



## **Strategically Thinking about Sustaining Your Program's Finances**

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August 22, 2012, 3:10 p.m. - 6:10 p.m.  
2012 MOWAA Annual Conference  
Gaylord National Harbor Hotel

# Objectives

- To evaluate your program's impact as a foundation for fundraising.
- To review and understand current giving statistics, trends, and challenges.
- To identify determinants of giving and how they fit Meals on Wheels.
- **To review the case and how to adapt it to current times and donors.**
- To identify possible donors, how to ask their support, and how to keep them.
- To put it all together in a plan that actually works.

# Agenda

- Charting impact, because accountability and results are more important than ever.
- Who gives and why.
- Challenges for fundraising, leading to what we can/will do about these.
- Brief overview of a full-fledged fundraising program.
- Exercise on making a case.
- Identifying prospects and donors, how to reach them, what tools to use, and how to aim for sustainability.
- Overview of a plan that supports income sustainability.
- Q/A

## Charting Impact: The Five Questions

- The Charting Impact framework can [help your organization](#) consider and communicate your progress toward impact. As more and more nonprofits and foundations create their [own Charting Impact Report](#), it will be easier for organizations to collaborate and for potential supporters to direct their time and funds to those groups that are making a difference.
- Central to Charting Impact are the five simple yet powerful questions that generate an organization's report.



### **1. What is your organization aiming to accomplish?**

Clearly and concisely, state your organization's ultimate goal for intended impact. Identify the groups or communities you aim to assist, the needs your work is addressing, and your expected outcomes. Examine how your goals for the next three to five years (or an alternate timeframe specified in your answer) fit within your overall plan to contribute to lasting, meaningful change. When finished, ask yourself, "If someone unfamiliar with our work were to read this, would they have a clear definition of what long-term success means for my organization?"

*Why is this answer important?*

Articulating your organization's long-term goals helps others understand your mission and intended outcomes. It also gives context and purpose to your day-to-day activities. Your response to this question is the foundation for your responses to the other four.

*Your answer:*

## **2. What are your strategies for making this happen?**

Describe your organization's strategies for accomplishing the long-term goals you cited in your previous answer. Specify the broad approaches you employ and why your organization believes these methods will benefit your target audience or advance your issue. Lay out near-term activities that serve as important building blocks for future success, explaining how these elements strengthen your organization's strategic approach.

*Why is this answer important?*

Clearly articulated strategies help those outside your organization understand how you aim to accomplish your long-term goals. Your long-term strategic approach also helps your organization determine appropriate near-term activities.

*Your answer:*

### **3. What are your organization's capabilities for doing this?**

Detail the resources, capacities, and connections that support your progress towards long-term goals. While describing your organization's core assets, identify both internal resources (including, but not limited to, staff, budget, and expertise) and external strengths (including partnerships, networks, and influence) that have contributed to, or will contribute in the future, to the accomplishment of these goals. Also include any future resources and tools that will further strengthen your work.

*Why is this answer important?*

Identifying your organization's specific capabilities and how they are aligned with your long-term goals can help you deploy your resources effectively, giving stakeholders confidence that these resources are being utilized constructively. The purpose is not to list every resource, but to identify how your organization's capabilities, both internal and external, will contribute to your intended impact.

*Your answer:*

#### **4. How will your organization know if you are making progress?**

Explain key qualitative and quantitative indicators against which your organization assesses your progress toward your intended impact. In addition to describing what you measure, identify key milestones – what your interim targets are, and when you want to reach them – that signal progress and success. Include a description of your assessment and improvement process: the qualitative and quantitative methods you use as you monitor key indicators, and how your organization uses and will use that information to refine your efforts.

*Why is this answer important?*

By definition, a long-term goal is not accomplished overnight. Monitoring key indicators and marking important accomplishments along the way help an organization stay on track, instill confidence in its methods, and let both internal and external stakeholders track movement toward achieving long-term goals.

*Your answer:*



## **5. What have and haven't you accomplished so far?**

Demonstrate recent progress toward your long-term goals by describing how your near-term objectives are propelling your organization toward your ultimate intended impact. Go beyond the outputs of your work to make clear how these outcomes are contributing to fulfilling long-term goals. In describing both outcomes achieved and those not yet realized, include what your organization has learned about what does and doesn't work, what risks and obstacles exist, and what adjustments to goals, strategies, or objectives have been made along the way.

*Why is this answer important?*

Sharing the outcomes of recent work offers an opportunity to reflect on your organization's purpose, while affirming that progress has been made toward long-term goals. Focusing on outcomes—and not just outputs—also improves your organization's ability to identify important strategies and variables affecting pursuit of your ultimate impact.

*Your answer:*

- Linked to Independent Sector's website:  
[https://www.independentsector.org/charting\\_impact](https://www.independentsector.org/charting_impact)
- <http://www.chartingimpact.org/about/five-questions/>
- Retrieved 7/6/2011

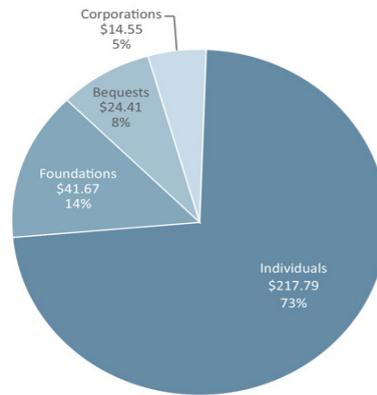
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# Giving USA

2011

## 2011 charitable giving Total = \$298.42 billion

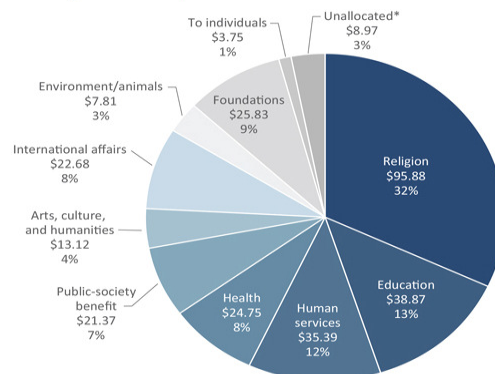
2011 contributions: \$298.42 billion by source of contributions  
(in billions of dollars – all figures are rounded)



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## Types of recipients of contributions, 2011 Total = \$298.42 billion

2011 contributions: \$298.42 billion by type of recipient organization  
(in billions of dollars – all figures are rounded)



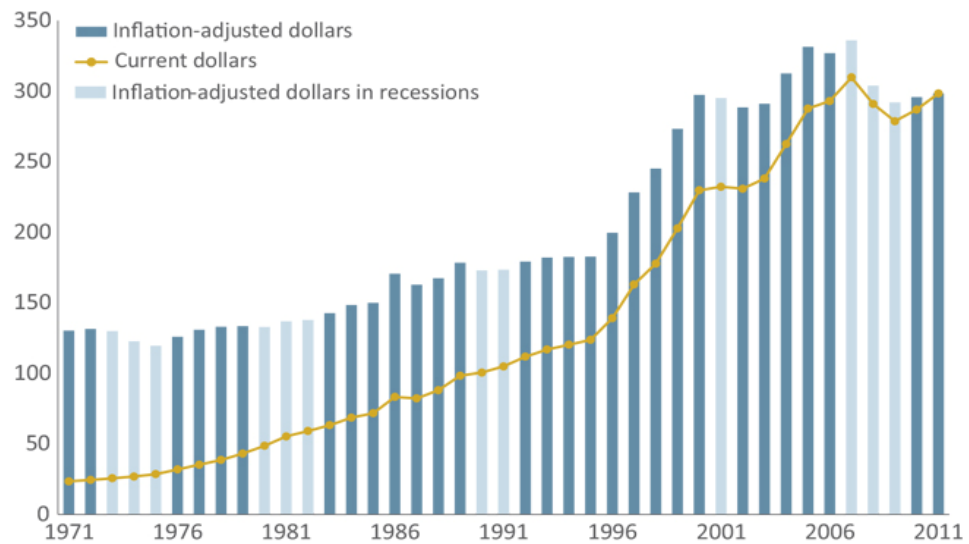
Includes rounding to get to 100%

\* Includes gifts to non-grantmaking foundations, deductions carried over, contributions to organizations not classified in a subsector, and other unallocated contributions

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# Total giving, 1971–2011

**Total giving: 1971–2011**  
(in billions of dollars)



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## Where Philanthropy is Headed in 2012

- Using bad economy as a reason for poor fundraising won't work this year.
- Donors want to support organizations with strong results.
- Relying on tough times is a weak argument. It only worked for 18 months.
- Fundraisers need to "do something wonderful" that will carry a message to donors that the charity is fulfilling its mission.
- Four out of five Americans plan to give at least as much this year as in 2011.
- Charities that make the right moves have a chance to win gifts from 44 percent of donors who said they could have afforded to give more last year.
- An executive summary of "The Cygnus Donor Survey: Where Philanthropy Is Headed in 2012" is available free [online](#). A copy of the full report may be purchased for \$75 at [cygresearch.com/downloads](http://cygresearch.com/downloads) or by calling (800) 263-0267.

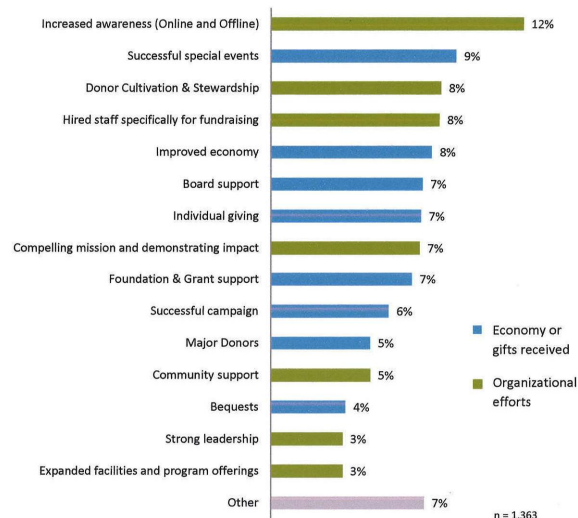
## Nonprofit Research Collaborative Study

- Seven in 10 nonprofits expect their donations to increase this year, after 2011.
- Recovery is uneven
- Thirty-one percent, mostly small organizations, said contributions dropped in 2011.
- Forty-one percent said they did not meet their fundraising goals.
- A big burst in donations during the last three months of 2011 enabled 53 percent of groups to surpass the amount raised in 2010.
- Most nonprofits attributed their success to taking advantage of online fundraising tools, relying on diverse sources of money, and encouraging their board members to take their role as fundraisers more seriously.
- *Reported in the Chronicle of Philanthropy, April 2012*

## Nonprofit Fundraising Study 2012

- Charitable receipts rose in 2011 at more than half of surveyed organizations
- Six in 10 respondents met their fundraising goal
- Respondents showed diverse use of fundraising approaches and methods
- Board members at responding charities are usually engaged in fundraising in numerous ways

### What affected your fundraising success the most?



- **Outlook for 2012**

Survey respondents remain optimistic about prospects for fundraising in 2012, with 71 percent expecting to raise more this year than in 2011. However, when asked about the most important trends or issues that could affect fundraising results either positively or negatively, nearly one-third (31%) mentioned local, national, or global economies as a challenge to raising funds this year.

# Fundraising Rebounds

- Overall giving grew 3.4 percent in the first 11 months of 2011, marking the first time it had exceeded the level of giving in 2007, before the recession.
- Overall charitable giving grew 1.4 percent for the three months ended November 2011, compared to the same period a year earlier, while online giving grew 12 percent.
- Based on \$2.5 billion in 12 months' revenue from 1,281 nonprofits
  - overall revenue for the three-month period fell 2.5 percent compared to the same period a year earlier for nonprofits with less than \$1 million in prior-year revenue,
  - grew 8.2 percent for nonprofits with prior-year revenue of \$1 million to \$10 million,
  - and fell 0.4 percent for nonprofits with prior-year revenue of over \$10 million.
- Based on \$383 million in 12 months' online revenue from 1,769 nonprofits, online revenue for the three-month period grew 15.4 percent for small nonprofits, 12.1 percent for medium-sized nonprofits, and 10.8 percent for large nonprofits.
- *A study by Blackbaud.*

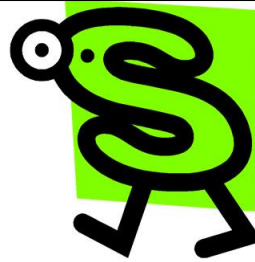


# Determinants of Charitable Giving

- Communities of participation  
*association*
- Frameworks of consciousness  
*identification with cause*
- Invitation to participate  
*Asked to give*
- Discretionary resources  
*Accepted capacity*
- Models/experiences from youth  
*Positive examples*
- Intrinsic and extrinsic rewards  
*Positive outcomes*
- Urgency and effectiveness  
*Philanthropy meeting needs*
- Demographic characteristics  
*Circumstances affecting giving*

Material adapted from research by Paul G. Schervish and John Havens.  
Center for Wealth and Philanthropy, Boston College

## Public Attitudes



- Philanthropy has received a big boost since the 1990s with a plethora of high-profile donors who have made huge gifts.
- Much wider coverage of philanthropic stories, in wide range of periodicals.
- Far more discerning public, with far greater demands for accountability.
- Households earning less than \$100,000 a year account for almost half of the nation's charitable giving.

- More Americans provided financial assistance than received it.
- 30% of households gave \$500 or more.
- Of those struggling financially, 29% came to the aid of others.  
Rand Corporation
- Americans are lending a hand close to home. 20 Million reported working to solve a community problem, up from 15 million a year ago.  
Corporation for National and Community Service

## Fundraisers' Perceptions

- Fundraisers' confidence in their ability to secure charitable gifts continues to be shaken by the economy. Center on Philanthropy, Philanthropic Giving Index, Summer 2009
- A year ago, the index was at 82.8; now it's at 64.8.
- More than 86% of fundraisers say the economy has caused a negative or very negative effect on their ability to raise money in the first half of this year.

## Challenges for Fundraising

- Lack of coordination.
- Risk of alienating donors when process isn't clear.
- Perception of no-need.
- Not enough resources invested.
- Not an organized effort.
- Haphazard and not focused.
- Other?

## Why Fundraising?

- If not, what will happen?
- How much better can we do?
- What else do we need to or want to do?
- Contingency plans—the “what-if” lessons.
- Consideration of all side-benefits.
- Keeping up in challenging times!

# **An Overview of a Successful Fundraising Program**

- **Know basic marketing principles.**
- **Consider the environment and climate for fundraising.**
- **Create and examine case.**
- **Involve volunteers (if possible, board members).**
- **Determine potential donors.**
- **Select campaigns and tools.**
- **Research prospects.**
- **Create, use and communicate a plan.**
- **Solicit the gift.**
- **Renew the gift.**
- **Steward the gift.**

## Fundraising Options

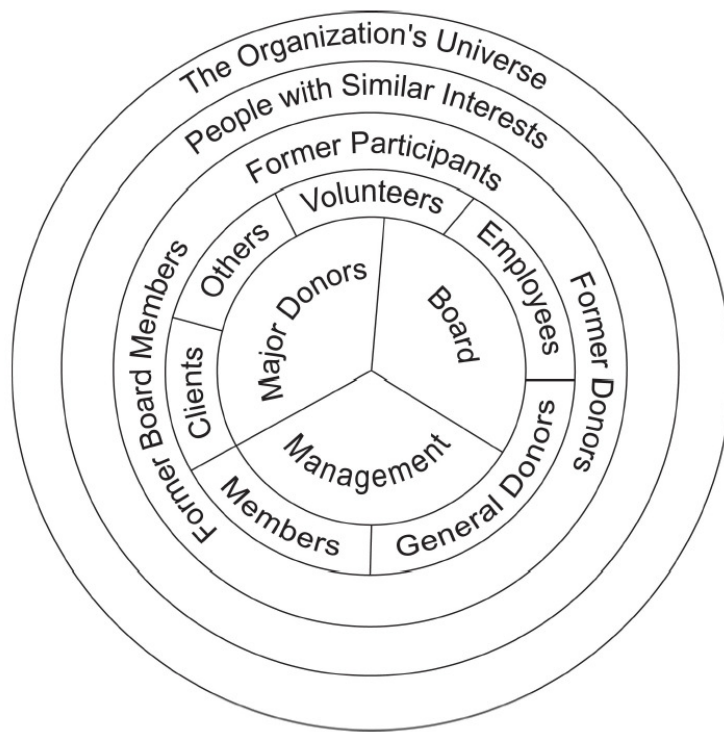
- The sustainable, on-going fundraising program providing on-going support for an organization.
- Project fundraising—best when donations and other income are positive and regular.
- Major gifts campaigns—successful when regular giving is going on. Useful for projects and capital campaigns.
- One-time campaigns with specific time periods—capital campaigns or endowment building.

## Fundraising is . . .

- The right person asking
- The right prospect
- For the right cause
- In the right way
- For the right amount
- At the right time

## CONSTITUENCY MODEL

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## Finding, Acquiring and Keeping Your Donors

- Range of prospects.
- Qualification of prospects.
- Tools that match prospect types.
- The development process.
- Donor retention.

## Planning for fundraising--

*if you don't know where you're  
going, how will you know if you've  
arrived?*



- Perceptions and realities of planning—what challenges the planning process?

## Personnel involved in planning.

- Who should be involved and why.

## Planning Possibilities and Parameters

- Organization plan versus fundraising plan.
- Types of plans—strategic, long-range, operational, visionary, etc.
- Ultimately, what should a plan include? What variations are possible?
- How flexible should a plan be?

## Planning Sequence for Fundraising

- Gather facts.
- Determine and validate needs.
- Consider / evaluate markets.
- Consider vehicles.
- List and evaluate resources.
- Select appropriate vehicles.
- Determine goals.
- Prepare plan.
- Install and use control mechanisms.

## Sample Plan Components

- Mission Statement.
- Internal and external assessment positive and negative factors.
- Goals and objectives for each program.
- Program descriptions.
- Time line and assignments.
- Budget and gift range chart.
- **Monitoring and evaluation.**

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## Evaluation Strategies

- The “why” of evaluation.
- Growth in demand for accountability—roots and watchdog organizations.
- Benchmarking and metrics.
- Evaluation processes and procedures.

## Benefits of Planning

- Improve performance.
- Stimulate forward thinking.
- Clarify future direction.
- Solve major organizational problems.
- Survive—even flourish—with less.
- Build teamwork and expertise.
- Influence rather than be influenced.
- Meet others' requirements.

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## Limitations of Planning

- Costs can outweigh benefits.
- When “life-threatening” problems should be addressed first.
- When implementation is unlikely.
- When poor plans are likely and intuition might be better.
- When size of organization determines type of plan and time for planning.

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## Next steps

- Implementing the plan.
- Reviewing the plan.
- **Sticking to the plan—how flexible should you be?**

## Summary and Conclusion

- Reflections and projections.
- Questions and answers.

Questions? Answers?



Ideas? Suggestions?

Time is Up!

