

# 3 EVENTS OR 1 LUNCH?

*Making the Most of Your  
Fundraising Capacity*

# ROI AND CTRD – NOT JUST ACRONYMS

## Return on investment

Return on investment calculates the effectiveness of every dollar you spend on a fundraising strategy.

$$\frac{\text{Revenue by Strategy}}{\text{Expenses by Strategy}} = \text{Return on Investment}$$

## Cost per dollar raised

Cost per dollar raised is the inverse of return on investment and calculates the revenue generating efficiency of your fundraising expenses.

$$\frac{\text{Expenses by Strategy}}{\text{Revenue by Strategy}} = \text{Cost Per Dollar Raised}$$

# WHICH VEHICLES PERFORM BEST?

Established [direct mail annual appeal efforts](#) are considered successful if they have a CRTD of 30 cents or under.

- A good renewal rate – donors giving again who gave last year – is around 80% and worth paying attention to.
- These need to include prospecting solicitations to bring in new donors who stop giving to you each year. It's good if this portion of your effort breaks even – costs a dollar to raise a dollar.
- Do this check on CRTD on each mailing and overall.
- See about switching some of your more long-term donors to giving on-line.
  - Saves you expense and gets them used to going to your website.
- Getting new donors through letters written and mailed to friends by Board and Staff is great way to boost annual donor numbers.

# WHICH VEHICLES PERFORM BEST?

Established **face-to-face appeal efforts** are considered successful if the targeted number of asks are made, followed up on, tracked for results and stewarded. A CTRD under 15 cents for all funds raised this way is considered very good.

- There are lots of measures used by organizations that have staff who's job is to garner major gifts.
- Major gifts are need to be defined by each organization but a rule of thumb is an amount at least 20 times the average annual fund gift.

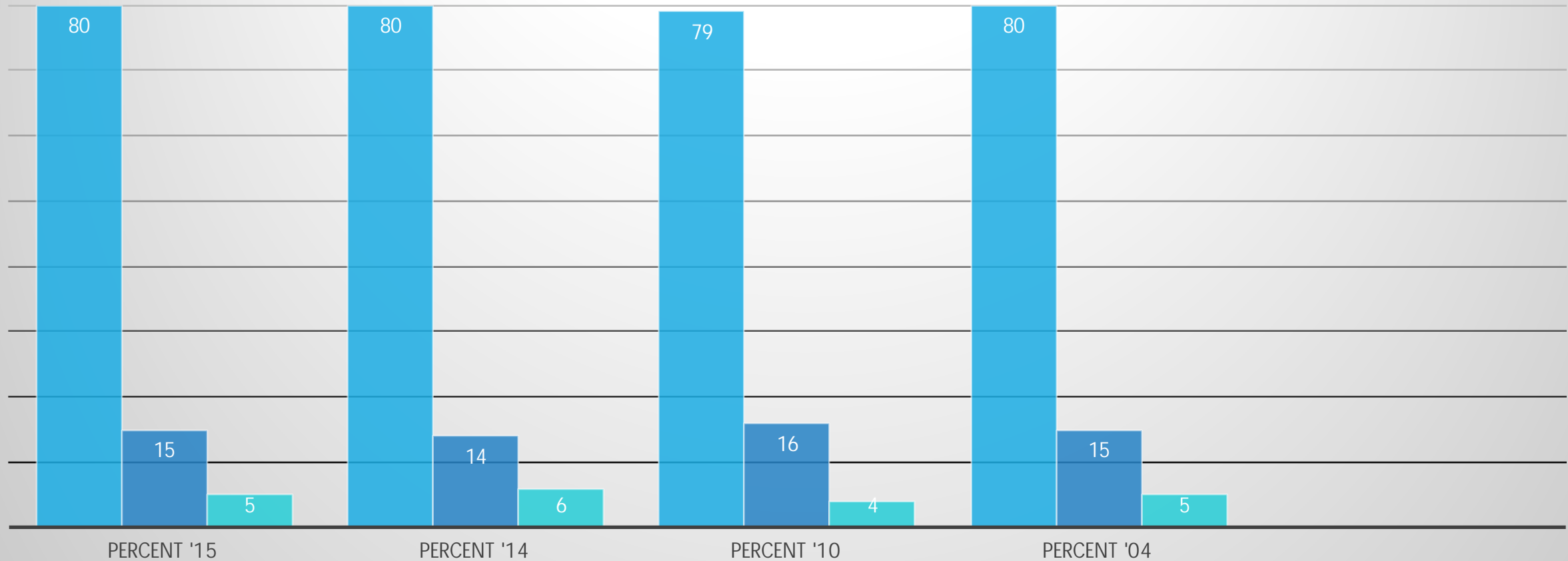
# WHAT VEHICLES PERFORM BEST?

Established **special events** are considered successful if they have an ROI of greater than 2.

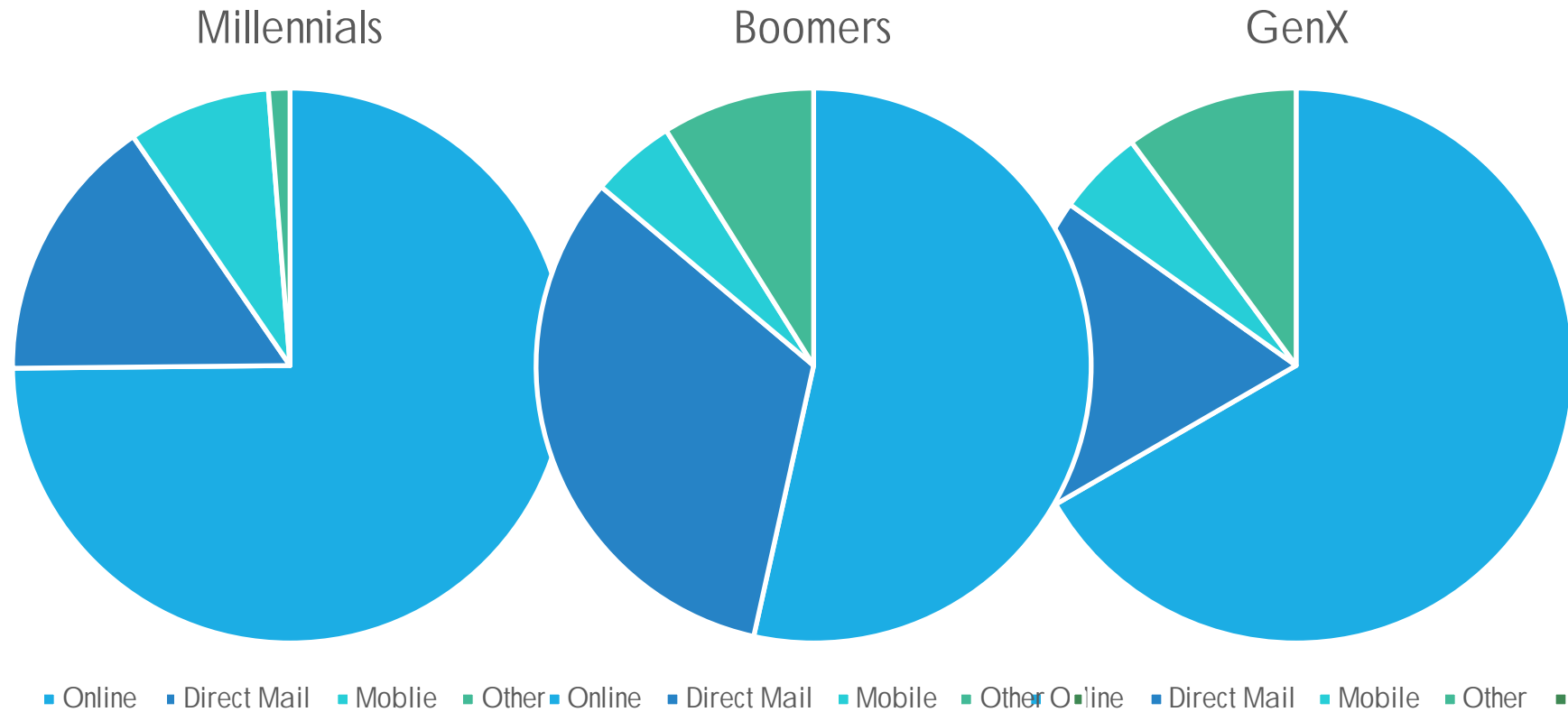
- This is another way of saying its CRTD is 50 cents.
- These measures need to include at least good estimates of staff time to provide a truer picture of the return and the cost.
- Consider also the “wear & tear” on Board, Volunteers, and Staff.
  - Special events can be damaging to an organization’s morale due to the many moving parts that need to come together for it to be successful.
  - All events have a useful lifespan.

# WHERE DOES THE MONEY COME FROM?

Donor Types Accounting for \$373.25 Billion in 2015\*



# HOW DO PEOPLE PREFER TO GIVE?



# EFFECTIVELY GET MONEY IN DOOR

## YES – Do Annual Appeals

- Simplify the direct mail process as much as possible
- Minimum twice a year
- Use web to support annual appeal
- Use newsletter as part (electronic?)
- Software helps to be effective

## YES – Have Online Capability

- Simple of a process as possible
- Add content regularly
- Use web to support direct mail appeal
- Use newsletter as part (electronic?)
- Volunteers can help with this



# EFFECTIVENESS – NOW IT'S TIME TO THINK.

## Yes – Do Special Event

- If someone else does it for you and you just help with publicity, the program (if any), and pick up the money.



## Maybe – Do Special Event

- If you know the ROI & CRTD say its a real fund “raiser”. To figure ROI/CRTD in any meaningful way you have to include staff time, especially leadership time.
- If it will build relationship with top donors or major gift prospects.
- Generates new annual fund donors each year that are tracked for cumulative giving
- Generates awareness, especially among current major and prospective donors, of a new organization or effort
- Celebrates a major milestone

OKAY, SO WHAT PERCENTAGE IN PREFERRED WAY  
TO GIVE IS MOST IMPORTANT?

For us, it's actually Other's\* 10%.

\*In the footnote it details this is where they placed face-to-face asks.

# REMEMBER THAT 10% PREFERRED WAY TO GIVE?

Most major gift donors give these gifts to the organizations that talk with them.



Most major gifts come through conversations with those who already support a **mission**.

Most major gift donors want to know your leadership – both volunteer and staff – and have what “they feel” is an appropriate relationship with them.

# THE “HOW TO’S” OF TALKING WITH PEOPLE.

## Board responsibilities:

- Select or approve specific items provided by staff that require gift support
  - *“Operating” expenses can and should be carved up to create these.*
- Write a current top donor a note or just call them set up time to talk.
- Meet them where they’ll be comfortable.
- Share your “heart” reason for being involved.
- Explain what doing and why talking with them.
- Listen, listen, listen (believe silence is not a bad thing).
- Follow-up

# THE “HOW TO’S” OF TALKING WITH PEOPLE.

## Staff responsibilities:

- Select specific items that require gift support to get for Board approval.
  - *“Operating” expenses can and should be carved up to create these.*
- Meet with at least the top 24 donors and prospects at least once a year.
- Write a current top donor a note or just call them set up time to talk.
- Meet them where they’ll be comfortable – bring volunteer if you can.
- Share your *“heart”* reason for being involved.
- Explain what doing and why talking with them.
- Listen, listen, listen (believe silence is not a bad thing).
- Follow-up

# HERE'S WHAT TO BE READY FOR, REALLY.

You'll hear complaints/criticisms of the organization. So listen, nobody's perfect.

You may have to listen to a lot that's not related to your visit. Be patient.

Your donors may have to reschedule – repeatedly. Show resolve – politely.

You may not get the donation you ask for or any gift at all. Know that you are a head of almost every other organization in your community just be doing this.

You'll, very infrequently, hear things about the donor or their family that probably not anywhere else. Respect that trust and keep it to yourself.

WHAT NOT TO BE WORRIED ABOUT . . .







# OTHER STUFF THAT WILL HELP.

Boards – make fund raising an expectation of membership.

- *Share it as you talk with someone about joining.*

Boards – budget a small amount for these face-to-face meetings.

- *The ROI will justify it.*

Bequests – put something about bequests on your website and in every newsletter. Easy to find and use information that is on line.

- *80% of all “planned gifts” are simple bequests so don’t worry about the complicated stuff.*

Mailing – send bequest information to every donor over 70 and who has given consistently over the past five years once a year.