

CWLA National Conference April 15, 2013

# Fundraising – Mixing Traditional and New for Best Results

### The State of Nonprofits



- Nonprofit clients continue to be vulnerable
  - 90% of nonprofits say conditions will be as hard or harder for clients in 2013
  - With jobs and housing as primary concerns for those in low-income communities
- Demand rises
  - 78% of nonprofits saw an increase in demand for services in 2012
  - Over half could not meet 2012 demand
  - 85% anticipate demand to climb again in 2013

# Government Funding Doesn't Cover Costs



- 1 in 3 organizations received less government funding in 2012 versus 2011
- Of state/local governments, 86% do not pay the full cost of services
- For federal contracts, 83% does not cover full cost of services
- And government is a late payer for most recipients
  - 51% of federal contracts pay late
  - 61% of state/local contracts pay late

### Where's the cash?



- Most nonprofits get by with little cash on hand
- 56% of nonprofits have 3 months cash on hand or less
  - 8% have no cash on hand
- But...some organizations are doing well
  - 31% broke even in 2012
  - 40% reported a surplus

# Nonprofit Roles in Fundraising



#### **ORGANIZATIONAL ROLES**

- CEO/ED
- Board

Volunteers

Development Director

#### IN OTHER WORDS...

- Fundraiser-in-Chief
- 100% financially contribute/20% fundraise
- Leveraged workforce but not loose cannons
- Chief Relationship Builder

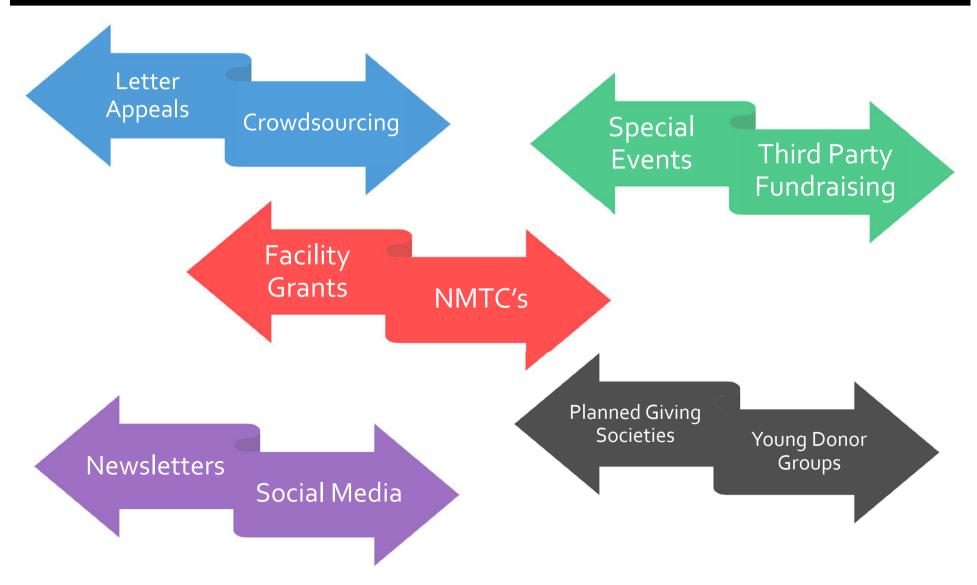
# Funding Needs Haven't Changed



- Operational
  - Grants (Foundation, Corporate)
  - Contracts (Government, Corporate)
  - Appeals (Letter, Fund Drive)
  - Events
  - Individual Donations
- Capital
  - Facility Campaigns
  - Loans
- Planned Giving/Endowment
  - Bequests/Wills
  - Charitable Gift Annuities (CGA's)
  - Trusts
  - Endowment Campaigns

# **But Fundraising Techniques Are**





### **Third Party Fundraising**

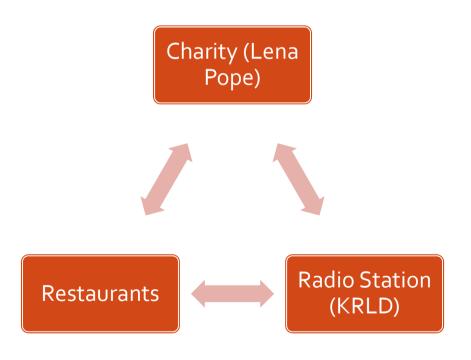


- "Special Events" are about the agency
  - Generally staff driven
  - Focused on the agency or mission
  - Usually "feel good"
- Third Party fundraisers equally about the agency and the other parties
  - Financial benefit to the agency
  - Exposure benefit to the third party
  - "Good business" not just "Feel good"

### **KRLD Restaurant Week**



#### THE PARTNERS



#### THE BENEFITS

- Charity benefits by a portion of each meal purchased by diners
- Restaurant benefits by new business, enhanced perception in community, business during slow period (August)
- Radio station benefits from exposure, paid advertising spots, and community perception

Bottom Line - \$130,000 to Lena Pope Home (2012 results)

### Social Media – The New Newsletter?



#### **NEWSLETTERS**

- 3-4 times per year
- Longer stories detailing success
- Donors listed at same time
- Shelf life of weeks
- Limited co-branding

#### **SOCIAL MEDIA**

- Ideally, daily but at least 3 times per week
- Soundbites
- Donor recognition tied to their schedule
- Shelf life of minutes
- Unlimited co-branding through sharing and reposting

# Co-branding Examples









# Young Professional Groups



- Building a young donor base for the future
- Not about immediate gratification (like Planned Giving) but "planting the seed"
- Less about mission more about the group's desires, needs, interests, etc.
- Key is to find the match between their interests and the needs of the organization
- Build upon desire for high engagement in direct service
- Be prepared for high turnover in the group and changing landscape of interests

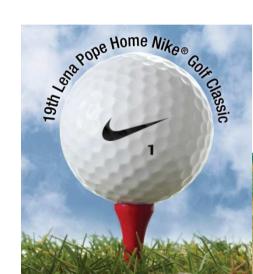
### Lena Pope's Young Professional Advocates



- 20-30 something age group equal parts social and service
- Interest is about young children, therefore the focus of the group is on the agency's elementary charter school and the early learning center
- Service projects are key engagement strategy
- Turn passion into fundraising Rock the Fort event

### Prioritize Efforts, Build Upon Success









Capital Campaign









### **Lessons Learned**



- It's not about replacement but addition
  - Organizations need to keep their traditional avenues but take advantage of new techniques
- Reach new audiences build your base
  - New techniques primarily reach younger audiences
- Long term strategy
  - New techniques will usually not drive big near-term returns
- Most organizations can't do it all prioritize your efforts

### **Contact Information**



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