Essentials of Development
The Asking Process
2018-2019
Where the Money Comes From

For the first time ever, charitable giving exceeded the $400 billion mark in 2017, spurred by growth from all four sources of giving.

$410.02 billion

Where did the generosity come from?

Contributions by source (by percentage of the total)

- Giving by Individuals: $286.66 billion, increased 2 percent (2.5 percent when inflation-adjusted over 2016)
- Giving by Foundations: $66.90 billion, increased 6 percent (3.8 percent when inflation-adjusted over 2016)
- Giving by Bequest: $38.70 billion, increased 1 percent (0.2 percent when inflation-adjusted over 2016)
- Giving by Corporations: $80.77 billion, increased 82 percent (3.7 percent when inflation-adjusted over 2016)

Giving by individuals increased $14.27 billion over last year for a growth rate of 5.2 percent, on track with the growth in total giving.


Where are all of the charitable dollars going? (as a percentage of the total)

- 31% Religion
  - $127.37 billion
- 14% Education
  - $58.90 billion
- 12% Human Services
  - $50.06 billion
- 11% To Foundations
  - $45.89 billion
- 9% Health
  - $38.27 billion
- 7% Public-Society Benefit
  - $29.59 billion
- 5% Arts, Culture, and Humanities
  - $19.51 billion
- 6% International Affairs
  - $22.97 billion
- 3% Environment/Animals
  - $11.83 billion
- 2% To Individuals
  - $7.87 billion

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.3 percent all the way to 15.5 percent.

Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.
Major Gifts For Your Organization

• What is a major gift?
  • A gift that has a lasting and significant impact on your organization
  • Depending on your institution, it could be an investment in the future from $1,000 to $1,000,000
Major Gifts vs. Other Funding

- How is major gifts fundraising different from other kinds of fundraising?
  - Your major donors are your #1s on your segmented donor list
  - 80% or more of all the dollars that Americans give to charity are contributed by 20% or less of the population in gifts of $5,000 or more
  - 20% of your donors represent the life blood of your organization
  - In capital campaigns, the ratio is more like 90% and 10%
Major Donors and the Annual Development Plan

• There should be a specific assignment of these donors to either the executive director and board chair or member of the development committee

• An individual strategy should be a part of the gift plan in the case statement, based on the donor’s history and capacity
Remember: 3 Contacts Before the Next “Ask”

• These contacts build a “donor-centered” relationship between the donor and the organization

• It also allows the relationship manager to come to understand the donor as an individual so the response can be to his/her motivations and needs
Know Your Major Donors

• How are they connected to the organization, you, and the people you serve?

• What is their capacity to give?

• Have they shown or demonstrated generosity in the past? Are they “givers?”
Listen!

- People sometimes think that effective fundraisers talk, when it is much more important that we know how to listen.
  - Let the case statement “do the talking”
  - We find out what we need to know about our donors by gradually and gently posing open-ended questions and listening to the answers
  - Keep good records of your conversations so you will remember each and every important learning
Asking for the Gift

• Remember the “Four I’s of Development” – *Interest, Inform, Involve, Invest*
  • Start with **INTEREST**
  • **INFORM** the interest
  • **INVOLVE** them in their area of interest
  • Then the donor will be ready to make an **INVESTMENT**
Asking for the Gift

• The mistake that many organizations make is to start at the **INVEST** end of the process and find that they have little success

• Be prepared to ask for a specific dollar amount or a financial range that fits within the donor’s capacity
6 Principles of Fundraising

1. People give to people – people they know and people they trust
2. People give because they are asked
3. People give when they are involved and have a sense of ownership
4. Giving is a way of life
5. A “no” is never forever
6. Proper planning maximizes results and minimizes costs
Thank you.

360-694-8415

murdocktrust.org