

THE 10 BEST WAYS TO RAISE MORE MONEY FOR YOUR NON-PROFIT



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THE 10 BEST WAYS TO RAISE MORE MONEY FOR YOUR NON-PROFIT

By Joe Garecht

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succeed@majorgifts.com
800-490-7090

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ABOUT THE AUTHOR

Joe Garecht is a fundraising consultant and author with almost two decades of experience helping non-profits and other organizations raise the money they need to thrive. Joe is the President of **Garecht Fundraising Associates** and was the founder of The Fundraising Authority.

Previously, he served as the Executive Director of BLOCS (Business Leadership Organized for Catholic Schools) and as the Development Director of The Philadelphia Children's Alliance. He is the author of several books on fundraising strategy, including *How to Raise More Money for Any Non-Profit* and *The Non-Profit Fundraising Formula*. As a consultant, Joe has worked with thousands of non-profit organizations to help them supercharge their fundraising.



INTRODUCTION: WHY FUNDRAISING MATTERS

At many non-profits, “fundraising” is a dirty word. Sure, every non-profit knows that it needs to raise money in order to carry out its programs... but for many board members, executive directors, program officers and even development directors, fundraising remains a “necessary evil,” something that they have to slog through in order to get to the real work of the non-profit.

After decades of work in non-profit development, I have a different view. I believe that, far from being a necessary evil, fundraising is the single most important thing you do at your non-profit. Think about it...

- Your non-profit has a mission that matters.
- Your non-profit does good work—work that changes the world and makes a real impact on people’s lives.
- Nearly everything your non-profit does costs money
- Fundraising allows your organization to have the money it needs to carry out its mission.



Fundraising matters for your non-profit. Without fundraising, you would have no staff, no office, no programs, no ability to help those who need you the most. Without fundraising, soup kitchens would have no food to offer, churches would have no place to meet, schools would have no scholarships to grant. Without fundraising, your non-profit organization would cease to exist.

That's why fundraising matters. Fundraising isn't a necessary evil. It's not something that's beneath you, underhanded, or "kind of icky," as one non-profit board member recently told me. If your non-profit is doing great work and if your mission and vision and projects matter, then fundraising is the most important thing your organization does, because it allows you to fund your projects and implement your vision.

Use this short e-book to help you increase the effectiveness of your fundraising. These 10 tips are, in my humble estimation, the 10 best ways you can supercharge your fundraising starting *today*. After reading through them, be sure to visit Garecht.com on a regular basis to keep learning great new strategies from the best minds in non-profit development.



#1: Focus on Individual Donors

One of the basic facts of non-profit fundraising is this: the vast majority of money available to non-profit organizations comes from individuals. Sure... foundations, businesses and government entities can be a good source of funds for certain non-profits, but they pale in comparison to individual givers. Almost 80% of the money raised by non-profits each year comes from individuals.



There's another reason why individual donors are so important for your organization: they are far less fickle than institutional donors. Chances are that if you steward them properly and make a good renewal ask, someone who gives to your organization this year will give to you next year as well. The best fundraisers seek to build lifelong relationships between a non-profit and its donors... a relationship that lasts from first gift through annual donations through planned gifts and beyond.

Institutional donors (such as foundations and government agencies), on the other hand, can and do change their giving guidelines on a regular basis. No matter how great a relationship you have built with a grant officer at a particular foundation, that foundation's board may decide to switch focus from year to year, meaning that your non-profit no longer qualifies for funding from a particular grantmaker. Likewise, many foundations and government agencies limit the number of years in which they will fund a non-profit, meaning that it is often impossible to build lifelong relationships with these types of donors.

Because almost 80% of the money that is available to non-profits comes from individual donors, and because those givers are less fickle than other types of donors, your organization should be

spending around 80% of its fundraising time and budget seeking out individual donors. If your development program is primarily driven by grants or corporate donations, now is the time to diversify and place the emphasis where it should be: on individuals and families who are interested in your mission and willing to support your non-profit.

#2: Move Donors through the Funnel

Every non-profit should be focused on moving donors through the fundraising funnel. The fundraising funnel has four key phases:

1. **PROSPECTING.** The first phase is finding new prospects for your organization. These prospects can come from any number of places, but your non-profit needs to have a plan in place for systematically identifying and approaching new potential donors for support.
2. **CULTIVATION.** During the cultivation phase, you are focused on building a relationship with your new prospects, before making an ask. Cultivation can involve in-person meetings and phone calls, as well as non-ask events, letters and e-mails... plus lots of mass communications such as your e-mail newsletter. The goal of this phase is to move prospects towards making their first gift.





3. ASKING. Once a prospect has been properly cultivated, it is time to make an ask. For some donors, this will mean a face-to-face ask, for others it can take place over the phone. Smaller and mid-level donors may be asked through direct mail, e-mail or by being invited to a fundraising event. Non-profits need to be deliberate in making asks to their prospects and donors on a regular basis.

4. STEWARDSHIP. The fourth and final phase of the fundraising funnel is stewardship. During this phase, donors who made gifts during the asking phase are thanked, and the non-profit works to continue deepening the relationship between the organization and the donor. The stewardship phase is similar to the cultivation phase, as it is focused on communication and relationship-building. The goal of this phase is to move donors towards making their next gift. Current donors should be in a constant cycle of asking and stewardship.

One key to successful fundraising is putting a true fundraising funnel in place for your organization and keeping donors moving through it.

Your team should be focused on maximizing each phase of your non-profit's funnel. You should have a plan for finding new prospects, a plan for cultivating them and communicating with them, a plan for making asks, and a plan for stewarding your donors and moving them towards another ask/gift. Be deliberate about the fundraising funnel at your organization.

#3: Pick Up the Phone

Nothing in the non-profit fundraising process is more effective than a face-to-face meeting with your donors and prospects. In-person meetings help to develop deep relationships between your donors and your organization, and they allow you to quickly cultivate prospects and move them towards an ask.

Unfortunately, you won't be able to meet with each of your donors face-to-face on a regular basis. Your non-profit has limited time and resources, and a limited number of staff members available to handle such meetings. Similarly, most of your donors are busy people who don't have time to meet with your staff on a monthly or quarterly basis. Luckily, you have another option... one that is *almost* as effective as meeting a donor in person: the phone.

Your non-profit can and should be integrating phone calls into every part of your fundraising funnel. Prospective donors should receive phone calls during the prospecting process. Your team should be calling donors when cultivating them, as well as making asks over the phone when appropriate. Donors who make gifts should receive calls thanking them for their donations as part of the stewardship phase of your development program.

You won't be able to call every donor. Small-dollar donors will likely need to be cultivated and stewarded (and, in many cases, asked) through the mail or e-mail. But in my experience, most non-profit fundraisers are far too shy when it comes to making phone calls.





For example, did you know that picking up the phone to make follow-up calls a week after sending out invitations to a fundraising event can increase your attendance at that event by 20%? Is your non-profit doing follow-up calls for event invitations? Data has also shown that donors who receive a short thank-you phone call within 2-3 days of your receiving their gift will give, on average, about 30% more to your non-profit during their lifetime than if they don't receive such calls. Is your non-profit using staff and/or volunteers to thank each donor by phone for each gift received?

Don't be afraid to pick up the phone and call your donors and prospects, even if the calls are brief thank-you or check-in calls. The phone is one of the most powerful tools in a non-profit fundraiser's arsenal!

#4: When Fundraising Online, Focus on E-Mail

The most important online tool for non-profit fundraising isn't your website, or your social media presence. It is e-mail. Your non-profit should be focusing on growing an e-mail list of supporters and prospects and using that list to regularly communicate with and raise funds from those who give you permission to contact them by e-mail.

Think about it: with any luck, thousands of people will be viewing your website and looking at your social media pages each month, week, or day. For most of those people, you will never, ever know who they are. You won't have any way to get back in touch with them, either. Even if



With e-mail, on the other hand, you're in the driver's seat. Most people check their e-mail at least once per day, and most people at least scan the e-mails they get (at the very least, they look at the sender and subject line and then decide if they want to read further). When you have someone's e-mail address and their permission to e-mail them, you get to control the pace of the communication and you know that you have at least a fighting chance of getting through the clutter and getting people to read what you send.

Your non-profit should be using its social media presence to drive people to your website and using your website to get people to give you (a) their e-mail address and (b) their permission to communicate with them. You do this by setting up an e-mail newsletter, asking people to sign-up for it, and then occasionally sending out fundraising appeals to your e-mail list, in addition to a regularly-scheduled e-mail newsletter (which is itself a cultivation tool for your development efforts).

they like you on Facebook or follow you on Twitter, they'll only read your stuff if some serendipity happens — if they're online when your message comes across their feed, and happen to be in the mood to read what you are writing. In other words... for most of those people, you don't have any control in communicating with them.

Fundraising e-mails should be true fundraising appeals – focused on telling a story, connecting with the donor, and making an honest-to-goodness ask. E-mail fundraising appeals should be shorter than direct mail fundraising letters, but should include the same type of direct ask formula (“Would you be able to give \$25, \$50 or your most generous gift to

help us end homelessness in Tucson...” etc.). You should also include a direct link to your payment processing page (e.g. a “Click here to donate now” button) in your fundraising e-mail appeals.

When it comes to online fundraising, focus on building your e-mail list and using it to develop deeper relationships with your donors as well as raise money from them online.

#5: Ask for Referrals

Almost every non-profit organization wants to find new prospects to keep their donor funnel full. Without new prospects coming into the pipeline, there won't be anybody to cultivate, you won't be able to make any asks, and ultimately, your events, direct mail, and fundraising campaigns will fail.

Simply put, your organization needs to be constantly finding new prospects and putting them into your cultivation system. But where can you find a steady stream of new prospects year in, year out, who are at least open to hearing about your mission?

The single best place to find new donor prospects is among the contacts of your current donors, board members, volunteers and staff members. When was the last time you talked with your current



donors to ask them to share their contacts and introduce you to their friends, neighbors, clients, vendors, and colleagues? And no, asking for “new names” in the middle of a board meeting or event host committee meeting doesn't count.

How many of your board members and donors have you sat with, one-on-one, as part of a cultivation meeting, and directly asked, “Can you introduce me to two or three of your colleagues who might also be interested in learning more about our work?”

Start asking each of your board members, donors, volunteers and staff members for referrals at least once per year. It works, in my experience, seeking donor referrals is the most effective method for finding and engaging new high-level donors, and also works very well for building mid-level donor relationships.

#6: Ask Donors to Upgrade... Every Year

Are you asking your donors to upgrade—to give more this year than last year? If not, then it is highly unlikely that they will. As a general rule of thumb, if you want to raise 10% more at your non-profit this year than last year, then your best bet is to ask each of your *current donors* to give 10% more this year. Not all will say yes, but many will – and getting donors to upgrade is far easier than finding a new donors to start giving for the first time.

The best way to get donors to upgrade is to ask them directly. For your largest donors, this means sitting down across the table from them and making an in-person ask. For mid-sized donors, this means picking up the phone to make the ask. For smaller donors, the upgrade ask can be handled through a letter or through e-mail.

No matter how you are approaching the donor to ask for the upgrade, you'll need to thank the donor for their past donations, tell them why you need to raise more money this year than last year (you do have big plans this year, right?) and then ask them to give more. People don't give (or upgrade) unless they are asked.



#7: Give Your Development Program the Resources It Needs to Grow

One of the biggest problems with modern fundraising programs is that they are under-resourced. If you work in non-profit development, chances are that your program doesn't have the staff, budget, or infrastructure it needs to be able to carry out its fundraising plan the right way. Plus, it is highly likely that your organization's fundraising staff is underpaid. All of this adds up to a very difficult environment for fundraising... which is one of the reasons why the turnover rate for non-profit fundraisers is sky high.

If you want to grow your fundraising program, you're going to need to give more resources to your fundraising staff. If you don't yet have a full-time fundraising staff member, you should be working diligently to get to the point where you can hire one. I usually tell organizations that once they are raising \$500,000 or more per year in charitable donations, they need a full-time fundraiser and can afford to hire one.

I believe that fundraising is the most important thing your non-profit does because it makes everything else you do possible.

If your organization thinks of fundraising as a "necessary evil" and limits the fundraising budget because you are worried about "diverting money from programs," then there is a high probability that hurting your development program is actually hurting your programs.

Start thinking of your fundraising budget as an investment into your vision and mission. The more money you raise, the more good you can do in the world. In order to raise more money, you will need to expand your development budget, expand your fundraising staff, and place a new importance on fundraising for your organization.



#8: Make Better Asks

One of the biggest changes you can make to raise more money at your organization is to make better fundraising asks. This includes asks made in person, on the phone, through e-mail, direct mail, at group meetings and on your website. Far too many non-profits make wishy-washy asks and then wonder why they aren't getting as many gifts as they thought they would.



To have the best chance of success, an ask has to be an actual question, meaning that it starts with words like, “Will you...” or “Would you be willing...” When you talk to someone but don’t actually ask a yes-or-no question, it’s not really an ask. Saying things like, “I hope at some point you will consider...” or “I’d really like it if you would...” is not an effective way to make a fundraising ask.

During the ask conversation, make sure to explain where the money will be going and how it will be used. Prospects feel much better about saying “yes” to your asks when they understand where their money is going. If you ask someone for \$100,000, he or she wants to know what that money will be used for. If you need a host committee member to sell 10 tickets to your event at \$100 per ticket, they want to know why you need to raise another \$1,000 for your non-profit.

Do you know why you need the money? Does your staff? Can your staff, board, and fundraising volunteers all explain in a succinct and clear manner why you need to raise the money that you are currently trying to raise?

How much does it cost you to serve one more meal, do one more operation, accept one more child into your school, provide one more scholarship? Whatever your non-profit’s mission is, break down your program budget into bite sized chunks.



If you are asking a donor with a heart for serving the poor to make a \$50,000 gift to your soup kitchen, and you can explain that \$50,000 will allow you to serve another 25,000 hot meals this coming year, that's far more powerful than simply asking for the cash for general expenses.

Also, be transparent with your donors. Your prospects (particularly your larger donor prospects) will understand that a certain portion of every donated dollar goes to cover overhead expenses. Keep these expenses reasonable, and be willing to share with donors what percent of their donation will go to overhead costs.

And remember, no matter how small or large the ask is going to be, always ask for a little more than you think you'll actually get. It's a basic rule of thumb in fundraising: people can always talk you down (offer less money if you ask for too much), but they will *never* talk you up

(offer more money if you ask for too little). Thus, if you think a donor can give \$1,000 ask for \$2,000. If you think a donor can give \$50,000 ask for \$75,000. Always ask for more than you think you will get.

If you always ask for a little more than you think you will get, you'll raise far more in the long run.

#9: Think Bigger

Far too many people spend their time and energy thinking small. That's true in the wider world, and it's true in fundraising. There are a lot of fundraisers in the world — some professional, some volunteer. Some work on staff, some consult, some are on boards, some do it as a favor to a friend. People come at fundraising from all different angles, but there's one thing that 99% of fundraisers have in common — most of us think on a small scale.

If there's one area where there's really no excuse for thinking small, it's fundraising. As fundraisers, we fight for and fund important, often earth-shattering causes. (If you're not working on causes that matter... well, why not?) No matter how small your cause or organization seems, chances are it's important — much more important than you give it credit for.

Your organization may be providing meals to the homeless in one small corner of one small city — but to those you feed, you're doing the most important work in the world. You may be raising money to battle one disease out of thousands — but to those who are afflicted by that disease, your fundraising is the only hope they have of finding a cure and staying alive. So why do we think small about the work that we do?

If the work that you are funding is important, — if it matters, if it makes a difference — then the time has come to stop thinking small. Your board may be thinking small. The executive director (or development director, or program staff) may be thinking small. Your volunteers and event hosts may be thinking small. But it's time for *you* to start thinking big.

What does thinking big look like? It might be launching a new program, a new fundraising campaign, a new event. It might be reaching out to new funding



streams, dipping into a new donor universe, or hiring a new development officer even though you've never had one on staff before.

Thinking big looks different in every organization, but no matter what cause you are fundraising for, big thinkers always share one trait in common: they're willing to step outside the confinement of past strategies to cast a new and bold vision for their causes and organizations — one that will literally change the way the game is played.

#10: Spend Some Time Planning, but Most of Your Time Doing

Great fundraising programs devote time to planning their work. I'm a big proponent of development planning, and I insist that fundraising plans include not only a clear strategy for reaching an organization's fundraising goals, but also defined responsibilities and deadlines.

A great fundraising plan is vital to the success of your non-profit organization.

That being said, many non-profits fall into the trap of "analysis paralysis." They

think they need to spend a full year to write a case for support and fundraising plan or must have a board committee spend 5 weeks analyzing whether to hold this year's gala in the spring or in the fall. Planning is important, but for many organizations, the problem isn't too little planning, it's too *much* planning.

While every non-profit is different, for most organizations the mix should be to spend about 10% of your time planning and 90% of your time doing. You need to plan the work, but then you need to work the plan. Don't get dragged down in the planning process. Don't overthink things. Get out there doing things. You can plan out an important ask for months, but if you don't actually make the ask, you'll never get the gift. Make your fundraising program a place where action reigns.



**TAKE
ACTION**

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Major Gifts LLC
1288 Valley Forge Road
Unit 82
Valley Forge, PA 19460

800-490-7090
succeed@majorgifts.com

