Fundraising for **Academic Leaders** Webinar Series: The Changing World of Philanthropy

November 21, 2019
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fund·raise

YOU’VE GOT A CAUSE.
LEARN HOW TO FUND IT.

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#SIPwebinar
Learn to utilize trends to influence donor conversations

Gain a better understanding of what motivates donors to give

Understand the importance of pre-approach
REFLECTION

“We make a *living* by what we *get*, but we make a *life* by what we *give*”

- Winston Churchill
Philanthropy Trends

• More people give than vote in the U.S.
  • Participation IS important

• Gifts of $100M or more totaled $1.495B (estimated)

• Transformative, far-reaching initiatives

• Philanthropic changes are being driven by younger donors
Philanthropy Trends

• Large giving driven by older donors

• Higher Education drives mega gifts

• Donors: the wealthy and the not-wealthy
Giving USA 2018: Contributions by Source

Giving by individuals declined in 2018, comprising less than 70 percent of overall giving for the first time in at least 50 years.
Mega Donors

- Among very wealthy and very generous philanthropists, giving does not go directly to existing charitable organizations.

- Many of those who earned their fortunes through entrepreneurship will gravitate toward entrepreneurial philanthropy.
Mega Donors

- **Big donors** are interested in funding **big ideas**.

  Big solutions to big problems

- **Two-thirds** of all individual philanthropy in the U.S. comes from the **top 3% of U.S. households**.
• Donors have a keen interest in their own legacy.

• Donors want to make a lasting difference.

• They will likely be more interested in funding your programs and initiatives that help establish their legacy than simply depositing their money into your organization’s investment pool.
• Some donors want to be assured of having a long-term, definable impact while others might be content having their name, or the name of a loved one, on a Fund, Program or Building.

The key is to understand what motivates the individual.
Donors are online.

They:

• View your **website**
• Engage in **crowd funding**
• Give **online**
• Take surveys

**Survey Monkey anyone??**

**TIP:** Optimize your website for viewing on **mobile devices** such as smartphones and tablets.
Donors are online.

- Use more videos - they are more effective than photos.
- Use more cute images versus sad.

Cute is more effective.

- Allow donors – particularly younger donors – to design their own campaign through crowd funding.
Women Donors

- 63% of donations on Giving Tuesday were made by women

- 3.5% is the average amount of wealth that women donate

Men give 1.5%

- 57% increase in female-owned firms
Women Donors

• 45% of American millionaires are now women

• 2/3 of total American wealth will be controlled by women in 2030

• Women are more likely to support regional/community issues
Interdisciplinary Donors

• Institutions are building **Transformative Giving** departments to attract the largest gifts

OR

• Re-focusing their **Principle Giving** departments to strategically align with more collaborative opportunities in alignment with visionary donors
• Most donors see our institutions as **one**.

• They want to see **their** vision as **our** vision.

• What is **your role** in interdisciplinary gifts?
  
  • Instigator?
  • Facilitator?
  • Broker?
  • Educator?
  • Other?
• Donors are trending towards supporting fewer causes
  • 64+ support twice as many causes as those <64 age
• This has huge implications, as younger age groups are not adding causes as they age
• AFP’s fundraising study shows only 45% of donors who give to a charity one year contribute to the same charity in the next year.

• The trend is even worse for new donors to a charity — just 26% of new donors give a second time to the same organization.
“There’s still a lot to unpack regarding 2018 fundraising trends. With the impact of the economy, tax law changes, and many variables beyond what was covered in this (AFP) survey, the use of donor-advised funds is also expanding exponentially, while the total number of people making philanthropic gifts continues to decline.”

- Martha Schumacher, CFRE, ACFRE, MInstF (AD), board chair
Donor Advised Funds

“DAF”

DAF’s are on the rise

What is a DAF?

A personal charitable savings account established by a donor with the sole purpose of supporting charities
Donor Advised Funds

Why do donors open DAF’s?

• The donor has a windfall

• The donor wants professional investment and advisor services

• The donor needs a tax deduction this year

• The donor likes the convenience of a centralized philanthropic account
Which donors open DAF’s?

- Strong **prioritization** of giving
- Desire to make an **impact today**
- Make **larger** than average gifts
- High rate of **volunteerism**
- **Long-term** thinking
- Desire to engage **family members** in giving decisions
How should we respond?
How should we respond?

• Make donors a vital part of your story.
  
  • What has your institution been able to accomplish together in partnership with your donors?

• Send out different types of communications, including updates on the impact that donor contributions and gifts have made.
  
  • Not every communication should include an ask for money.
• Thank donors.

  • *Donors give their money freely, and they should be thanked — a lot — for making the choice to contribute their money.*

• *Think about how retail is in this space.*

• Use **different methods** for reaching out to donors.

  • *Some donors may still want the traditional letter, while others may want to hear from you via email, text or social media (phone videos!)*
How should we respond?

- Ask your donors what they want.
  - How do they prefer to be contacted?
  - What do they think of what you’re doing?
  - What could you be doing better?
  - Use online surveys and other means and find out what your supporters are thinking.
Community Forum:

How are you addressing these changes at your institution?
CORE CONCEPT

• Donors no longer need a fundraiser or administrator to make a gift...so our job is to demonstrate our value.

• We are no longer gatekeepers.

• We are customer service agents.
The best philanthropic programs partner institutional strategic priorities with donor’s values & interests.

Donor community is increasingly sophisticated.

They demand higher levels of transparency, stewardship, management of funds, etc.

Difference between charity giving (transactional) and philanthropic partnership (long-term).
Donors give *through* organizations; not *to* organizations.

Higher level gifts are being shopped around and involve less donor loyalty.

Confidence level that this is the right organization, right plan, and right leaders to solve the problem is essential.

Donors want impact/change.

Milestones and higher levels of accountability to results are the new norm.
Fundraising is Evolving
Fundraising is Evolving

Relationship-based & Engagement-focused Fundraising

1. Mission Centered
2. Belief Driven
3. Donor Engaged
The Cause Selling Cycle

Phase One
Phase Two
Phase Three

THE EIGHT-STEP CAUSE SELLING CYCLE
represents the steps good fundraisers take to become great fundraisers.
REFLECTION

“I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

- Maya Angelou
Donor Cycle

Solicitation is either accepted or further negotiation and proposal needed.

Prospects are qualified or disqualified.
Another way to think about it...

The Six “I”s

1. Identify
2. Introduce
3. Interest
4. Involve
5. Invite
6. Invest
CORE CONCEPT

PASSION!
Types of Gifts

- Annual Gifts
- Major Gifts
- Principal Gifts
- Transformational Gifts
- Planned/Legacy Gifts
- Blended Asks
Identification

• Gathering and analyzing names of / information about potential prospects
• First substantial engagement between Development and Prospect that determines a prospect’s capacity and propensity to give
Cultivation

• A conversation or series of conversations and engagements that deepen the prospect’s interest in specific initiatives
Solicitation

• Asking the prospect to make a gift
• Thoughtful continued engagement that stewards not only the gift itself but also the donor’s commitment
Donors Must Have:

- Linkage to Your Cause
- Interest, Inclination, & Propensity
- Ability & Capacity
Raising Money Together

• **Personal** philanthropic commitment (stretch)
• Talking about your institution affiliation
• **Pride** in programs
• **Role modeling**
• Asking/inviting to “learn more” tours
• Salon events
• Signing of invites, emails and letters
• Peer screenings
• Volunteer recruitment
Fundraising is a team sport.
Questions?

Please send them in the chat!
CONTACT

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Fundraising for Academic Leaders

2019-2020 Webinar Series
with Kathy Drucquer Duff, CFRE
Founder, KDD Philanthropy

Mark your calendar!

BUILDING PROGRAM CHAMPIONS
February 4, 2020
10:30 a.m. – noon PST / 1:30 – 3:00 p.m. EST

Often schools or units will look to create a Board of Philanthropy Committee when they want to expand their philanthropic efforts.

Learn about the champion model, discover the role of a champion, and learn how to convert champions to influencers and donors.
DON’T MISS OUR NEXT WEBINAR!

When IT Hits the Fan: Everyone’s Role in Crisis Communications

December 18, 2019
11:00am – 12:00pm PST
2:00pm – 3:00pm EST

Register Today!
Thank you
TAKE YOUR CAUSE AND CREATE IMPACT.

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