

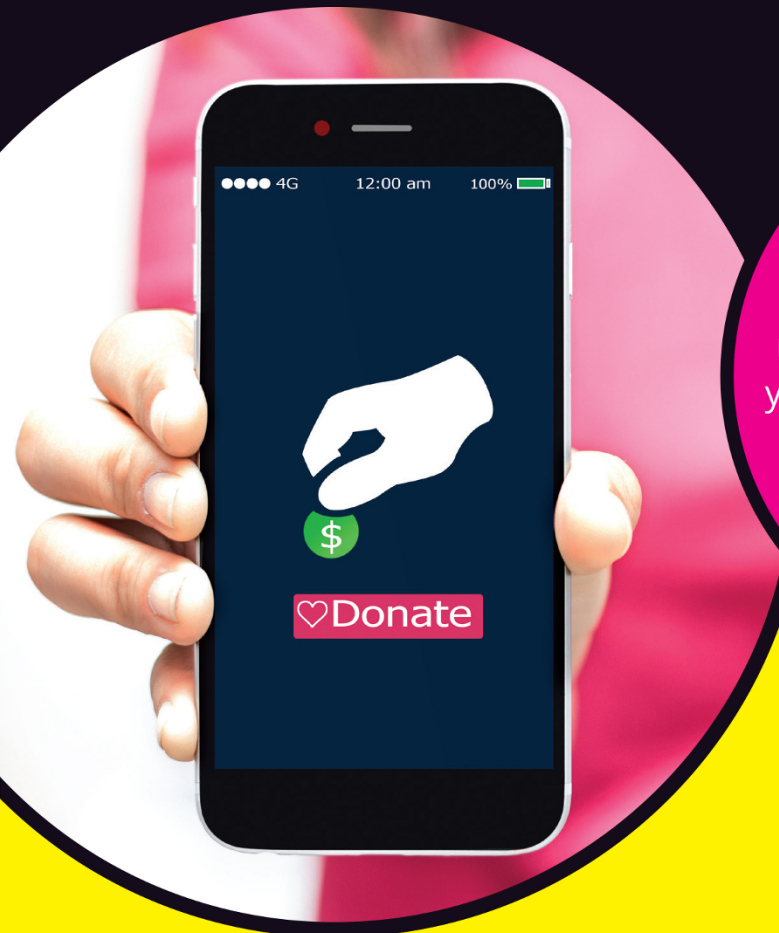
LEARNING MADE EASY



4th Edition

Fundraising

for
dummies[®]
A Wiley Brand



Build a community
of donors

Use social media to spotlight
your brand and tell your story

Ask for major gifts
and donations

**Dr. Beverly A. Browning,
MPA, DBA**

Grant writing consultant, coach,
and online instructor



Fundraising

4th Edition

by Dr. Beverly A. Browning, MPA, DBA

for
dummies[®]
A Wiley Brand

Fundraising For Dummies®, 4th Edition

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Introduction

Chances are you were initially drawn to working in the nonprofit sector because of a mission-focused organization that resonated with your innate altruistic nature — whether that cause was homeless families, environmental concerns, cutbacks in the arts, or public policy issues. You heard or saw something that touched your heart, and your mind opened to the possibilities of doing something to help. Maybe your checkbook opened, too.

Whether you wound up helping as a volunteer, joining a staff, or serving on a board, you connected with the agency because, first and foremost, you believed in the work it was doing. At some point, you realized that the fundraiser's role is right at the heart of the organization. Without funding, the agency wouldn't be able to do any of the good work that got you hooked in the first place.

As you certainly know, fundraising in any economic climate is a challenge, but raising funds in a financial upheaval is a challenge of new proportions. Not only is your organization vying with other groups for donors' attention, compassion, and financial gifts, but now you must swim against the tide of economic uncertainty, reduced assets, and general insecurity in the market. How do you encourage donors to give when they're fearful about their finances? How can you demonstrate the good stewardship of your group and share your success stories — all while reducing costs and furthering your reach? Is it possible to connect with your donors in new ways during economic hardship, honoring their contributions and inviting their engagement no matter how big their checks?

Fundraising For Dummies, 4th Edition, answers these questions and offers practical, tried-and-true ways to raise the funds you need in any financial landscape. Whether you run a one-person development office or chair a 20-member board of directors, this book walks you through assessing your fundraising climate, getting ready to raise funds, preparing a far-reaching fundraising plan, gathering your resources, and putting your plan in place. Additionally, this book shows you how to find and work with donors, set up a variety of fundraising campaigns, and explore effective, low-cost methods — such as reducing outdated fundraising approaches and maximizing your impact and contributions by using social media platforms to get the word out about the good your organization is doing in your community and around the world.

About This Book

No matter where you are on your fundraising journey, this book is here to help you find just what you need. You don't have to read it cover to cover to find value, but I do suggest that you start by looking at Chapter 1, which gives you a sense of the factors that influence raising funds in a shifting economic landscape. Then feel free to wander where your interests and most urgent needs lead you. When I cover a particular topic in more detail elsewhere in this book, I include a cross-reference so that you can easily jump from chapter to chapter to read up on the areas that appeal to you most.

Throughout the book, I strive to make ideas and phrases easy to understand, putting things in simple terms with advice straight from the school of practical experience. The idea is to give you effective fundraising techniques fast — ideas you can put in place right away — without requiring you to spend a lot of time with complicated concepts that will rarely, if ever, affect what you do in real-world fundraising for your organization.

A quick note: Sidebars — the boxes set apart from the regular text — are side topics that may be interesting but aren't exactly essential to the fundraising topics at hand. Sidebars may point out the background of a term or practice, for example, or give you additional details on a topic mentioned in the text. If you want to speed through the book and skip the sidebars, go ahead; there's no need to feel guilty. (The same goes for anything marked with a Technical Stuff icon.)

One last thing: When this book was printed, some web addresses may have needed to break across two lines of text. If you come across a two-line web address, rest assured that I haven't put in any extra characters (such as hyphens) to indicate the break. So, when you're using one of these web addresses, just type in exactly what you see in this book, pretending that the line break doesn't exist.

Foolish Assumptions

I've made some assumptions about you as I wrote this book. I think the following:

- » You're a current or aspiring fundraiser.
- » You're feeling the impact of the shifting economy and want practical ideas for effective fundraising.

- » Whether you have 20 years of experience or are just starting out, you'd like some fresh ideas and advice that will help you use the best approaches and technologies available today.
- » You may be anyone from a full-time staff member to a volunteer charged with fundraising tasks.
- » You don't have a huge staff or open-ended budget.
- » You care about the mission you're raising funds to support and want to make a positive difference.
- » You don't have time to waste; you need to get to work right away with ideas and tools that can help you succeed.

Icons Used in This Book

If you've ever used a *For Dummies* book before, you know that each book has a lot of little pictures on the pages, showing you what's special and important about a particular paragraph. Here are the icons I use throughout this book.



REMEMBER

This icon highlights useful concepts and practical information about fundraising.



TECHNICAL
STUFF

This icon flags information that delves a little deeper than usual into fundraising. Feel free to skip anything marked with this icon if you're in a hurry.



TIP

Basic "how-to-do-it-better" ideas appear with this icon so that you can do things correctly from the start.



WARNING

Pay close attention to the information listed with this icon or your fundraising campaign could be a bomb.

Beyond the Book

In addition to the material in the print or ebook you're reading right now, this product comes with some access-anywhere goodies on the web. Check out the free Cheat Sheet for info on getting started with fundraising, tips for success, and more. To get this Cheat Sheet, simply go to www.dummies.com and search for "Fundraising For Dummies Cheat Sheet" in the Search box.

Where to Go from Here

Well, you could take the afternoon off and go watch a baseball game, but more than likely you're now fired up and ready to tackle some of the fundraising issues you're facing. Before you begin, however, view the following fundraising truths:

- » Fundraising starts with passion.
- » People want to give — even in tough economic times.
- » You help donors achieve their goals. (Giving truly is good for both the donor and the organization.)
- » Fundraising is a noble endeavor.

Don't believe these truths? By the time you're done reading this book, you will. In the meantime, sit back, feel confident that you're not alone out there in the big world of fundraising, and enjoy your trip through *Fundraising For Dummies*, 4th Edition. Feel free to start at the beginning or move to the topics that interest you most. Go wherever your fundraising heart takes you!

1

Getting Started with Fundraising

IN THIS PART . . .

Take some time to get your feet wet as you become familiar with the basics of fundraising, which is extra important in times of economic upheaval.

Approach fundraising with a passion for your cause.

Study issues and ethics connected with fundraising.

Put together a winning case statement.

Discover how to work well with board members and volunteers.

Make a fundraising plan (and know when to get help).

IN THIS CHAPTER

- » Keeping your eyes on the pulse of the economy
- » Discovering your opportunities during an economic downturn
- » Finding success by building lasting relationships
- » Taking advantage of an upcoming economic recovery

Chapter **1**

Fundraising Continuously During Economic Fluctuations

Chances are you love eliminating obstacles and taking on new challenges. You probably also enjoy people, have a passion for your cause, have skills that help you communicate easily, are personable, and know how to focus on details while keeping the big picture in mind. In your heart of hearts, you also may have a never-say-die belief that good causes need good people to raise the funds that keep them going.

Congratulations! Raising funds resonates in your heart.

Fundraising may not be the easiest job you ever do in your life, but as you gain understanding and experience, you discover that it offers great intrinsic and lasting rewards. These rewards may be relationships with passionate and dedicated people; the achievement of goals for a cause you believe in; or the excitement of knowing your efforts are contributing to the common good by way of putting food on the table for those who are hungry, opening doors for those who need them, or cleaning up the environment for the next generation. All along the way, you have

the chance to be a matchmaker of good works and good people — bringing together people who have a desire to help with an organization that needs them.

Even with all these inherent benefits, however, now isn't an easy time to be a fundraiser. If you've been in the role for any length of time, you've probably spent hours watching with a wary eye as the economy pitches and sways. You wonder whether donors will have anything left to give, watch your endowment drop, and cringe at the economic forecasts. After all, in almost every industry today — education, healthcare, social services, environmental protection, public service — you find giving numbers down, corporations tightening their purse strings, foundations offering fewer grants, and government dollars slowing to a trickle.

Although it's important to have your eyes open, to know what's happening in the world, and to discern how the current economic situation is impacting your organization, not everything is doom and gloom. As you see in the world around you, times of disequilibrium find their way back to balance. As the economy shifts and topples, you get the opportunity to look more closely at your foundation, your approach, your programs, your messaging, and your people. You now have the time to give a closer look to the areas you took for granted when times were good. How has your organization changed? What are your opportunities today? How can you work together with your staff and board more effectively — while improving your efficiency and cutting costs at the same time — so that when the numbers begin to rise again (and they will), you're ready to move even more effectively into the abundance?

This chapter offers practical in-the-trenches ideas for navigating through rough patches, capitalizing on your successes, and planting seeds now for some major blossoming in the months and years ahead.

Looking Ahead and Planning for Revenue Ups and Downs

Beginning in 2020, the world's economy was showing signs of record-breaking decline from the deadening grips of the COVID-19 pandemic. Unprepared non-profit organizations had no choice but to lay off staff and close their doors to those in need of their services. A darkening cloud of economic doom became the demise of thousands of nonprofits. However, the Giving USA Foundation, a public service initiative of The Giving Institute, released a report stating that even in a year of unprecedented events and challenges, charitable giving exceeded \$470 billion. How can this be explained? Why are donors even more charitable when the economy is strangling their savings and investments?



TECHNICAL
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Early on, Giving USA predicted a bullish 2022. Individual giving was predicted to be strong because of the growing trends in the stock market. The temperature of philanthropy is highly correlated to the strength of the stock market. Flash back to 2021, when Giving Tuesday raised \$2.7 billion — a 6 percent increase over 2020. Donors increased during the pandemic. So why did so many small- to mid-size nonprofits close their doors? A lack of preparedness on the part of their governing body.

When times are hard, giving doesn't necessarily decrease, as previously perceived. Giving levels in 2021 proved this to be true. While the struggle is real for nonprofits that depend on donations to keep their doors open, some donors have yet to be cultivated and asked to give for their charitable causes.



REMEMBER

It's important to balance the dismal facts and figures that accompany economic downturns with a larger sense of the ebb and flow of philanthropic work. Money may be tight right now, but the number of people who care about your cause isn't in short supply. Being able to tell your story in a positive way that clearly shows others how they can help is an important first step toward fulfilling your mission in any economy. With a little creativity, vision, collaboration, and passion, you may find that you can easily do more with less — while serving a greater number of people than you'd previously thought possible.

In the following sections, I outline some of the difficulties your organization may be facing and point you in the right direction for coping with them.

Creating a contingency plan for the continuation of services

Looking ahead and planning for revenue ups and downs is your primary role as a fundraiser. During the COVID-19 pandemic, nonprofit organizations that shuttered their doors didn't have a plan for continuing operations during unexpected and precarious times. Every time you start a job with a new nonprofit, it's critical to assess operational strengths and weaknesses. Why? Because the weaknesses must be brought to the governing board's attention so that they can be addressed expeditiously.

Here are some leading questions to ask of the senior management staff and the board members:

- » If our building is uninhabitable because of weather, fire, or building code violations that result in it being condemned, where will we provide our services?

- » If we can't meet with our clients in person due to national or state lockdown, natural disasters, a pandemic, or escalating violence, what plan is in place to move all services to virtual via the internet?
- » What past and current donors will step up and support us for the continuation of services?
- » Who are our untapped work and social connections that have the financial means to contribute to our organization?



REMEMBER

The best time to plan for continuation services and sustainability is when times are good: There's no crisis, money is flowing in as expected, and the economy looks stable. Frantically looking for funding amid an economic crisis is unforgivable hindsight. Think ahead, and plan ahead!

Preparing your board and staff for organizational survival

Nothing about the fundraising climate is ever business as usual. Giving happens in ups and downs. This basic fact reveals three stark revenue stream–planning realities that every fundraiser needs to recognize in times of economic challenge:

- » **Reality 1:** When giving is down, you want to be prepared.
- » **Reality 2:** When personal income is down, clients are most in need of services.
- » **Reality 3:** When government expenditures are down, private sector funding increases.

As a fundraiser, these three realities add up to the realization that unless your organization hits it big with a major event, gets a huge grant you've been working on for a while, or suddenly discovers a sleigh full of major donors who are intact financially and ready and willing to give, your donations are likely to be lower than forecasted during an economic slump if you've been negligent in studying giving motivations and patterns. To top it all off, if you're an organization that relies less on people for donations and more on government support for your programs and services, you may find that your program has been reduced, underfunded, or even cut off from your source of state or federal funding.

To help you navigate these choppy waters, I've included information in Chapter 8 on how to connect with your donors in a variety of low-cost, high-impact ways. Chapter 11 helps you think through your approach for writing engaging, inspiring grant proposals, and all chapters in Part 4 focus on specific campaigns you can use to approach your donors in different ways.

READY FOR THE GOOD NEWS?

Are you ready for some good news? In his book *Democracy in America*, Alexis de Tocqueville wrote that people generally rise to the occasion they're presented. Most people have seen evidence of this phenomenon in their lives, whether it's a neighborhood rallying for a sick child, a community raising funds for an after-school program, or dramatic and personal humanitarian efforts like all those who came together to help the citizens of Ukraine.

On the one hand, you must face the facts and figures and deal with the dire predictions and circumstances that accompany down economies. But on the other hand, you have the history and culture of what countless people have done in the United States to combat bad times in the past. Somehow or other, when times are tough, individuals and organizations alike develop more compassion for those in need and for those causes that are important for society. Your organization can do the same today as you figure out how to do a better job of working with what you have — doing more with less.

All the hardship you're dealing with now offers you countless lessons to learn, and it may even result in a more efficient, focused, and streamlined organization. As you make your way over the many hurdles, you gather lots of wisdom from the experience. Plus — and this is icing on the cake — when things begin to get better, you have one heck of a good story to tell.

Coping with staff reductions and shrinking budgets

Watching contributions slip and investment values fall inevitably strikes a cold fear in the heart of every nonprofit leader and fundraising team. Sure, the idea of reducing programs and services is a difficult one. But the toughest calls of all for organizations founded on the idea of people helping people are the ones that impact the lives of the people you serve and the friends and colleagues you work with. Does a decision you feel you have to make to cope with the current economic state mean that staff won't get a raise this year? That some open positions will go unfilled? That layoffs are on the horizon?

In Chapter 5, I show you how to help your board tackle the tough decisions so you know what to plan for and what to expect. You may be surprised to find a little breathing room and discover that you can chart a course that's open and honest and that builds trust throughout the entire organization, even — and perhaps especially — in the midst of trying times.



TIP

You may not be able to give staff a raise this year, but you can offer other benefits to offset that loss. Depending on the way your organization is structured, you may be able to offer flex time, give an extra personal day, or change other perks that don't relate to an increase in the bottom line.

Finding partner organizations and revenue sources

Fundraising executives must be at the forefront of forging partnerships with agencies that are financially rock-solid, have been in operation for decades, and know the movers and shakers who can write a large contribution check with just a phone call. The world will always be in some type of recovery, whether it's a plethora of financial disasters, natural disasters, or war. Finding and maintaining positive relationships with economically stable partner organizations like banks, long-time municipal government agencies, stock brokerage firms, and more can turn out to be your organization's saving grace when revenues are down. Another term for these types of revenue sources is old money.

In Chapter 3, I offer a number of resources to help you steer your organization effectively using ethical principles in fundraising. In that chapter, you discover a number of organizations that are designed to uphold the best ideals in fundraising and are made up of people who work to guarantee that, troubled times or not, fundraising remains a noble endeavor.

Making Revenue-Producing Changes

Even though at times the challenges you face as a fundraiser may feel more like mountains than molehills, you cross all challenges the same way: one step at a time. Wherever your organization finds itself — in financial peril, in economic uncertainty, or with lower-than-expected donations and few prospects for grant funding — you can locate a path to more solid ground. Use the measures presented in the following sections to begin to restore a sense of stability.

Whittling down your mission

Your current situation presents opportunities to look more closely at the programs and services you offer and to get clear about your priorities and positions. You can fine-tune your case statement, revisit your mission and consider reducing a long-winded paragraph to a mere one sentence, engage your board to approve the