

Donna Ann Harris
Missouri Main Street Connection
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Fundraising Myths and Truths

Welcome, thanks!

When Gayla asked me to do this talk –something light hearted and funny— on fundraising—I said Hmmm? Funny on fundraising? Well that will be a challenge!

But actually it was not. There are plenty of things about fundraising that honestly are hilarious to an outsider. But all of you are NOT outsiders to fundraising. You do fundraising every day.

Today I am going to tell a series of tales, mostly embarrassing or funny stories about my work as a baby fundraiser. These tales show many common mistakes that anyone can make. Perhaps by hearing about my stupidity, it will prevent you from doing the same.

So, I blame it all on the **camp fire girls**.

But you can blame it on the **girl scouts** if you were one. But for me in the mid 60s, the camp fire girls were the ones who first tried to teach me how to sell.

Camp fire girls sold candy and I was installed in front of the A & P in my neighborhood to try to sell my share.

So picture this. It is 1964. I am in my blue polyester uniform with the wool felt vest with the beads, standing in front of the A & P with boxes of candy melting in the sun. My Camp Fire Girl rival, Kelly, is at the entrance door to the supermarket with her table full of candy, selling tons.

Me? I am standing at the exit door. Everyone has already spent ALL their money on groceries for the week. I did not have the right location, and needless to say, did not make many sales.

Girl scouts today have a series of merit badges about starting a business or —selling their cookies and learning about marketing. They take this seriously now and even permit scouts to sell their cookies on line.

So when did you learn to sell people stuff? We all have a memory of one kind or another from our youth when we started to learn to sell.

Fast forward to 1980 at my first, adult, preservation job. I was still in graduate school and I was being paid from a Preservation Services Fund grant from the National Trust to help organize

the statewide preservation organization, Preservation New Jersey. This was my thesis project too, so my advisor assured that I would work extra hard on this project. I wrote the bylaws and newsletter, and some small grants. The organization still exists today.

The board chair, my boss, was a Cultural Resources Management consultant. She recruited a bunch of her friends to be board members, mainly other consultants. You know from your own Boards, that this is probably not a great board mix—all one type of business person. It probably would have been better to pick a more diversified group of board members including some good fundraisers for an initial board.

My board president was a highly trained historian, but not particularly comfortable as a one on one fundraiser. Neither was I.

In fact, I saw asking people to be members of the organization as Begging. I still recall saying this in the office--- that I was getting out **my tin cup**, every time I asked people to be a member.

Wow was I wrong! Instead, by asking people to become members, I was giving people an opportunity to support an organization that they would agree, was going to do a lot of good for the preservation community across the state.

So what I have learned since then, is that Fundraising is a learned skill. Some people are born with it, but most can learn to become good, if not exceptional fundraisers by appealing to people's wants and needs. It is one kind of selling, after all.

The following stories I am going to tell, are all real and explain some typical myths about fundraising that I have learned over the years.

Some Fundraising Myths

I forgot...to fundraise!

Sometimes fundraising just slips your mind.

I am from Philadelphia and Pennsylvania has had a state Main Street program for over 30 years. They are also one of the LAST programs to give money to towns to pay for operating costs. This was a very popular program, as you can imagine, especially if the Commonwealth is giving your Main Street program \$150,000 over five years. Legislators loved it.

So the first year you get 50K and it declines by 10K each year. Until in the sixth year you get nothing. Predictably in the third year when you are getting \$30,000, the manager begins to ask, the board, how are you going to raise the other 20K to pay my salary? Opps I forgot to fundraise!

You might not get that kind of subsidy here in Missouri, but this might happen to you too. I forgot to fundraise. Every day, you are busy tending to a demanding board president, crazy merchants, or planning yet another special event. The only time you remember about fundraising is when you look at the Main Street check book and say Oops! I forgot to fundraise!

When I say forgot to raise money, I am thinking more about individual fundraising, your investor campaign, yearend gifts, or personal asking.

Forgetting to renew people to your investor campaign, for example, is a rookie mistake. It happens often during the second year, especially if you have asked for three year pledges to get your downtown program started.

Your group had the right people asking everyone who would listen, about your dreams for downtown. You were successful in landing a good handful of three year pledges. But something happened the second year. Someone forgot to renew the pledges! Ugh oh! **I also want to know what happened to all the people who had no trouble asking for money the first year!**

I forgot to fundraise happens most often when you –the executive director– doesn't like to raise money or is just new to it.

While you, as an Executive Director, are supposed to HELP the board with fundraising, it is still a board responsibility, to have an adequate operating budget. But unless someone is watching the checkbook carefully at the board level, every month, then it is easy to forget to raise money.

So no matter what, please don't forget to fundraise, and renew your investors promptly.

Here is another fundraising myth.

I can just send a letter.....

This is another form of fundraising avoidance. Thinking that if--- I just send a letter that a donation will miraculously appear. This is called direct mail fundraising, and when done well, has a 3-5% response rate. So send out 100 letters you will maybe get three to five donations. Is this the right way to spend your time and money? No

I can just send a letter..... is a fine response if you are sending a letter of inquiry to the local community foundation about a project you want them to fund. Or maybe a letter to your State Senator about a funding source he mentioned to you. You might send a letter as a renewal reminder that looks like an invoice perhaps. But how many letters of inquiry do you send in a year? No, I can just send a letterdoes not create a relationship with a donor. Talking with them, in person, does.

~~Bobbie~~. Bobby, Bobbi

So one important thing to do when asking people for money is to spell their name right. I know this sounds simple minded. But I have screwed up twice, big time on this.

One time I had a board member who had a male sounding first name, so she always used her middle name in all correspondence. Her middle name was the same as mine, but spelled differently. This board member was a high powered attorney with a big firm, and well known in the community. She is a formidable woman.

We were sending out announcement cards about the formation of this new nonprofit corporation, where I was the first executive director. I did not get the exact spelling of her middle name right on that announcement. BAD Executive Director! I paid to have the card reprinted myself, and apologized profusely. Still, not the best way to start off a relationship with a board member. **Check their name.** Spell people's name right.

Another time, another organization, I got the nickname of a prominent donor wrong on a letter thanking her for her \$10,000 gift. Again, I was new to the organization and could use that as a totally lame excuse. By the way her name was not Bobby!

But there really is no excuse for spelling a donor's name wrong! **Have a human, not the computer check the names.**

Ask a stranger for a big gift....

This is one of my favorite misconceptions, asking strangers for big gifts. Fundraising is partly about sales, but more over it is about building relationships, over time. So let's say you need larger gifts towards the restoration of the train station or other capital project in town. Someone suggests that we just go around the board room table and just identify "all the rich people" in town to ask them to contribute to this worthy cause.

Well, good luck with that!

Unless these "rich people" being identified are your relatives, business partners or childhood friends, you are essentially saying, let's ask strangers for a big gift.

You could also go this route too. Your mother in law knows the aunt of **Kim Kardashian's** hairdresser---perhaps Kim will give us big check.

Or your father went to Columbia law school with **Ruth Bader Ginsberg**, perhaps she will be the grand marshal in your holiday parade.

Big gifts to your campaign---and a big gift to your organization might be \$500—does not come from strangers.

Gifts come from people who know YOU and have some kind of connection to the organization, YOU or the project. Rich people don't come out of the woodwork for your campaign without being cultivated over time.

I know the word cultivation makes many people uncomfortable, because it all seems too deliberate. Establishing a relationship with a rich person, with the idea that eventually you will ask them to make a large gift to your organization for a project in the future, seems, well, inauthentic. Yes cultivation is essential, and your college, your church, synagogue or mosque, is doing it all the time.

But you already do some form of cultivation at a smaller scale every year.

You invite ALL of your volunteers to the volunteer recognition event—you are cultivating them and thanking them for their continued support. You keep ALL your largest sponsors in the loop each year and send them final reports showing the impact of their investment in your event. So you are culverting them for next year's sponsorship ask. You give departing board members a nice plaque and thank them at the annual meeting for their service to your organization. And encourage them to remain involved. You are cultivating former board members to continue to support the organization for the long term.

So all these people you have relationships with, they are more likely to respond favorably to a request for a larger gift than someone who is essentially stranger. So where would you rather spend your time? Chasing after strangers? Or asking your friends help you achieve your dreams? I thought so.

Just copy and paste

We all have gotten this advice before. You can just copy and paste the sponsorship letter or the grant proposal. This is called one size fits all fundraising— —or the spaghetti approach—throw it against the wall, some will stick. No need to customize your appeal, acknowledge the past involvement of the sponsor, or make any changes from last year's solicitation. Just cut and paste. DON'T DO THIS!

Somehow asking merchants and property owners to sponsor events does not seem like fundraising to some people, because the sponsors get an advertising benefit. Your volunteers may make a distinction between asking the car dealer to sponsor your car show, and asking their neighbor to support your Main Street program.

Your volunteers may make the distinction because they will say, well if I ask my neighbor to support the Main Street program, or use my Christmas card list, or rolodex or professional

colleagues—whomever—then they will ask me to support **their** charities. Well that is true. But it already happens to you and your town.

Reciprocal fundraising is part of the glue that makes a vital community, today and tomorrow. Because fundraising is about relationships.

There are millions of grants out there

This one kills me. So how many of you think there are millions of dollars of grants out there for stuff we do? Only a handful. Well the rest of you, then, have learned the hard way, like I did, that this is just not true. That person telling you there are millions of grant dollars out there, well, they can sell you the Brooklyn Bridge too.

Yes, there are SOME grants out there and some of you have become expert at finding them. I know I was, early in my career. I became a really really good grant writer because someone paid me to learn on the job over the course of eight years.

And I did all the wrong things. I did “cut and paste grants” sending the same proposal to several funders. Not much success there. So after I learned that that did not work. I began doing more customized proposals, which were a tad more successful.

But what really seemed to help the most was getting to know the program officer at the foundation or the government agency where I was sniffing around for an opportunity. No longer did I just send these cut and paste grants over the transom to a potential funder.

Most foundations today, don't want a phone call to discuss your grant application. Instead they want a letter of inquiry which makes you boil down your request to a page or so. If you can't say it in a page then it is not worthy of funding, they say.

But if you DO get a **green light** to submit a full proposal, you need the program officer's advice about how to pitch your project. Your personal relationship begins with this person. And if you get the grant, you will continue the relationship with the program officer throughout the grant. And at the end, with a successful project everyone can be proud of, you can go back to that funder for a follow up grant too. Again relationships built over time.

Another bad thing I did, after I became much better at matching the funder to projects our preservation organization did, was to manipulate our mission statement into program areas the funder funded. Our preservation organization opened **a salvage yard**—it was within our mission—but a stretch. We became a developer of **artist housing/live work space**—we would only consider old buildings—which hampered the search and made it twice as long—because we were perverting our mission statement as a preservation organization, fit within the funder's guidelines. We were **stretching our mission statement**, badly.

I was proud I could write these successful grants, but there was a price, too. None of them paid enough of our overhead costs—the cost for the audit, the cost for additional accounting, the cost for more copy paper—and we lost money on each of these grants. The quarterly reporting was onerous, too. And board members would ask me, “Tell me why we are doing this, again?” So no, there are not millions of dollars of grants out there for your organization—there are some for sure—but don’t stretch your mission to get them!

Now let’s turn to some truths about fundraising.

Fundraising Truths

Put FUN back in FUNdraising

We all know that we have to make the volunteer work fun in order to attract people to our organizations. Here are seven fun or funny ideas for fundraisers in downtowns.

1. Local Main Street board members in Plymouth New Hampshire **pose nude**— well almost—for a fundraising calendar. Here is a tip, make sure you shrink wrap the calendar so there are no premature exposures!
2. If you have a historic cemetery near downtown like Rio Grande City Main Street in Texas, you can involve the **drama club at the local high school** to create characters based on the folks buried there, as a Halloween event. Serve dinner and you have dining with the departed.
3. **Dinner with an old ~~HAG~~-Bag, Excuse me, Dinner with an old bag, Pick a Purse** Popular in the northeast. You collect gently used, high quality designer handbags, as raffle items for a ladies event. Tickets are sold for food and drink, and then raffle tickets are sold for the bags themselves. Your number is called out, you pick out your bag. Everyone is happy.
4. **Dirty Santa**, or Yankee Swap—similar in concept, to Dinner with an old bag, Except Dirty Santa permits the raffle winner to take a previous raffle winner’s pick—so Santa is dirty. In the Northeast this is called Yankee Swap.
5. Carola Lille Hartley did this in her home state of Louisiana. A dinner where the entertainment was **people telling jokes**.—clean, family friendly jokes. People were invited to a dinner and paid \$5.00 to tell one joke to the crowd. Now this was a town full of raconteurs, so you can imagine that this was always a sellout. And it was.
6. In Mt. Holly New Jersey they bought **50 pink flamingos**, you know the plastic ones, and at 4 in the morning a volunteer would place this flock on the front lawn of an

unsuspecting, but good natured person. To get rid of the 50 flamingos you paid a “ransom” to the organization. The next day they showed up on another person’s lawn.

7. Carolyn Dellutri started this in Libertyville IL. She decided that the cost she was paying to rent port o potties for their Oktoberfest was high, and these needed sponsors. So she approached the local realtors, insurance agents and attorneys in town about sponsoring a Porto john for \$100. **The sponsors got to decorate their Porto john**, and they sure did. These sold out immediately every year.

Here is the real issue. Make it fun for the volunteers and fun for the patrons.

I have just a few more suggestions for you about making fundraising fun, or at least profitable.

People give to people, because they ASK

So by now I suspect you understand that the best way to get a gift from someone is to ask them in Person. The long standing Fundraising axiom is that “people give to people. Not causes.” But the most effective way is to ask in person. Asking people for money makes sense.

Every year **Giving USA publishes** a report in June about how much and where Americans give their money as charitable donations. I have been using this information for the last seven years in presentations I make about fundraising. Some of you have **seen this chart** showing how much money Americans give. You can see that in 2015, 71% of ALL charitable dollars were given by individuals. Foundations, bequests and corporations makeup less than 30% of all other giving.

So stop me if you have heard me tell this joke. Willy Sutton the famous bank robber, when asked why he **robbed banks**, replied “Well, that is where the money is.” The same is true for fundraising –ALL fundraising. Individuals are the ones with money that is where the money is. If you don’t ask individuals to give to your Main Street, then you are missing out on more than two thirds of all charitable contributions!

So if you ask individuals to give, you have a good chance of getting a check, because people have money to give, when asked. Enough said on that issue

Here is another fundraising truth

ASK when people when they get paid

They say that timing is everything, and you can increase your likelihood of getting a YES answer to your request, when people have money to give. That is when they get paid. If you have a big employer in town, you know when their workers get paid because **businesses downtown are full on the day** when people shop for necessities or have a drink in a bar after

work. If you have a large senior population, you know when people get their **social security checks** early in the month, because they are all in the bank.

So the timing of your investor campaign should take into consider when most people in town get paid, so you maximize your possibilities of success.

And then, there is an opposite of this. Don't ask when people have no money. Like in January or February when everyone is trying to pay off their credit cards from the holidays. Or around **April 15** when taxes to Uncle Sam are due. You might want to do some research to learn when the annual Catholic Bishop's Appeal is in your area. They are a big operation, the Catholic Church. And have probably done some research about when to ask people for donations. PS it is often around Mother's Day. So give yourself the best chance of success when asking for individual donations, ask for money when people get paid.

ASK when people are generous

Some of you know that I have been proselytizing about Year End Gifts for a few years now. I have written article for **Main Street Story of the week**, did a conference session about this at the Detroit conference, and done a webinar for the National Main Stet Center –which you all can listen to free on their web site since you are member. Go to the Innovation Lab tab and scroll down to find it.

I believe that downtown organizations with traditional annual gifts or investor campaigns are really missing out, if you are not asking for additional donations around the holidays. Charity Navigator says that fully **40% of all donations are made in December**. Just think of that 40% of all gifts are made in December. So why aren't you asking for year-end gifts?

People are generous during the holidays. They are also motivated by **Midnight at the end of the tax year** December 31. So you should make an effort to ask them to support your organization between Thanksgiving and **New Year's Eve**.

Now these gifts are not renewals of your annual gift or investor campaign---we don't call it Membership here in Missouri right? —Ideally renewals should be in the first half of the year so your members are not confused. This November December year end solicitation should ask for gifts to IDEALLY to support the unrestricted operating efforts of the organization—and NOT projects. I know it is easier to ask for project support –**benches**, restoration of a monument, scholarship programs.

But please please please ---if you are going to ask for year end gifts, have them go to towards broader efforts of the organization—like maintain the **flowering baskets** and flower beds, keeping downtown sparking clean, hosting the farmers market. Unrestricted operating support is the hardest to money to raise. It pays for **your office rent**, web site hosting, newsletters, copy paper, or staff salaries. No one wants to support those things- called "Overhead." But they will

pay for the outward and visible signs of progress or well-loved community institutions like **the Fourth of July parade** or the farmers market.

Please consider asking your investors several times a year to support you—through their investor renewal, for a special project or two, and again at the end of the year for year end gifts. Ask when people are very generous.

Have the right person ASK

You know this story. At the start of your Main Street efforts, you are selling tickets to your big event. **Each board member is required to sell 10 tickets each.** If that happens, then the entire event will be sold out and you will make \$5000 in net profit. Woo Hoo. So your board president asks at the next board meeting---which is now only 3 weeks before the event—**which board member has sold all 10 tickets?** Three people raise their hands, RIGHT? The **other dozen look down at the table, terrified** or are looking at their phone.

So there is a reason why these tickets did not get sold. You did not ask the right people sell them. You KNOW who are the good salespeople are on your board by now. They are the three people who sold their 10 tickets. It took them five minutes. They knew who to ASK to support your fundraiser. They had no trouble asking their friends or acquaintances. These people are like gold. Some may be natural born fundraisers, or others have learned over the years because their business required it. So what happens if you don't have ANYONE who is good at fundraising? **Go find some! Right now!**

Believe me, you KNOW who these people are: they raise money for the capital campaigns for their church or synagogue, or the local hospital. They organize the Alzheimer's Memory Walk in town, or the 5K race that comes through downtown for high school scholarships. You KNOW who these people are: They are your **mother or your father! Or your aunt or uncle.** They are **merchants in downtown** that have successful stores or **auto dealerships** or air conditioning businesses and they are truly community spirited. And some of these people believe in YOU and the downtown. Ask these experienced fundraisers for their help. And if they say no, take that to mean, NOT YET. Keep in touch, and ask again in 6 months. Or if you have a project that is perfect for their interests. But find some fundraisers to be on your board, please!—4 to 6 will help, a lot.

Finally,

Thank people for their gifts and honor them

If you have been successful in receiving major gifts from individuals—thank them A LOT. Some people really just want a **sincere handshake.** Others want recognition of their gift in a **newsletter,** or on a **plaque** or in the newspaper AND at the annual meeting. You can never thank people enough.

And this is really hard for some people. **Thanking people.** Your personal need for recognition may not be the same as your donors. But you never really know how people want to be thanked.

Sheri Stuart taught me this almost 20 years ago when I started my work in Main Street. She said you need to thank people **Three times, three ways** at the minimum. In person, in writing and in front of their peers. Because you just don't know which thank you will have the most meaning to your donor? For truly large gifts to a capital campaign that go towards restoring a building or example, truly large gifts may deserve naming rights—such as at my **Alma Mater** here. But most of us may never do big projects like that. Instead we will have board members, and founding board members who regularly give us \$1000 very year because they love what we do.

You may have families that give you **\$100 yearly** which is a nice vote of confidence in your work, because it surely is larger than the individual investor gift of \$25. These donors need to be honored too and thanked for their steadfast support. So please make sure to thank all of your investors **three times, three ways:** in person, in writing and in front of their peers.

We are at the end of our time together, and I wanted to end with this important message to remember. We all got into this business of **Main Street** because we wanted to make a difference in our downtown. Not everyone believed at first. Downtown did not look good, in the beginning. But the determination of a great number of volunteers, got the job done. But they did not do all that work because it was their job. You made it fun. **Fundraising can be FUN.**

Thank you!