term viability of using mail to find prospective donors, pushing more online efforts.
 - Current market not readily accessible online
 - Testing new ways of expanding the market

Board Concerns Should be Everyone's Concerns

- Responsibility of Board is financial security.
 - Organizations should want questions
- Need to test and analyze to find the best way to attract, renew and upgrade donors.
 - Mail, email, phone, events, parlor meetings, missions – many options.
 - Require “R & D budget” realization there will be an investment in new donors.
- Diversification of funding base and strong financial security should be goals.
 - Monitor short and long-term

Most Important Thing to Remember

- Must cultivate all donors!
- Donor relationship is a conversation, however the donors were acquired.
- Board can help with outreach and enhancement of that conversation.
- Team – not adversarial

Thank You

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