

The Worldwide Fundraiser's Handbook

*A Resource Mobilisation Guide
for NGOs and Community Organisations*



Michael Norton

In association with Resource Alliance

DSC

THIRD
EDITION

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DIRECTORY OF SOCIAL CHANGE

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Foreword

It is now more than ten years since the first edition of this handbook was published. In that time the world of fundraising has changed greatly. Perhaps the most obvious area of change is in the field of technology. The use of email and online payment systems are now pervasive, and the recent growth of social networking websites is further extending the potential for fundraising in the virtual world.

The integration of new media channels with traditional techniques such as direct mail, and the increasing speed and sophistication of databases, gives fundraisers the opportunity to combine channels and media in ways never possible before.

Yet there is still a core set of basic truths about fundraising which any practitioner needs to learn. With the growth of civil society around the world and increasing interest in the potential for local fundraising, more and more people are acquiring this knowledge. Some learn by trial and error, others through attending workshops and courses, which are expanding in number as the demand grows.

The number of associations of fundraisers has grown, with more than 30 countries now having an association of some sort. A global ethical code has been developed and the different associations are starting to map out ways to collaborate so as to strengthen the provision of education and training in fundraising. More and more books and online resources are becoming available to support fundraisers in different parts of the world.

In the sphere of philanthropy we have also seen much change. Big donors like Bill Gates and Warren Buffet are being emulated by other wealthy philanthropists around the world – people like Carlos Slim in Mexico and Victor Pinchuk in Ukraine. In April 2008 the *China Daily* reported that China's top 100 philanthropists had donated \$1.8bn over the previous five years. At the other end of the spectrum, websites like Kiva and Global Giving are mobilising gifts from ordinary citizens through connecting the donor directly with the recipients.

Alongside the growth in giving there appears also to be an increasing demand for evidence of impact, for results-focused programmes with demonstrable outcomes. 'Social enterprise' is a concept which has caught the imagination of many of the 'new' philanthropists – a section of the giving public which looks to market-based approaches. They aim to nurture social interventions which can fund themselves through a business approach. This, they believe, is the route to true sustainability.

Wherever you are, this is an exciting time to be in fundraising. Though at the time of writing the global economic outlook is far from sunny, I'm sure we'll look back and see this as just a temporary dip in the overall history of increased giving. Even at times of economic contraction there are many fundraising opportunities. Some would argue that it is in tough times that experience, knowledge and skilful execution really count.

This handbook is designed for both novice and experienced fundraisers. It is a comprehensive guide to all the main sources of income and the techniques associated with these different sources. For the third edition, the book has been extensively updated and many new case studies have been included. Some of these case studies have been taken from the Showcase of Fundraising Innovation and Inspiration (SOFII) – a project of the Resource Alliance. SOFII is a free online library of great fundraising. Visit www.sofii.org for more examples of the techniques described in this book. In fact, why not share your own stories with SOFII?

Simon Collings
CEO, Resource Alliance
May 2009

About the authors

Michael Norton

Michael is the founder of the Directory of Social Change and was its director until 1995. Since then he has created several other highly successful enterprises. In 1995 he founded the Centre for Innovation in Voluntary Action (CIVA) encouraging innovation and new thinking on the role of charities.

Michael has also established Changemakers, challenging young activists to design and manage their own community projects. He is a founder of the Youthbank UK and also a founder and trustee of UnLTD – the foundation for Social Entrepreneurs, which makes awards to over 1,000 individuals in the UK each year who wish to create change in their communities. He also helped set up UnLtd India, and is currently working on parallel initiatives in South Africa and Canada.

Michael is currently promoting and supporting a number of projects including MyBank to promote young people's banking, Otesha UK where young people take out the climate change message and encourage action through bicycle tours and performances, and FoodWorks where young people cook meals for those in need using donated food in donated kitchen space. He also runs literacy and library programmes in India.

The Resource Alliance and Simon Collings

The Resource Alliance's mission is to help voluntary sector leaders worldwide acquire the tools to build the financial sustainability of civil society. It started as the International Fund Raising Group (IFRG) in 1981 and it is now in its third decade of supporting the NGO sector. The role of the organisation has expanded from being an event organiser to developing and running an international programme of information and training for fundraisers worldwide.

The Resource Alliance works predominantly in the global South, responding to the need for a participatory skills transfer and capacity building programme. To date the workshops and events that the Resource Alliance organises have attracted almost 12,000 delegates from more than 100 countries.

Simon Collings, is former CEO of the Resource Alliance and is now CEO of Global Village Energy Partnership. Before working for the Resource Alliance, Simon was Director of Fundraising at Oxfam.

About the contributors

Richard Holloway

Chapter 5 on ‘Generating Income through Self-Financing’ was written by Richard Holloway. Richard, is presently the director of the Civil Society Programme at the Aga Khan Foundation in Geneva, following a 40-year career in the field of civil society and rural development in Asia, Africa, the Caribbean and the South Pacific. He has been a grass-roots worker, a project manager, an aid administrator, a trainer, and a consultant, and has published books, particularly handbooks, on different aspects of not-for-profit management. In particular, he authored *Towards Financial Self-Reliance*, a guide to resource mobilisation strategies for the non-profit organisations in the South.

Derek Humphries

Chapter 8 on communications was originally written by Derek Humphries and has been updated by Michael Norton. Derek is a director with Think Consulting. He has directed the creative and strategic elements of communications for over 100 not-for-profit organisations – from small local charities to international causes. His work has won many industry awards.

Derek served as Managing Director of Burnett Associates for eight years until 1999. He is a founder member of the UK’s Institute of Direct Marketing, has been Vice-Chairman of the UK’s fundraising institute (IoF), and also served on the board of the UK’s national fundraising convention.

Jason Potts

Section 6.12 on digital fundraising was written by Jason Potts. Jason is director of digital activities with Think Consulting Solutions. He is widely recognised within the global not-for-profit community as an expert on direct-response fundraising and as a pioneer in the development of the e-commerce and e-business market place.

Jason speaks regularly at conferences around the world about the future of digital media for the sector and writes widely on the subject. Jason has worked with many global NGOs on using the medium both to communicate their mission and deliver revenue. This work has meant gaining experience of markets outside Europe, including; North America, Latin America and Asia Pacific. You can find out more at www.thinkcs.org or follows his tweets @Leneva.

Jason would like to acknowledge the contribution to his section by Martin Gill from HomeMade Digital, UK for his technology insights and Spanish market knowledge. Also thanks go to Philip King of Artex Interactive, Canada, for his thoughts on global peer-to-peer digital fundraising and to WSPA for being brave enough to share detailed case studies with the rest of the sector.

Preface

This book was originally published in 1996 to provide a comprehensive overview of fundraising practice and techniques for those whose job it is to raise money for a charity or a development organisation – whether as a volunteer or as a paid fundraiser or as an external fundraising consultant.

A note on terms used in this book

This book is intended for people fundraising for non-profit organisations, and this includes the following:

- **NGOs (Non-Governmental Organisations)**. This term may have different meanings in different countries, and in some countries there is a formal procedure for registering an NGO.
- **CSOs (Civil Society Organisations)**. This term is increasingly being used by Northern donors to describe a wider range of organisations and activities that can play a role in creating social change.
- **Charities**, which are organisations established for charitable purposes under charity law, which again will differ from country to country. Some of these raise money for particular purposes, such as health care or the welfare of the elderly. Others have their own programmes of work that they are raising money for.
- **Development Organisations**, which seek to promote community development. These are not charities in the real sense of the word, as they seek to empower and enable people to do things for themselves, rather than provide services for those in need – although most are constituted under charity law.
- **Community-Based Organisations** and **People's Organisations**, which operate at the grass-roots level and are often informally constituted, and which often need to mobilise support locally.
- **Campaigning and Advocacy Organisations**, which seek to promote change through research, information, campaigns and lobbying. There is now a great deal of emphasis placed on advocacy as part of the development process.
- **Trusts and Foundations**, which are grant-making bodies, usually established under charity law with the specific function of making grants for charitable purposes. Many are endowed, but some have to raise money if they are to make grants. The two terms 'trust' and 'foundation' are used interchangeably. 'Trust' is used because many foundations are constituted under trust law.

All these organisations are **Voluntary Organisations** and form the **Voluntary Sector** (sometimes also known as the **Third Sector**). The term 'voluntary' is used because these

organisations share a common feature – that they are all managed by a voluntary management board and they operate independently of government. These organisations all need to obtain resources for their work, which they will try to do from a variety of sources.

This book is particularly aimed at the Southern fundraiser, and has been written from that perspective, and is illustrated with examples from many Southern countries. *North* refers to the developed world; *South* to the countries of Asia, Africa and Central and Southern America, where most of the world's poor people live.

There are two major differences between NGOs and voluntary organisations operating in the South as compared with their Northern counterparts:

- The availability in the South of large amounts of aid and development money from foreign sources, including governments, NGOs and charitable foundations.
- There are far fewer opportunities for raising money locally.

Overseas funding has helped a great many voluntary initiatives to get started, to develop their work and even to grow into substantial institutions. International donors have been willing to part with quite large sums of money (at least in terms of purchasing power) and often for relatively long periods of time (in the UK a three-year grant is considered long term!). NGOs have been able to expand their work, obtain grants to meet their capital needs and even create corpus funds (sometimes known as endowments) as a 'nest egg' for their future.

But international help is fickle. This year's concern may not be next year's. In India, the NGOs in some of the Southern States are fearful that donors are becoming more interested in putting their limited resources into the more 'backward' States of Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh and Orissa. Donors may decide to withdraw from a country for a variety of reasons, including political instability, corruption, and conflict. For example, international funding is harder to get in Kenya than in Uganda, and several important donor agencies have been reviewing their commitment to Zimbabwe. Or donors may transfer their affections completely to other countries, such as Rwanda after the genocide, or for the reconstruction of the constituent countries of the former Yugoslavia, where they feel that there are real and immediate challenges for them. They may decide that countries such as India, which are undergoing relatively rapid economic development and which have even faster growth rates than in the North, are now able to look after themselves. Or they may have seen political change at home, where the 'old idea' of helping the world's poor has become less fashionable, as has happened in the Netherlands, despite the pressure from the 2002 World Summit on Sustainable Development to increase the flow of development aid from the North.

Whatever the reasons, and there may be several, it is not a very satisfactory situation for any organisation to make itself the victim of the whims and practices of foreign donors – who are often in a position to determine whether an organisation continues and to exert a great deal of control over the nature and style of its work. This is where domestic fundraising can begin to play an important role.

Domestic fundraising can:

- Help your organisation develop its own sources of income, and therefore give you more control in deciding your own agenda and your organisation's future. More income also means that you can do more work, and this will become increasingly important as the role of NGOs in promoting development continues to grow.
- Develop links between the organisation and the local communities in which the work is being done, for example by developing funding relationships in the local community with individual and corporate donors or mobilising cash support and volunteer time in the local communities where you are doing your work.
- Create an important support base of people who share your views and are prepared to give money to make things happen. If you are fighting child labour, you will become a much more powerful organisation if you have thousands of local supporters than if you are entirely foreign funded.
- Encourage those who are actually doing the work to understand the urgency and importance of what they are doing – which they will need to do if they are to communicate their need for support successfully to those with the power and the resources to help them.
- Create new lines of accountability. If you fundraise locally or generate support within your own community, you are no longer just accountable to large overseas agencies, which are often remote and bureaucratic. You are accountable to every man, woman and child who gives you money for your work. The fact that they live nearby and you can easily communicate with them is also important.

Southern NGOs and voluntary organisations can succeed in fundraising, just as their Northern counterparts are doing. Two examples from India spring to mind:

- Lok Kalyan Samiti (LKS) is an eye hospital in New Delhi. It now raises all the money it requires from a direct mail fundraising programme involving more than 30,000 active supporters. LKS is now coordinating a network of over 30 eye hospitals in South Asia that are seeking to adopt similar fundraising methods.
- CRY – Child Relief and You – is an Indian donor agency that successfully raises money from India's middle class and corporate sector, and also runs a substantial greetings card operation that contributes half its annual budget. CRY started with a few concerned individuals deciding to do something and pooling their small donations. It now has tens of thousands of individual and corporate donors all contributing regularly. CRY believes that it is only scratching the surface, and that the alleged 300 million-strong Indian middle class presents a real challenge for fundraisers.

In Africa, and indeed in Central/Eastern Europe and Latin America as well as in Asia, there are similar possibilities for developing local fundraising. Techniques including direct mail, organising fundraising events and involving volunteers are all being used successfully. There are many local companies as well as local branches of multinational companies that are willing to give support in cash or in kind.

As well as raising funds, there is another possibility of gaining an income for NGOs and voluntary associations – making your own money (or generating your own income). Many NGOs have pioneered techniques by which they sell their services (in part or in

whole), run an enterprise (either linked to their main activity or not), or in some way generate income that they can use for their main humanitarian activities.

The problem is not so much a lack of opportunity, but rather knowing where to start and finding ways of building your fundraising (or your income-generation scheme) from a small or not-yet-existent base. The important thing is to get started. You will probably not be able to raise a huge amount immediately, but you should be able to build up your fundraising so that you raise more and more with each year that passes. We hope that this book will provide you with the ideas, the techniques and the necessary skills to be successful. We hope that it will not only encourage you to identify the opportunities, but that it will also give you the enthusiasm and the confidence to make a good job of your fundraising and your income generation.

Michael Norton

May 2009

CHAPTER 1

Introduction

1.1 Why fundraising is important

Fundraising is extremely important for your organisation's success. Here are some of the reasons why.

Survival

Every organisation needs enough money to survive. It has to meet its project costs and develop its programmes for the future, pay the wages and salaries of its staff plus all its administrative overheads, keep its buildings and vehicles in a good state of repair, and pay for any new equipment that it needs. The list is endless. And the stark truth is that if the money is not raised, the organisation will not be able to carry out its work. And if the work is not done, all those pressing needs will remain unmet.

The tool you will use to manage your fundraising is your annual budget. This will show the amount of money that you plan to spend. It will also show the amount of money that has already been raised or which has been promised, and what extra support needs to be raised during the year so that you can meet all your planned outgoings.

You will monitor your progress in achieving your targets by keeping a record of money that has been received or promised, and by discussing your management accounts at regular management committee meetings (which you might hold monthly, or perhaps quarterly for smaller organisations). If the income isn't coming in as you have planned, you will need to take some sort of action – put more effort into your fundraising, cut costs, defer planned projects, or agree to subsidise the likely deficit out of your reserves.

Expansion and development

If your organisation is to meet the challenges of the future, you may need to expand the work, improve the quality of service, extend your activities into other areas, carry out research, add campaigning and advocacy to basic service delivery, and continue to innovate. All this requires more money – money that you will need to raise.

You may want to prepare a proper business plan. At the very least you will need a 'sketch budget' for the next few years so you can start to plan for any major developments or expansion that you wish to undertake. This will provide you with a starting point for raising the resources you will need to do this. Remember, fundraising always takes longer than you think. The more you plan ahead, the more likely you are to get the money when you need it.

Reducing dependency

Many organisations have one or perhaps several major donors who provide most of the funds they are spending. This situation can lead to a state of dependency. If one of your large grants is withdrawn, this could create a financial crisis. Not only this, but this dependency can make it difficult for your organisation to determine its own agenda since it will be constantly having to adapt to the priorities of its donor organisations.

Broadening your fundraising base by bringing in other donors and by generating other sources of income can reduce your dependency. But it is up to you to decide whether your organisation is too dependent on any one source, and if this is the case, whether to negotiate some form of long-term funding partnership with your current donors or to develop other sources of income.

Building a constituency

Fundraising is not just about the amount of money you raise; it is also about the numbers of supporters you can attract to your cause. Each supporter is important to you. They can be persuaded to give again and to give even more generously. They might like to volunteer or might be able to persuade friends and contacts to support you. Their numbers are an indication of the level of support that your organisation is attracting, and this can add strength to your lobbying and campaigning work.

You need to think about the sorts of people that you would like to mobilise and who will be attracted to the kind of work you are doing. Is it businesses? Or middle-class people? Or students and activists? Or women? Or retired people with time on their hands? Or doctors? Or lawyers? Or some other special category? And then you will need to think about how best you can reach them and the sort of message they will respond to.

Creating a viable and sustainable organisation

Fundraising is not simply about generating the resources you need to survive from this year to the next, and paying for any planned expansion and development. It is also about helping to create a viable and strong organisation which is able to sustain itself into the future.

There are many ways you can do this. One is to build a substantial and active donor base – getting people to support you who feel involved and important to the organisation, and who will continue to give their support over a long period of time. Other ways include: organising successful fundraising events (which can be repeated and run even more successfully in subsequent years); creating capital within your organisation, such as buildings and equipment (which reduce your need for running costs or can help you generate an income) or an endowment or ‘corpus’ fund; and developing some sort of income-generating activity within the organisation itself.

Many organisations are addressing long-term needs: for example, through community development that will not yield immediate results, or by looking after disabled or elderly people where you will have a continuing commitment to provide them with care. It is important that you create an organisation that is financially strong and positive about its future, rather than one that is plagued by annual deficits, which is running at or near bankruptcy, and where the financial concerns are beginning to affect the morale of

everyone involved. If you think carefully, you should be able to find ways of strengthening your organisation's financial position and developing a sensible fundraising strategy for the future.

1.2 The challenges for fundraisers

Fundraising is never easy. But there are particular challenges for Southern fundraisers:

The development of fundraising

Fundraising in the South is not as well developed as it is in the North. This means that the Southern fundraiser has to help in developing the habit of giving, finding fundraising methods which work well within the local culture, and identifying and mobilising those constituencies of support you would like to tap. In the North, there is plenty of experience, good practice, published case studies, practical training and support services for the fundraiser to draw upon. The South is starting lower down on the learning curve. Which is perhaps where this book comes in!

Growing need

Many poorer countries have underfunded health, welfare and educational programmes, and this particularly affects poor people. In those countries where population growth is outstripping economic advance, poor people will be growing poorer year by year. And even where countries are experiencing rapid economic growth, the rich may be getting richer, but wealth is not trickling down to the marginalised and the dispossessed. Then there are always new needs and new concerns – from the problems of water scarcity to the consequences of rapid urbanisation.

The challenge for NGOs is to develop solutions to people's needs rather than simply provide services that improve the quality of life. They need to create more imaginative and effective approaches to the problems that exist in society, so that they can respond to the growing levels of need without necessarily creating a continuing demand for funding that is just not there. The challenge for fundraisers is to find the funds to make this happen.

Establishing a vibrant local NGO sector

There is a growing recognition that NGOs should be playing a more important role in partnership with government and business as delivery agencies for poverty alleviation and development programmes. If the flow of development funding increases – as was promised at the G8 Summit in 2005 and as part of the arrangements for debt relief – this should lead to a greater availability of international development funds for NGOs.

You will be competing for these funds with country-based branches of the large international development agencies, such as Oxfam. In the long run, your job is to develop the local NGO sector so that it is seen as competent, creative and accountable, and to obtain a growing share of international development assistance for locally run and led NGOs, including your own.

Competition

The fundraising world is extremely competitive. More organisations than ever are thinking about fundraising and beginning to develop independent sources of income for themselves. This means that many of the more obvious sources, such as larger local companies and rich individuals, are receiving increasing numbers of requests for support – and they can't support all of them, however worthwhile each request is.

Then there are the large international networks, such as HelpAge International (welfare of the elderly) and SightSavers (blindness), who may have developed far better-resourced local fundraising than you could ever hope to do. Increasingly you will be competing with international development agencies, such as PLAN or Oxfam, which are starting to develop their local fundraising as well as seeking to access grants locally from large international donors, many of whom now decide their grants in the regions or countries where the money is being spent.

You will also be competing with new organisations, full of energy and enthusiasm. These may be addressing similar needs to those that your organisation is tackling. Each of these 'competitors' will be striving to show that they are 'the best'. Your job then is to persuade donors that your organisation is successful, effective, cost-effective, innovative and lively – in short, that you are the best recipient for the donor's funds.

The difficulty of making money

People are now talking about income generation as a way forward for funding NGO work. However, it is not easy to start and sustain a money-making enterprise. Most NGOs are largely inexperienced in business methods. Many have doubts about the whole idea of making money as part of a sensible financial strategy. If you do decide to go down this path, there will be plenty of good opportunities for NGOs to manufacture and sell products or services that are closely linked to their main work, or to provide their expertise to others on a consultancy basis. A growing body of experience on income generation is being built up. Hopefully this book will encourage you and others to explore the possibilities.

1.3 Who should read this book

The simple answer is that everyone who has any sort of fundraising responsibility needs to understand the fundraising process:

- **Board members** will want to know what to expect of fundraisers, how to employ them, what qualities they should have, and what support they will need to succeed. They will need to understand fundraising sufficiently to agree a fundraising strategy and to explore the options for income generation.
- **The director and other senior managers** may need to play a significant part in the fundraising process. They also need to know when it's time to employ specialist fundraisers or fundraising consultants and how to manage them to achieve the best results.
- **Fundraisers** will of course need a good background guide to the many techniques available to them, and an understanding of which are most likely to be relevant to their organisation.

- **Volunteers** who are raising money for you should read the book so that they can develop ideas for improving their own contribution.
- **Consultants and advisers**, who will often be charging for their services, need to know the fundraising process inside out to ensure that they are giving the best fundraising advice and helping their clients raise real money.
- **Trainers**, who might wish to use some of the material as handouts or checklists for people attending their courses.

This book has been written from as many points of view as possible, taking into account the interests of both large and small organisations, those with some experience of fundraising and those considering the possibility for the first time.

1.4 How this book is structured

The book is divided into eight sections:

- **Introduction** – this section – which sets out why fundraising is important and the challenges for fundraisers.
- **Getting started**, which describes some of the key principles of fundraising (to give you a better understanding of the process) and some of the personal skills required in a fundraiser (so you will know your strengths and weaknesses for the job). It also explores who should do the fundraising, and what is needed to equip a fundraising office.
- **Developing a fundraising strategy**, which describes some of the factors to take into account and suggests ways of developing a strategy for your own organisation. This section also covers testing, evaluation and control, to enable you to be more cost-effective in your fundraising.
- **The sources**, which covers international aid and grants, grants from government sources and programmes, foundation support, company giving and business sponsorship, getting support from individuals, and a range of other sources that you might want to consider. This section will give you an understanding of how money is given away, and will help you identify opportunities for getting support for your own organisation.
- **Making your own money**, which covers the opportunities for developing income-generation schemes to earn money for your organisation, as part of a strategy for creating greater financial independence and reducing reliance on grant aid.
- **Techniques for raising money**, which covers everything from house-to-house collections and direct marketing to organising a fundraising event, getting a legacy, raising money from overseas non-resident communities and running a capital appeal. The full list of topics is given on the contents page.
- **Working with people**, including volunteers, overseas volunteers, celebrities and patrons, board members and donors.
- **Communication skills**, which will help you articulate your fundraising need and communicate this to people with the resources to help you. This section covers writing fundraising proposals and appeal letters, producing leaflets and reports to support your fundraising, using the telephone, marketing and market research, and effective

public relations (which is an essential ingredient of successful fundraising). It also gives advice on how to present your organisation to the public – everything from your name and logo to the way you answer the telephone and the impression people get when they visit your office.

CHAPTER 2

Getting started

This chapter covers some of the key aspects of fundraising. It will help identify the people, the attitudes and the approaches that you will need to get a successful fundraising programme under way.

2.1 Some key principles of fundraising

'Fundraising is a science. But its rules are more like a rainbow than a formula. You need to paint with the most delicate shades of colours and moods. You will surely become a success if you paint with love and friendship.'

Ekaterina Kim, Contacts-I, Moscow

You have to ask

A piece of research commissioned by a major charity asked people who had not yet supported it what was their main reason for not giving. The answer was simple – *they had never been asked.*

So to raise money, you have to ask for it. And there are plenty of opportunities available for doing this. Some fundraisers do not get around to asking those who might wish to give. Others ask, but do so ineffectually. The good fundraiser must ask clearly for exactly what they want, having regard to the donor's ability and willingness to give when deciding what to ask for. They may need to repeat the message in order to emphasise the point. The call to action, the punch line which asks people to give, is the essential part of the message. And you must make it as easy as possible for the donor to respond.

The personal approach

The general rule is that the more personal you can make your approach, the more effective you will be. So:

1. Asking in person at a **face-to-face** meeting is better than . . .
2. Giving a **presentation** at a meeting to a group of people, which is better than . . .
3. **Telephoning** someone to ask for support, which is better than . . .
4. Writing a **personal letter** to someone, which is better than . . .
5. Sending an **email** to someone, which is better than . . .
6. Sending a **circular letter** to lots of people, which is better than . . .
7. **Mass emailing** all the addresses in your address book.

Many fundraisers prefer to work by sending letters asking for support. This is not the most effective way of asking, so you may need to think carefully about how to make your approach more personal. Two other points are worth considering:

A meeting at your project where the prospective donor can see your work and meet some of the beneficiaries is often the most effective method of all. If that can't be managed, you can try to illustrate your work with a short video, or with photographs, or by taking along some of the people you are working with to fundraising meetings.

A request from someone who has given or from someone important (such as a business leader or an expert in the field) can often be more effective than a request from a fundraiser or from the project director. Part of the skill in fundraising is knowing who is the best person to do the asking.

Understanding the donor's viewpoint

When deciding to give, the donor may be motivated by a wide range of feelings and thoughts. It is important for the fundraiser to understand a donor's thought processes when deciding how to ask.

The act of giving includes elements of faith, hope and charity. *Faith* that the fundraiser truly represents the cause and will act as an efficient conduit for the donor's money. *Hope* that the gift, however small, will make some difference. *Charity* because giving is an act of altruism, providing support without the expectation of any material return.

It is also important for the fundraiser to understand that the donor might have some personal reason for wanting to give, and that it is useful to be able to build on that interest. People may want to support a cancer charity, for example, through fear that they might get the disease, or because a family member or close friend has recently died of it. They may feel strongly about an issue – such as the environment – and want to do something about it. In supporting your cause, they are also supporting their cause, doing something that they feel needs doing and which they want to see done.

The return to the donor

People support charity without the expectation of any material return. But they do want something for their money, even if it is intangible. For example:

- **A feeling of having done something worthwhile**, and perhaps of having made a difference to someone else's life.
- **Recognition from other people** and from the public of their generosity – although some people prefer to give anonymously.

Fundraising is a people business

People do not give to organisations. They do not give to abstract concepts. They give to help other people or to do something positive to create a better world. Your job as a fundraiser is to show how you are helping do this. One way of showing this is by using case studies – illustrating your work with actual examples of the people you have been able to help, showing how you have been able to change their lives, showing what you have done to create a better environment and so on. In this way you can demonstrate to donors how their money can make a difference.

Another way is to focus your fundraising on particular aspects of your work: the beekeeping project you are planning to introduce in the school, which will provide skills that pupils will be able to use in their future lives and will at the same time generate income for the school; the community publishing programme you are developing, which fills you with excitement about its potential. Focusing on specific projects rather than the overall work of your organisation makes it far easier to enthuse your donors.

How to turn a goat into an ox

Arume is a widow who lives in the Boreda area of southern Ethiopia. Seven years ago she found herself unable to make ends meet for herself and her three children. When we started work in her village, she decided to apply for a loan under the small animals credit scheme we were targeting at female-headed households. Using the loan, she was able to purchase a goat. This initially provided the family with milk; but subsequently the goat reproduced, and the offspring were sold to generate an additional income for Arume. With this profit, Arume was able to purchase a draught ox, thereby enhancing her capacity to engage in agricultural activity. She is now a proud mother, having met the food and other requirements of her family, with her elder son soon to complete school and go on to college.

Source: This story was provided by Action for Development, Addis Ababa, Ethiopia, and was illustrated with a picture of Arume ploughing with her ox.

Fundraising is selling

Fundraising is a two-stage process. The first stage is showing people that there is an important need which you can help to meet. If they agree that the need is important, and that something should be done; and if they agree that your organisation is doing something significant to address that need; and if you can show them how some extra support could enable you to do even better – then asking for money becomes easy. Fundraising is more about selling an idea that the donor can make a difference than about the actual asking for money. Once people have been sold the idea, you will find that they will want to give. This is why fundraising is more about ‘selling’ than ‘telling’. It is about persuading people to give, and showing reasons why the work is important. Your success depends on your ability to inspire people to do something to help.

Credibility and PR

People prefer to give to organisations and causes that they have heard of. This means that your organisation’s credibility and good public relations are both extremely important. Press coverage of your work, trumpeting your successes in the newsletters you send to supporters, and getting endorsements of the quality of your work from experts and prominent figures can all encourage people to recognise the importance of what you are doing. If they are confident you are doing something both worthwhile and successful, they are much more likely to support you. Putting some effort into strengthening your organisation’s credibility and getting good publicity for what you are doing is extremely

important. You need to recognise this and devote sufficient time and effort to this aspect of your fundraising.

Donors don't know how much to give

One problem is that donors don't know how much they are expected to give. They may not want to give an enormous amount. On the other hand, they may not want to give too little, and so seem mean.

Ways of asking for a specific amount

- **Ask for a specific sum** to cover an item of expenditure: for example, £200 to sponsor an afternoon eye clinic at the hospital.
- **Provide a shopping list** of different items at different prices: for example, if you are equipping a hospital, you can list all the items you will need to purchase and ask a donor to contribute to one or more – the Lok Kalyan Samiti eye hospital suggests donations of Rs100 (£2) per patient for eye care and Rs200 per patient for cataract operations, and asks donors to sponsor one, five or ten patients.
- **Give examples of gifts** already received. This will give people a good idea of how much to give, depending on their level of generosity and on whether they see themselves making a largish or a smaller gift.
- **Break down the total** into the numbers of gifts of different sizes that you will need to achieve if you are to reach your target.

Saying thank you

Saying thank you is extremely important. It recognises and values the donor's generosity. It can also be an act of enlightened self-interest on your part: if you can get your donors to feel more warmly about your organisation, they may consider giving again at some time in the future.

Many organisations only say thank you when they have actually received a donation. Those who say thank you on every appropriate pretext will see the effort of doing this repaid handsomely in donor loyalty and may well be surprised at the level of repeat-giving it will stimulate. Not saying thank you, however small the donation, can generate ill will towards your organisation. Donors complain that many of the organisations they support never even bother to say thank you!

Saying thank you can pay

A former director of a major aid charity made a point of telephoning donors who had given £500 or more at home in the evenings to thank them personally. 'We're thrilled with your support. We're going to put it to good use immediately by using it to help establish a new health clinic for the Turkana. And we'll keep you in touch with progress.' All this makes the donor feel that the organisation is doing a good job

Useful organisations

Capacity-building organisations

These organisations provide training and other support in a range of areas including general management, financial management and governance. Some work locally in a specific region or country.

Ashoka

Ashoka Headquarters Office
1700 North Moore Street, Suite 2000
Arlington, VA 22209
USA
Tel: +1 703 527 8300
Fax: +1 703 527 8383
<http://www.ashoka.org>

Association for Progressive Communications

Executive Director's Office
PO Box 29755
Melville 2109
South Africa
Tel: +27 (0)11 726 1692
Fax: +27 (0)11 726 1692
<http://www.apc.org>

AVINA Foundation

PO Box 1474
8640 Hurden
Switzerland
Tel: +41 (55) 415 1111
Fax: +41 (55) 415 1150
<http://www.avina.net>

Board Source

1828 L Street NW
Suite 900
Washington DC 20036–5114

United States

Tel: +1 202 452 6262
Fax: +1 202 452 6299
<http://www.boardsource.org>

Capacity.org

ECDPM
O.L.Vrouweplein 21
NL 6211 HE Maastricht
The Netherlands
Fax: +31 (0)43 3502 902
<http://www.capacity.org>

CEMEFI

Centro Mexicano para la Filantropía
A.C.
Cda. de S. Alvarado #7
Col. Escandón
México D.F. 11800
Tel: (55) 5277–6111
Fax: (55) 5515–5448
<http://www.cemefi.org/>

The Civil Society Development Foundation (CSDF)

H-1117 Budapest
Mészöly u.4. III/3
Hungary
Tel: +36 1 385 2966
Fax: +36 1 381 0011
<http://www.ctf.hungary.org>

Global Legacy International

26 Trevor Place
London SW7 1LD
UK
Tel: +44 (0)779 695 1448
<http://www.globalegacy.com>

INTRAC

PO Box 563
Oxford OX2 6RZ
UK
Tel: +44 (0)1865 201851
Fax: +44 (0)1865 201852
<http://www.intrac.org>

**Leadership for Environment and
Development International (LEAD)**

Sundial House
114 Kensington High Street
London W8 4NP
UK
Tel: +44 (0)870 220 2900
Fax: +44 (0)870 220 2910
<http://www.lead.org>

MANGO

Chester House
George Street
Oxford OX1 2AU
UK
Tel: +44 (0)1865 433342
Fax: +44 (0) 1865 204836
<http://www.mango.org.uk>

Mwengo

PO Box HG 817
Highlands
Harare
Zimbabwe
Tel: +263 4721 469
Fax: +263 4738 310
<http://www.mwengo.org>

The Non Profit Partnership

1st Floor Scat House
19 Loop Street
Cape Town 8000
South Africa
Tel: +27 (0)21 425 0386
Fax: +27 (0)21 425 0389
<http://www.npp.org.za>

Pact

1200 18th St NW
Suite 350
Washington DC 20036
United States
Tel: +1 202 466-5666
Fax: +1 202 466-5669
<http://www.pactworld.org>

Poverty Eradication Network

Kenya
PO Box 4932 00200
Nairobi
Kenya
Tel: +254 (0) 20 445 0656
<http://www.penkenya.org>

The Resource Alliance

56-64 Leonard Street
London EC2A 4LT
UK
Tel: +44 (0) 20 7065 0810
<http://www.resource-alliance.org>

**The South African Institute for
Advancement**

PO Box 818
Green Point
Cape Town 8051
South Africa
Tel: +27 (0)21 425 7929
Fax: +27 (0)21 425 7990
<http://www.inyathelo.co.za>

South Asia Fundraising Group

Surat Sandhu
 D-7 / 7346, Vasant Kunj
 New Delhi – 110 070
 India
 Tel No. 91–11–26132024/
 26132086
 Email: ceo@safrg.org
<http://www.safrg.org>

Synergos

51 Madison Avenue
 21st Floor
 New York NY 10010
 USA
 Tel: +1 (212) 447 8111
 Fax: +1 (212) 447 8119
<http://www.synergos.org>

Ufadhili

PO Box 14041
 00100, Nairobi
 Kenya
 Tel: +254 2 343061
<http://www.ufadhilitrust.org>

Union of International Associations

Rue Washingtonstraat 40
 B-1050 Brussels
 Ixelles / Elsene
 Belgium
 Tel: +32 (0)2 640 18 08
 Fax: +32 (0)2 643 61 99
<http://www.uia.org>

Venture for Fund Raising

Unit 2801 Jollibee Plaza
 Emerald Avenue
 Ortigas Center
 Pasig City
 Metro Manila
 Philippines 1605
 Tel: +63 2 634 8889
 Fax: +63 2 637 3545
<http://venture-asia.org>

YANAPAY Foundation

Av. de las Américas 4–43 y
 Abraham Sarmiento
 Cuenca-Ecuador
 Tel: 5937 845097
<http://yanapay.sphosting.com>

Civil society networks

These organisations publish newsletters covering issues relevant to philanthropy and fundraising (for example, legal tax issues, impact and effectiveness), and hold workshops and conferences.

BOND

Regent's Wharf
 8 All Saint's Street
 London N1 9RL
 UK
 Tel: +44 (0)20 7837 8344
 Fax: +44 (0)20 7837 4220
<http://www.bond.org.uk>

CEDES

Cedes
 Sánchez de Bustamante 27
 (C1173AAA) Buenos Aires
 Argentina
 Telefax: (54 11) 4865–1707/04/12
 Email: cedes@cedes.org
<http://www.cedes.org>

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