

 TEXAS ASSOCIATION OF PARTNERS IN EDUCATION  
**tape**

**NONPROFIT<sup>+</sup>**  
research and development

# TAPE 2012 Mid-Winter Powerful Partnerships Conference

## Getting Started with Online Fundraising

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## Agenda

1. Overview of Online Fundraising
2. Online Fundraising Strategies
3. Return on Investment (ROI)



Going to be intense 1 hour, but there is more help

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Basics of Online Fundraising

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## Don't Panic



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Basics of Online Fundraising

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## What you talkin' about Willis?

- SaaS, CRM, CMS
- ROI, API,
- wysiwyg
- Open-Source
- Fundraising Platform
- Blah, Blah, Blah



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Basics of Online Fundraising

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## Overview of Online Fundraising

## What is Online Fundraising?

Online Fundraising is NOT a Donate Button

We see Online Fundraising as:

a coordinated, multi-faceted process of soliciting donations using online tools, including but not limited to websites, email, SEO, video, social media, etc.

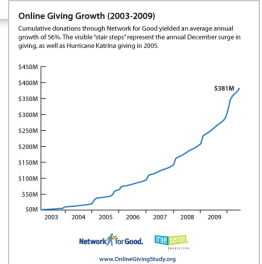
## Why Online Fundraising?

Surely everyone in the nonprofit community knows how important online fundraising is today

- I wish that was so
- There are still folks who feel online fundraising is a waste of time
- This section will give you the info you need to prove your case

## Online Giving Stats

- 75%+ of donations are still coming from individuals
- 50%+ growth year over year
- Online giving is the fastest growing channel and is growing fastest for small organizations
- 40%-60% of donors visit an org's website before giving
- Over 65% of current donors visit your site



## Cygnus Donor Survey

- 65% said they will make an online gift this year
  - Young donors (86%)
  - 35 – 64 year old (68%)
  - Over 65 year old (53%)
- Direct mail donors – 29% made their gift online
- 26% who gave via mail said they were going to give LESS this way in 2011
- 69% prefer electronic over print communication



[www.cygresearch.com/downloads](http://www.cygresearch.com/downloads)

## Millennial Donor Survey (aged 20-35)

- 93% of Millennials gave to nonprofits in 2010
  - 21% gave \$1,000 or more
- 58% gave gifts under \$150, but
  - 63% gave to 3+ organizations
- 58% prefer to give online
- 71% get information about nonprofits through web searches
- 62% want to receive info via email



[www.millennialdonors.com](http://www.millennialdonors.com)

## Online Fundraising Strategies

There are many, many ways to raise money online

Much of the press focuses on “sexy” ways to do it:

- Social media, online video, text-to-give, Etc.

Shiny Object Syndrome



Most organizations still raise more money from the basics

It may not be as cool or exciting initially

- But you will raise more money in the long run

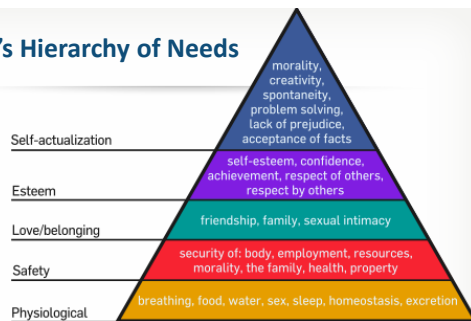
## Online Fundraising Strategies

We recommend focusing on the basics first:

1. Fundamentals
2. Email Marketing
3. Fundraising Campaigns
4. Follow Up

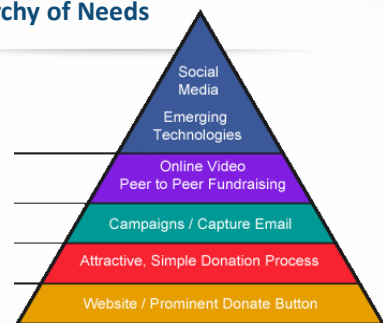
## 1. Fundamentals

## Maslow's Hierarchy of Needs



[http://en.wikipedia.org/wiki/Maslows\\_hierarchy\\_of\\_needs](http://en.wikipedia.org/wiki/Maslows_hierarchy_of_needs)

## Online Hierarchy of Needs



## Need Sound Fundamentals

Clean, attractive website

Prominent donate button

Simple and easy donation process

– Where's the checkout?

Capture Emails / Email Marketing

Fundraising campaigns

## Higher Level Strategies

Once you have a strong base, you can focus on the more advanced strategies

- Peer to Peer Fundraising
- Online Video
- Social Media
- Emerging technologies

A strong base lets you fully leverage these strategies.

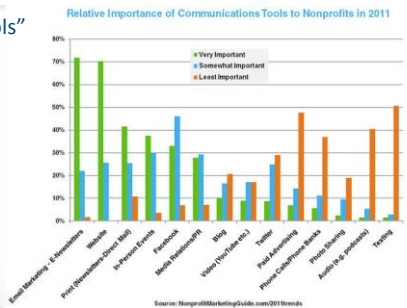
- Would you be ready if something went viral?

## 2. Email Marketing

## Email is Still #1

Many new “tools” in the press

Email still takes the prize



## Email Marketing

Email is still the most effective method

- 69% prefer electronic over print communication
- 2011 Cygnus Donor Survey

Email fits perfectly into

- Fundraising Campaigns
- Follow Up strategies

Relatively inexpensive

Start capturing emails now!



## Email Best Practices

Monthly newsletters no longer work

- Too much content, lost in the inbox
- Need shorter, engaging content
- Tell stories over multiple emails



Relevant and enticing subject lines

- Literacy eNews – January 2011, OR 5 tips to create a life long reader

Easy to digest

Single Call to Action in every email

## 3. Fundraising Campaigns

## Definition

Most definitions something like:

“a campaign to raise money for some cause”

**Our definition:**

“A coordinated series of actions that utilize

- a specific goal
- a clear call to action
- a sense of urgency (Timeline),
- a compelling story, and
- part of a larger supporter cultivation system

## Our Definition

### Coordinated series of actions

- Not a donate button or a single email
- Multi-appeal (7 Touches)

### Specific Goal

- Focus should be on a specific program or need
- Monetary goal should be relevant to the need
  - Not just a number, but what that number will mean

### Clear call to action

- What do you want them to do?
- Tied to the specific goal

## Our Definition

### Sense of urgency (Timeline)

- Don't let them put it off until later
- Ex: If we don't raise the money by Aug. 1<sup>st</sup>, then we can't launch this school year

### Compelling Story

- Stories increase emotion and donations
- Tie the story into all communications

### Part of larger supporter cultivation system

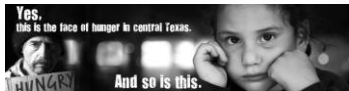
- The donation is only a small part of the Fundraising Campaign
- Continuous follow up and engagement – Long term benefits

## Why Fundraising Campaigns

Campaigns are compelling.. Donation pages are not

People give to People (animals too)

- Individual stories are more effective
- Late night infomercials
- Childhood Hunger vs. four-year old Marie



<http://www.austinfoodbank.org/hunger-is-unacceptable/>

## Why Fundraising Campaigns

### Emotion >> Rationality

- Buy based on emotion / Rationalize it later with facts
- Focus on emotion first, then give them the reasons why it was a good decision

### What donors want to hear about:

- Organizational Impact (80%)
- Success Stories (74%)
- More details about the organization (71%)
- Info on financial accountability (43%)

*Community Philanthropy 2.0 survey*

## 4. Follow Up

## Follow Up

It is really just part of the Fundraising Campaign

- Build it in from the start
- Series of Actions / Larger Cultivation System

Easiest way to build follow up – saying “Thank You”



## Thank you, thank you, thank you

The Power of Thank You

- Most folks don't get thanked enough
- Makes both sides feel good (Maslow)
- Remember the emotional connection

Say “Thanks” right away (auto-generated email)

- Additional calls-to-action
- What can they do from here?
- Interest and support are high right now

## Thank You Strategies

Thank them throughout the year

- Great reason to email

Thank you updates

- Highlight individual / Success stories if possible
- Let them know it could not have happened without them
- Still work to do – soft ask

Make them part of the fundraising campaign





## Thank You Example

### Generic:

Thank you for your generous donation of \$xx to support XYZ Nonprofit.

We greatly appreciate your support of our organization and our mission.

### Personal:

Thanks to you, Marie and her family will have something to eat every night this year.

Your gift of \$xx has helped Marie, and many more children like her, focus on learning instead of hunger while in school.

We look forward to sharing more of the successes you have helped to build in our newsletter.

## Return on Investment

## What is ROI?

### Return on Investment (ROI)

- an accounting formula used to obtain an actual or perceived future value of an expense or investment.
- Or... Was it all worth it?

$$\text{ROI} = \frac{\text{Funds raised} - \text{Expenses}}{\text{Expenses}}$$

Should be a positive number or probably not worth it

- A dollar is not always a dollar

## Return on Investment

### Expenses are not just money

- Staff time and resources are an expense too
- Look at the whole picture
- Example – Annual Gala

### Success = Dollars raised

- That is of course one measure

### Now need new ways to evaluate success

- What about new prospects, awareness, etc.?
- What is success for your org?
- What actions lead to bigger returns down the road?
- Look at ROI over time, not just one snapshot

## Types of ROI

### Hard ROI

- Quantitative – can be counted / measured
- Web traffic, email signups, etc.
- Software can help us here – Google Analytics, email software

### Soft ROI

- Qualitative – opinions, feelings.. Much harder to measure
- Awareness, education, engagement, etc.
- Usually found through surveys, focus groups, etc.

## Examples of other ROI Measures

### Hard ROI (Easier to measure, numbers)

Money raised  
 Increase in # of supporters and # of major donors  
 Email acquisition  
 Social media mentions  
 Blog mentions  
 Increase in Likes / Followers  
 Traffic to your website (Where from?)

### Soft ROI (Hard to measure but vital to long term success)

Increased awareness / branding  
 Higher engagement  
 Community building  
 Education

## ROI - Where to Start?

### What are your goals for the campaign?

- Dollars raised, email acquisition, etc.
- Select the items to measure based on these goals

### Start tracking "True" expenses

- Money and time

### Run the numbers

- Check them during and after the campaign

### Was it all worth the expense/effort?

## Action Steps

Commit to doing Online Fundraising

Identify and set up a fundraising campaign

Email > Landing page > Donation Form > Follow up

Select a few strategies or ideas and test

Take action, collect results, evaluate results

Take another action



## Q & A

**Download the slides:**  
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**\*\* Email me to become a beta tester for the \*\***  
**Online Fundraising Classroom**