The Recipe for a Successful Development Plan

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“To give away money is an easy matter and in anyone’s power. But to decide to whom to give it and how large and when, and for what purpose, is neither in everyone’s power—nor is it an easy matter. Hence it is that such excellence is raised, praiseworthy and noble.”

» Aristotle
2011 Charitable Giving

Total = $298.42 Billion

Individuals
$217.79 B
73%

Corporations
$14.55 B
5%

Foundations
$41.67 B
14%

Bequests
$24.41 B
8%

Source: Giving USA 2012
Basic Truths of Fundraising

• Organizations are not entitled to support, they must earn it!
• Successful fundraising is not magic, it’s hard work!
• Fundraising isn’t just raising money, it’s raising friends!
• You don’t raise money by begging…you do by selling!
Basic Truths of Fundraising

• People have to be asked to give!
• Don’t wait for the “right” moment to ask, ask now!
• Successful fundraising staff don’t ask for money, they get others to ask for it.
• Raising money takes time – plan & initiate!
The Dimensions of U.S. Giving

• 80% of all households donate $ each year
• 63% of Americans have given online
• 99% of households with a net worth of $5,000,000 + give
• 81% of all charitable gifts are from individuals
• $41 Trillion dollars is being transferred over next 50 years - $6+ Trillion will go to charities
Generational Giving

Matures (b. 1945 or earlier)
US population 39 million;
Estimated 79% give

Boomers (b. 1946-1964)
US population 78 million;
Estimated 67% give

Gen X (b. 1965-1980)
US population 62 million
Estimated 58% give

Gen Y (b. 1981-1991)
US population 51 million;
Estimated 56% give

Source: AFP
Generational Giving

Source: Convio, The Next Generation of American Giving, March 2010

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Philanthropic Motivation

- Desire to support worthwhile causes: 79%
- Responsibility to share good fortune: 69%
- Meet community's critical needs: 63%
- Help organization that has benefitted you or friend: 50%
- Set example for children: 46%
- Fill gaps left by government cutbacks: 29%
- Tax benefits: 11%
- Respect and recognition: 4%
- Pressure from peers: 2%
Importance of Women Donors

• Control 60% of nation’s wealth
• Net worth of $6.4 Trillion
• Own 40% of US Businesses – 10.4 Million
• Women outlive men by an average of 7 years
Know Your Information

- % Individual, Corporate, Foundation & Bequest
- # of gifts from each
- $ value of gifts from each
- ROI
Key Infrastructure Needs

- What is the makeup of your Board? Committees?
- Current Strategic Plan?
- Policies? (Gift Acceptance; Conflict of Interest; Investment; etc)
- Case for Support?
- Staffing?
- Fundraising Database?
- Donor Recognition & Acknowledgement Process?
- Online gifts?
- Donor Brochure?
- Communications, Marketing & PR?
- Professional Knowledge?
- Organizational Priorities?
- 100% Board Giving?
% of organizations that met or did not meet fundraising goals for FY 2010

NO 48%  YES 52%
Development Planning

“She/He who fails to plan, surely plans to fail.”
The Development Plan

• The Development plan exists for the following reasons:
  – To facilitate the creation of an institutional development plan that reflects the mission of the organization and supports its institutional priorities.
  – To coordinate all fundraising activities so that no prospective sources of support are overlooked and to create a diverse portfolio of income so that the organization is not overly reliant on any one source of income.
  – To sustain and build upon the relationships already established by the organization’s Board of Directors, Professional Staff members and donors or potential donors.
  – To plan for success and have a guide for fundraising and income for the next 12 months.
  – To implement based on current organizational readiness and capacity.
Development Plan - KEY ELEMENTS

- Direct mail
- Major donors
- Foundation grants
- Corporate grants
- Corporate matching gifts
- Cause related marketing
- Special events
- Online giving
- Email giving
- Mobile /Smart Phone Giving
- Social media
- Board giving
- United way
- Federated sources
- Governmental grants
- Service organizations
- Unsolicited gifts
- Memorial/Honorarium
- Product Sale
- Planned Giving/Bequests
- Fee for service
- Reimbursements
- Memberships
- Other
Most Cost Effective Ways to Raise $

- Email Marketing – $.02 per $1 raised
- Major & Planned Gifts - $.10 to $.20 per $1 raised
- Capital Campaigns - $.10 to $.20 per $1 raised
- Corporations & Foundations - $.20 per $1 raised
- Direct Mail (renewal) - $.20 to $.25 per $1 raised
- Special Events - $.33 to $.50 per $1 raised
- Direct Mail (acquisition) - $1.25 to $1.50 per $1 raised

Source: DMA 2009 & The Nonprofit Handbook 2002
Planned giving
Wills, bequests

Major Giving
(capital, endowment)
Personal contact

Special/Major Giving
Personal contact, letter, phone call

Repeat Annual Giving
Personal contact, letter, phone call

First-timer Annual Giving
Direct mail, online telethon, special events, media, door-to-door

Fundamental Principles

- People give to people
- People give because they are asked
- Most donors want to be recognized
- All donors want to be presented with a specific gift request and its impact
- A solicitor must first be a donor
- Enthusiasm is contagious
3 Types of Gifts Fundraiser’s Deal With

Annual Gift
- Frequently given & asked for
- Little decision making
- Typically unrestricted giving

Major Gift
- Infrequently asked for and infrequently given
- Extensive decision making/stop & think gift
- Consequences of poor decision greater
- Typically restricted in nature

Planned Gift
- Once in a lifetime ultimate gift
- Long-term relationship building
- Decision becomes emotional & takes longer
Consequences of Poor Decisions
Why Plan?

• So you know…..
  – Where you are going
  – What success looks like, and
  – When you get there
• To engage others in the process
• To secure the resources needed
• To educate about the process
• To set realistic goals
• To keep from getting sidetracked
• To know how to measure success
Fundraising vs. Development

• The raising of assets and resources for the support of an organization or project.
• It’s about asking and bottom line results.

• The total process by which an organization increases public understanding of its mission and acquires financial support for its programs.
• It’s about informing and building relationships.
Values-Based Philanthropy, Development, & Fundraising

1. Philanthropy based in Values

2. Development uncovers Shared Values

3. Fundraising Enables people to Act on their Values
What Does This Mean?

We need to cultivate a culture of philanthropy and establish a comprehensive development plan to be successful attracting support.
Key Elements for the Development Plan’s Success

- Level of board commitment
- Technology available or budgeted
- Commitment to professional development
- Community awareness/relationships
- Diversity of funding streams
For Each Element

• Goals
• Objectives
• Strategies
• Action Steps
  – Who is going to do it?
  – How much will it cost/raise?
  – When is it going to be done?
Areas of Focus in the Plan

• Communications
• Donor Relations
• Research
• Fundraising Programs
• Constituencies
• Technology and Infrastructure
• Human Resources
Who Should Be Involved in the Planning Process

• Development Staff
• Non Development Staff
• CEO/ED/President
• Board/Trustees
• Development Committee
• Consultants
The Process

• Determine who will be involved
• Gather information
• Plan meetings
• Set realistic goals and objectives
• Determine strategy
• Assign budgets, timelines and areas of responsibility
Plot out the calendar what is going to happen when in your organization’s Development Plan!
The Development Plan is Based on “Best Practice.”
Implement the Plan

- Appoint someone to monitor the plan
- Provide clear accountability
- Make plan part of evaluations
- Link metrics to the plan
- Start staff meetings with link to plan
- Provide updates to Development Committee
- Adjust the plan as necessary
Steps To Create Your Development Plan

- Do you have a culture of philanthropy within your organization?
- Have you identified potential funding sources?
- What are the steps to cultivate relationships with potential donors?
- What is the Scope of your program going to look like?
- Write the Development Plan.
- Gain acceptance by Board & Senior Executives.
- Implement your Plan.
- Manage and evaluate annually.
- Maintain the highest ethical standards of professional practice and follow all federal, state and local laws.
“I hate having to use the first person. Nearly everything in my life has been accomplished with other people… It’s the we that counts, not the I.”

Jack Welch
Thank You!!!!

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