Creating Prosperous Donor & Business Relationships

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I. The Landscape
1 million+ 501(c)(3)s, 600k other nonprofits
~75% w/less than $500k budget
$1.4 Trillion

Total

55% Earned

31% Gov’t

14% charitable

82% individuals & bequests

18% foundations & corps.

8-11% C.D.

Education, religion etc.

Data from the Independent Sector
2008-2009

Yay

• Donations declined 11-15%
• Corp. relatively steady or up

Ick

• Foundation grants flat
• PA ranked 38th in ave. contributions/tax return
Yay
- Monthly, **online**, “a-thon” gifts all up
- Corporate giving flat then up

Ick
- Only half of NFPs met reduced fundraising goals
- Small NFPs saw less fundraising growth
2012-2013

Yay
- Foundations predict static to slightly up
- Individual and corp. giving expected up

Ick
- Uncertainty in markets and employment
- Fewer people attached to congregations
- Trust in institutions (& NFPs) down
II. Appealing to Donors

And small business owners and family funds...
What You’re Selling

Don’t let millions of product ads kick your butt!
Socioeconomic Drivers of Giving

- Older give more
- Poor and Af-Am give higher % of income
- Millennials
  - Prefer specific projects, trustworthy personalities
  - Still want face-to-face first ask, but then want shareable electronic follow-up
Drivers of First Gifts

» Positive personal experience before ask
» Asked by someone they know or respect
» Asked by someone with stake in the mission
» Intent of gift is assured
» Strong nonprofit brand
» Seed $ or match $ exist
Crafting Your Asks

1. Answer “Why me?” for the donor
2. Quickly establish personal rapport
3. Lead with emotion and story
   - Don’t confuse w/ statistics or freebies
4. Start with benefit to one person, family, property
» Answer “Why are you asking?”

» Show proof the donation can do good and is needed

> Quotes from participants or peers

» Personalize the scale of the issue & solution – offer hope
3

» Answer “How much do you want and can I have some say?”

» Invite quick, specific action

» Make it incredibly easy to give

» Make the action seem a social norm

> Suggest up: 3 levels of gift with middle an increase from norm
The Effective Donor Thank You

Within a week, send letter/e-mail:

1) Vivid story of impact
2) Give donor credit for making it possible
3) Gratitude for gift amount
4) You’ll stay in touch (how...) and your contact info
5) Personal signature and note

6) Tax language in small print at bottom
Drivers of Repeat Gifts

» Prompt gift acknowledgement

» Follow-ups showed measureable results from gift

» You showed trustworthiness & integrity

» Availability of recurring and online gift options, and designated gift options
Keeping the Relationship Alive

» Slow-drip communications

» Rewards: low-cost, personal connections to impact like photos

» In-person community building events w/peers (ex. house party)

» Engaging them in your online tribe
III. Meaningful, Targeted Relationships with Businesses
Prospecting

» Evaluate each business in your community
  > How do they advertise?
  > Who are their clients?
  > Where are they located?
  > What do they care about?

» Map Your Assets/Who are your:
  > Vendors
  > Board
  > Neighbors
  > Businesses
One corporate development plan does not fit all

- Do not send a sponsorship package blindly
- Shrink your list

Create opportunities for businesses at every size:

- Tickets to events are valuable to few
- Advertising isn't a priority for every company
- Do not under estimate small businesses
- Create a benefit that reflects the company’s values
  - Employee training and development
  - Client cultivation
IV. Putting It Into Practice
5 Fundamental Truths

1. It’s about me, not you
2. People give to people for results
3. Reciprocity of relationships trumps all
4. Civic reach = resource development
5. Be online or be left behind