



Understanding Funding Options And Your Role In Philanthropy

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VITREO
Bold Leadership. Transformative Fundraising.



Bold Leadership


Transformative Fundraising

About Us

- ViTreo is a full-service fundraising and nonprofit leadership development firm
- 250+ clients served in culture, health, human services and education sectors across Canada
- We offer a clear approach in an industry that can be overwhelming and often overcomplicated
- Jill Petrovic, CMP


Plan for Today's Session

- Learn what you can offer funders (importance of a case for support)
- Understand funding options
- Assess greatest needs (Gap Analysis)
- Get more comfortable with your role in philanthropy
- Have fun!



Mentimeter Instructions

Go to **www.menti.com** and use the code **55 94 51**



1 Grab your phone

2 Go to www.menti.com

3 Enter the code 55 94 51 and vote!


****Don't close your browser until you've answered all questions**


Go to www.menti.com and use the code 55 94 51


Does the idea of being involved in fundraising make you uncomfortable?

Mentimeter

0% 0% 0%

 Yes, very much so!

 Meh (kind of)...

 Not at all. When can I get started?

Show image

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Go to www.menti.com and use the code 55 94 51

People don't like to be asked for money, true or false?

Mentimeter

True False

Show image Show the winner

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Go to www.menti.com and use the code 55 94 51

The donors we're after have a lot of \$\$, true or false?

Mentimeter

True False

Show image Show the winner

Slide is not active Activate

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Do You Have A Case For Support?



- ≡ An important 1st step in gaining access to funds of any kind
- ≡ A essential ingredient for your fundraising efforts and success

A Great Case For Support Will

- ≡ Be grounded in your mission and strategic plan
- ≡ Be emotionally compelling
- ≡ Create empathy
- ≡ State the need & tell the story
- ≡ Help cement interest in you as a potential partner
- ≡ Be used to cultivate relationships and secure gifts

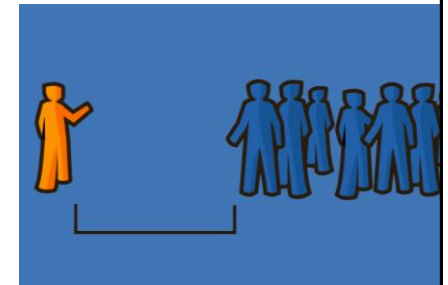
Case For Support Exercise (Workbook)

Think about these Qs from a funder's point of view:

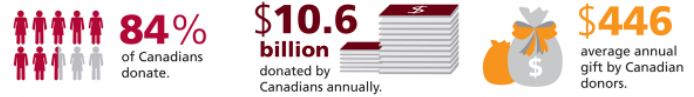
1. What is the need? (Keep it manageable or doable)
2. How can you tell this is a pressing need?
3. How is your organization uniquely qualified to tackle this need?
4. What will the benefits of your action be?
5. What are the negative consequences if you fail?
6. How will you hold yourself accountable?

A Great Case For Support Will Answer ...

Why Should A Funder Care?



Trends: Charitable Giving in Canada

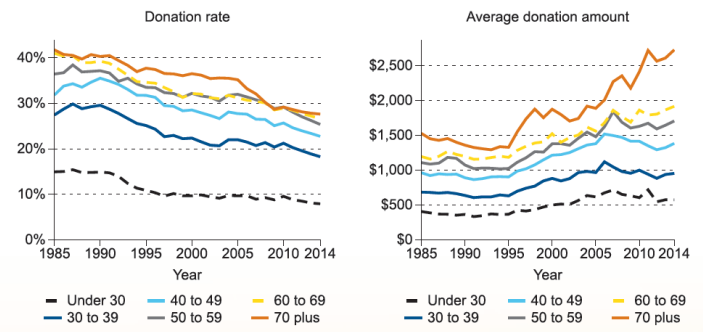


- Over 170,000 nonprofits in Canada including 85,000 registered charities
- New Canadian giving more: \$672 average vs. \$509 from Canadian born
- Rising voice of women in philanthropy and crowdfunding (GoFundMe)

Source: Imagine Canada Sector Source

Trends: Charitable Giving in Canada

Figures 10: Donation rate and average donation by age group, 1985 - 2014.



Source: 2018 Rideau Hall Foundation and Imagine Canada, 30 Years of Giving Report

Trends: Charitable Giving in Canada

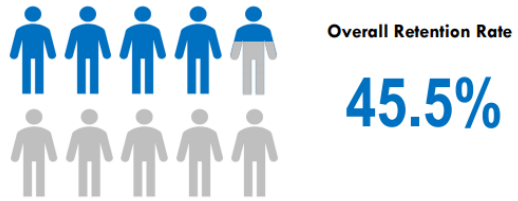
“Research estimates that it **costs 10x more** to acquire a new donor than it does to keep a current one. From a financial point of view, it’s a lot cheaper to retain your current donors than to acquire new ones.”

- Simone Joyaux, ACFRE, Adv Dip, FAFP

Source: NonProfit Quarterly, *Keep Your Donors: It's the Right Thing to Do—And It Makes You More Money!*, Simone Joyeaux, July 29 2016

Trends: Charitable Giving in Canada

The average donor retention rate in 2017 was 45.5 percent; 0.5% change from 2016's rate. The gift or dollar retention rate was 48 percent, no change from in 2016. Over the last 10 years, donor and gift or dollar retention rates have consistently been weak -- averaging below 50 percent.



Source: Association Of Fundraising Professionals, *2018 Fundraising Effectiveness Project*, 2018

WHAT CAN YOU OFFER TO FUNDERS?

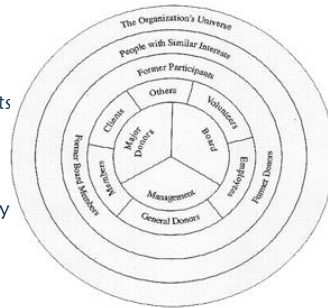


Your Funding Pie... What's It Made Of?



Build Your Potential Funder Base

1. A case must be established first.
2. It is from strategic plans and the organization's case that fundable projects arise.
3. Match prospective funders to projects (through research). Approach this task by using Rosso's concentric circles model.



Source: Henry Rosso, The Principles of Fund Raising, Student Workbook

Individual Giving

- ≡ For most non-profits, 90% of giving comes from 10% of individuals
- ≡ Most individual gifts are unrestricted income
 - important to assist with operational costs
- ≡ Gifts can increase dramatically over time
- ≡ Significant baby boomer wealth transfer coming

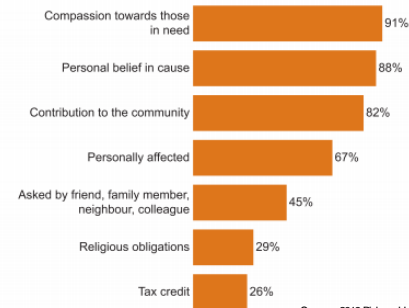


Imagine A Profit-making Investment Opportunity

Company 1	Company 2
Board excellent with great expertise	Board excellent with great expertise
Management is top notch	Management is top notch
Board and management are not shareholders	Board and management all bought significant shares
Urgent need for growth funds	Urgent need for growth funds

Motivations For Giving In Canada

Figure 37: Motivations for giving, donors, 2013.



Source: 2018 Rideau Hall Foundation and Imagine Canada, 30 Years of Giving Report

Consider Best Approach Or Message For An Individual Donor...

- ⊞ Careful not to approach all donors in the same way
- ⊞ Ask around, learn about their motivations for giving
- ⊞ If you were the donor or funder, what would you need or want to know?



Corporate Giving



- ⊞ Sponsorship
- ⊞ Donation
- ⊞ Deep discount
- ⊞ Gift in kind (product, service, time, volunteers)
- ⊞ Strategic partnership

Corporate Giving

6 Reasons Why Companies Should Give Back

The Case for Corporate Philanthropy

1. Creates Purpose
2. Increases Engagement
3. Boosts Employee Morale
4. Attracts New Talent
5. Demonstrates Company Values
6. Improves Employee Health

Foundation Giving



- Community
- Private
- Corporate

Other Giving

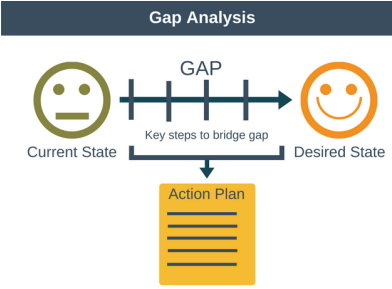
- Government
- Service clubs
- Faith groups
- Others?



GAP ANALYSIS

(working session)

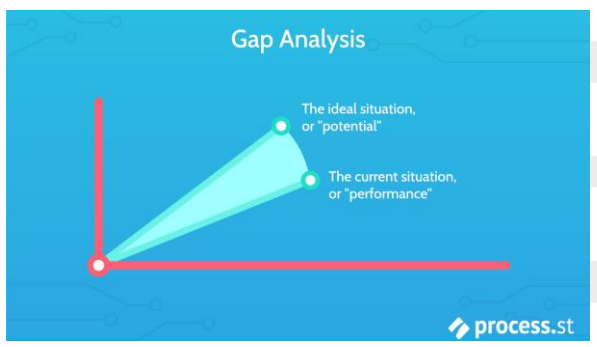
Gap Analysis



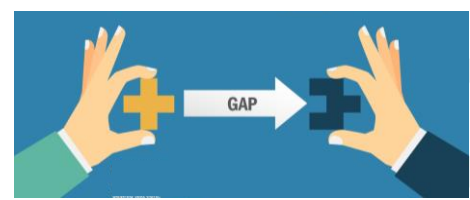
Current State → GAP (Key steps to bridge gap) → Desired State

Action Plan

So What Do You Need? Want?



Define The Scope Of Your Gap Analysis



- ≡ Financial growth
- ≡ Employee happiness
- ≡ Customer excellence
- ≡ Scientific achievement
- ≡ Innovation
- ≡ Community impact

Gap Analysis Template

Focus Areas	Desired Future State	Current State	Identified Gap	Action Plan
<i>What are you focused on?</i>	<i>Where would you like to be?</i>	<i>Where are you now?</i>	<i>Difference between desired state and current state</i>	<i>Projects you will undertake to bridge gap</i>
<p>EXAMPLE Philanthropy and engagement</p> <p>↑</p>	<p>To have a pool of highly engaged donors to help meet growing demand and support long term sustainability.</p> <p><i>Measured by:</i> New acquisition of XX donors per year. Growth in giving of YY % Donor retention rate of ZZ %</p>	<p>We are not strong in stewardship of our donor base and many donors don't renew their gifts</p> <p><i>Measured by:</i> Our efforts to acquire new donors are not bold and proactive enough. Our growth in giving is flat. Our donor retention rate is below average at XX%</p>	<p>150 new donors, 10 new monthly donors per year</p> <p>15%</p> <p>25%</p>	<p>Create new FD and comms strategy. Implement new DM program</p> <p>Update evaluation framework, review KPIs, assess greatest areas of opp</p> <p>New collaborative stewardship framework</p>

Source: Cascade Strategy

Identify Desired Future State

Gap Analysis Template				
Focus Areas	Desired Future State	Current State	Identified Gap	Action Plan
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Source: Cascade Strategy

Assess Your Current State

Gap Analysis Template				
Focus Areas	Desired Future State	Current State	Identified Gap	Action Plan
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Source: Cascade Strategy

Apply Measurement

Gap Analysis Template				
Focus Areas	Desired Future State	Current State	Identified Gap	Action Plan
What are you focused on?	Where would you like to be?	Where are you now?	Difference between desired state and current state	Projects you will undertake to bridge gap
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	Growth in giving of YY %	Our growth in giving is flat.	15%	
Donor retention rate of ZZ %	Our donor retention rate is below average at XX%	25%		

Source: Cascade Strategy

Create An Action Plan

Gap Analysis Template				
Focus Areas	Desired Future State	Current State	Identified Gap	Action Plan
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Source: Cascade Strategy

Prioritize

Gap Analysis Template				
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Source: Cascade Strategy

Let's Get Comfortable With Philanthropy



Is philanthropy about asking for money?

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life.

What's The Difference?

Asking for Money	Philanthropy
Transactional, one-time interaction	Longer-term relationship focus, often starts small
Benefits are often one-sided	Mutually beneficial
It's about the \$\$\$	Not always "just about the money"

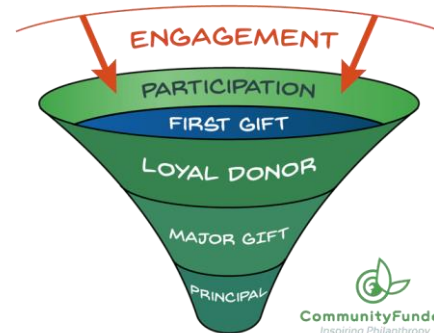
It Starts Small

“Get involved” can mean...

- ≡ tell your friends
- ≡ attend an event
- ≡ sign up for our newsletter
- ≡ watch a video
- ≡ check out our website



THE COMMUNITY FUNNEL



Still Feeling Guilty Or Awkward? Think Of A Dinner Party



People Don't Like To Be Asked. True Or False?

Research says...
giving makes us happier than receiving

Michael Norton study
Liz Dunn study

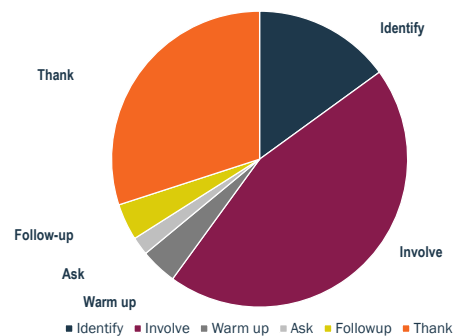
Regardless of income or \$\$ amount!



The Donors We're After Have A Lot Of \$\$\$. True Or False



The Fundraising Cycle



“Nonprofit organizations exist to fulfill community needs. People do not give because an organization has needs.

They give because your organization meets needs.”

- Kay Sprinkel Grace

To Sum It Up....

- ☰ Feels good to give – people deserve the opportunity
- ☰ Donor is a partner with us
- ☰ We are all ambassadors



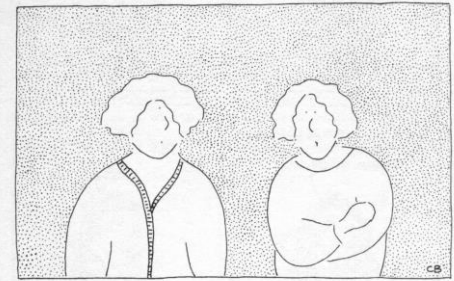
"This isn't rocket science, Chuck. You donate \$1,000 to a charity. You feel good. That's it."

What Should I Be Doing As A Board Member?

- ≡ Create a strong case to differentiate your organization.
- ≡ Tell your story. Talk about what you do & the impact.
- ≡ Renew your donors.
- ≡ Thank your donors.



Questions?



"A bake sale may be tried and true, Isabel, but we're trying to raise \$5-million here."

Thank You So Much!

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