

Types of Fundraising

Capital Campaigns:

A capital campaign is time-limited effort by a nonprofit organization to raise a significant amount of money for a specific project. Often the money raised is for the acquisition, construction, or renovation of a building. Sometimes capital campaigns are used to build an endowment for the future. Sometimes they are used to purchase an extraordinary and expensive piece of equipment. Capital campaigns have a beginning and an end but often span several years.

Capital campaigns employ all the usual ways of raising money such as direct mail, personal solicitation, and major gifts. Capital campaigns require extraordinary preparation and skillful execution.

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Corporate Support:

Corporate support may include both philanthropic giving to a nonprofit and support by a company for mutual gain, but it is primarily to support the nonprofit's mission. They are usually initiated by the nonprofit organization and are hopefully sustainable.

- Corporate philanthropic support is a general donation to the organization's mission or project. It may come from a corporation's budget or the corporation's foundation.
- Corporate giving where both the company and the nonprofit benefit includes corporate sponsorship, cause marketing, cause branding and cause product sponsorship.
- Corporate sponsorships are intended to increase the resources of a nonprofit. The company can usually gain visibility from the sponsorship.
- Cause marketing is an umbrella term that covers a wide range of marketing activity. It is a strategic marketing relationship between a business and a nonprofit organization for mutual benefit and it links a corporation or brand with a social cause. It is not social marketing to impact social behavior (stop smoking, no drugs, etc.) or corporate philanthropy.



- Cause branding is integrating the mission of the partnership so that it is synonymous with the mission of the corporation. An example is Avon’s commitment to breast cancer, which has become a part of who Avon is.
- Cause product sponsorship is when a company makes a product for an organization, sells the product, and donates the proceeds to the nonprofit. The company is not creating the product to increase their own sales or visibility. An example is the “go red for women barbie doll,” sold by Mattel. The American Heart Association will receive \$100,000 from Mattel in support of its “go red for women” campaign.

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Digital (Online) Fundraising:

Online fundraising is still up and coming and it is here to stay. Nonprofits are still not using online fundraising to the extent expected. It serves many needs but does not replace many other types of successful fundraising. It should be viewed as only one strategy in a balanced portfolio of fundraising strategies. Digital online fundraising must be marketed by the nonprofit, so donors know where to go and how to use it.

Digital and online fundraising can include donations processed through the organization’s website, mobile donations, giving as a result of an email, social media campaigns, email campaigns, using fundraising websites that leverage social networks and online crowds, and processing credit cards.

If you do plan to raise funds online, you need to know about the Charleston Principles, which are non-binding guidelines that the national association of state charity officials created to help states develop their own regulations for online fundraising. The Association of Fundraising Professionals (AFP) has summarized them and also created internet transaction guidelines to provide basic guidance for members and others who might use the services of an online or similar service provider.

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Direct Mail (For Annual Giving, Membership Etc):

Direct mail fundraising is a form of direct marketing used by nonprofit organizations to solicit funds, recruit new donors or members and to inform, cultivate, re-solicit, and upgrade the level of their



contributions. Understanding the principles, practice and discipline of direct marketing and fundraising is important in a direct mail campaign. Direct marketing tends to look at prospects and donors through a lens of statistics and data, and fundraising looks at them as individuals with varying needs, interests, values and preferences.

A direct mail campaign is a “top dog” person from the organization writing a letter to a prospect, donor, or member. It is a very effective form of fundraising and many times more effective than email. Direct mail and online fundraising are becoming integrated by many nonprofits and using both can be a good combination. Through direct mail, donors get a more personal touch and online fundraising gives donors an easy way to give. It is important that communication through direct mail match very closely with communication on the web and in emails.

Some very important aspects of direct mail fundraising are:

- Writing a good letter that hooks the donor and keeps his interest
- Being clear, repetitious, and confident in what you are asking
- Thanking donors immediately and passionately
- Following up direct mail letters with interesting and informative newsletters or other material.

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Earned Income:

Earned income is revenue generated from the sale of goods, services rendered, or work performed. One popular nonprofit example is the Girl Scouts’ cookie sales. If you have ever purchased a box, you have contributed to the earned income of the Girl Scouts organization. Earned income is gaining popularity among nonprofits. As factors like increasing competition and a flagging economy have caused income from grants and individual donations to level off, revenue-earning programs allow organizations to diversify or expand their base of support to meet growing needs and to better sustain their operations over the long term.

Some essentials to successful earned income programs:

- Gaining the support of staff and the board



- Willingness to take calculated risks and make quick decisions
- Having a marketing and business plan

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Grants:

Grants are amounts of money given to organizations or individuals for specific purposes. In recent years and under unusual circumstances, some grant funders have been willing to fund the operations of an organization rather than a new short-term project. There are thousands of private business and foundation grant sources in addition to government grants, but there is much competition from other nonprofits.

Government grants can be ongoing if the need is ongoing. An organization that develops a grant must keep data about the grant, manage it according to grant expectations, and report progress to the grantor. Most grants are for short term projects (one, two or three years) and the grantee must be diligent about seeking another source of revenue once the grant has ended.

It takes skill and time to write a grant that directly and succinctly answers the questions posed by the grant RFP (request for proposal). Unless stated otherwise, Grantors do not want additional or peripheral information about the organization on the application. Many organizations hire a “grant writer” who becomes familiar with the organization and can apply to appropriate sources. It is important to match your funding need to an appropriate grant application. Members of NHCN have access to the Foundation Center, which helps to locate grants that fit your needs.

Grants come large and small. No matter what your needs are, there is most likely a grant you can apply for.

You can also look for grants from state government -- start with the state's official government Web site. Federal grants are the big dogs. The United States government has a plethora of grants to choose from. Go to the Grants.gov Web site to search by category, agency or keyword. Remember to read the fine print when applying for any grant to ensure you can fully comply with the agreement.

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Major Gifts

Before starting major gift solicitation, an organization must decide what size gift is required to be a major gift. This often varies among organizations, depending upon the types of donors, the average amount given to the annual campaign, and the type of organization. A major gift is often around the \$25,000 mark. However, some organizations go as low as \$5000 or \$10000.

Solicitation of major gifts requires time for cultivation of current donors and several other steps by the organization prior to “making the ask.” First you must identify the prospects from your list of current donors. Prospects for major gifts must have both the means and the desire to give large gifts. It is best if they already know your mission, are committed to it and are current contributors to your organization.

Cultivation of current donors is an important part of any fundraising and a plan for major donor prospects must be developed. Cultivation should be organized and tracked. When cultivating major gift prospects, each step of cultivation should move the donors and you closer to asking for a major gift.

Solicitation is the moment of truth. A donor must be ready to give a large amount and you must be ready to ask. Stewardship must also be a part of major donor solicitation. Make sure the donors and prospects know how you spent their money, and how well the organization is doing.

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Membership Campaigns:

Philanthropy-driven, recognition-based, membership campaigns are proven and effective tools used to convert prospects into donors, to increase the size of gift, and to build and strengthen relationships. They are one of the most useful solicitation methods a fund-raising manager has. The biggest benefit of membership to an organization is their potential to increase donor loyalty. Someone who sees him/herself as a member of an organization will generally feel more ownership and involvement than someone who sees him/herself just as a donor, even if the member never has any more concrete involvement than simply giving money.



In addition, enrolling a donor as a member gives a concrete reason for sporadic donors to become regular donors, at least once a year when their membership renewal comes due.

Would a membership program be good for your organization? If you already have a membership program, are you clear on what you and the members gain from having the program, above and beyond being a donor to your organization? Here are some of the questions to help you decide:

- What role do you want people to play in your organization who are not board or staff?
- What should be the base membership fee?
- What benefits should you offer to members?
- How can you best manage joining and expiration of membership?

Members may have an expectation to be asked to contribute other things in addition to money, such as volunteer time, political support, expertise, and influence.

If these things would benefit your organization, then consider starting a membership program. However, if you just want money to do your work, then a membership program may add more administration for little added benefit. In that case, look for other ways of showing your gratitude for the money that donors contribute.

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Phone-A-Thons and Telemarketing

The most success with phone-a-thons and telemarketing comes from well trained volunteers who are already donors to the organization. A good script is needed for the volunteers to use when making calls and a call sheet form for each donor is also needed. The background and history of the donor, as well as a place for callers to record the response to their call is included in the call sheet. Research shows that the best evening times to call are Tuesday through Thursday, 6:30-9:30pm, although 9:30 may be too late for some donors. Know your donors and what days and times will work best for them.

Educate your callers, inform them, and supply them with information they need to make the calls. Provide them with note paper, stamps, and envelopes when follow-up notes are needed. When calling, try to have a conversation about the organization and donor's interests, not just the money.



Watch the time so callers are not on the phone longer than three hours. Set an expectation for how long each call should be.

Afterwards it is helpful to send a survey to the callers and to record and review lessons learned. You may want to ask the callers to mail the thank you letters.

Some organizations hire telemarketing companies to do their telemarketing. They are generally more effective with cold calls. However, the donors always know if the caller is a volunteer or a professional “caller.” If you hire a telemarketing company, make sure you get all the information about the donor that the caller discovers.

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Planned Giving

Planned giving is a method of supporting non-profits and charities that enables philanthropic individuals or donors to make larger gifts than they could make from their income. While some planned gifts provide a life-long income to the donor, others use estate and tax planning techniques to provide for charity and other heirs in ways that maximize the gift and/or minimize its impact on the donor's estate. It is a way to invest money so that the donor receives benefits during his/her life and then bequeaths the remaining funds to the nonprofit.

A planned gift is any major gift, made in lifetime or at death as part of a donor's overall financial and/or estate planning process.

Planned gifts require more planning, negotiation, and counsel than many other types of gifts. Planned giving is a complex program of various financial instruments that can be adapted to each donor's needs, and they can be cash, equity, or property

Nonprofits usually enlist professional help in setting up their planned giving programs and hire staff educated in planned giving methods. However, even small nonprofits can set up simple bequest programs so that donors can designate their favorite cause as a beneficiary of in their WILLS.

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Special Events

Special events are a way for nonprofits to recognize and strengthen relationships with current donors, recruit or introduce your organization to new donors, generate publicity for your organization and its mission, develop fundraising experience for your staff, directors, and volunteers and raise money (though some studies and experts suggest that special events are not the most effective means to do this). Although special events often raise a small amount of net proceeds and require a large amount of time and energy to plan and implement, they have other values.

Special events are a common fundraising device used by small nonprofit organizations. With the variety and flexibility of special events being limitless, they are ideal for acquiring, retaining, or upgrading donors. One or two special events each year can greatly assist organizations in building a broad base of individual donors, which can provide the organization with increased annual giving (Klein 2000).

Common types of nonprofit special events include dinners, auctions, fairs and festivals, lectures, benefit concerts, home and garden tours, tournaments, contests, sporting events, and walkathons. (you might also count garage sales, car washes, and bake sales,

Special events can also act as “friend raisers,” but the two are different and it is easy for a friend raiser to raise little, if any money. Make sure you and the planning committee understand the purpose and budget of the event.

[View the pros and cons for all stakeholders and organizations.](#)



Capital Campaign

| | Positives | Negatives |
|---------------------------------|--|---|
| For the Donor | Offers a chance for deepened engagement with the organization and significant public recognition. | Donors may be asked to stretch exponentially beyond their traditional giving history with multi-year pledges that can sometimes lead to “donor fatigue.” Some donors may be unable or unwilling to make a stretch gift. |
| For the Staff | Capital campaigns can be intense and exciting and inject life into an organization’s routine. They can also strengthen bonds between staff and board bringing them together to focus on a common goal. The staff gets to know donors well through campaigns. In the end they produce enough funds to make a major investment, which the staff will use to do its work. | Unless done with careful planning and budgeting for additional staff, or shifting of duties, capital campaigns can overwhelm already overworked staff, especially in a small shop. If the Board is not sufficiently engaged, the staff can end up feeling resentful and alone in the effort, often suffering burnout as the campaign wears on. |
| For the Board/Volunteers | For trustees and volunteers, capital campaigns offer a myriad of very specific ways to be engaged: through planning work, donor identification, solicitation, oversight, and public relations. Campaigns are also excellent ways to engage new volunteers and identify potential new trustees. Capital campaigns are team efforts, and the Board and Volunteers will have an opportunity to work together on the project. | The length of campaigns -- typically 3-to-5 years not including the planning stages -- can lead to board burnout and turnover. Trustees who have typically been the first source of financial support for an organization’s annual campaigns may feel donor fatigue after being tapped for campaign gifts as well. Unless carefully stewarded through the planning process, trustees might choose to leave a board rather than commit to a lengthy undertaking. The board must step up to the tasks associated with a capital campaign or they will be lost. They need to know the expectations before the campaign begins. |
| Cost | The cost of a capital campaign can be daunting but if planned correctly the cost can be recouped within the first year of active gift solicitation. | Capital Campaigns don’t come cheap and can require investments in new technology and staff on top of the cost involved with retaining capital campaign counsel. A feasibility study before a campaign is undertaken is highly recommended and it is a significant expenditure. Often the first fundraising challenge is to conduct a ‘mini campaign’ to fund the costs of the capital campaign. |
| Potential Impact | The funds raised through a successful capital campaign can literally and metaphorically transform an organization through new or improved facilities, expanded technological infrastructure, and often the retirement of any debt. Campaigns can also create public relations ‘buzz’ and lead to greater community knowledge of the organization. | Unless organizational leadership is willing to invest in and commit to a lengthy and thorough planning period, you could be faced with a poorly executed campaign that fails to meet its goal, negatively impacts the staff and tarnishes public perception. A capital campaign should not be undertaken if the staff and board are not confident that they will be successful. |
| Opportunities/Challenges | Capital Campaigns are daunting and exciting and present an opportunity to bring your organization to the next level of financial support and public awareness all while improving the means by which you deliver your mission. This is an opportunity to attract and meet new donors, and to raise more funds from your current donors. It is also an opportunity for all stakeholders to work together on a very important project. | Just as the audience in a theater doesn’t see the fake backings of set pieces or the stage crew scurrying to place props, donors to a capital campaign should not see the “backstage” activity of the campaign. This effort requires positive, energetic public faces and tremendous behind the scenes organization and commitment. |



Corporate Support

| | Positives | Negatives |
|---------------------------------|--|---|
| For the Donor | A company can receive significant marketing benefits from supporting a local organization as well as a sense of “giving back.” | Businesses can feel taken for granted unless they receive good publicity for their gift and are well thanked and understand the nonprofit’s mission and purpose for the donation. Some businesses have a policy against supporting one organization too many years in a row to avoid dependency upon their giving. |
| For the Staff | Soliciting corporate support provides a source of increased revenue and offers an opportunity for development staff to take on high-level solicitation and develop a network of corporate contacts. | The days of picking up the phone and asking for the gift are over. Corporate solicitation often requires structured applications that are decided on via a company-wide committee. This means development staff can expect to spend a great deal of time learning each organization’s specific application process, getting to know corporate personnel, and making sure the company understands the mission and need for the gift. |
| For the Board/Volunteers | Successful corporate partnerships are a great way to identify potential new trustees and leverage volunteer support from within a corporation. Corporate solicitations are often also easier for trustees and volunteers to undertake than individual solicitations. | Trustees with strong corporate contacts or access to corporate giving programs can easily feel ‘taken for granted’ or that they are only on a board to ensure support from their business. Take care to steward and thank them well! |
| Cost | Corporate fundraising can be accomplished on a shoestring budget – it’s the persona connections and relationships that make for success not expensive solicitation or promotional materials. | Giving away ‘freebies’ such as tickets or passes or advertising to corporate supporters can add up. |
| Potential Impact | Corporate support can grow to be a significant component of your contributed income budget if you start conservatively, take the time to build connections, identify ways to recognize corporate donors, and keep them informed. Done well, corporate support can be transformative for an organization. | The drawback to sustained and significant corporate support is that an organization can become too dependent on it and not continue to focus on critical fundraising from individuals of high net worth. |
| Opportunities/Challenges | Many organizations will not think beyond the biggest companies in town when considering corporate support, but small, local businesses can be an excellent source of both cash support and in-kind support of goods and services, saving your organization thousands of dollars in the process! | Corporate contacts change frequently, meaning that development staff continually has to build new relationships within a company. Corporate support can also be fickle, with companies reducing or eliminating support due to shifts in leadership or focus. |



Digital Fundraising

| | Positives | Negatives |
|--------------------------|---|--|
| For the Donor | Provides a convenient way to give to an organization when and how the donor wants. | Takes away the human element and removes a personal connection with the organization. Donors can feel bombarded with on-line requests. |
| For the Staff | Allows a small staff to reach a larger number of people quickly and easily. | Requires tremendous amount of initial work to develop and implement on-line giving portals or “crowd-sourced” campaigns. Staff must attend to social media management daily to avoid the request for support getting lost in the crowd. |
| For the Board/Volunteers | Provides Board members and volunteers with a convenient place to send new prospects for information and to make a gift. | The staff-driven nature of on-line giving can take board members out of fundraising by giving them an easy out. |
| Cost | Modest campaigns through sites like Kickstarter can be created with relative ease and little-to-no cost for small nonprofits making them a good first step for on-line appeals. | Larger more sophisticated shops can invest thousands of dollars in web sites with on-line giving portals, credit card processing portals, and social media tools. |
| Potential Impact | The nature of online giving means that gifts come into your organization on a daily basis, which can have a great impact in the long run. | If not carefully managed and kept current and fresh an on-line giving program can languish in the bargain basement of the internet—overlooked by donors and lost in the crowd – even impacting your organization in a negative way by giving donors the perception you are “behind the times.” |
| Opportunities/Challenges | Everything is digital these days and a good on-line fundraising campaign keeps your organization current and competitive. While it may take time to build, digital fundraising can yield significant long-term results. | Everyone is in the digital fundraising game these days making it harder for your organization to stand out and can lead to donor fatigue making prospects less likely to make a gift by any means. |



Direct Mail

| | Positives | Negatives |
|---------------------------------|--|--|
| For the Donor | Has a 'tactile' permanence lacking in digital fundraising, allows donors to read and respond with more thought. Personalized letters stand out amidst junk mail and email. | Can be easily tossed aside, buried, or discarded. Donors often give less by mail than when asked by phone or in person. |
| For the Staff | Staff-driven direct mail campaigns have defined beginnings and ends, and clear components, making them good projects for development staff - particularly for staff new to the profession. | Direct mailings can take on a life of their own often consuming a small development staff with running accurate lists of recipients, printing letters, designing insert materials, and stuffing, and mailing the appeal. Also requires a strong writer to craft a strong appeal- not something that every nonprofit has on hand! |
| For the Board/Volunteers | Signing personal notes of solicitation to appeal letters is a great way to start hesitant Board members off on the right fundraising foot. Board members can also be charged with following up with individuals in their own spheres of influence who received the mailing. | Mailings are largely staff driven leaving board and volunteers disconnected from the process. |
| Cost | If you have a good in-house database of prospects your primary cost will be paper and postage. Sending a large non-personalized mailing via nonprofit bulk mail rates can keep costs down. | A strong database is the basis of all good, personalized mailings, so your shop may need to invest significantly in good technology or commit to purchasing lists from a direct mail house, which can be "hit-or-miss" as far as yielding a strong return. |
| Potential Impact | Effective way to introduce your organization to a large audience all at once. With strategic thought to planning and execution, it can yield significant cumulative returns over time. | Rarely yields major gifts. |
| Opportunities/Challenges | Provides the opportunity to start modestly and grow, can be accomplished without a huge outlay of cash, allows an organization to reach a large number of prospects at once. It can be the basis for your fund-raising efforts and ties in nicely with other fundraising strategies. | Writing compelling copy is not as easy as it seems, nor is creating an envelope people will actually open! |



Earned Income:

| | Positives | Negatives |
|---------------------------------|---|---|
| For the Donor | Provides a point of entry for customers to support an organization through a more business-like transaction. | Earned income not directly related to the organization's mission is classified as "Unrelated Business Income" which is taxable as UBIT. The organization must make sure they take that into consideration when making the decision. |
| For the Staff | Takes some pressure off development staff by providing a second income stream. | Earned income streams, such as thrift stores, tickets to performances, gift shops etc., require an increase in staff devoted to just those endeavors. Puts pressure on senior management who may not be familiar with for-profit business models. |
| For the Board/Volunteers | Often creates opportunity for greater volunteer involvement. | Board members must be educated about the concept of earned income models and be committed to the idea of entrepreneurship. |
| Cost | Operating a for-profit venture within a nonprofit allows for the cost of the effort to be covered by profit. | Can involve complicated business plans and market research analysis requiring costly outside expertise. Once the venture is up and running there can be upward pressure on overhead, staff, and supplies. |
| Potential Impact | Can provide a significant source of long-term unrestricted income by diversifying funding streams. | Earned Income streams take time to conceive, develop and implement and, as in any business venture, the returns can take years to manifest. |
| Opportunities/Challenges | Can strengthen your organization's public profile, spread awareness of your mission, and provide a sense of self-sufficiency. | The marketplace can be crowded and competition from other businesses can be tough. |

Grants:

| | Positives | Negatives |
|---------------------------------|--|---|
| For the Donor | Potential and current donors may be more likely to invest in your organization if they see that it has received grant support from local, regional, or national funders. | On the other side of the coin, some individual donors may feel their support is not needed if they perceive an organization is “taken care of” through grant funding. |
| For the Staff | Can be a wonderful way to give development staff “ownership” over a funding stream. | Grant writing does not come naturally to everyone, so your organization may need to invest in training for your staff. Managing grants can be a full-time job so expectations should be reasonable for a small staff. |
| For the Board/Volunteers | Board members can be especially helpful in identifying potential grant sources, especially when they have contacts on a foundation’s board of directors. | Since grants management is primarily staff-driven, this can let board members feel they are “off the hook,” with regards to fundraising. But of course, they aren’t because there are many other ways to help with fundraising. |
| Cost | With good staff at the helm there is very little cost involved in grant writing. | Requires an initial investment in grant writing and grants management. |
| Potential Impact | Grant awards can be very generous and provide significant funding as well as increased visibility and credibility for your organization. | Grants are not automatic, predictable, or meant to be sustaining sources of income, meaning that they cannot be relied on from year-to-year. Organizations may find themselves with a significant hole in their budget when grant funding dries up. |
| Opportunities/Challenges | Grants can help get new projects or even entire new organizations off the ground. | There is tremendous competition for grant money and few funders will allow grant awards to be used for unrestricted operating support. |



Individual Solicitation of Major Gifts:

| | Positives | Negatives |
|---------------------------------|---|--|
| For the Donor | Allows a donor to make a truly personal connection with an organization. A donor who has been carefully cultivated and asked appropriately for a gift is unlikely to say no. | If not properly cultivated prior to being asked for a gift, a donor may react negatively. |
| For the Staff | Offers a way for staff to connect with donors and to assist trustees in being a part of the fundraising process. | Research on prospective donors can be time-consuming. Staff should also expect to spend a significant amount of time managing a field of volunteer solicitors. |
| For the Board/Volunteers | Individual solicitation of major gifts provides the best way to engage Board members and utilize their networks and connections to individuals with personal wealth. | Board members and volunteers may be skittish about face-to-face fundraising and require training and assistance. Board members must also be able to speak thoroughly about the organization's mission and answer question the donor may have. |
| Cost | No outlay of cash is needed. | Board members and volunteers may have to travel to a donor and should expect to treat him or her to lunch or dinner while making the "ask." |
| Potential Impact | This is the single best way to raise large sums of money, especially for general support. A strong major gifts program can yield a significant base of support for an organization. | If personal solicitation for major gifts isn't undertaken with care and planning, it can backfire and severe once positive relationships with potential donors. |
| Opportunities/Challenges | Once you have established a strong connection with a potential donor and received a gift via a personal solicitation, they are more likely to become repeat donors and even planned giving prospects. | Convincing your board and volunteers that asking for gifts in person can be fun and rewarding will be a challenge. Most people fear rejection and some trustees may be hesitant to ask connections for a gift out of worry that it will affect their personal relationships. Donors also must be carefully thanked and stewarded lest they feel forgotten once the check has been written! |



Membership Campaigns

| | Positives | Negatives |
|---------------------------------|---|--|
| For the Donor | Provides a regular, often modest, way for a donor to stay connected to your organization and feel a sense of belonging. Membership often also comes with “perks” for donors in the form of special access, member benefits, or small gifts. | Donors may not hesitate to drop a membership gift from their yearly giving in times of difficulty, perceiving it more as a purchase than a charitable gift. Unless a member retains strong involvement with the organization (i.e., attends performances, goes to exhibit openings) they may not feel they are “getting any value” from their membership gift. |
| For the Staff | Membership campaigns are relatively routine and easily managed by a smaller shop. Staff members new to development might also feel comfortable working on membership to gain confidence. | It can be easy to fall into a rut with a membership campaign, so care must be taken to encourage creativity. Organizations with a large base of members such as museums and theaters may need more than one staff person to handle the work of managing the solicitation, renewal, and thank you process. |
| For the Board/Volunteers | Membership work provides a great entry-point for volunteers to assist with mailings, phone-a-thons, and thank-you calls. Membership committees can be an excellent first step for potential board members. | Membership is often very staff-driven, leaving trustees without a stake in the game and more willing to let the staff handle the work. |
| Cost | Once an initial investment in materials is made, the largest costs will be postage, which often pays for itself fairly quickly. | The costs of membership - postage, materials, staff time, and recognition events- are often invisible and can add up if not monitored on a regular basis. Investing in sophisticated technology to record and track gifts and provide a means for on-line giving can be quite costly. |
| Potential Impact | Can provide an immediate and ongoing source of unrestricted funds while growing a loyal constituent base. | In difficult economic times, membership funds can dry up leaving a significant hole in an organization’s budget. |
| Opportunities/Challenges | A well-structured membership program with solid benefits can provide a predictable and sustainable source of support while also helping to identify potential major donors who give at the highest membership levels. | Membership can grow stale unless benefits are revisited on a regular basis. Recruiting new members and retaining current ones requires creativity, analytic skills, and regular attention. If you don’t have a staff person devoted to your membership program it can languish very easily. |

Phone-A-Thons and Telemarketing:

| | Positives | Negatives |
|---------------------------------|---|--|
| For the Donor | Allows for personal connection to donors and a dialogue about the organization. | Some donors feel phone calls are intrusive and may be put off by them. |
| For the Staff | A good phone-a-thon effort staffed by volunteers can provide development staff with much-needed relief and assistance in fundraising efforts. | A well-run phone effort requires the staff to invest a great deal of time preparing call lists, training volunteers, and organizing materials. Volunteers who fail to attend phone-a-thons can leave staff members holding the bag. |
| For the Board/Volunteers | Offers a way for board and volunteers to engage in personal solicitation without the intimidation or time involved in a visit to a major donor. | Trustees are often reluctant to assist in phone-a-thons and volunteers must be thoroughly trained before an organization can feel comfortable with them making personal phone calls. |
| Cost | If held on-site with volunteer callers, phone-a-thons can be accomplished with very little cost. | Organizations without a strong volunteer base may engage professional telemarketers which can be very costly. |
| Potential Impact | A well-run phone campaign with strong prospect lists can generate 10-to-12 times as much as a mailed appeal effort. | Not everyone who pledges over the phone delivers on that pledge. Fundraising experts estimate nearly 20% of people making pledges will not fulfill them. This can negatively impact fundraising goals when anticipated pledges are not received. |
| Opportunities/Challenges | Phone-a-thons can be turned into high energy fun events with refreshments and prizes for top callers – bringing not just donors but volunteers closer to the organization in the process. | A cranky volunteer or telemarketer can turn off donor prospects from your organization for good. Convincing volunteers to assist with phone calls can be challenging. |

Planned Giving:

| | Positives | Negatives |
|---------------------------------|--|---|
| For the Donor | Allows a donor to support an organization after his or her passing, often while receiving immediate tax benefits. | Donors may be hesitant to discuss their estate plans with nonprofit staff, preferring to communicate through their attorneys or tax advisors. |
| For the Staff | Training in planned giving offers development staff the chance to improve their skill sets and move to a more advanced level of work. | Planned giving can be complicated and overwhelming for development staff not familiar with the many types of planned giving vehicles and their unique tax benefits to donors. |
| For the Board/Volunteers | Board members can be called upon to set the standard for planned giving by being among the first donors to remember your organization via a bequest or other planned giving vehicle. | Board members may have to be educated as to the benefits of planned giving and may be initially reluctant to invest in a program that will not yield results for several years. |
| Cost | A nice set of planned giving materials can be developed at a reasonable cost making this a fairly low-cost effort to undertake. | Your organization may want to invest in training for staff members or a planned giving consultant to help get the program off the ground. |
| Potential Impact | An organization can receive extremely large gifts through bequests, gift annuities, and charitable lead or remainder trusts. | Requires a great deal of planning and foresight to set up a solid planned giving program. If not done well and thoroughly the program can languish. |
| Opportunities/Challenges | A well-structured planned giving program can provide regular gifts each year. | A planned gift does not truly come to the organization until the gift matures or the donor passes away. This can set up a bit of a macabre waiting game for some organizations. |

Special Events:

| | Positives | Negatives |
|---------------------------------|--|---|
| For the Donor | Engages a large number of donors at one time. Can often allow donors of all giving levels a way to participate and connect with an organization. | In a crowded event landscape donors can feel event fatigue and stop attending or pledging support to various events. |
| For the Staff | Special events can inject a sense of excitement and fun into the work of the development staff. | Special events are a tremendous amount of work for the staff who must engage in planning, invitations, seeking donations to support the event, and often the physical set up and clean-up of the event itself. |
| For the Board/Volunteers | Events are a terrific way to bring the board together to work on a specific project, uniting them in a common goal. Events also offer a wonderful way for trustees to introduce the organization to friends and colleagues. | Volunteer fatigue can set in quickly and board members may prefer to engage in more high-level strategic work than the mechanics of helping with a special event. |
| Cost | Obtaining sponsorships and in-kind donations can keep the cost of a special event down ensuring that the maximum share of the event profits are netted by the organization. | Costs can skyrocket if not attended to carefully or if sponsorship support is not obtained. |
| Potential Impact | The funds raised by a well-run, well-supported special event can be significant. Events that are strategically planned and attended to in order to ensure yearly growth can ultimately become synonymous with your organization and generate community or even state-wide support. | Often the return on the event does not justify the investment of staff and volunteer time and monetary resources. Events also tend to have a certain life span and once returns begin to decrease; an organization may want to consider retiring the event. |
| Opportunities/Challenges | A signature special event can put your organization on everyone's radar, raise visibility, bring people together for a common purpose and of course provide significant funding for your mission! | Events can fail due to competing events on the same day, inclement weather, failure of special guests, celebrities, or politicians to attend as promised or any other number of circumstances beyond control. |