

NONPROFIT KNOW-HOW:

Annual Fund Campaign

May 15, 2018



GREATER CEDAR RAPIDS
COMMUNITY
FOUNDATION

WHY IS IT IMPORTANT TO HAVE A PLAN

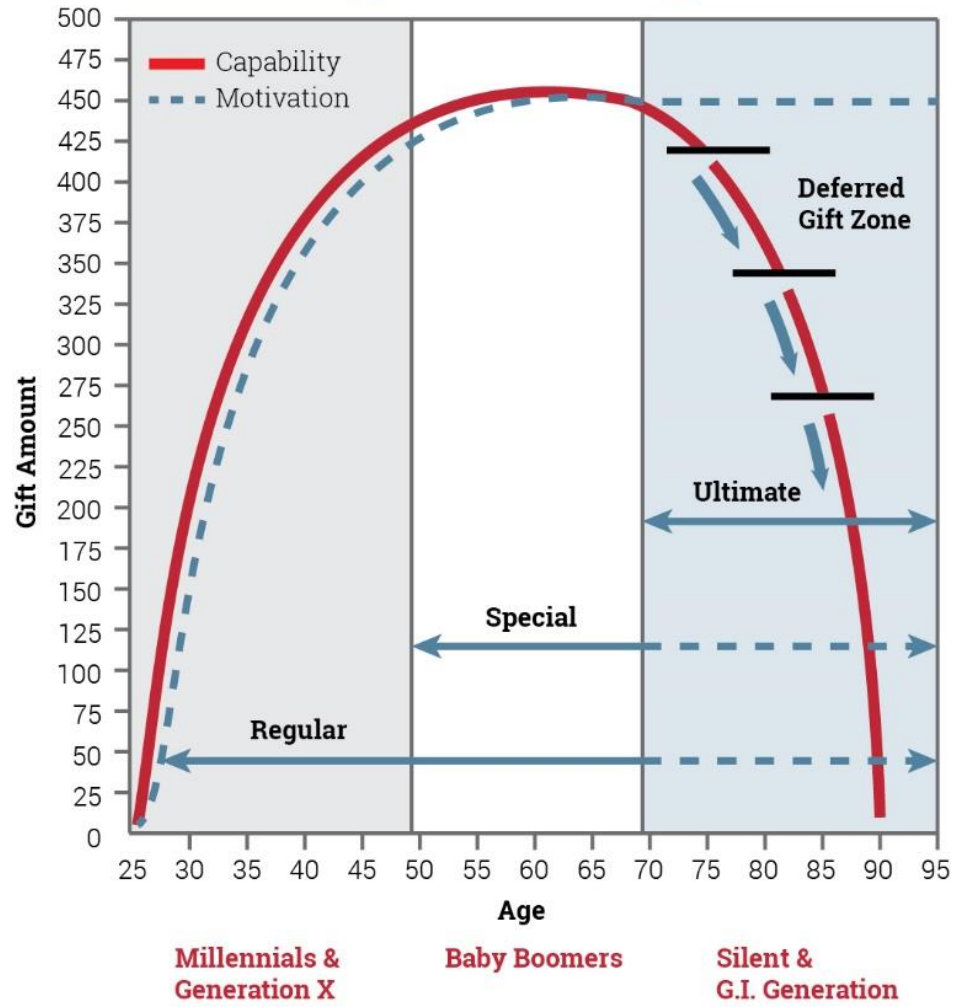
- Connects donors with mission and programs – “We” have impact to do meaningful work
- Creates a manageable platform – Every year evaluate and every third year refresh
 - Baseline => Evaluate => Refine
- Keeps everyone informed – Coordinate efforts
- Measureable progress – Report outcomes
- Provides time to plan for the next strategy – Don’t let others derail your plan and be open to feedback
- Prevents staff burnout – You have buy-in and help

FUNDRAISING STOOL



LIFE CYCLE OF AN INDIVIDUAL DONOR

Sharpe Donor Lifecycle[®]



ANNUAL FUND



GIFTS:

Individuals and companies

GRANTS:

Local, state and federal

EVENTS

Fundraising and mission or brand awareness

INDIVIDUAL DONORS

In 2016, INDIVIDUAL DONORS drove the rise in philanthropic giving
And for only the sixth time in 40 years, all nine major philanthropy subsectors realized giving increases

\$390.05 billion

Where did the generosity come from?*

Giving by Individuals
\$281.86 billion

increased 3.9 percent (2.6 percent when inflation-adjusted) over 2015

↑ 3.9% **72%**

Giving by Foundations
\$59.28 billion

was 3.5 percent (2.2 percent when inflation-adjusted) over 2015

↑ 3.5% **15%**

Giving by Bequest
\$30.36 billion

declined 9.0 percent (10.1 percent when inflation-adjusted) over 2015

↓ 9.0% **8%**

Giving by Corporations
\$18.55 billion

increased 3.5 percent (2.3 percent when inflation-adjusted) over 2015

↑ 3.5% **5%**

Contributions by source
(by percentage of the total)

The single largest contributor to the growth in total giving was an increase of \$10.53 billion in GIVING BY INDIVIDUALS—offsetting declines from bequest giving.

Where are all of the charitable dollars going?

(as a percentage of the total)

32% **Religion** \$122.94 billion

15% **Education** \$59.77 billion

12% **Human Services** \$46.80 billion

10% **To Foundations** \$40.56 billion

8% **Health** \$33.14 billion

8% **Public-Society Benefit** \$29.89 billion

5% **Arts, Culture, and Humanities** \$18.21 billion

6% **International Affairs** \$22.03 billion

3% **Environment/Animals** \$11.05 billion

2% **To Individuals** \$7.12 billion

Each charitable subsector grew in 2016 except for giving to Individuals. Growth rates ranged from approximately 3–7 percent.



Giving to international affairs comprised a larger percentage of total charitable giving in the United States, increasing from 4 percent to 6 percent in 2016.



Giving to environment/animals increased 7.2 percent in 2016, the largest gain of any subsector, outpacing growth in overall giving for the last two years.

Giving USA FoundationSM, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.

* All figures on this infographic are reported in current dollars unless otherwise noted.

Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2017: The Annual Report on Philanthropy for the Year 2016*.



INDIVIDUAL DONORS

CHARITABLE GIVING IN THE USA 2017

An overview of individual giving in the USA.



55%

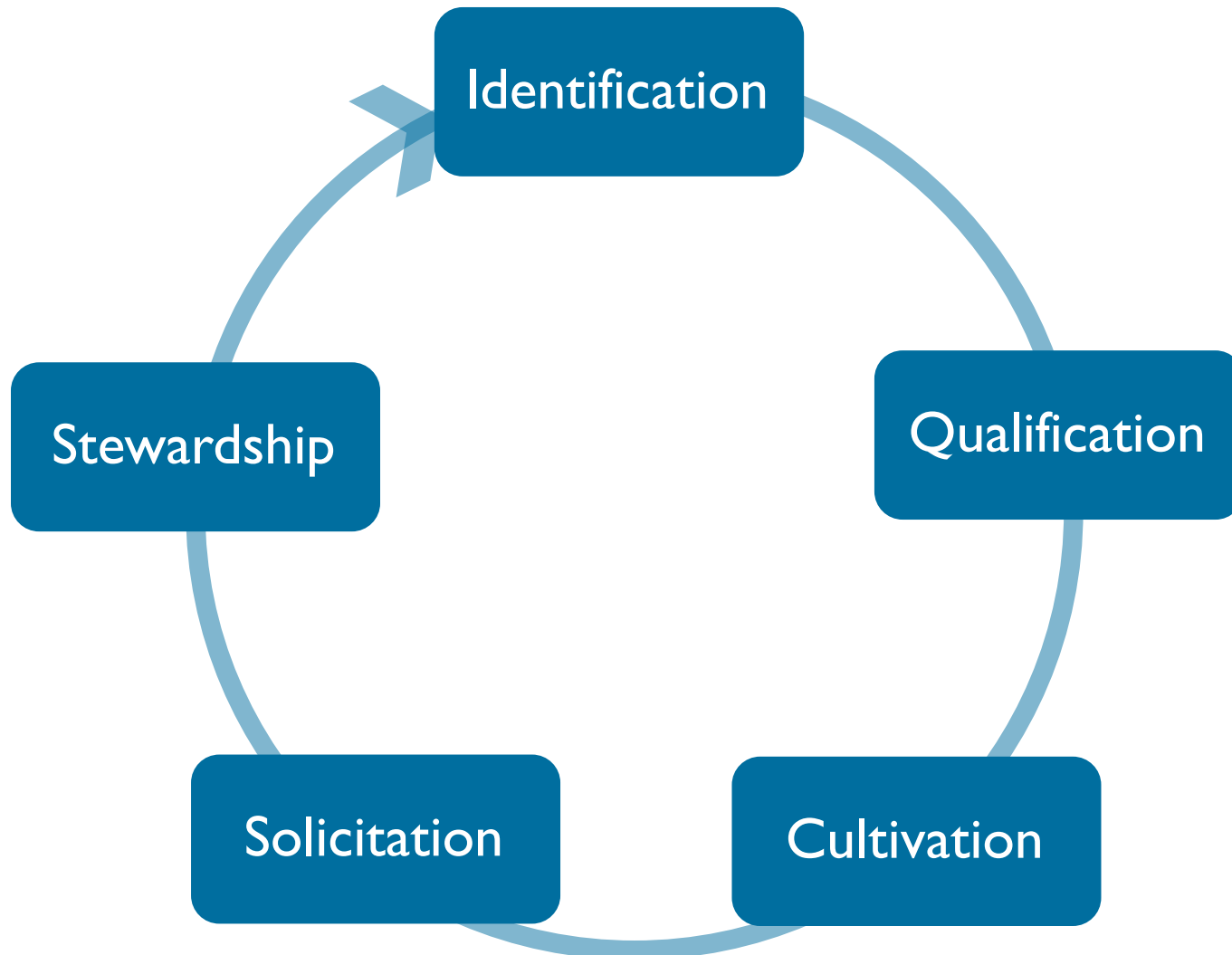
**OF AMERICANS HAVE GIVEN MONEY
IN THE PAST 12 MONTHS**



According to the Chronicle of Philanthropy study in 2012, those making:

- Over \$100,000 annually give 4.2% on average
- Between \$50,000-75,000 annual give 7.6% on average

“MOVES MANAGEMENT”



PROCESS OF MOVES MANAGEMENT

- 1) Identification of target donors or segment
- 2) Qualification of interest/ability to give
- 3) Cultivation to connect donor to mission
- 4) Solicitation and who will help you
- 5) Stewardship and next steps

I. HOW TO IDENTIFY DONOR SEGMENTS: Database Reports

Historical reports of no more than 3 years

- LYBUNT – Last Year But Unfortunately Not This Year
- SYBUNT – Some Year But Unfortunately Not This Year
- Longevity – Give consecutively for 3+ years
- Major gifts – Different for each organization
- Board and Committee members
- Past Board and Committee members
- Event attendees

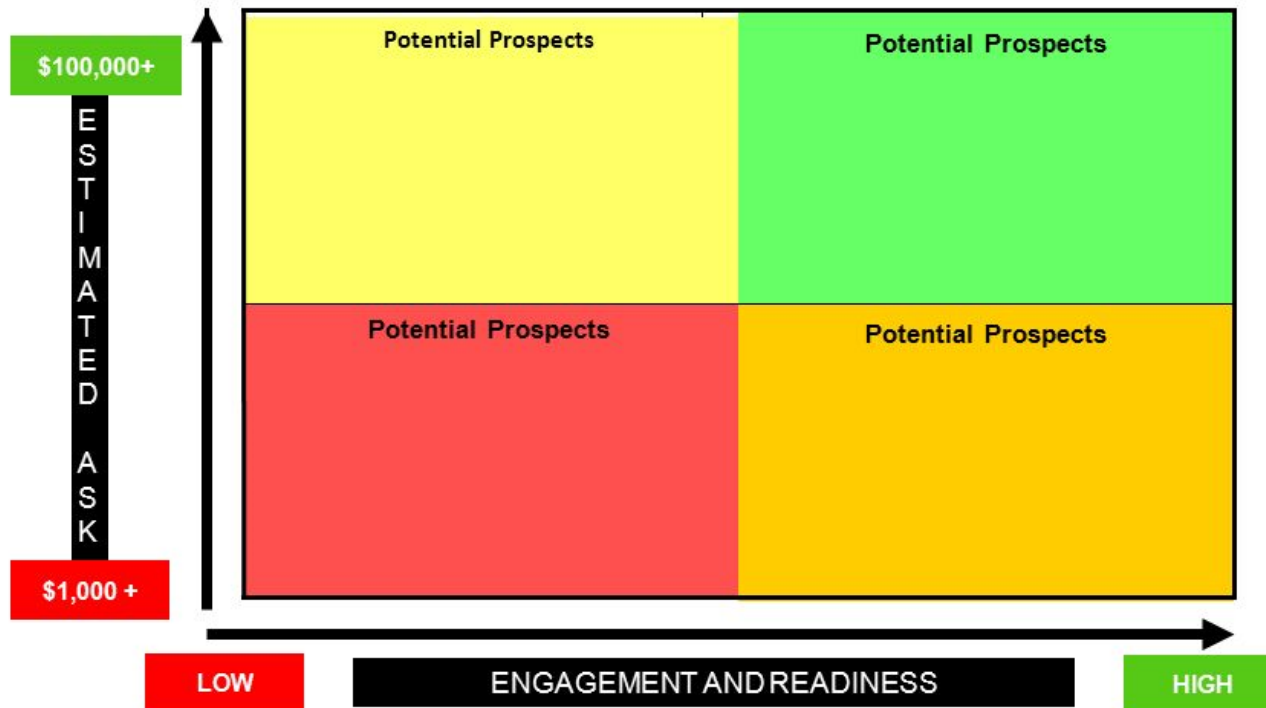
2. HOW TO QUALIFY: Keep the list targeted and manageable

Create Matrix

- First quadrant
- Second quadrant
- Third quadrant
- Fourth quadrant

“PROSPECT EVALUATION GRID”

YOUR ORGANIZATION Prospect Evaluation Worksheet



3. WHAT WILL YOU DO TO CONNECT DONORS TO MISSION AND/OR PROGRAMS: three to five touches annually

Mailing

- Appeal
- Newsletter
- Annual report

Event

- Fundraising
- Mission or brand awareness

Personal Touch

- Note on thank you letter
- Note card
- Birthday card
- Holiday card

Affinity Group

- Legacy donors – Planned Gift
- Giving Levels – Recognition

4. WHO WILL HELP YOU:

Invite input ➡ Creates buy-in ➡ Provides support

Development Committee

Discuss strategy, assist with plan, connect with prospects and donors

Board of Directors

Support plan, connect with prospects and sign thank you cards

Executive Director

Assign list of donors and consider as major gifts officer

Program Staff

Identify and communicate needs and opportunities

5. WHY STEWARDSHIP IS IMPORTANT: Plan for next steps

Document

- Track all interactions

Debrief

- Discuss what worked and what didn't

Consider next step/s

- Identify who should do what

Assign action/s

- Be specific – include timeline

Report back

- Celebrate outcome

Repeat

- Be consistent

TOOL KIT FOR DEVELOPMENT STAFF AND VOLUNTEERS

PLAN

Keeps everyone accountable => Focus

MATERIALS

Tell your story and keep it simple => Impact

SCRIPT

Learn about your donors => Connect

CALL REPORT

Write down what you talked about => Data

DATABASE

Track donor cultivation => Report

COLLEAGUE

Understands what you're going through => Network

TAX REFORM IMPACT

- While no one knows how donors might react, a 2016 US Trust Study of High Net Worth Philanthropy surveyed high net worth donors and learned that tax deductions are not a primary motivating factor for their charitable gifts.
- They found that the primary motivations for giving are:
 - Believing in the mission of the organization (54%)
 - Believing that their gift can make a difference (44%)
 - Experiencing personal satisfaction, enjoyment or fulfillment (39%)
 - Supporting the same causes annually (36%)
 - Giving back to the community (27%)
 - Adhering to religious beliefs (23%)

TAX REFORM IMPACT

- Standard Deductions were increased
- Many Itemized Deductions were eliminated
- Taxpayers will choose the larger of their standard deduction or itemized deductions
- Charitable contribution deduction is an itemized deduction
- With fewer donors claiming itemized deductions, the tax benefit of charitable contribution deductions will diminish

TAX REFORM IMPACT

- “Tax smart” giving strategies
 - Give appreciated property
 - Bunching strategy
 - Cluster charitable contributions into a single year to itemize
 - Use a donor advised fund to achieve this goal
 - If a donor is over the age of 70 ½ and making minimum required distributions from an IRA, consider a qualified rollover
 - Endow Iowa eligible if the gift is to an endowed fund
 - Trustee to trustee transfer