Basic Fundraising Practices for EDOs – From Successful University and Hospital Programs

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Purpose

• To take ideas from the best-in-class university and hospital programs and apply these tactics to your Economic Development fundraising efforts
Introduction

• Drury University
  – responsible for all fundraising & engagement

• Endowment Builders
  – worked with a variety of organizations:
    • Community Foundations
    • Associations & Social Fraternities
    • Social Services
    • Arts
Let’s Get to Know Each Other:

**Group A** - Soliciting for Investors through Campaign

**Group B** – Soliciting for Investors Annually for 5+ years

**Group C** - New or no Investor Soliciting
Explore

• WHERE YOU ARE TODAY
  with your Investor program....

• WHERE YOU’D LIKE TO BE
  with your program in one year....
“Donors don’t give to institutions. They invest in ideas and people in whom they believe.”

-G. T. (Buck) Smith
Be Like the Universities

• Universities **engage alumni, Trustees and other volunteer leaders**
  – through advisory councils, visiting committees
  – create a “sales force”

• Universities **provide training and “manage”** their volunteer leaders

• Donors are demanding that universities **demonstrate impact, accountability and excellence** with major/planned gifts
Why Do Universities Engage a Volunteer “Sales Force”

Why do universities bother?

Isn’t it more labor intensive?

Don’t most hate to raise money?

- Benefit from bigger gifts from volunteers
- Benefit from professional skills
- Volunteers gain knowledge & loyalty
- Multiplies # of cultivation & solicitations
- Chance to tell their “university story”
- Helping others & working toward a goal
How Do Universities Engage Volunteers in Fundraising?

- Honor people by asking to become involved
- Create meaningful volunteer experiences
- Make fundraising & giving expectations clear
- Choose compelling programs to benefit from philanthropy
- Ask volunteers, “What motivates you?”
- Provide the right tools to be successful
- Hold volunteers accountable
How Can We Apply to EDOs?

- Use existing Board to build in culture of asking and giving (job description)

- Seek & define impact program(s) and develop case for support

- Recruit influential & generous leader

- Visit/cultivate investors who “get it” & recruit

- Tie into regional network & partner; piggyback on existing structures/boards/committees
Case Studies: Engaging Volunteers

• Stanford University
  – Hearing Loss Institute
  – Grateful patient engaged on Advisory Council
  – Asked for advice on Development Plan
  – Sold business, $50M estate gift

• University of Chicago
  – Series of exclusive “Exploration” seminars
  – Donor interaction with faculty, Dean, President
  – “Astronomy buff” attended, gave $1M gift
Be Like Hospitals/Schools- Small Staff

Major Gifts Best Practice —

• Work upside down and inside out:
  – Board and Development Committee
  – Key Staff
  – Faithful Donors
Start with the Board – Small Staff

• If not the chair, a key member needs to “own” investor giving

  – Decide what will be solicited – “What are we marketing?”
Small Staff

Recruiting a Team:

• Identify the Influence Leader(s)
• Staff – Facilitator
• Donor/Volunteer
  – Provide circle of influence/vision sharer/execution
• Ad Hoc Committees
  – Having a clear goal and targeted case is key today
  – Clarify & confirm shared commitment & share the tasks or work the plan
Case for Support

• Determine how You will Motivate Investors
  – Special Recognition Funds
    • Create naming opportunities for multi-year gifts
    • Create sustaining funds - endow an annual gift
      – 20x an annual gift=endowment
  – Area of Interest gifts
    • Promote through Annual Report – training, development,
  – Promote Investor effort by % of involvement
    • Ex - Grow Investors from 2% of members to 5% of members

Discussion...
Ask

Set a Gift Amount

• Sponsorships
  – Standard levels - $10,000, $25,000, $50,000

• Campaign Investment
  – A multi-year target amount is 5x an investor’s largest gift
    • $20,000 = $100,000

  – A donor must give 20x their current gift to endow their annual gift
    • $1,000 = $25,000
How to Show Impact

• **Must show measurable, real results**
  – Your gift will provide $x#$ of development projects...
  – Your gift invested in professional development of $y#$ potential workforce, to improve job skills...
  – Your sustaining investment will make possible a permanent annual stipend for our project impacting $z#$ of businesses...

• **What would happen if donor did not make this investment?**
Summary & Takeaways