

October 2008

Meet Your Campaign Goal Sooner This Season

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Increase Charitable Donations: Better Identify Prospective Donors and Their Giving Capacity



*Determine who to ask,
and how much to ask for*

The article "Asking the Right Person for the Right Amount," by Kim Klein, describes three stories of how solicitors for nonprofit organizations have set themselves up for failure by incorrectly targeting prospective donors, and then requesting them to donate the wrong charitable amount. Klein explains that this problem is not unusual; it is difficult to determine who to ask, and then how much to ask for. Based on lessons learned from the stories, she offers a few suggestions on how nonprofit solicitors can approach this problem.

Guidelines to Follow When Identifying a Prospective Donor

Guideline 1: A prospective donor is somebody that donates money, we have an idea about how much they give and what causes they support. It

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Research suggests targeting younger donors

["How to Write a Successful Fundraising Letter"](#)

Receive more donations with more effective fundraising letter requests

Words of Wisdom

Donors don't give to institutions. They invest in ideas and people in whom they believe.

-G.T. Smith

is obvious that all of this information is not necessary to obtain before approaching a prospect, but neglecting to understand the prospect decreases the chances of receiving a charitable gift and increases the likelihood of damaging a future or current donor relationship.

Guideline 2: The solicitor needs to be on an equal playing field with the prospective donor. This idea is more beneficial to those who are serving on the board of a United Way, and are generally working full-time for a different organization. It is not fair to solicit money from people who work for you because of the unequal relationship between supervisor and worker. This could cause the worker to feel coerced into donating money they do not have, or to a cause that they do not necessarily support. This guideline applies for any other instance in which the solicitor may have an unequal relationship with a prospect.

Guideline 3: Once the solicitor understands what type of cause the prospect contributes to, they must make sure that the United Way they are raising money for supports that particular or a closely related cause.

Ideas to Consider When Determining the Appropriate Amount to Request

- Request a long-time donor to donate a higher amount than a first-time donor. Somebody that has a longer relationship with your United Way will probably donate more than somebody who has just recently become interested in the causes your organization supports.
- Take clues from what the prospect says in regards to the size of their donation. If a prospect says, "I would like to make a significant gift," the solicitor should feel comfortable requesting a higher amount on the gift range chart.
- To justify donation requests to prospects, solicitors should reference what they are asking for to the fundraising goals and the gift range chart.
- Consider the size of a gift donated by somebody as a place to start negotiating for a future gift. The solicitor can ask if they can donate again, if they could possibly double the gift, or if they could donate the same amount on a consistent

Fundraising is the gentle art of teaching the joy of giving.

-Hank Rosso

Fundraising Statistics

- In 2007, for the first year ever, U.S. charitable giving broke the \$300 billion mark
- Individual donations account for 82.3% of total U.S. donations
- Foundations account for 12.6% of total U.S. donations, and corporations account for 5.1%
- Overall charitable giving increased by 3.9% in 2007, an improvement from the steep decline in 2006
- Public-Society Benefit Organizations, such as United Ways received 7.4% of total giving in 2007
- The following is a breakdown of which types of organizations donors gave to in 2007:
 - Religion 33.4%
 - Education 12.1%
 - Human Services 9.7%
 - Health 7.6%
 - Public-Society benefit (United Ways, etc.) 7.4%
 - Arts, Culture, and Humanities 4.5%
 - International affairs 4.3%
 - Environment and Animals 2.3%
 - Foundations 9.1%
 - Unallocated giving 7.7%

Source: "Through the Roof! Trends in Philanthropy for 2008." About.com. 2008.



- About 30% of adults do not make any charitable

basis.

These are some great ideas to base prospecting efforts off of when raising money for your United Way. However, if you are still having trouble identifying and understanding both your target prospects and what amount to request from them, please visit our website at www.Perspec.com to see how Perspectives Consulting Group, Inc. can help your United Way through customized Donor Surveys. To get more information please contact Melissa Demetriou at (248) 524-0332, or at MDemetriou@perspec.com.

Source: Klein, Kim. "Asking the Right Person for the Right Amount." The Nonprofit Quarterly.

Continue to Raise Money in a Weak Economy



By avoiding three common mistakes, the weak economy can actually improve the effectiveness of your United Way's fundraising efforts

The weak economy can be considered a great opportunity for nonprofit organizations in the sense that it forces them to become more efficient to survive. With more efficient processes, nonprofits are already a step ahead of the economy once it finally improves. However, if nonprofits are not counteractive during a recession, they are decreasing the likelihood of reaching fundraising goals.

Ensure that your United Way will not become a victim of the economic downturn by avoiding these three fundraising mistakes:

Mistake 1: *Spending Less on Fundraising*

If times are hard, it is fine to tighten budgets where necessary, but do not slim down too much on fundraising activities. It is common for organizations to recognize the high costs of fundraising activities, and see this as an opportunity to save money by cutting the efforts significantly, or sometimes completely. Fundraising efforts can usually become more efficient and effective through minor modifications. Your United Way can reduce

contributions

- Personal solicitation, which is asking people for donations face to face or over the phone, typically results in a 50% response rate of prospects saying "yes"
- There is about a 1% response rate from direct mail donation requests

Source: Klein, Kim. "Asking the Right Person for the Right Amount." The Nonprofit Quarterly.

Featured United Way

Would you like your United Way highlighted in a future issue? Send information about your organization, accomplishments, and/or goals to info@perspec.com to reserve a spot!

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costs, or increase money raised by making adjustments to current fundraising activities. But your organization will be making less money if fundraising efforts are cut significantly.

Mistake 2: Becoming Pessimistic

When times are hard for your United Way, it is easy to think that it will never get better. But if you don't believe in the success of your organization, how do you expect your donors to? Nobody wants to donate to an organization that is uncertain about their future. Remember that your United Way is trying to improve the community regardless of the economy, and continue to have a positive outlook on the future.

Mistake 3: Apologizing When you're Asking For Donations

In a weak economy, people usually have to be much tighter with their money. Nonprofit solicitors know this and tend to feel awkward and act timidly when asking for charitable donations, which is a big road block to raising money. You should not feel bad when asking for donations. Although, if prospective donors just do not have the money to donate, or if donors have a limit to how much they can give, it is fine to be compassionate and understanding with them as opposed to pushing hard to get more money from them. Simply asking for a donation is not going to offend anyone.

Your United Way can take advantage of these tough times and become a stronger organization by learning from these mistakes. By continuing fundraising efforts, remaining optimistic, and appearing confident when requesting donations, your United Way will reach all fundraising goals through good and bad economic times.

Source: Pitman, Marc. "Succeed at Fundraising Despite a Recession." Step By Step Fundraising.

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