Fundraising Plan Components

IL SSO Conference: Nov. 7-8, 2019
Who we are

**Kristen Sand**
- Leads team charged with providing training, resources and promising practices to the affiliate network.
- 10 years of Habitat experience in a variety of roles. I joined as Volunteer Coordinator here in Bloomington/Normal!
- I live in Middle Tennessee; where I balance my love for the outdoors and live music.

**Susan Mula**
- Senior Specialist with the Habitat International Resource Development Expertise Hub.
- 6 years in Fundraising as a Director of Development on the statewide and national level. Used to wearing many hats!
- I live in the Green Mountains of Vermont and love to hike, garden, and cycle.
At the end of today’s session, you will be able to:

• Describe the five components of fundraising planning

• Identify 1-2 action steps that you’d like to implement
Agenda

Deep dive into each of the five Components of fundraising planning....

1. The 'What' and the 'Why'
2. The Cost
3. Sources and Markets
4. Fundraising strategies
5. Monitor, Evaluate and Refine
The RDEH created and fundraising plan template in the Fundraising Planning resources on MyHabitat. It is a compilation of several strong plans that we’ve received from the affiliated network, we like it because it clearly incorporates each of the five components that we’ll cover today.
Why have a formal written fundraising plan?

- It keeps you out of crisis mode
- It helps you control the flow of work in your office
- It protects you from the fundraising idea of the month
- Helps you shift from reactive to proactive
- Builds confidence in your fundraising strategy
- You WILL raise more money
Component # 1

The What & Why

Photo Credit: HFHI Digital Asset Network, 2019
Habitat Lakeside's 2019-2023 Strategic Vision:
A world where everyone has a decent place to live.

Over the next five years, Habitat Lakeside will:

- SERVE over 600 people through our housing solutions
- ENGAGE over 10,000 people through volunteer & financial support
- TARGET (but not limit) our efforts in the federal government's designated Opportunity Zones within Sheboygan County in an effort to increase property values and the homeownership rate

OUR GOALS

OUR DIRECTION

Expanded Housing Solutions and Transform Neighborhoods
- Provide housing solutions to improve neighborhoods
- Expand services offered in the neighborhoods where we build
- Actively support the global need for affordable housing

Develop Value in Our People, Assets, Relationships and Interactions
- Grow the number of volunteers involved in our mission and develop strategies to maintain a high level of volunteer satisfaction
- Provide a culture which encourages professional development
- Demonstrate compassion and understanding for the different populations we serve

Raise Awareness for our Brand and Tell Our Story
- Educate Sheboygan County about Habitat for Humanity Lakeside
- AND the need for and impact of affordable housing

Strengthen Existing Partnerships and Develop New Partnerships
- Strengthen or grow relationships with municipalities, churches, schools, trade unions, building professionals, neighborhood associations, Veteran organizations and other housing providers

With as many specifics as possible, outline what your affiliate hopes to accomplish in the next 3-5 years.
Start the conversation

• Talk with your **Construction team** about the **number of projects** that were completed last year, **what did that capacity feel like** for them?

• Talk with your **Finance team**, what were the ‘lean’ times of year? **What worked well?** What would they **like to see improved?** What were **pitfalls in our budget?**

• Talk with **Family Services** to learn about the **number of families served** and what the next year might look like in terms of **need and capacity**?

• Talk with whomever **coordinates volunteers** for the job site, for events, for committees? **What was recruitment like** this year?
What needs to happen THIS year

1.3 Million – total budget

FY19-20 Income Sources

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Mortgages</td>
<td>$100,000</td>
</tr>
<tr>
<td>Mortgage Payments</td>
<td>$36,000</td>
</tr>
<tr>
<td>ReStore Profit</td>
<td>$52,000</td>
</tr>
<tr>
<td><strong>Fundraising Activities</strong> (broken down in next section)</td>
<td><strong>$585,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$773,000</strong></td>
</tr>
</tbody>
</table>

FY19-20 Fundraising Activities Plan

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY19-20</th>
</tr>
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<tbody>
<tr>
<td>Individual Giving Strategies (4110)</td>
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<td>Foundations (4112)</td>
<td>$75,000</td>
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<tr>
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</tr>
<tr>
<td>Civic Orgs &amp; Nonprofits (4114)</td>
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</tr>
<tr>
<td>Businesses (4115)</td>
<td>$205,000</td>
</tr>
<tr>
<td>Grant Revenue (4200)</td>
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<tr>
<td>Special Events</td>
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</tr>
<tr>
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to arrive at the 5-year target?

9.5 Million – total budget

- Creates opportunity to shift from annual gifts to a five-year pledge model
- Long term pledges allow the focus to shift to donor stewardship, which increases retention and builds sustainability
Step 1: The What and the Why

Having a vision for the future impact of your affiliate in the community, with clear pathways for communicability, engagement, and impact change, allows donors to know that if you have a well-thought-out plan to move forward, they can join you with their investment in the community.

The team responsible for crafting the annual vision should be composed of not only the staff members directly responsible for fundraising, such as the executive director and the development director, but also other staff and volunteer representatives who are critical to the success of the plan.

Consider:
- What is the scope of the need in your community?
- What did we accomplish last year?
- What must we accomplish this year? How do we move closer to addressing the overall need?

Key Stakeholder Interview Summary

Access to the diverse perspectives of key stakeholders helps broaden understanding of the past year’s successes and opportunities for improvement. The below is a summary of key findings from stakeholder interviews conducted in preparation for FY20X.

<table>
<thead>
<tr>
<th>Stakeholder name and/or affiliation</th>
<th>Fundraising Strengths</th>
<th>Opportunities to Improve</th>
<th>Other community considerations</th>
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Learn more about pre-planning and key stakeholder engagement with the Resource Development Expertise Hub on MyHabitat.
The need for affordable housing in Sheboygan County:
- Approximately 39% of working families in Sheboygan County with income above the federal poverty line still struggle due to low wages and high costs of living.
- 30% of housing is rented occupied and 40% of those renters are cost-burdened.
- There is a 1-2 1/2 year wait for subsidized housing in Sheboygan County.


Habitat for Humanity Lakeside is a leader in providing permanent housing solutions for low to moderate income individuals and families in Sheboygan County:
- For individuals and families interested in becoming homeowners: Habitat’s Home Buyer Program
- For current homeowners needing critical home preservation and repair help: Habitat’s Home Repair and Rock the Block Programs
- For vulnerable neighborhoods - those with decreasing property values and homeownership rates or crime, sanitation or lighting issues: Rock the Block and Neighborhood Revitalization
- For the entire community: Habitat ReStore

Why affordable housing matters

Additional Case for Support Resources are available on MyHabitat
At your table.....

What’s one aspect of the HFH Lakeside case study that you could take home and implement?
Component # 2

The Cost
Setting the Goal

A = How much will it cost to realize the vision set forth in your strategic plan?

B = Your mortgages receivable, ReStore income and all OTHER sources of revenue BESIDES fundraising

A - B = YOUR FUNDRAISING GOAL
## The Math

### 1.3 Million – total budget

#### FY19-20 Income Sources

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#### FY19-20 Fundraising Activities Plan

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A = How much will it cost to realize the vision set forth in your strategic plan?

B = Your mortgages receivable, ReStore income and all OTHER sources of revenue BESIDES fundraising

**A - B = YOUR FUNDRAISING GOAL**
Step 2: The Cost

You have outlined what you hope to accomplish in the coming fiscal year. The second step of the fundraising planning process is determining the cost. This is the amount of money necessary to meet the goals established in Step 1. With the vision for the future set and the number of projects agreed upon, determine how much it will cost to make the vision a reality. This total cost reflects more than just construction and land costs; also consider the cost of doing business, such as overhead, administration, fundraising costs. What will it take to fully fund what has been outlined? This is the basis for the fundraising goal.

What is your budget (Letter A)?

- Construction capacity
  - FY2019
  - FY2020
  - FY2021
- New construction
- Repairs
- Other construction:
  - FY2019
  - FY2020
  - FY2021
- Current annual budget
  - Administrative expenses
  - Fundraising costs
  - New construction costs (labor + staffing)
  - Repair costs (labor + staffing)
  - Other construction costs (labor + staffing)
  - Other expenses
- TOTAL = LETTER A

If you are using no philanthropic funds, such as repayments fees, interest income, etc., you will subtract that total from the total amount of funds needed. The amount remaining is the fundraising goal.

What are your nonfundraising sources of income (Letter B)?

- Source of funds
  - FY2019
  - FY2020
  - FY2021

Did you like this Resource Development Expertise Hub document? Find more at my.habitat3000LINKHERE
Component # 3
Sources and Markets
Sources and Markets

- Individuals
- Corporations
- Churches
- Foundations
- Civic Groups
Analyzing our sources and markets
At your table.....

Which markets are underperforming? Which are on the decline? What indicators did folks use to make those forecasts?
Step 3: Sources and Markets

You have subtracted your projected non-philanthropic funding from the total required, and you have your fundraising goal in hand. Now it’s time to break that big fundraising goal down into market-specific goals. Sources and markets are “who” you will invite to financially support.

Source and Market Data

Access to solid data and the ability to interpret and apply the data is foundational to the creation of solid fundraising strategy and a successful plan to arrive there. Reports utilized include: Budget to Actuals, Trend, Donor segmentation, and ROI reports. The below is a summary of key data findings in preparation for FY20XX.

<table>
<thead>
<tr>
<th>Philanthropic Income Categories</th>
<th>FY18-19 Income Average (trend)</th>
<th>FY19 Income (estimate)</th>
<th>% Insights (increase/decrease/stable)</th>
<th>FY20 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>$151,000</td>
<td>$150,000</td>
<td></td>
<td>$250,000</td>
</tr>
<tr>
<td>Businesses</td>
<td>48,900</td>
<td>15,000</td>
<td></td>
<td>18,000</td>
</tr>
<tr>
<td>Organizations</td>
<td>31,700</td>
<td>27,600</td>
<td></td>
<td>40,000</td>
</tr>
<tr>
<td>Grant income</td>
<td>106,200</td>
<td>357,000</td>
<td></td>
<td>400,000</td>
</tr>
</tbody>
</table>
Component #4
Fundraising Strategies

Photo Credit: HFHI Digital Asset Network, 2019
WHO will do WHAT and WHEN
Example Fundraising Strategies

- Signature Event
- Direct Mail Appeal
- Sponsorship Program
- Monthly Giving Society
- Individual Giving Strategy
Example 1: WHO will do WHAT and WHEN

More Than Houses Society member cultivation track (*donors who pledge $1,000 or more each year for five years*)
All More Than Houses Society members – goal to increase by 15%

<table>
<thead>
<tr>
<th>Tactic</th>
<th>What</th>
<th>When</th>
<th>Habitat contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thank-you letter upon enrollment.</td>
<td>Immediately upon enrollment</td>
<td>Administrative assistant</td>
</tr>
<tr>
<td>2</td>
<td>Enrollment thank-you phone call from homeowner.</td>
<td>Immediately upon enrollment</td>
<td>Homeowner services assistant</td>
</tr>
<tr>
<td>3</td>
<td>Invitation to personal meeting with assigned development staff.</td>
<td>One time per year (if newly enrolled, arrange meeting within first three months)</td>
<td>Engagement director/CEO/executive director</td>
</tr>
<tr>
<td>4</td>
<td>“What your gift has accomplished” thank-you email/postcard from CEO/executive director (homeowner).</td>
<td>March – End of first quarter</td>
<td>Marketing director</td>
</tr>
</tbody>
</table>
Individual Giving Strategies  

**Combined Goal:** $75,000

<table>
<thead>
<tr>
<th>Staff Lead:</th>
<th>Sarah Beckman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solicitation Dates:</td>
<td>July 2019 – June 2020</td>
</tr>
</tbody>
</table>

**Component #1 – Board Giving**

*Lead: Board President (Executive Director to assist)*  
*Date: December 2019*

*Goal: $4,000 (12 Board members, 100% giving with an average gift of $350)*

*Strategies:*

1. Board President and Executive Director ask each Board member personally in **first quarter** (Kyle, Sarah)
2. Each personal ask followed up with mailed request letter and commitment form (Sarah)
3. Each ask followed up with emails and calls bi-weekly until gift/pledge is made (Kyle, Sarah)

**Component #2 – Board Circle of Influence (Personal)**

*Lead: Board President (Executive Director to assist)*  
*Date: July 2019-June 2020*

*Goal: $15,000 (12 Board Members, 3 meetings each, average of $1,250/Board Member)*

*Strategies:*

1. Each Board member is asked to influence at least $1,250 in gifts from their circle of influence (personal) by opening a minimum of one door per quarter for staff (Sarah, Emily) to share the Habitat story.
2. To ensure staff are not overwhelmed with this request Board Members will be asked to spread out this work by opening one door in each of the following quarters: Q1 (July/Aug/Sept), Q3 (Jan/Feb/Mar) and Q4 (Apr/May/June).
Action 3: Mortgage Burning Happy Hour

Goals: Host event to cultivate current donors and acquire new donors in community. Secure $312,000 in funding.  
Timeline: Second week in November

<table>
<thead>
<tr>
<th>Action</th>
<th>What</th>
<th>When</th>
<th>Habitat Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brainstorm Table Captains at all-staff meetings</td>
<td>Ongoing</td>
<td>Communications Team</td>
</tr>
<tr>
<td>2</td>
<td>Engagement Vision for Breakfast with expert panel</td>
<td>Aug./Sept.</td>
<td>CEO/ED/VP Community Outreach</td>
</tr>
<tr>
<td>3</td>
<td>Invite Table Captains to host tables</td>
<td>September</td>
<td>Communications Team</td>
</tr>
<tr>
<td>4</td>
<td>Follow up with Table Captain invites who have not responded</td>
<td>5-10 days after September invitation</td>
<td>Communications Team</td>
</tr>
<tr>
<td>5</td>
<td>Post-Whirlpool build, review people who were involved that should be Table Captains or invited to the breakfast</td>
<td>October</td>
<td>Communications Team</td>
</tr>
<tr>
<td>6</td>
<td>Send invitations to HPDs, MTH members, Women Builders, Builders Blitz sponsors, Monthly Giving who haven’t already been invited</td>
<td>October</td>
<td>Communications Team /Donor Care Coordinator</td>
</tr>
</tbody>
</table>

Example 3: WHO will do WHAT and WHEN
Step 4: Strategies

Now that you know exactly how much you’d like to raise from each market, it’s time to develop and apply the strategies that will result in reaching the target goals. Specifically, this portion of the fundraising plan outlines “who” will do “what” and “when.” This is the basis for structuring the necessary fundraising touchpoints for the entire year. It also helps build in accountability and consistency for the entire fundraising team. Each market identified in Step 3 requires an accompanying strategy for success.

Direct Mail and Online Giving (cost of acquisition extremely high, focus on renewal to realize the benefit)

Goals: Secure $20,000 in funding, increase donor base, achieve 70% overall ROI

Timeline:

<table>
<thead>
<tr>
<th>Date</th>
<th>Vehicle</th>
<th>Audience</th>
<th>Fundraising Action</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>Annual Report</td>
<td>All donors / volunteers from past 3 fiscal years</td>
<td>Soft ask with remittance envelope included</td>
<td>Marketing Director / PR Team</td>
</tr>
<tr>
<td>November</td>
<td>Holiday appeal letter</td>
<td>All donors / volunteers from past 3 fiscal years with no email</td>
<td>Direct appeal with remittance envelope and reply card</td>
<td>Marketing Director</td>
</tr>
<tr>
<td>December</td>
<td>Online eblast with holiday appeal</td>
<td>All email lists</td>
<td>Eblast during first 2 weeks of December with reminder eblast between Dec. 25-31st</td>
<td>Marketing Director</td>
</tr>
</tbody>
</table>

Did you like this Resource Development Expertise Hub document? Find more at my.habitat/XXXLINKHERE
At your tables..... How are your operational systems strong? What is something that you saw in these plans that you'd like to incorporate?
Component # 5
Monitor, Evaluate and Refine
Segmenting Your Donors

Total donors who gave in the last year and the amount that they gave.

Example (in dollars):
0 - 100
100 - 500
50-1k
1k+
Segmentation by Affinity

Step 1: survey sample group of donors to identify their affinity
- Future homeowner children success stories
- Economic impact of homeownership
- Educational impact
- Volunteerism
- ReStore
- Local business community

Step 2: Plan the communication
- Start small, consider adding 1 additional electronic communication annually for each group

Step 3: Test and evaluate
- Compare the results
Donor Retention

Defined as: Donors who gave last year and gave again this year.

2018 Donors who also gave in 2017 divided by 2017 Donors x 100

= 2018 Donor Retention % Rate
Assessing your Fundraising Strategies

Percent Participation
Average Gift Size
Net Income
Average Cost per Gift
Fundraising Cost
Return on Expense
A fundraising plan is a living document....we need to evaluate and adjust

- Plan reaches certain milestones
- After key fundraising events
- End of each quarter
At your tables..... When do you build in time to evaluate and adjust? What metrics do you monitor? What metrics would you like to monitor?
Our Time Together

1. The What and the Why
   Utilize key stakeholder perspective and data to set vision

2. The Cost
   How to apply numbers to the specifics of the vision

3. Sources and Markets
   How to maximize groups and individuals that will be invited to support the vision

4. Fundraising strategies
   How you will ask the groups and individuals for their support

5. Monitor, Evaluate, and Refine
   How to include continuous improvement

At your tables..... What will you put into ACTION?
Additional Resources

- **HFHI news lists**: Advocacy communication, U.S office news, & the Monday Money Memo

- **Canva** – Nonprofit free version and discount for collateral design

- **Funding Activities Page** on MyHabitat and join the conversation with colleagues on **Yammer** (we recommend Funding Activities, Funding Opportunities as a great starting point)

- **Case for Support Resources**

- **Fundraising Planning** resources on Funding Activities page included samples and templates
Thank you!