

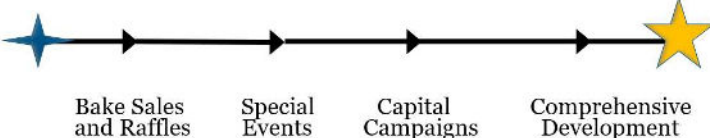


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# Evolution of Fundraising



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# Community Engagement



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## Philanthropy Truisms



01 **Giving is a habit**

02 **People give to  
people *with* causes**

03 **People don't give to  
solve organizational  
needs**

- A sense of vision
- Excellence
- The future
- Impact

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## Philanthropy Facts



01 | Approximately 80% of gifts come from individuals

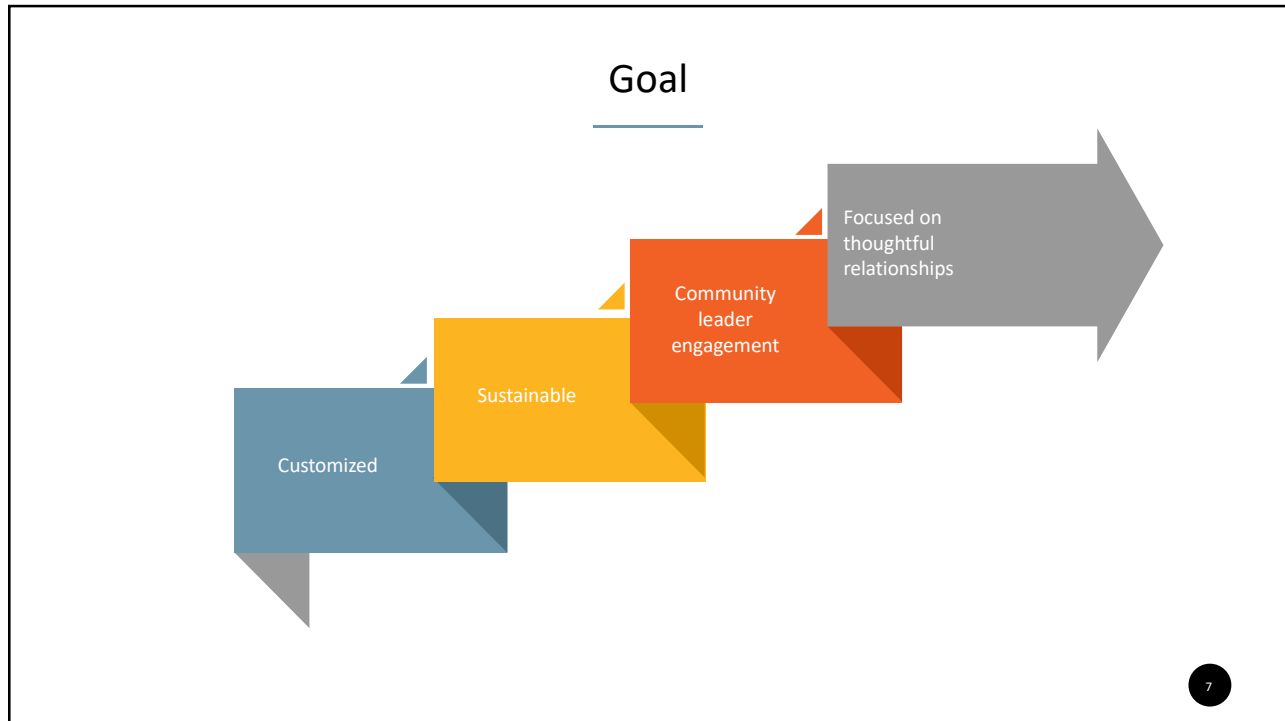
02 | 80-90% of philanthropy is from major gifts

03 | Major giving has 4x greater return than events

04 | Most planned gifts come from loyal annual donors

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The Mission of  
Nonprofit Healthcare

AND THE IMPORTANCE OF  
PHILANTHROPY

HILLARY LYONS  
ASSOCIATES

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## Challenging Industry

- Rising costs / shrinking reimbursement
- Effects of aging and demographic shifts
- Growth and prevalence of systems
- Healthcare reform and policy implications
- Competition (markets, labor shortages...)
- Innovation
- COVID-19
- Violence
- Mental Health



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## Solutions Must Be Strategic



Expansive Not for Profit Mission



The Philanthropic Imperative



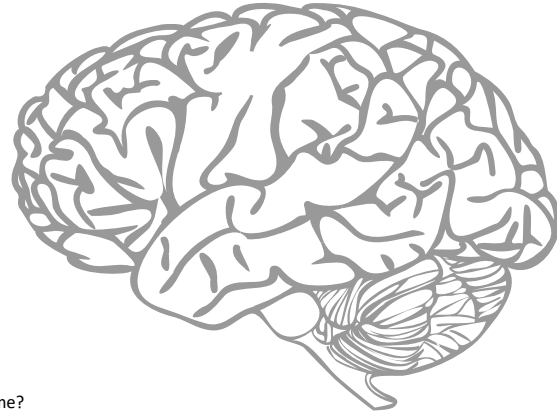
Value of Philanthropic Dollar

- In terms of operating revenue
- Potential of planned gift resources

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## When does \$100 = \$10,000?

The average American hospital has an operating margin between 1 – 4%; Many are struggling to maintain positive margins at all (30% of hospitals had negative margins in 2016; the CBO estimates that by 2025, 40-50% of American hospitals will have negative margins).



✓ If your hospital had a 1% margin last year, it had to do \$10,000 worth of care to get \$100 to the bottom line.

✓ Compare that to a donor who gives \$100 directly toward the purchase of new cancer technology.

How much care does the hospital have to do to afford an New \$1200 wheelchair? How does a \$1000 donor change the game?

Some of our clients call these “dark green dollars”

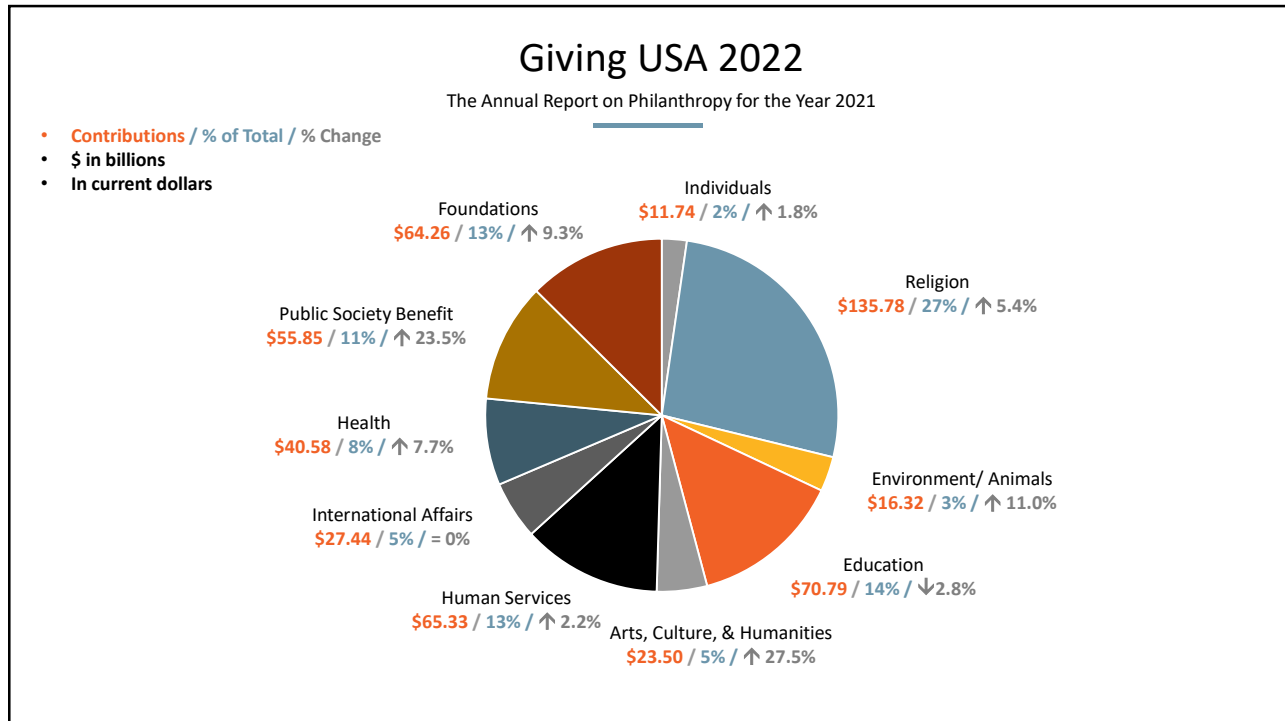
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## Giving USA 2022

The Annual Report on Philanthropy for the Year 2021





CONTRIBUTIONS				
• \$ in billions • In current dollars	<u>2021</u>	<u>2020</u>	<u>% of TOTAL</u>	<u>CHANGE</u>
<b>TOTAL GIVING</b>	<b>\$484.85</b>	<b>\$466.23</b>		<b>+ 4.0%</b>
Individuals	\$326.87	\$311.60	67%	+ 4.9%
Foundations	\$90.88	\$87.89	19%	+ 3.4%
Bequests	\$46.01	\$49.63	9%	- 7.3%
Corporations	\$21.08	\$17.03	4%	+23.8%

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### Prominent Trends

- 
The Leaky Bucket
- 
Shrinking Donor Participation
- 
Women
- 
Influence of Technology

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## Prominent Trends cont.



Generational Influences



Case: more dynamic and personal



Abundant Change: Thank You COVID

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## Success Factors

- 01 **People**
- 02 **Culture**
- 03 **Process**
- 04 **Case for Support**
- 05 **Gift Capacity**



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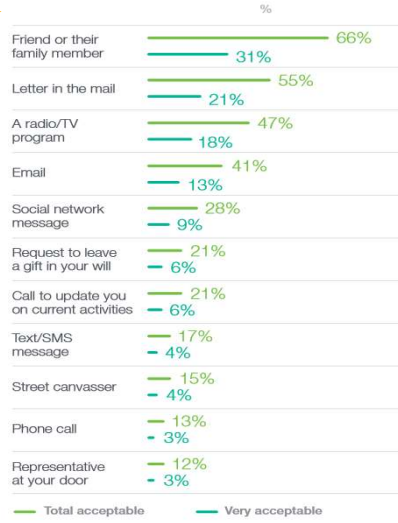


# Power of Connections

How people like to be asked for a gift



## ACCEPTABLE GIVING CHANNELS BY GENERATION



	GEN Z	MILLENNIALS	GEN X	BOOMERS	MATURES
Friend or their family member	71%	67%	65%	67%	60%
Letter in the mail	59%	58%	58%	54%	50%
A radio/TV program	65%	59%	51%	43%	29%
Email	54%	54%	49%	37%	22%
Social network message	50%	43%	33%	22%	7%
Request to leave a gift in your will	35%	30%	24%	17%	11%
Call to update you on current activities	44%	35%	19%	13%	13%
Text/SMS message	30%	32%	21%	9%	5%
Street canvasser	49%	27%	19%	7%	3%
Phone call	26%	25%	11%	10%	6%
Representative at your door	33%	22%	12%	7%	3%

**Bolding** shows statistical significance between generations at a 90% confidence interval.

\*Blackbaud study



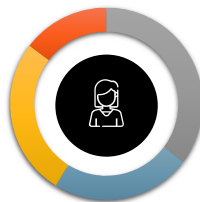
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# Best Team Ever

Volunteers are valuable



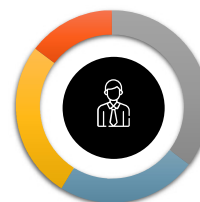
Time



Talent



Treasure



Ties

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## Major Gifts Committee Member Job Description

### COMMITTEE PURPOSE

The Major Gifts Committee is designed to increase the number of individual major donors who may make a contribution of \$10,000 or more as either a one-time gift or a pledge over a period of time, typically up to 5 years, to the organization

To establish, maintain and strengthen the relationships with the top 25-100 donors and prospects. These prospects include individuals, businesses and foundation/granting organizations.

Additionally, the committee implements programs of:

- Appreciation
- Communication
- Stewardship
- Upgraded giving support

### COMMITTEE MEMBERSHIP

The Major Gifts Committee is composed of 8-12 committee members. Entrepreneurs, business owners, retirees, leaders and professionals within the community who are already active in their community are all good committee members. Other qualities for committee members are outgoing, sincere and goal-oriented. Fans of the hospital and/or grateful family members are also strong members because of their knowledge and experience in the mission and willingness to advocate for it. A good committee is balanced across gender, age and other demographic and geographic needs.

### Role of Committee Members

- Identify individual, business & organization prospects capable of making a gift of \$10,000 or more payable up to 5 years
- Help determine prospect key interests and match those interests with the organization's needs and plans
- Act as a focus group – determining best timing, approaches and activities
- Cultivate prospects through personal contact, luncheons, tours of the organization and special invitations to events.
- Assist in acquiring new donors at the major gifts level through opening doors and/or gift requests
- Assist with appreciation and personalized donor recognition activities
- Each top donor/prospect on the major gifts prospect list is personally connected with at least 1-2 times per year

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### Core Strategies

- Personal invitations to give
- Behind the scenes tours
- Personal thank you notes and/or calls
- Gift renewals/increase
- Recognition events
- Donor wall
- Annual report
- Invites to special events

### Meetings

- On average 5 committee meetings per year – January, March, May, September & November
- Occasionally, a full foundation volunteer meeting every several years, usually when kicking off a new project or program

### Terms of Service

- The Foundation committees do not have official terms. We invite volunteers to participate for as long as they feel this is good use of their time and they are having fun as a part of the group

### Other Expectations

- It is anticipated committee members attend meetings as well as programs or special events sponsored by the Foundation or the Major Gifts Committee
- A personal financial commitment at a level meaningful to the committee member at or above the major gifts giving club of \$10,000 payable up to 10 years
- The Foundation truly appreciates volunteer involvement of time, talent, treasure & ties. We also believe your support as an ambassador in the community is priceless. Each meeting starts with org name News to keep you "in the know" as well as e-mail alerts with the latest news.

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# Preparing for Major Projects

SETTING SHORT-TERM GOALS &  
SOURCING LONG-TERM RESULTS




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## How Much Can We Raise?

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It depends...

- It depends on how much you need
- It depends on the urgency of that need
- It depends on how your community perceives the organization
- It depends on how your community perceives the urgency of the need AND strength of your solutions
- It depends on your relationship with major prospects
- And it depends on how strongly your organization believes philanthropy is critical to mission



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## How Much Can We Raise?

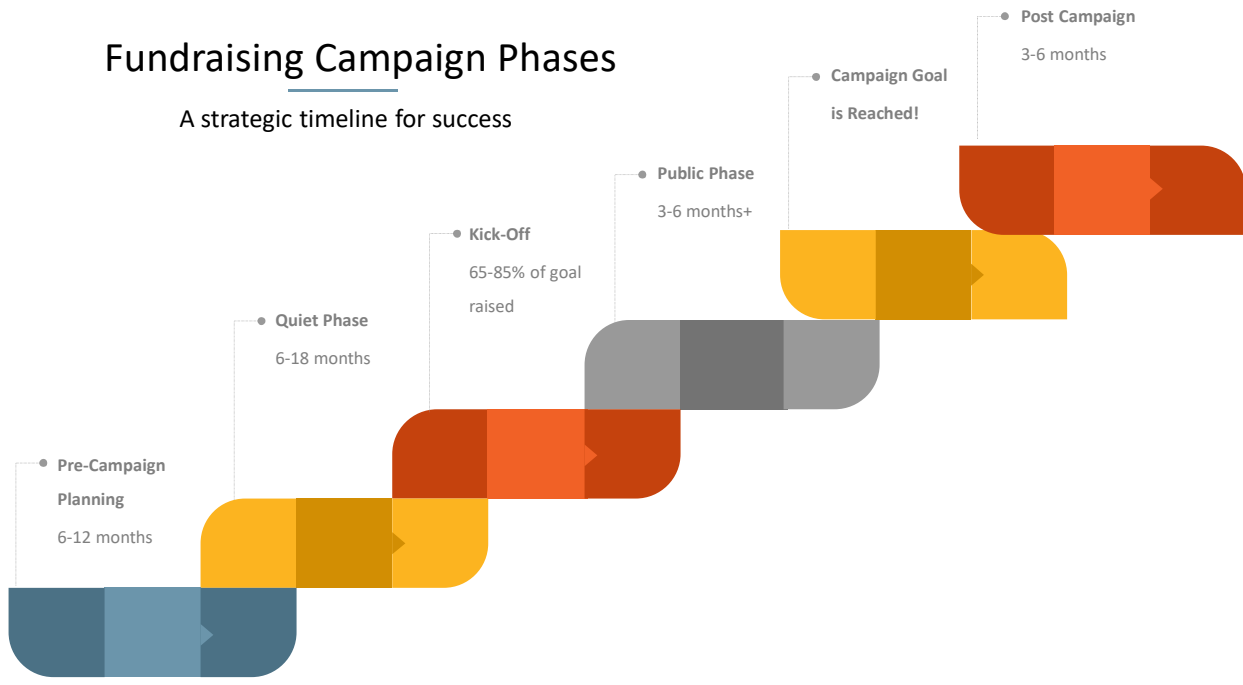
- Past philanthropy to your organization
- General community philanthropy (recent projects and goals at other local nonprofits)
- Major gift prospects



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## Fundraising Campaign Phases

A strategic timeline for success



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## Funding Plan - \$1 million



Number of Gifts	Amount of Gift	Total by Category	# of Prospects	Cumulative Total
1	\$200,000	\$200,000	3	\$200,000
2	100,000	200,000	5	400,000
4	50,000	200,000	10	600,000
8	25,000	200,000	15	800,000
20	10,000	200,000	35	1 million

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## Getting Started

Defining Your Case for Support



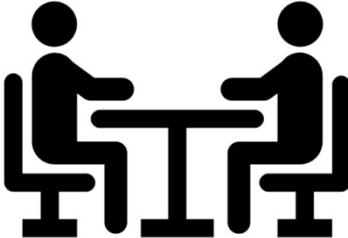
- 01 **What is the community need?**
- 02 **What is your organization's response to the need?**
- 03 **What role can the community play to make it possible?**

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# Tell Your Story

What's your personal story as a volunteer?



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# The Donor Process

Yes, it is a process



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## Identification – The 4 C’s

The best prospects have...

**Capacity**  
Possess the resources to make the gift

**Charitable Giving**  
Have a known history of local philanthropy

**Care**  
An inclination to give money to you, history of involvement or giving to you, come specific interest in your mission

**Connection**  
Known relationship with someone in your organization who can open a door and has trust

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## Prospect Qualification

Top 25 Focus

**A Prospect**  
Past large donor who knows us

**B Prospect**  
Know us, but have not given or made a small gift

**C Prospect**  
Have capacity, but don't know us or have a connection

**Meet to discuss project & naming opportunities**

**Determine next cultivation step:**

- Casual conversation
- Breakfast/lunch/dinner
- Tour
- Invite to special events
- Small group social

**Hold for now, approach all A & B first**

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## Gift Request Prep

Making an individualized plan

- ✦ Who's the best contact?
  - Influence of the contact
  - Peer to peer
- ✦ Team approach
- ✦ Research the prospect
- ✦ Best time and place
- ✦ Determine \$ amount/request
- ✦ Prepare materials
- ✦ Make your own gift

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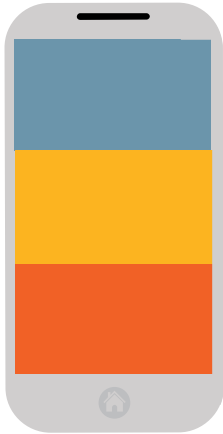
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## Scripts

Calling to set up a visit



- I'm working with \_\_\_\_\_ and feel supporting our organization is important because...
- The reason I have chosen to support our local \_\_\_\_\_ is...
- We have some really exciting things happening at \_\_\_\_\_, would you be willing to visit with me to learn more?
- Determine date, time, location

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## Rehearse! Rehearse! Rehearse!

Making an individualized plan

- ✦ Who initiates the conversation?
- ✦ Who provides the background on the organization?
- ✦ Who describes the specific project/program?
- ✦ Who asks for the gift?
- ✦ Who handles objections?
- ✦ Who (and when) presents the printed materials?
- ✦ Who closes?

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## Don't Forget to LISTEN

Active listening is key

- ✦ To connect in meaningful ways
- ✦ Enable you to work better with donors and have more accurate info re:
  - Donor's giving motivations
  - Donor's intentions in helping
  - Donor's expectations of the exchange
- ✦ Instills TRUST
- ✦ Establish meaningful rapport and future access



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## Other Top Tips

Gift request techniques

- ✦ Be sincere, genuine and passionate
- ✦ Engage the prospect
  - Ask for money, get advice
  - Ask for advice, get money
- ✦ People give to people *with* causes
- ✦ Relationships first!
- ✦ Use your knowledge to tailor the request
- ✦ Have a strategy



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## More Top Tips

Gift request techniques

- ✦ Let them offer help
- ✦ Don't get hung up on the gift request \$ amount
- ✦ Don't feel like or act like a beggar
  - Raffle ticket vs. meaningful conversation
- ✦ Don't assume you get a "no" before you even get one
- ✦ If you get a "no," is it a no, not ever?
- ✦ Follow up after the visit



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## The Meeting

Making the personal gift request



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## TOP 10 “Making the Ask” Phrases

- ✧ Not many in our community can make an impact like you can...
- ✧ I have something you are not going to want to say no to....
- ✧ We’d love to have you join us in our project to....
- ✧ Please join me in supporting.... (you’ve made a personal gift to the project yourself)
- ✧ I would like to invite you to make a gift in support of our \_\_\_\_\_ project



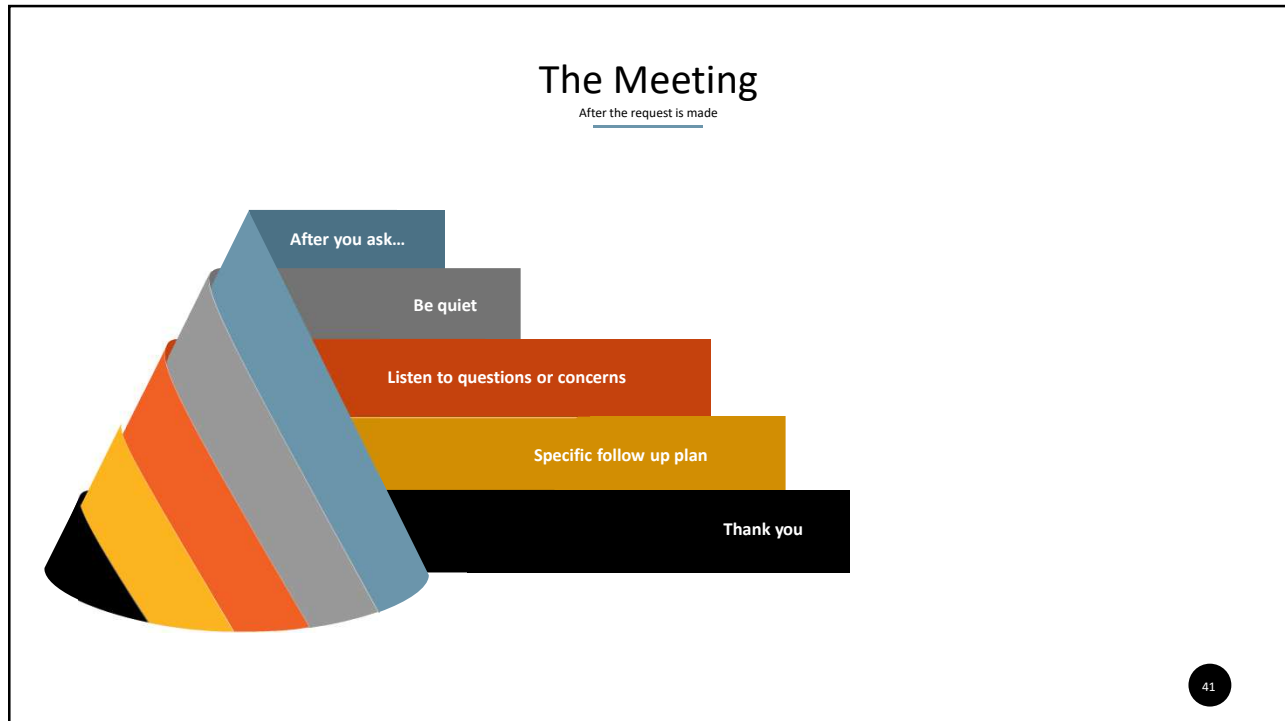
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## TOP 10 “Making the Ask” Phrases

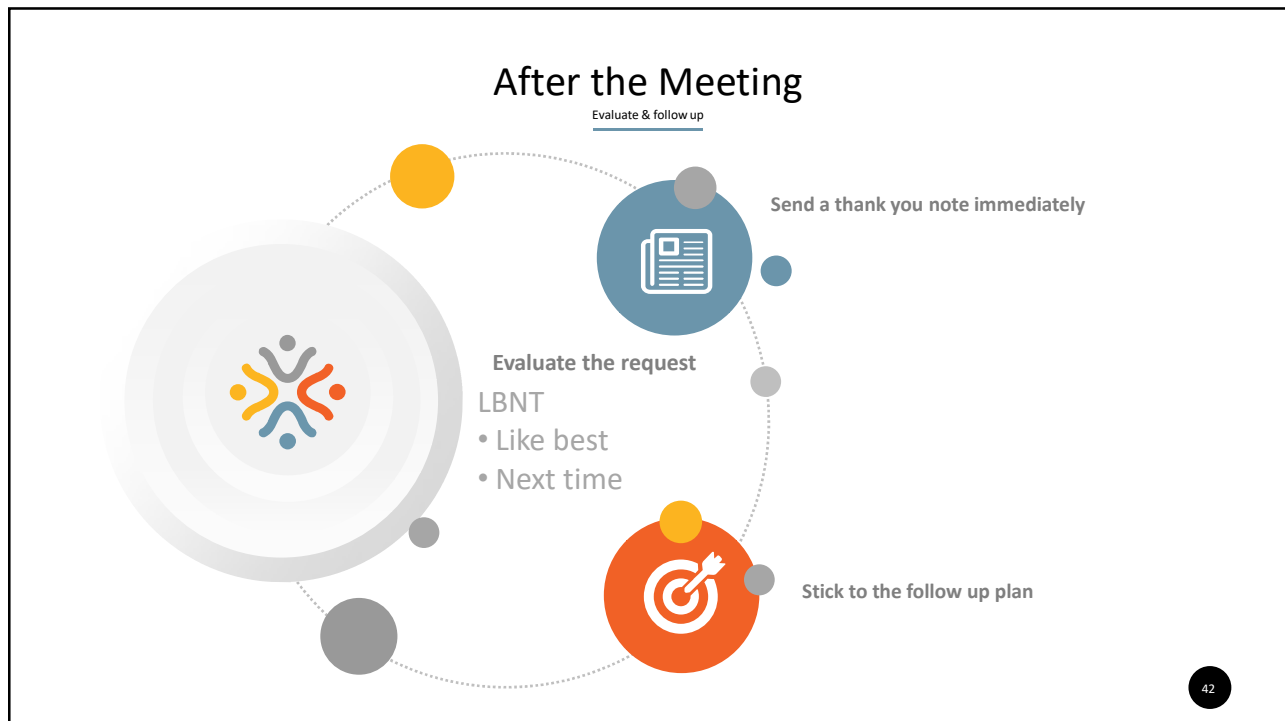
- ✧ Asking for a gift is not easy for me, but I feel so passionately about \_\_\_\_\_ that I’m coming to you to help us \_\_\_\_\_
- ✧ I know that you’ve been very generous with your time and support for important things in our community, would you please consider making \_\_\_\_\_ one of your priorities with a gift of \$ \_\_\_\_\_ to impact \_\_\_\_\_
- ✧ We are approaching the finish line for our goal and would be incredibly grateful to have your support to ensure our success
- ✧ Your gift of \$ \_\_\_\_\_ will make extraordinary things possible like...
- ✧ Thank you so much for being a part of a number of other critical projects throughout the last several years....we are excited to tell you now about \_\_\_\_\_ and hope you will consider continuing your legacy of generosity with a gift of \$ \_\_\_\_\_ to \_\_\_\_\_



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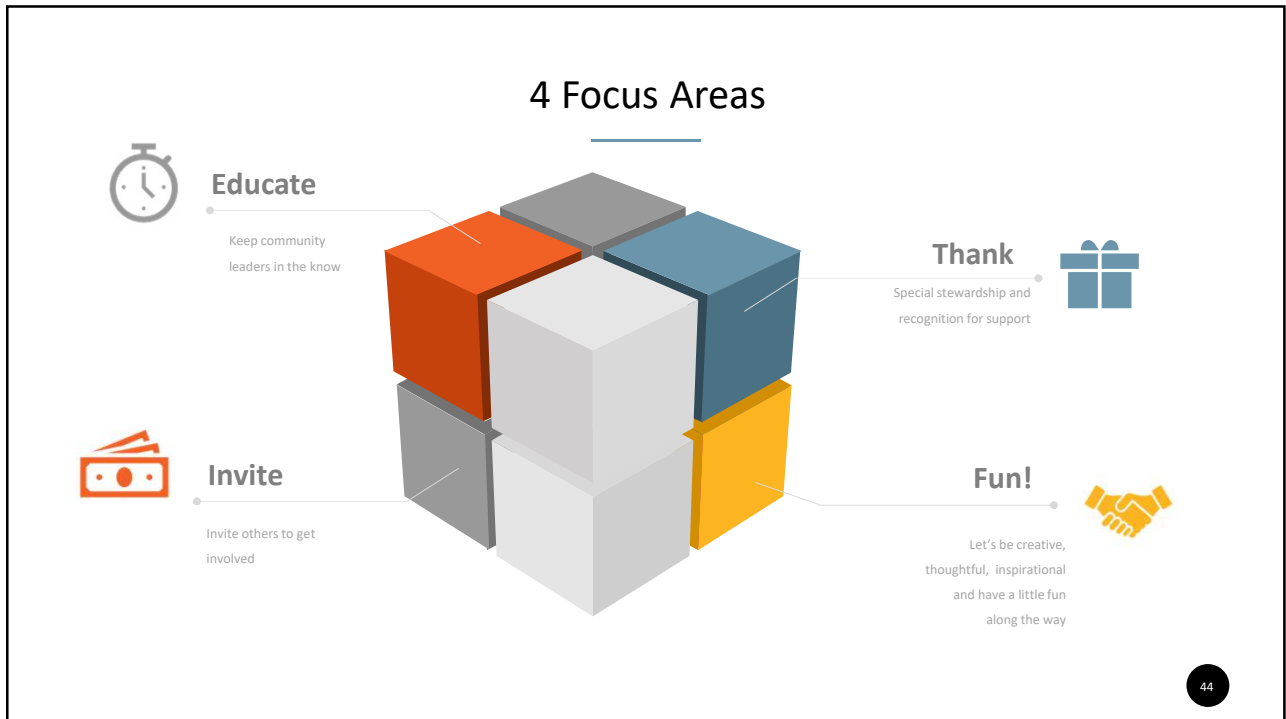
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# HILLARY LYONS ASSOCIATES

## Thank You

for the opportunity to partner to advance your mission



**Penny Echternach**  
Associate Vice President

**Sherri Birkeland**  
Senior Vice President

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