Increasing Individual Giving

Illinois SSO Conference – November 2019
Learning Objectives

• Understand the basic philanthropic landscape in the United States
• Strengthen stewardship activities to foster key pieces of a positive donor experience
• Identify warm leads for new donors
Today’s Agenda

- Philanthropic landscape
- Donor retention and stewardship
- Donor acquisition
Zooming out: Industry Trends in Fundraising
Giving USA 2019

2018 contributions: $427.71 billion by source

- 68% Individuals: $292.09 billion
- 18% Foundations: $75.86 billion
- 9% Bequest: $39.71 billion
- 5% Corporations: $20.05 billion
Giving USA 2019

2018 contributions: $427.71 billion by recipient organization
Looking for more?

CFRE Leading Edge Brief

Burk’s Blog
Donor Retention
Why Focus on Retention?

- Easier than never-ending acquisition
- Board members often more comfortable with stewardship activities
- Acquiring a new donor costs six to seven times more than it costs to retain an existing donor
- Improves the lifetime value of donor database
- Most Major Gifts are made after 5 years of giving

Source: bloomerang: 3 Reasons Why Donor Retention Trumps New Donor Acquisition, Nov. 2017 and Donor Retention Math Made Simple
A RESOURCE DEVELOPMENT EXPERTISE HUB PRESENTATION

### What’s your retention rate?

<table>
<thead>
<tr>
<th>ROW</th>
<th>YOUR ACTION</th>
<th>DATA</th>
<th>SAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Input data</td>
<td>Donors last year</td>
<td>1,200</td>
</tr>
<tr>
<td>B</td>
<td>Input data</td>
<td>Donors who gave last year but not this (aka LYBUNTs)</td>
<td>720</td>
</tr>
<tr>
<td>C</td>
<td>Subtract B from A</td>
<td>Donor Retention</td>
<td>480</td>
</tr>
<tr>
<td>D</td>
<td>Divide C by A and multiply by 100</td>
<td>Donor Retention Rate</td>
<td>40%</td>
</tr>
</tbody>
</table>
50 ways to lose your lover (or Habitat donor)?

Don’t need to be coy, Roy, just listen to me

Make a new plan, Stan

Just drop off the key, Lee, and get yourself free
Why organizations lose donors and money?

- Ignore Them
- Lie to Them
- Fail to Return Calls or Emails
- Fail to Deliver on Promises
- Act uncivil
- Don’t turn up on time
- Don’t invest in relationship

- Don’t thank them
- Not explaining/showing impact of their investment
- Over soliciting
- Bad volunteer experience
- Not listening to them
Retention: from the donor’s perspective

Donors were asked...

“Once you have made a first gift to any not-for-profit, what would cause you to remain indefinitely loyal to that organization while giving at an increasingly generous level over time?”

Source: Burk, Penelope. Being Donor-Centered in Changing Times, Association of Fundraising Professionals International Conference, April 2019
…their response

Receiving prompt and meaningful acknowledgement whenever they made a gift

Having their gifts assigned to a specific end purpose such as a program, project or initiative narrower in scope than the mission of the entire organization

Receiving a report, in measurable terms, on what was accomplished with their (and other donors’) donations before being asked to give again
Stewardship is a key to retention
Receiving prompt and meaningful acknowledgement whenever they made a gift
Initial Acknowledgment: Focus on being donor centric

- Treats donors universally as heroes
- Gives the donor credit for achieving the organization’s mission and vision
- Use ‘you’ language instead of ‘organization’
- Treats donors like invested partners
- Foster dialogue and deeper relationships
In Action: being organization centric

Dear Mrs. Smith,

On behalf of X Habitat for Humanity, I want to thank you for your gift of $50. For more than 25 years, X Habitat has been committed to helping low-income families achieve their dream of owning their own home. Through the kind-hearted generosity of donors like you, X Habitat has built more than 100 homes and repaired more than 50…and there’s much more to be done to end poverty housing in the X community.

Please use this letter as a receipt for your gift to X Habitat for Humanity. As required by federal law, this letter acknowledges that no goods or services were provided to you in exchange for your contribution.

Thank you for helping us build a better community.

Sincerely,

Based on an actual thank you note from a Habitat affiliate. Names and identifying details have been changed to protect the well-intentioned.
In Action: being donor centric

Dear Sally:

They dreamed of a better life, and you made it happen.

In January, five families—six adults and eight children—were selected to partner with Habitat for Humanity to become first-time homeowners. Your gift of $50 (received March 10, 2014) will help them build their homes.

As the construction season kicks into high gear, you can expect regular updates from me on each family’s progress toward homeownership. In the meantime, should you have any questions or would just like to talk, please contact me at development@hfhorg.org or 555-555-5555 ext. 105.

Thank you for your partnership in this life-affirming work.

Based on a thank you note used by HFH of East Jefferson County in Washington state.
Further Recognition

Donor Recognition Programs

*Giving societies and circles*

Celebratory Cards

*Birthday, Anniversary, Volunteer, Thanksgiving, Philanthropy Day*

Commemorative Items

*Donor plaques, simple certificates, awards ceremonies*
How does your affiliate provide donors with meaningful recognition?
Having their gifts assigned to a specific end purpose such as a program, project or initiative narrower in scope than the mission of the entire organization
Donor Intent

“Your donation will be used to purchase construction materials for the Smith family home, located at 123 Main Street, Anytown.”

“Your donation will support resident engagement and community beautification projects in Cooltown Neighborhood.”
Receiving a report, in measurable terms, on what was accomplished with their (and other donors’) donations before being asked to give again
Reporting Impact

Ways to share impact with donors:

- Impact calls/letters
- Social Media
- Website/blog
- Impact Reports
- Newsletters
- Annual Report
Multiplying the Impact
Campaign Progress Report

Records Shattered

You’ve done it again, as we hit milestone audience—you, those of the Multiplying the Impact campaign; your support means more families have bought homes with Habitat than we ever thought possible.

The goal for fiscal year 2019 is 100 homes, helping a family with every $10,000. The actual result: 167 Families bought a home with Twin Cities Habitat.

Even more impressive is the small impact you’ve created throughout the campaign. Since July 2018, 223 families have closed on homes, that is, children who are now growing up in safe, affordable places to call home. That’s about 12 school buses full of happy kids.

With your help, we’re going to go beyond the goals. Thank you for creating a Twin Cities with strong families and thriving neighborhoods.

LeAndra’s Gratitude: “Thank you is an understatement”

In June alone, 12 families bought homes with Habitat. Each time the home buying table is filled with someone—big smiles, hugs, et cetera. A photo of LeAndra and her daughter, holing the moment they received their keys. Look at the joy on their faces. LeAndra has this to say to you, our generous supporters:

“Thank you is an understatement for the time, love, joy, blocks, streets, and more that you have all put into building and creating a foundation for my family and I. It is my hope, dreams, and wishes that every single person involved in the process of making a home can come together to make something to bring you and the others happiness you want this.”

LeAndra, ‘14” Habitat homebuyer in fiscal year 2019
How does your affiliate communicate updates and impact to donors?
Dive Deep: Where to go for more?

Resources available on MyHabitat:

• Funding Activities Page
  Engagement Plan Examples

• US Brand User Guide
  Brand Management, Understanding our Donors

• Donor Stewardship Toolkit – Coming Soon!

Other Resources:

• Adrian Sargeant, Donor Loyalty Research
• Penelope Burk Donor Research (Cygnus Applied Research, Inc.)
Donor Acquisition
Identifying Potential Donors

- The Magic of Habitat
- Activating your team
The Magic of Habitat

- Groundbreakings and House Dedications
- Special Events
- Faith Partners
- ReStore
- Volunteers
- Others
Activating your Team

Team Huddle

“Where does my role fit into engaging potential donors”

As affiliate engagement leaders, we want to ensure our colleagues and key volunteers see their role in that process and are equipped to engage.

• Equip your construction team with talking points for morning circle at the job site
• Ensure your volunteer coordinator is ready to answer – how do we deepen our involvement?
• Empower your ReStore team to share the impact of donations and how the store supports the mission
• Entice your board of directors with a branded polo shirt (and talking points of current needs from case for support) so they can share at the grocery store or company meeting.
• Entrust all team members with updated talking points for speaking opportunities on behalf of your affiliate
Constituency Model

When we look to identify potential donors, we want to look with individuals closest to our affiliate and expand out.

This is the industry standard constituency model. How would we make this Habitat specific? What groups would we add to our own constituency model?
Who’s lurking on the job site… *(and other key opportunities)*

- Employer
- Church, synagogue or mosque affiliation
- Civic organizations
- Referred by
- Special skills
- Interests
Putting Acquisition into Action

Let’s brainstorm:

• As a small group, talk through the acquisition opportunities we highlighted today
• Identify 1 or 2 missed opportunities within your affiliate
• Establish 2-3 steps to strengthen acquisition of potential donors in the opportunities identified
Dive Deep: Where to go for more?

Resources available on MyHabitat:
• Fundraising Cycle Step 2: Prospect Research

Additional resources:
• Activating your team exercises:
  • Circles of Influence
  • Who do you know in this category?
• New Donors: Getting the Ungettable Get Network for Good eGuide
• Screening and Prioritizing Potential Donors:
  • RFM Analysis (Recency, Frequency and Monetary Value)
  • ABC (Ability, belief and contact)
Questions?
This presentation has been made available to affiliates through Habitat’s Resource Development Expertise Hub.