



Nonprofit Founders Society

Implementation Guide

September 2021 | Fundraising 101: How to Start Raising Funds

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Video Transcript

Introduction

Hi and welcome to September's lesson: Fundraising 101: How to Start Raising Funds. This month we are learning the very basics of fundraising.

What Are The Basics of Fundraising?

Fundraising is the primary way nonprofits receive funds to carry out programs and operations.

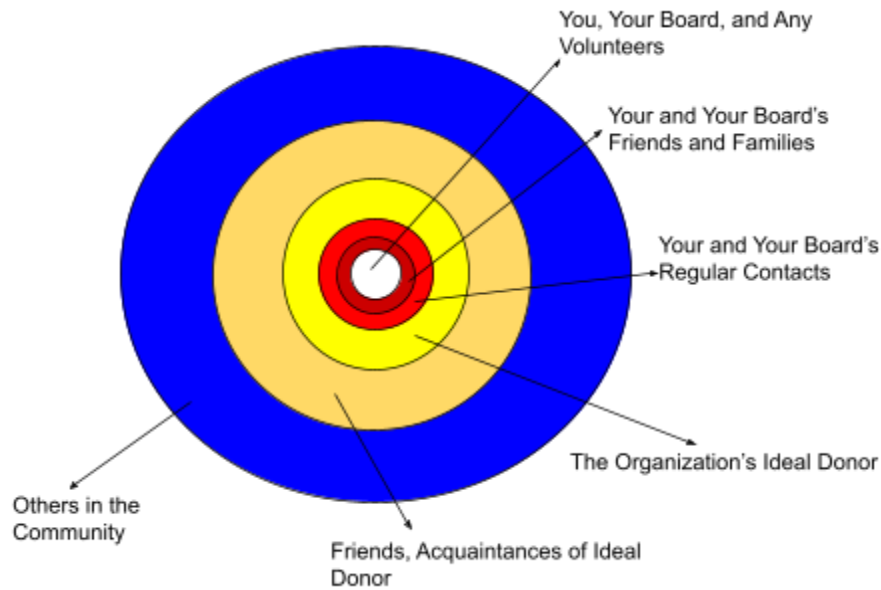
Every nonprofit has built-in donors. They are people who are naturally close to you or your organization's mission. So you start with those closest to you and move out. Your first donors will be those loyal to you and individual Board members. From there, you will move out to friends and family. Then, coworkers and people you interact with on a regular basis. Before you exhaust these donors, you will define your Ideal Donor. An interesting thing happens at this point. Your Ideal Donor will begin inviting you into their inner circle. Lastly you will be reaching out to others in your community and will begin receiving one time donations.

Donors and prospective donors are often described as hot, warm, and cold. Hot means they are closest to your mission. They are emotionally tied to either you, your Board, or the mission itself. People you would classify as hot have donated to your organization and often multiple times. They will be your ambassadors. Warm leads are not as passionate about the mission as hot prospects are. But they still have a heart for your mission. They have not donated in a while or have indicated that they are interested in your cause through liking your social media, contacting you, or signing up for your donor magnet. Cold prospects have the least amount of interest in your organization among your prospects. But they are still interested enough. They are ones that may take a little more contact to move them to the next level.

In the illustration in the Implementation Guide, you will see the very center white circle. These people are the hottest donors. They are the ones closest to you and your organization and most likely to donate. The red circle is not quite as hot as the white circle but they are still connected to the cause and are likely to talk about your organization and refer people to it. Word of mouth referral is the best way to gain potential donors. The orange and yellows are warm prospects but will need more time to build trust and get to like and know your organization. The blue are your cold prospects. Many may never become your donor.

Many organizations want to go out to the blue or cold prospects first because it is the largest pool. They are also the hardest to win over. It makes more sense to start with the low hanging fruit of the hottest and warmest prospects, hone your ask with them, and understand who they are. This will make finding and attracting them among the vast cold prospects in your community so much easier.

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Why Do we Need The Basics of Fundraising?

In order to raise the amount of money needed to run the nonprofit, we need to understand the basics of fundraising. Fundraising starts small and grows over time. Luckily, you don't need large sums of money to start your nonprofit. You can start small with donated space and volunteer staff.

What/How

The Implementation Guide has specific ideas for each stage. Here are the things to think about where you are using the illustration as our guide.

Stage 1: Visionary and Stage 2: Builder

Stages 1 and 2 will begin by starting in the white, red, and orange circles. You will be asking those most likely to donate to you personally.

Stage 3: Planner

In Stage 3, you are in the two yellow circles in the illustration. It's time to define your ideal donor and begin finding and attracting them.

Stage 4: Fundraiser

In Stage 4, you are focusing on fundraising specifically. You will begin moving out to the community while continuing to strengthen your current donor relationships.

Stage 5: Budding Nonprofit

It's time to start thinking about fundraising activities like small events. You are now appealing to all of the circles in the illustration.

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Fundraisers for Each Stage

Take a look at the suggestions for your organization's stage. Use the suggestion just as it is or add your own twist.

Stage 1: Visionary and Stage 2: Builder

Stages 1 and 2 will begin by starting in the white, red, and orange circles. You will be asking those most likely to donate to you personally. Here are some ideas:

- Create an Introductory Appeal (Fundraising) Letter for you and your Board to send out to 10 of their friends and family. The resources of this lesson have a link to a SWIPE file so you can see what one looks like.
- Make a list of 25 people each (you and your Board) of friends, family, coworkers, or people you come in contact with on a regular basis that might support you and/or your nonprofit. Call them personally or meet in person. Share the mission, vision, and need. Ask for donations \$25 or less.
- Collect cans for recycling. Ask all your friends to save their cans and bottles for you and turn them into a buy-back recycling center. You can turn it into a fundraiser by getting your Board to do it too.
- Invite people to your birthday party and ask that in lieu of gifts they give money to your organization. Make this a Board fundraising option to their get/give fundraising requirement.
- List all your friends who are interested in your organization or similar organizations. Decide how much each one should give. Write to them on your own stationery, include a brochure from the organization and a return envelope. Phone those people who don't respond in two weeks. Some people will need 10 friends to give \$50, and some people need 50 friends to give \$10. Most people will need a combination such as: 2-3 @ \$50; 4-5 @ \$25; 15 @ \$10. Have your Board members do the same.

Stage 3: Planner

In Stage 3, it's time to define your ideal donor and begin finding and attracting them. Here are things you can do:

- Take the Ideal Donor 5-Day Challenge or watch the lesson on Ideal Donors.
- Update your website and social media to reflect the donor you are trying to reach. Post things on social media that resonate with your ideal donor.

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- Brainstorm 25 places your ideal donor would hang out either online or in real life. Make a plan to get connected.

Stage 4: Fundraiser

In Stage 4, you are focusing on fundraising specifically. Here are some fundraising ideas:

- Put a donor magnet on your website to begin acquiring prospective donors and add to your donor list.
- Ask friends who belong to service clubs, sororities, antique collecting groups, support groups, bridge clubs, etc. to discuss your organization in their group and pass the hat for donations. A once-a-year sweep of even small organizations can yield \$100 from each.
- Hold a Garage Sale with your Board. Give some or a lot of things to your organization's garage sale, making sure they are worth \$500, and then help to sell it all.

Stage 5: Budding Nonprofit

It's time to start thinking about fundraising activities. Here are some:

- Have a \$5 Friday Facebook Fundraiser.
- To raise \$500, you and your Board can give part of the \$500. Then ask your friends to join you in giving \$25, \$50, or whatever their gift is. This is most effective because you are not asking them to do anything you haven't done.
- With 4 or 5 friends, have a spaghetti dinner at a church or union hall or other big room with a large kitchen. Charge \$10 per person and feed more than 50 people. You can charge extra for wine or garlic bread, or for dessert.
- Have a fancy dinner at your home or a regular dinner at someone's fancy home. Serve unusual or gourmet food or have special entertainment. Charge \$25 or more per person and have 20 or more guests.
- Get three friends (or your Board) to help you have a progressive dinner. Start at one person's home for cocktails and hors d'oeuvres, progress to the next person's house for soup or salad, the next person's for the main course, and the last person for dessert. Either charge by course, or for the whole package. To make it extra special (and much more expensive), get a limousine for the evening that carries guests from house to house.
- Solicit small businesses, churches, synagogues, or service clubs for \$500. If you are active in a church or own your own business and are involved in business organizations or service clubs, this can be very effective. You can often raise \$200-\$500 with a simple proposal and oral presentation.