E-CHAPTER:
BUILDING RELATIONSHIPS: HOW TO FIND AND CULTIVATE DONORS

This chapter goes over many ways to find and cultivate donors, on a broad scale, with average return on each method, before drilling down to chapters with concrete exercises to help you succeed in each area.

Chapter Objectives
Where does funding come from?
How do you get someone to become a giver?
Acknowledge your donors
Communicate with your donors
Anticipate then plan, so your donor is ready to give again

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**What you'll need**
- Business Journal Book of Lists,
- Annual reports of similar nonprofits,
- Foundation Center Cooperating Collections,
- Your donor database,
- Thank you letter template,
- Appeal letter template.

**What to do**
- Read the book of lists and annual reports
- Schedule meetings with your Executive Director and business leaders.
- Find connections in your board or volunteers.
- See if there can be a benefit, employee giving, volunteerism, etc.

**Key words and concepts**
- Power is attention
- Process driven communications
- Appeals and Acknowledgment
- Where you find donors
Reasons people give

**Where does the money come from?**
Let's take a look at sources of funding for nonprofits in the US. It's crazy. There are $1 trillion dollars in the nonprofit industry. If we were a single industry, we would be the nation's largest. One in ten people in the US work for nonprofits. *(Source: http://www.philanthropyreports.org/)* Each nonprofit has to have a source of funding, and to be successful, most need a person or a whole department dedicated to finding funding.

You may have seen Special Event signs in the street in your city, or gotten a letter in the mail from a nonprofit, asking for money. You may have seen an article in a newsblog about a nonprofit getting a large grant. When most people think of fundraising, they think of grantwriting or events.

Surprisingly, over 75% of funding comes from individuals! Four percent comes from corporations, 13% from foundations, and 8% from bequests. This chart is from GivingUSA.com. Most people in America are not rich. And most people who give to your nonprofit will not be rich. But these are the people who are committed to your cause and will sustain your organization.

As Kim Klein says, “I don’t want a gift, I want a giver. I don’t want a donation, I want a donor.” So how to get from here to there? Well, the short answer is, go to the people with the ability to give the most.

Spend the majority of your time with the people who give you the most money. This is lean development at its best. If you can walk into a house and ask a donor for $60,000, wouldn't that be easier than spending 3 months on an event?

Take a look at this diagram from GivingUSA.com. See how much money religious groups get? Do you remember mega-churches advertising on TV in the 80s? Why do they succeed?

*They ask all the time!*

**You have to ask as often as you possibly can. Everything else is a detail.**

We ask our most faithful, most loyal people for money most often. They act as if this is a gift you're giving them! It's an exchange. Seven out of ten adults give away money. Who to ask? Well, 92% of all gifts made and 60% of all money given comes from families who make $70,000 and under every year. That's most people.

How do you get them devoted to your cause? They need a personal touch. Use house parties, go door to door, use board and committee members who have given themselves, who can speak to the need, and the work you are doing. If you want to go directly to lean development, skip to Chapter 19.

**Finding Donors**
How do you identify those who want to give to you? It’s all about you and your community. First, every board member needs to be giving to your nonprofit. Board members need to be fundraising from their social circle, too. They may kick up a fuss, but how can they ask people to give money to your cause, if they don't believe in it enough to give to it themselves?

Say to the board, “Give what for YOU is a significant gift. We'd like you to make us one of your top three giving priorities.”

Beyond your board, it's a rectangle dance. Start to identify all of the people you know, and all of the people your board or staff know. Start in the center of a rectangle -Here's you

Then move out – Your family/friends

Then move out another level- Acquaintances/neighbors/faith based organizations

Then move out another level-Your vendors, your power company, your phone company, your local grocery store, etc.

Then move out another level-Another nonprofit in your area who cares about the mission you care about, or a lobbying group.

Then move out another level-Websites and forums related to this mission topically

Then move out another level-National organizations devoted to this mission

There's more help available than you knew, isn't there!

You can find a bigger version of this diagram in the Resource CD. This you can fill out, and copy and pass out to your executive director, other staff, volunteers, board, and advisory board. This will help everyone see where there are areas of overlap. Does each person at your nonprofit use one utility company, grocery store or telecom? As loyal customers, you're in a better position to ask them for money. This is one of the best ways to find new individual and corporate donors.

Aside from your current donors and those in the rectangles of influence, look at the annual reports of other nonprofits with missions similar to yours. Ask if you can buy their mailing lists. Also, look at the Book of Lists put out by the Business Journal in your city.

As you can see, once you fill out your sheet, you are surrounded by all of the people you need to know to make all of the money you need to raise. When you don't ask your own community for money, you're saying. "Give it somewhere else!"
All organizations, even ones which are only online, need to create a strong community somewhere that has a life of its own which can be mobilized by the nonprofit but can and will exist even if the nonprofit does not.

The strongest currency any organization has is its community, and not its cash. Cash is an outcome and the foundation of good community. Your business profitability will coincide directly with your ability to create community. Why? As the information age moves to the knowledge age, people of talent will gravitate toward areas where they are respected and given worth. If your business or nonprofit or church fails to build community, you can forget about profit, donors and attendance.

First, Find out who your donors are
Look in the organization's database, and if you have no database to go on, look into the spreadsheets from the accountant, or the pledge forms, or whatever lists individual donors. Use the rectangle chart discussed earlier. And give it to everyone at your organization.

Ask your donors questions. Why do you give? Who do you give to? Why do you give to them?

Business-minded - Someone who thinks it makes good business sense.
Religious - Traditions in certain faiths of being philanthropic.
Traditionalist - Someone who gives because it's a family tradition - Look at the children and grandchildren in family foundations.
Feel-Goods - People who give because it feels good.
Communitarians - People who give because it's the right thing to do.
Give-Backs - Children of clients/alumni, or returning clients, alumni.
Socialites - This could be anyone who wants an environment where it's FUN to be philanthropic. They may be intimidated by the “auction and gala” so meet them in the club.

From The Seven Faces of Philanthropy, by Russ Prince & Karen File.

See a fun slideshow on the donor types at:
http://www.wildwomanfundraising.com/whats-your-donor-personality/

Many donors are citing many reasons for giving. Many Business Minded, Traditionalist and Religious donors are of an older generation. Many Feel-Goods, Give-Backs and Socialites are of Gen X and Gen Y. However, I'd rather not generalize your donors as if I know them. I'd like you to start to think about donors you know, personally. Start to compare different people in your experience with the brief personas I've laid out here. See if this feels true to you. If not, don't use it. If it does, use the worksheet area below.

Which donor fits into one of these personality types?
How can you start to track why people give in your organization?

See if you can put your donors into these categories. This will enable you to send asks directly targeted to their interests, and save you time later.

Then, Acknowledge your donors
- Be generous, sincere and specific with your praise.
- Think about who would be the best person to thank them. The Executive Director? Board member?
- Thank them promptly for their gift.

Next, Communicate with your donors
- Connect with them, emphasize, and share.
- Listen to how they got involved.
- Express appreciation for them.

Donor Cravings Include:
Person to Person recommendations - People who recommend that they get involved.

Spiritual Fulfillment – Donors look for meaning. They look for something nontraditional and authentic. So you MUST continue to enlarge and articulate your values.

Personalize - They long to be recognized for who they are and what they bring. They want personalized approaches and messages, events JUST for them. So filter info relevant to their areas of specialty.

Adventure - Active involvement, philanthropic travel, voluntouring.com, foreign language immersion and community service. Look at Earthwatch and Elder Hostel.

Enticing Design and Brand - This lends credibility. People now believe that if your web design is solid, then the rest of your organization is solid, too. INNOVATE! Do something unexpected! Use YouTube videos and Comedies. Comic books where YOU are the hero! (To read the last chapter, come to our event.)

Social Networks - Multiple communities, like Facebook page for your nonprofit, Twitter
Finally, Continue the relationship.
Anticipate, then plan, so they will want to give again

- Anticipate what a donor will want to know. Create a factsheet on your organization which you can refer to, and give out if necessary. Where does the money go? How long have you been helping people? How many people could you help with larger amounts of money? Get pictures. Get stories. Get statistics. Make it tangible.
- Think of a person you’d like to ask for a gift, but it feels too soon.
- What would have to happen to help them be ready to be asked? Perhaps a coffee date? An invitation to an event? To your program site? A newsletter?

After the Gift = Cultivation or Stewardship

**Cul-ti-vate:** To foster the growth of to improve by labor, care or study, to seek the society of, to make friends with. This means EXPANDING the donor relationship. Everyone in your organization needs to understand cultivation and friend-raising is everyone's responsibility. **Stewardship:** Recognizing and thanking donors in a fashion that will cultivate future giving to nonprofit organizations.

**Q.** How do you begin to build a friendship with someone? How do you inspire someone's trust?

**A.** You give them attention. You keep your word. You communicate consistently.

**Anecdote:** Some of the best parts about working at a nonprofit are the relationships you make with people who are passionate about the cause. One of my best friends worked with me at a domestic violence shelter, and from her, I learned about women's empowerment, leadership, integrity, and courage in the face of oppression.

Retain donors with these key strategies:

- Get everyone at your organization on the same page, from the receptionist to the executive director. They are all ambassadors for the cause.
- A Thank You within 1 week
- Appeal 4-5-6x a year (put a reminder for big event in Appeal)
- People who give every time you ask, ask for more.
- Newsletter
- If you call donors and thank them within 48 hours of receiving their gift, this is huge. Start cultivating your group of $100-$1,500 donors.

**The Stages of Giving.**

So first you introduce donors to your cause, and they might give on a whim. ([Impulse](#))

You stay in contact with your donors, and retain them. ([Habit](#))

You impart the urgency of your cause, and inspire donors to give more so you can accomplish more. ([Thoughtful](#))

Finally, your donor is educated about your needs enough to give the most thoughtful gift ([Bequest](#))
Something which makes a better impression is expressing gratitude through experiences (come to see our programs in action, hear from someone helped by our services), rather than little gifts to the donor (such as plaques, address labels, logo merchandise). If someone sends you $5,000, they should get a call, an invitation to visit, or something more, not just a form thank you letter and a newsletter. Treat them a little better! Donors most want personal attention. When you don’t ask again and again and ask for more and more, you indirectly say, “You’re not important to me!” Their first gift is much less than they can truly afford. What they can truly afford could be ten times that much!

End of Chapter Questions
Where do you find donors?
What do donors want?
What are seven different types of donors?
What are some ways to communicate with donors and potential donors?
What can you do to make someone want to give to your organization?

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<td>• Maintaining relationships takes time, effort, and is worth it.</td>
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<td>• How to find new donors? Who to ask?</td>
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<td>• Ask as often as you can.</td>
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