



# From Fundraising to Philanthropy

Connect 2014

Eric Dean, FAHP – RVH Foundation CEO

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May 6, 2014





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#Windbag

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# Fundraising to Philanthropy

*To give away money is an easy matter, and in any man's power. But to decide to whom to give it, and how large and when, and for what purpose and how, is neither in every man's power-nor an easy matter. Hence it is that such excellence is rare, praiseworthy and noble.*

**Aristotle (384-322 BC)**

# Fundraising to Philanthropy

- Fundraising
  - The process of encouraging donations for a worthy cause – asking for gifts
- Philanthropy
  - The use of private wealth to solve societal needs or challenges - shared mission through financial involvement – inspiring for gifts
- Or... raising champions vs. raising money

# Fundraising to Philanthropy

- Key Concepts
- Tools for Training Volunteers and Board
  - Landscape
  - Donor Pyramid and Business Analogy
  - Gift Charts
  - Relationship Matrix
  - Planned Giving
  - Key Concepts for involving volunteers

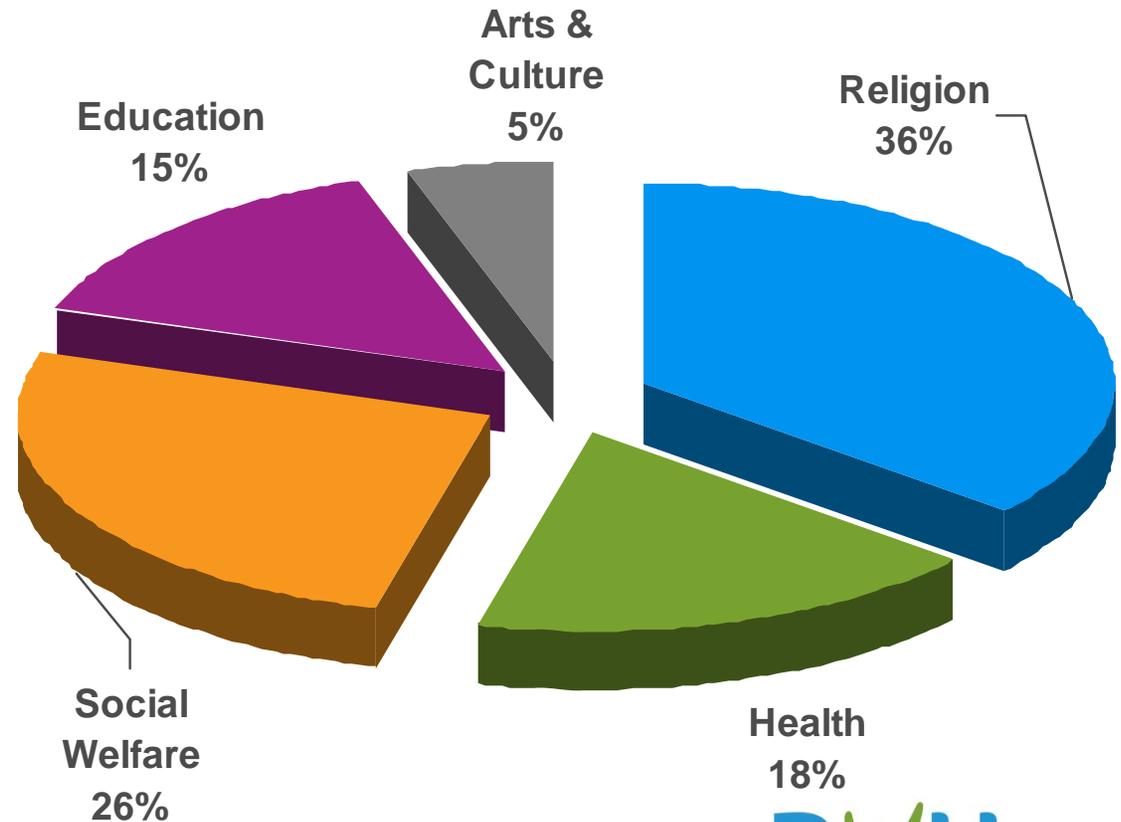
# Overall Plan

- Our opportunity to create philanthropic culture
  - How we understand and explain our work to boards and volunteers
  - How we engage hearts first, heads second
  - How we build a culture of legacy and estate giving
  - How we create and express impact/gratitude
  - Giving as an ideal and expression in itself – if motivated by desire to impact cause and inspire others

# Philanthropy in Canada

- 84,000 registered charities in Canada
- Total Giving 2009 - \$10.7 billion approx
- Individuals - 74%,
- Corporations - 15%
- Foundations - 11%

## Distribution of Donations



# The Business Model of Fundraising

## Donor Pyramid – the Business Lines



# The Banking Analogy – Lines of Business

- Retail – Chequing and Savings
  - Annual Giving – direct mail, events, tribute giving – essential – introduce and retain
- Credit Cards
  - Monthly Donors, payroll deduction, loyal repeats
- Mortgages
  - Capital Campaigns and Special Projects – multi-year, specific purpose. Need for family decision.
- Wealth Management
  - Gift from Assets, not from income. Need for tax planning. Relationship matters
- Wills and Trusts
  - Gift of a Lifetime. Social values, part of family

# The Business Model of Fundraising

## Donor Pyramid – the Business Lines



# Gift Charts – Proportionate Giving

- Key Principles of Gift Charts
  - Recognize not all donors are created equal
  - The big gifts are necessary – for efficiency, to signal success, to build confidence and pride
  - Philanthropy becoming increasingly top heavy – partly as donors become more sophisticated and select a few key causes and organizations to focus their impact
  - Gift charts are not simply a model – they represent the history of successful campaigns over a century
  - They work for ALL sizes of campaigns and projects

# A Basic Gift Chart

\$1,000,000

	Gifts Needed	# of Prospects	Gift Size	Level Total	Cumulative Total	Gift as % of Goal	Cumulative % of Total
Leadership Gifts # of Gifts: 10	1	3	\$200,000.00	\$200,000.00	\$200,000.00	20.00%	20.00%
	1	3	\$100,000.00	\$100,000.00	\$300,000.00	10.00%	30.00%
	3	9	\$50,000.00	\$150,000.00	\$450,000.00	5.00%	45.00%
	5	15	\$25,000.00	\$125,000.00	\$575,000.00	2.50%	57.50%
Major Gifts # of Gifts: 40	10	30	\$15,000.00	\$150,000.00	\$725,000.00	1.50%	72.50%
	10	30	\$10,000.00	\$100,000.00	\$825,000.00	1.00%	82.50%
	20	60	\$5,000.00	\$100,000.00	\$925,000.00	0.50%	92.50%
Community Gifts	Many	Many	<5,000	\$75,000.00	\$1,000,000.00		100.00%
<b>TOTAL</b>	<b>50</b>	<b>150</b>			\$1,000,000.00		

Quick, self-calculating chart helps for illustration of what it would take to initiate particular effort or project. Note: based on 50 gifts – manageable for quick campaign with limited base of volunteer and staff support

[Request spreadsheet from deane@rvh.on.ca](mailto:deane@rvh.on.ca)

# A model for all shapes and sizes

- For smaller shops:
  - Gift Chart changes very little – slightly less top-heavy if no history of major donors
  - Cultivation process can be quicker but not non-existent. Because gift size is smaller, might take 2-4 conversations vs. 4-8 Moves for mega-gift.
  - The attitude is what's important, both staff and volunteers
  - And, it's not just about campaigns – you can look at your annual goal and compare your giving to a gift chart to be strategic about relationships

# Campaign Capacity / Readiness Matrix

Gift Chart Level	5	\$200k +	Primary Focus. Proposal, discussion, timing	Primary Focus. Assign team, consider proposal	Cultivate. Build relationship, identify shared interest	Cultivate. Invite for meeting, identify interest in further talk	Identify. Invite to group activities or events. Inform
	4	\$50k					
	3	\$10k					
	2	\$5k					
	1	Under \$5k					
			5 Committed. Ready for proposal	4 Engaged. Discussion to prepare proposal	3 Interested. Prepared to Discuss, cultivate	2 Aware. Invite to determine interest	1 Unaware. Introduce and inform.

Degree of Relationship

# Key Phrases for Volunteers

- Conversations – not solicitations.
  - All we ask is opportunity to tell the story and have a conversation – common ground for future?
- Earning the Right to Ask
  - The entire process is about earning the right, not just asking
- Focus on Vision – not on project
  - Leaves the discussion open and responsive to donor
- Philanthropy – not investment
  - Try to keep it inspirational if at all possible, don't *assume* the donor needs it to be categorized and logical

# Key Steps for Volunteers (and Staff)

- Make your own Gift First
- Know your own Story and how you'll tell it
- Case for Support – you must be able to describe quickly and in compelling fashion, the specific stories you need to share
- Rolodex Check – sit down and review their contact list, networks and relationships. Have them consider the gift chart and think about “Who needs to hear this story”.



# Key Steps for Volunteers (and Staff)

- Pick Three – together select three contacts who ‘need to hear this story’ – prioritize them by who has the strongest relationship and connection to cause – who is easiest to get the meeting with?
- Pick the Story – together decide what portion of the case story to focus on or start with and establish roles – i.e. volunteer as testimonial to the importance of cause and credibility of organization; staff as subject matter expert; volunteer as call to action
- Pick the Meeting – ideally volunteer calls the prospect for a meeting, 45 minutes to discuss the cause, with staff or volunteer partner, ideally at donor business or home for more focused time.

# Donor Based vs. Proposal Based

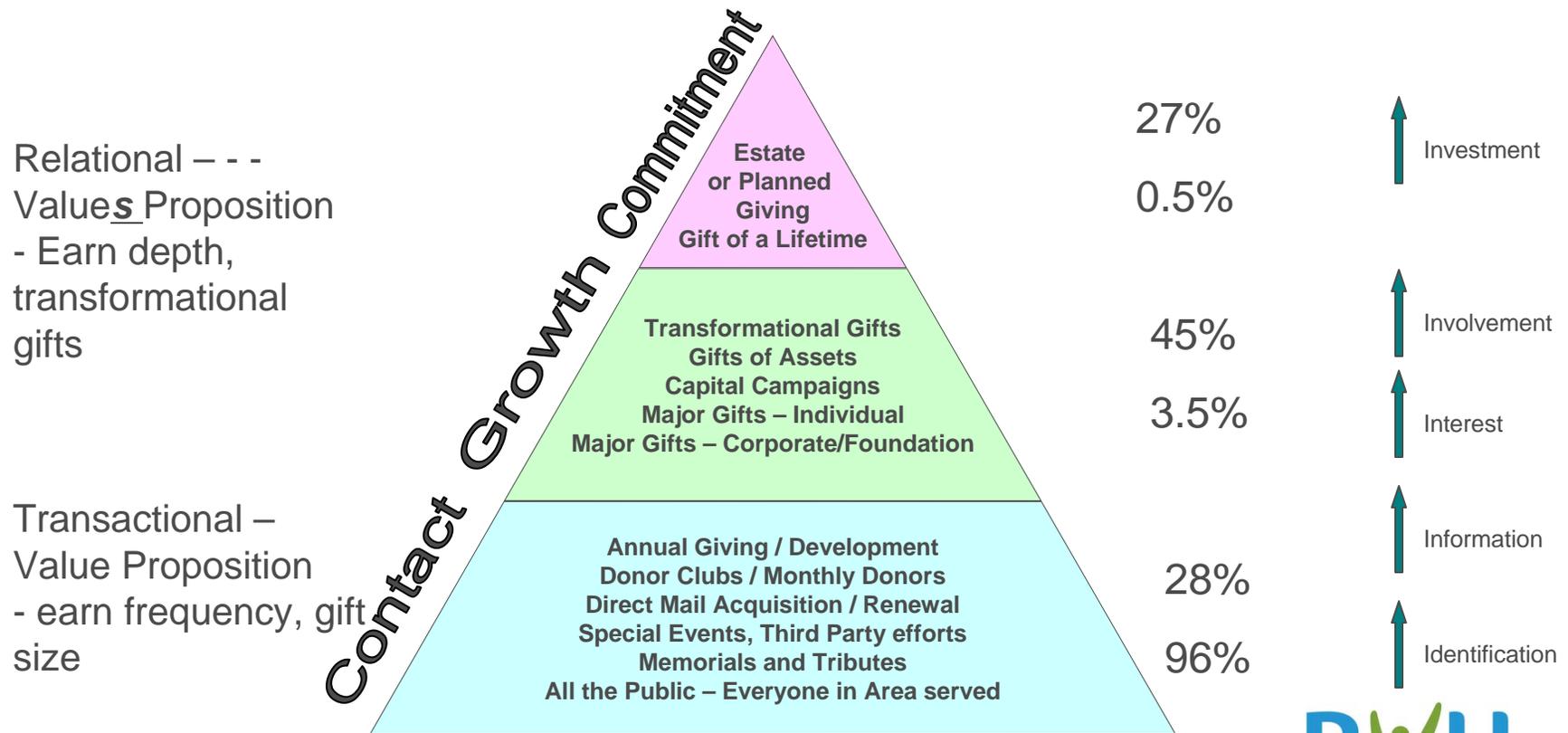
- Proposal based campaigning leads to incrementalism
- Taking the time to wait for the leadership gift
- Hold off on proposal thinking – let the proposal emerge from discussion – except for ‘rational asks’ and corporate
- Provides opportunity for unrestricted or less restricted gifts
- Provides opportunity to respond to emerging priorities within the expectations of the donor
- It’s usually us who tends to box the donor into a particular need or context

# Heart vs. Head

- When we focus on stats, cost per dollar, return on investment, we channel a donor to think from their head – and their process is then entirely logical
- When we can talk with them about their own experience, or a powerful story, they can stay in their heart – which is much more inspiring.
- We want an experience of – I'm in – I've got to be part of this.
- Then, we can talk about when, how, how much and how they would like to share their story

# The Business Model of Fundraising

## Donor Pyramid – the Business Lines



# Planned Giving

- The ultimate gift
- We are often unaware until they arrive
- Transformational gifts from individuals who may have been modest givers by necessity in life
- Our greatest opportunity to change the future of philanthropy in our communities
- A great honour and responsibility
- Being included in an estate elevates our cause to the status of family for this donor

# Another Quote

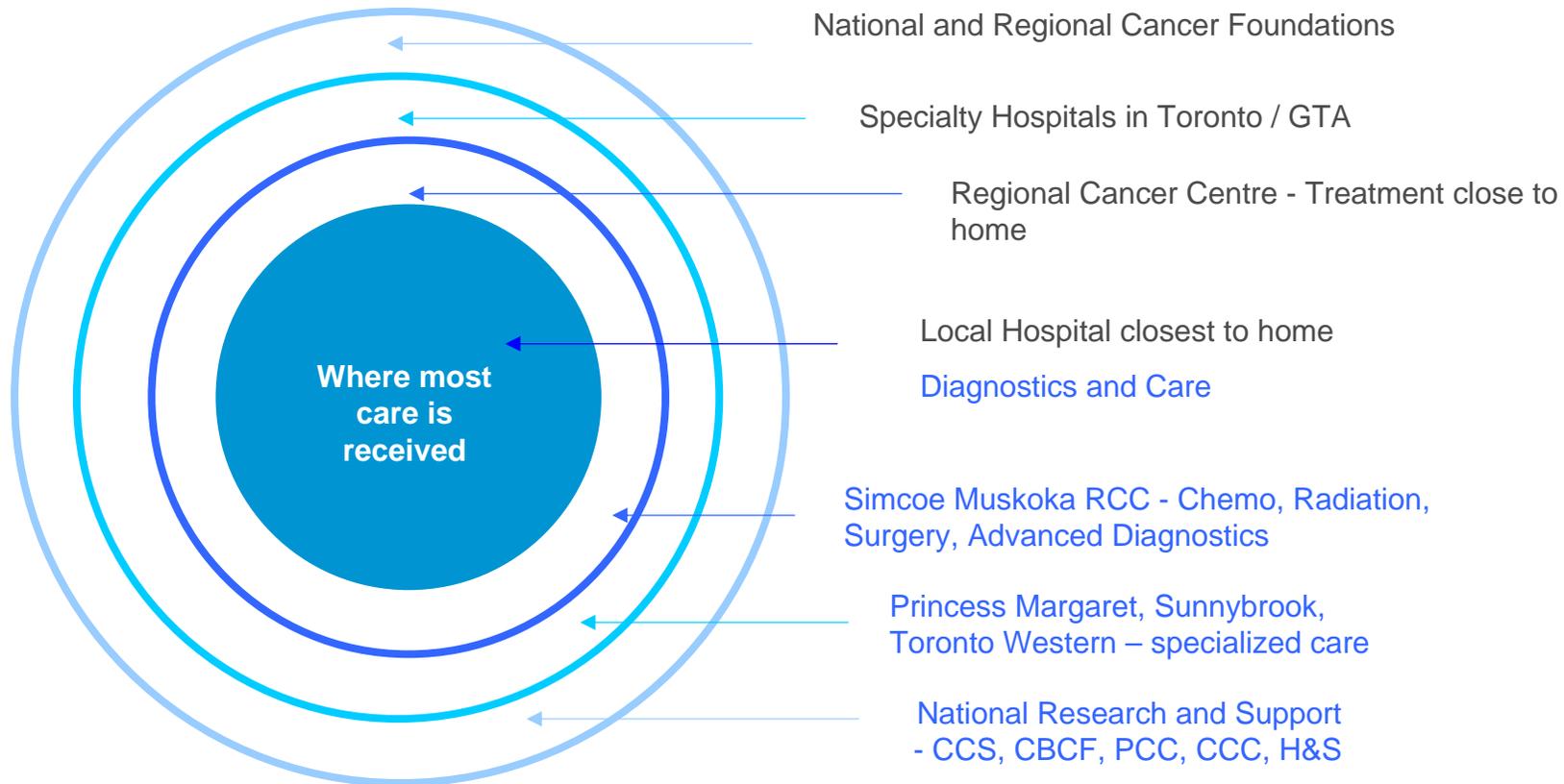
*What we do for ourselves alone  
dies with us; what we do for  
others and the world remains  
and is immortal*

*Albert Pike (1809 – 1891)*

# What can you do to build a culture of legacy for planned giving?

- Get good at planned giving
- Make your own planned gift
- Thank lawyers/executors for their role
- Respond FAST when given a bequest
- Don't challenge or delay estate without serious thought and cause
- Use and Celebrate the gift as intended
- Learn and share the story

# Supporting care closer (closest) to home



**Where most estate gifts go?  
National, big brands**

# Giving Back Close to Home

- Most cancers are originally detected and diagnosed close to home – local hospitals and RVH
- Most cancers can now be treated closer to home with surgery, chemotherapy and radiation
- However, most cancer donations – through memorials and bequests and events – support national research foundations and specialty hospitals for care far from home
- We'd like to encourage more gifts to support treatment as close to home as possible – to enhance screening, early diagnosis and treat people where they have the support of family and friends

# What do we mean by stories?

- Donor Motivations
  - Dorothy – fix a problem in care / treatment
  - Kathleen – Memorialize father (and protect charitable intent from family – C.R.T.)
  - Don – fulfill charitable intent of he and his wife
    - locking down their impact and recognition
  - Al – memorialize a son (and beat CRA)

# What can you do?

- Give and Share your own Why – both current and planned giving
- Talk with your volunteers, colleagues, even donors about philanthropy
- Encourage donors to share their stories of why and how they give.
- Try to have more listening conversations along with the needed asking ones

# An Exercise

- Questions to get volunteers thinking
  - What is your first memory of making a charitable gift (big changes generationally)
  - If you won \$1 million with the proviso that one half must go to charity, what do you think you would do with it? How would you decide?
  - If you decided to give 10% of your estate to charity, what would you want to accomplish?
  - Think of the charity that receives your biggest annual gift – WHY that charity?

# A Final Quote(s)

- *In this world it is not what we take up but what we give up that makes us rich.*  
*Henry Ward Beecher*

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– *We make a living by what we get; we make a life by what we give*

*commonly attributed, wrongly, to Winston Churchill*

# Reference Sites and info

- [Foundation.rvh.on.ca](http://Foundation.rvh.on.ca) – full site
- [www.rvhinspiringcare.com](http://www.rvhinspiringcare.com) – advisor site
- @RVHFoundation Facebook: RVH Foundation

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