

North American Street Newspaper Association (NASNA)
Session #2
Starting from scratch, developing a donor base from the
ground up (101)
Notes

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If you bring fear and anxiety into a fundraising relationship then you are hurting yourself and your organization.

Factors in fundraising:

Emotional: Taboo, scary, afraid of rejection

Mechanical: Not knowing where to start, or how to finish.

Actual pie chart for past 50 years in fundraising:

5% from corporate donors

10% from foundations

85% from individuals

Foundations and Corps give large amounts in one pop, and they get very good publicity for giving, so it seems like they're giving more. In reality most dollars come from individuals.

7 of 10 people give money

6 of 10 people without jobs give money

2 of 10 people on welfare give money

Most money from individuals doesn't come with requirements or caveats, so it won't impact your mission.

How Do You Find These People:

Individuals give to you because you ask

And because they like your mission and the results of your organization

If you assume that the money is out there, it changes the entire dynamic of how you ask and what you will get out of it.

If 85% of the pie comes from individual donations, 75% of the time you spend looking for money should be spent looking for individuals (new donors, follow up with old donors to keep them interested and to show gratitude).

If your budget consists of mostly money from grants/foundations, you're on very shaky ground. You need to diversify. Ensure that you have a strong base of small donations as that will keep you stable. If you lose small donations, they won't be most of your budget in one hit.

WHY GIVE:

They believe in what you are doing. They believe in the product, in the social change. When you talk to people in social services, they tend to love advocacy work. But fundraising and advocacy are the same thing. **If you do effective advocacy, the money will come to you as awareness grows about what you're doing.**

MECHANICS of FUNDRAISING:

How do you start from scratch?

Database: You can't function without some sort of real database (not excel)

Fundraising Plan: You need a fundraising plan. It has to be organized around the people in your org.

Spiral of fundraising: The Five I's

Introduction to Org: (telling people about who you are/what you do)

Information: Concise, true informative bullets (tailored to audience)

Interest: When a donor has signed up for email alerts, asked to come to an event, something where they're leaning in and asking for more information

Involvement: when they take interest to the next level. They take the info they get and actually show up to an event or volunteer in some way

Investment: it might be \$10 or \$10,000. Usually the first give is a test give.

They're not giving you what they can actually afford. You need to show gratitude for every gift, regardless of how small, if you expect to maintain effective fundraising relationships in which people will continue to support the org.

Circle of Influence? You want to prioritize your inner circle first in terms of fundraising, and you want your inner circle to prioritize their inner circle first. Those closest to you are the best place to start fundraising and building a network of donor-relationships.

Five Circles of influence:

Inner Circle: Board and Crew. They need to be giving money. These are people that are so passionate that they're choosing to work for you. Foundations will want to see that at least 100% of your board members are giving you money personally significant to them (could be \$10 a month for someone who is poor).

2nd Circle: Volunteers, vendors, staff, readers

3rd Circle: Families and friends of 1 and 2.

4th Circle: Don't know about you, but are like-minded. Really love journalism, and want to see journalism continue. Or they are strong homeless advocates, etc.

5th Circle: Everyone else in the entire world. A lot of organizations keep trying to get the money from this outer circle, and it is the hardest one to work.

When you get home, make five circles, and fill in names for each one. Have board members do the same.

Prompt and meaningful thank You(s):

Be gracious. This keeps people around. If you don't spend time to thank people, they will not keep supporting the org. Being gracious does not just mean thanking people verbally. It means following up quickly with a phone call, following up from the phone call with a personalized thank you note. Between every ask for money you should show 3 to 4 contacts in which you are only showing gratitude. Bring them into your orgs family. Tell them what you're doing, what's new, how they're support has helped the people in your org, etc.

Little Donor Project: (Kathleen gave 21 papers donations before the conference. Here are the results).

of papers that received donations: 21
of checks cashed: 10
of checks not cashed: 11
of thank you(s) received: 3
of personal thank you(s): 2
of thank you calls: 0

Fast and meaningful thank you(s) are crucial. You need to show people that what they have done actually matters. That you give a shit. They need to get a phone call. They should get a call before you even put the check in the bank.

Donation received, Call made, Card Made, ED fills out thank you, check in the bank, Another 1 or 2 unique, personalized contacts before ever asking for money again.

FUNDRAISING 202:

Moving from Fundraising to Development:

Fundraising Lifecycle:

Sell Stuff, small events:

High-energy investment, Low returns. Suffer from not being mission relevant.

Bigger Events:

Super high-energy investment. Medium to high returns. Heads to staff burnout often.

Grants to Exclusion of other activities:

Easier for most than 1 or 2, decent returns. Unsustainable.

Turning Point (either):

Do a mix and stay the same kind of fundraising (org declines or dies)

Or

Relationship based donor centered development with solid mix of events, grants, etc

Relationship Based Donor Centered Development:

This means emphasizing the donors interests whenever possible. Catering asks to different interests. (journalism, homeless advocacy, saving city money, jobs program, activism, etc.)

Sustainable energy investment with rocking returns

Easier than it seems

Nurturing and rewarding for staff and donors

Grows \$ available for capacity (positive feedback loop)

Simple

Story Telling

We Are Part of the Future of Journalism:

Fee for service:

NPR/Public TV (reader supported)

Social Enterprise (buzzword used a lot to describe what we do. We're not just a charity, we're a socially aware entrepreneurial activity)

Dubious?

Cover of USA today was converted to a jeep wrap advertisement

Shrinking and closing of major publications

More journalism orgs founded than ever before

Journalism is no longer the domain of large papers with big advertising dollars.

Successful magazines and papers in the future will be highly dependent on reader and donor support.

Team Sport:

- Everyone needs to be involved on some level. Not everyone should be too involved to the expense of the programs that make the paper successful.
- Usually organizations with a budget of over \$300,000 need to hire a development director to drive the fundraising program, and org staff become supporters of that program.
- Under \$300,000 a year, it can be tenable to run without a DD, but is challenging and each individual will need to remember to take care not to burn out.
- No Whining: It doesn't help.
- Board: very important to bringing money to the org, and to supporting fundraising.
- Volunteers: Don't undervalue volunteers. Don't try to do everything yourself. Find a network of volunteers that can help.
- Local Colleges and universities have business and marketing students
- Empower others to Lead: Don't micro-manage projects.
- Don't work Too Hard: There is no medal for burnout in parenting or fundraising.

There is a Village:

Try to get a scholarship to AFP (Association of Fundraising Professionals). This can be a very good resource for advice

www.grassrootsfundraising.org

idealware (tech development for nonprofits. Complete donor database evaluation. Read reviews and costs for tools)

Inpower: (Inpower will come to your office and evaluate/fix your database system)

Sales Force: Customer Relationship Management (CRM) designed specifically for nonprofits. They will provide the system for free.