

**Nonprofit 911 – November 17, 2009**  
**Fundraiser’s Confidential: How to Adapt Now to the 6 Trends**  
**Changing the Fundraiser-Donor Relationship Forever**

with Katya Andresen  
Sponsored by Network for Good

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**Katya Andresen:** So a little bit about me before we get started. My day job is COO of Network for Good, but I am so fanatical about nonprofit marketing and fundraising. I also blog. I have the blog [nonprofitmarketingblog.com](http://nonprofitmarketingblog.com). I invite you to follow that if you are at all interested. And I also wrote a book called “Robin Hood Marketing: Stealing Corporate Savvy to Sell Just Causes.”

So what I am about to talk about today is very close to my heart, which is that no matter how tiny your nonprofit is or how few resources you have, with the right thinking, some of it stolen from corporate marketing practice, you can and will meet your fundraising goals. And I hope that what I present today is going to make you a more effective marketer and fundraiser.

So with that, I am going to get started here with six trends, changing the donor-fundraiser relationship forever. And if you are following along with me, I am on page two of the agenda.

I am going to cover three basic things today. First, I am going to talk a little bit about why we give money in general. I want you, as I get started in this presentation, to do me a favor and stop and think about the last time that you gave money to a good cause that is not your own; so not your own cause-nothing to do with your own cause. When is the last time you gave someone else a check or made an online donation? When is the last time you signed a petition or did something to help another person?

And I want you to have that memory in your mind as I cover this part of the agenda, because that little exercise is going to tell you a lot about what you need to do to be successful this year in fundraising and in the future in your relationships with donors. So that is the first thing I am going to cover.

Second, I am going to talk about these trends I keep referring to. What are the six things that I really think are shaping the future of giving and fundraising? And then I am going to give you four quickie tips for tweaking your appeals this year given our economic circumstances. We are in a recession. People are predicting that giving is going to be down. It certainly is so far this year overall. And I want to help you think about what that means for the messages that you are putting together right now. And I am going to give you four very specific tips for making your message resonate, even in these tough times, and particularly in these tough times.

So let's get started on the first part of the agenda, "Why do we give?" I am on slide three. And I had asked you the last time you saw, heard, or read something from a good cause, not your own. I very much wish that I was in a room right now with you so that I could have you raise a hand and tell me. But considering there are hundreds of you on the line, that is not very practical.

And so, if you go to slide four, I am going to tell you the last time that I gave money, and then I am going to also ask my friend and colleague Rebecca here to talk about the last time she did.

So you will see on the slide there is something called Ecofest. My younger daughter is in first grade at the Hyde-Addison Elementary School here in Washington D.C. It is a public school. And to raise money for it, we held an auction this year. Any of you who have been involved in the PTA have probably been hit up for volunteering or attending an auction. And that is the last time I gave money; it was just a few days ago.

Why did I give? Because it is my daughter's school and I want to help my daughter's school, because she is there, because I believe in her school, and her teachers, and her principle. I know them personally. I know exactly where the money is going to go. And I also don't want to see other parents on the playground who know that I didn't help or volunteer! So I feel some sense of community, both positive and negative, exerting an influence on me to give.

And Rebecca, tell me about the last couple times you gave. Let's start with this Alzheimer's cause. What was that about?

**Rebecca Higman:** A friend of mine had actually sent me an email saying that she was participating in the Alzheimer's Association's Memory Walk. She actually works for Alzheimer's Association, and I know she is very committed to the cause. And her department was participating as a team. And because she asked me personally and I really wanted her to reach her goal, I felt compelled to give.

And it also didn't hurt that the last time I participated in a fundraising walk, she had donated to me also. So you know, what goes around comes around, and I was happy to support her for that.

**Katya:** Great. So I am wondering if either of those stories resonates with any of you, and I suspect it does. And now I want you to sort of reverse course and go to slide 5 and think about the last time you ignored a fundraising appeal.

I suspect you have gotten something you have thrown in the garbage or disregarded recently. And because I don't want to look like I am not a generous person, I will have Rebecca give a couple of examples of times she did not response to appeals lately. The first one I will relay for her, and the second one I will ask her to talk about.

If you go to the next slide, slide 6, a lot of us get these in the mail. These are the return address labels. And I think that these are still a somewhat effective fundraising method for folks who have a pretty big direct mail budget. But I think they worked well with a certain generation of donors, and it is working less so now.

And I hear so many people...when I give speeches and I am in rooms during trainings and I have people tell me stories about giving, often people rant about this kind of thing. They rant about it because they say it feels wasteful, it feels like their money goes to address labels, they feel quilted into giving when they don't really want to.

I took an informal poll around my office and I got about half the people saying they keep the labels and use them but don't give. And I had a couple people throw them away because they feel guilty using them and not giving. But none of the people gave.

So some of the traditional methods we have used are getting a little tired. And so many people are using them that they are not even distinctive anymore. And so I am going to talk today about donors reacting this way, they are not the exception anymore, they are much more the rule, and how you react to this shift. It is a generational shift. It is a shift in how we give, why we give, and what we expect, and why something like this goes in the garbage.

And one more story, because I think stories are the best way to relate some of the truths about giving here. Rebecca, what a lovely wedding photo! Why don't you tell us about this slide?

**Rebecca:** So I actually just got married last year. And in lieu of doing wedding favors, you know, having candy on the table or matchbooks or what have you, my now husband and I decided to donate to a charity instead.

And we were excited about this one particular charity. I had actually volunteered with them for a day before. I participated, and we both really believed in the cause. I will not say their name to protect the not so innocent. I won't put them on the hook today.

But we were very excited and we gave them our more sizeable donation that we might have just on the run of the mill donation. And to date, we have not received a thank you note from them.

We have been put on both their mailing and email lists, so I have been getting their four color newsletter in the mail and lots of emails wanting me to purchase some holiday items coming around the corner.

But to date, we have not received any sort of acknowledgment, even of the donation that we made to them, which was a little bit disappointing because we expected to hear from them. If we could donate through their website, we know that they have our information. We know that our contact information went to them. But instead, we just have gotten some odd letters talking about all the work they have done. But to be honest, they didn't

give us any of the credit for it. That is not why we gave. We didn't give for the acknowledgement, but even so, it still feels like they didn't even take notice.

**Katya:** And unfortunately, that story is not so rare that Rebecca just told. The number one reason people cite for stopping their gifts to a charity is how they were treated by the charity. And that is really stunning when you stop and think about it.

I am going to go into all these donor trends and you are going to be in a fundraising mode, but I hope you will do two things because of these stories. One is that you will realize how important it is not just to focus on the gift, but to focus on what happens after the gift.

If you do a great job thanking your donors for their past support, thanking for the gifts they give this year, particularly when a lot of people have less to give, and put as much energy into cultivating and into gratitude as you do in solicitation, that is going to come back to you in wonderful fundraising numbers, but also wonderful donor loyalty.

And when you don't do that, when you treat your donors like ATM machines, that also comes back to you, and not in a good way. So the first thing I want to say there is please, please take away from this the importance of gratitude to your donors. I hear stories like this all the time and it is really disappointing, because it is just so easy to fix. We have a customer service problem, more than anything, as fundraisers. And so, please think about that very closely.

The second thing, if you go to slide 8, about what we just learned from these stories, I hope what you also took away from this was it was a really interesting exercise to think of yourself as a donor and not a fundraiser.

And that is what I want to focus on for the rest of the time today, which is our donors and what they want, and what they are thinking, and how they are reacting. Because when we are in the mindset of our donors rather than ourselves, we are going to be far more effective at compelling people to take action, which brings me to slide number 9-I have all these different kinds of eyeglasses.

You want to think about that image. You want to be putting on the glasses of your various supporters and thinking about how they are viewing you. If you only remember one thing from today's teleconference, it is that. It seems like common sense. It seems awfully simple, but it is so easy to forget to do this in marketing and fundraising.

It is the easiest and hardest lesson. And when we go off track or we are not having good fundraising results, it is because we have lost sight of how the world looks through the eyes of our donors.

So what do our donors want? Well, I am going to highlight what those stories show, and I would put money on the fact that your stories are probably similar on slide 10 here. Donors universally seek and give when they feel a personal emotional connect to a cause.

It is extremely rare that someone will say, “I give to this organization because I did an in-depth analysis of 50 soup kitchens and this one had the best impact in my community.” No. That is not how most of us think. Most of us think about what resonates with us personally, what we have experience with. Do we know the people there? Do we have some kind of emotional connection? And that is what we seek and why we give.

We want thanks. Rebecca talked about her story of not even being thanked when she sort of planned a gift around one of her life events. So donors want to feel involved. Not just through gratitude, but also, the third bullet there, they want a feeling of having made a difference. I am going to talk a little bit about impact today, and what that means, and how you show that in your appeals.

And last, they really want confidence that their money was well spent, particularly this year. They have less to give. They want to know that each dollar stretched and made a difference. And all of those things reinforce each other. We have an even deeper personal emotional connection to a cause when we feel involved in it, when we made a difference, and that the money achieved something. Those are very important things to us now. And they always have been, but they are actually becoming more and more accentuated.

And now I am going to get into the more forward looking part, the trends part of the this discussion. So I am on slide 11, and if it is not utterly clear up to this point in the presentation, “You are not your target audience.” What gets you to the office during the day? What excites you about your work?

The reasons that you are involved in your cause are not necessarily the things that make a donor feel a warm personal emotional connection to your cause. It is not necessarily what brought them to you.

Rebecca gave money to the Alzheimer’s walk because her friend asked her. It was about that connection. And so, it is very important that we, again, look through the eyes of our donor rather than our own eyes, because we are not our target audience.

OK. So slide 12: “Things are changing.” I am going to talk about how. One is a generational shift, who is giving. So as some of our older donors and the older donors in our file get older and we have folks younger than boomers giving, we are going to start to see some of these shifts accentuated. We are also going to see the importance of a donor focus become paramount on a scale it never has before.

And how they give is different, and what they expect is different. So the fall leaves aren’t the only things that are changing. Our relationships with our donors had better change as well.

So there are six trends I want to highlight. I am on 13 right now. I use the word trends, and I sort of have trendy dresses on the slide here for fun, but I don’t want to be flippant

about the word “trends.” These aren’t fads. These are seismic shifts in how people interact with institutions and organizations.

Actually, a lot of corporate America is grappling with this, as well. Our government is grappling with this. We are sort of in an era where our sense of trust in formal institutions is quite low. Our expectations of how they engage with us are quite high. And this also applies to the philanthropic sector.

And so, what am I talking about? I am going to be talking about impact, involvement, impulse, community, competition, and transparency. Those are the names I have given these six things I am going to run through here.

And I am going to spend a disproportionate amount of time on some of them, OK? I am going to spend more time on the ones that I think are most important to you over the next couple of months.

And so, it is intentional if this is paced irregularly going forward. I am going to spend a lot of time on the first two and quite a bit of time on the last one, because I think those are the ones that should be highest on your radar screen right now.

OK. So slide 14. I am naming this sort of “Impact.” Donors want to know where the money went and what difference they made. I have got a little cocktail napkin on the slide from [forimpact.org](http://forimpact.org), Tom Suddes’ group. I like the way they frame this. They talk about, “Our sector is plagued in defining itself by what it is not.” We talk about how we are not for profit. We are “nonprofit” organizations.

And we kind of need to get out of that need-based tax categorization way of looking at ourselves. We are not “not for profit.” What are we for? We are for impact. We are for change. We are for making a difference. That is what donors want.

Now this is a little bit different than things were a couple decades ago. If you go to slide 15, this is a shift. I would categorize our older part of our donor file as civic donors. There is a John F. Kennedy quote on the slide: “Ask not what your country can do for you. Ask what you can do for your country.”

“I want to make a gift to this charity because it is the right thing to do, because I should give some money and they are good people, and I trust that the money is going to go to the right place. I am going to write a check and it will be fine.” And not much expectation for what comes after.

This is not the way things are going to be going forward. And if you look at the next slide, you are going to need to make that shift from, “We need money. Give us money Mr. civic-minded donor” to, “We are here to help you the donor make a difference.”

So it is a shift from need to impact that is really important, particularly when we look at generational changes, but also when we look at technological changes, because what is happening is it is much easier to ask the question, “Who is this organization? What are they doing?”

Well over 60% of donors research an organization online before they give. And they are not just researching your website. They are finding all kinds of things about you just by putting you into Yahoo or Google search.

So it is easier to find out good and bad about nonprofits. It is easier to forge connections with nonprofits. But all of this means that it is not so much this one-way sort of “civic minded” give a gift and go relationship. It is a model of much more engagement and give and take.

So how are some organizations reacting to that? If you go to slide 17, most of you, I am sure, have heard of Kiva, which is an organization that allows you to make loans, and they are giving small loans to micro-enterprises around the world.

Now, Kiva has experienced unbelievably strong growth. They are online. You can see their website at [Kiva.org](http://Kiva.org). I am going to point out some great things about Kiva, and then if you followed news on the nonprofit community, you know they ran into some hot water lately, as well, which I am going to talk about.

This is their homepage from a couple months ago. It says, “What is Kiva? Kiva lets you lend to a specific entrepreneur in a developing world, empowering them to lift themselves out of poverty.” And this is brilliant because this is all about impact.

There are donors shown on this page and there are recipients shown on this page, and there is a very linear relationship drawn between, “Oh. I am going to give money. It is going go to this hardware store in Nicaragua run by Berma, and I know all about her.” It is taking it to an extreme, but it is this idea that I know where the money is going and I know the impact I am going to have.

Now, if you can achieve this level of granularity, that is great, but it is hard to do. And you would need a whole army of staff to trace a gift through to a single person and the impact.

And so, that is not really what Kiva does. Your money actually goes to lending organizations. And actually, Berma has probably already got her loan. And all this was pointed out recently by David Rudeman [sp] from the Center for Global Development. I am on slide 18 now.

He threw this incredibly controversy up when he talked about how the money really worked. And he wasn’t really slamming Kiva. He was just talking about how these things really work, and that the very linear sort of earmarked relationship implied is not really quite exactly what is happening.

And so, he blogged about it. The New York Times picked up on it. It sort of took on a life of its own. And actually, if you go to slide 19, you will see that Kiva is now saying... They changed their homepage to, "Kiva connects people through lending to alleviate poverty." It is much more general.

And so, what you are seeing here is this is probably a fairer attempt at showing impact and granularity. What is the moral of this story? The moral of this story is you want to do the best job you can showing where the money goes, but you need to be very, very honest and authentic and transparent about that. And you can't have granularity and impact at the expense of accuracy or you are going to undo the whole point of trying to do a better job telling the story of your impact.

And when you are doing that, even though Kiva sort of got in a little trouble by implying your money went directly to this person, what they are doing well here is they are putting human faces to a, sort of, world problem like poverty. And that is really important.

If you go to slide 20, when you are thinking about impact, the idea of scale is paramount. Now, this is a part of a presentation that was made hosted by the Communications Network, an absolutely phenomenal organization that is worth checking out. And they had this stunning presentation hosted by Andy Goodman. I am a huge fan of him. He is sort of the guru of storytelling for the nonprofit sector. Agoodmanonline.org is his website. He is wonderful.

And he interviewed Paul Slovak [sp], who is also extraordinary, who has studied the psychology of giving. And he did this incredible presentation, which I believe you can access on the Communications Network website. And he told a story of the study about Rokia. And you may have heard about this, because it was written up in a journal. It was also picked up, I believe, by Nicolas Kristoff [sp], if I am not mistaken, on a column in the New York Times.

But what they did was they did a study where they tried to figure out how people would respond to several different kinds of appeals. And they had people come in for a fake study of some kind. At the end of the study, they gave everyone five \$1 bills and actually said, "Hey, you can give part of this to charity."

And some of the people got a write-up of millions of people starving in Africa. The other people got a story about one girl in Mali who was poor and facing starvation named Rokia [sp].

Well, what happened? Rokia beat the pants off of millions of people in this appeal. Dr. Slovak has done many, many studies, and they all come to the same conclusion of what he shows on slide 21.

If you look at a normative way of how we should value human life, the more lives we save, the more we should be engaged, or the more lives at risk, the more that the value should go up.

But actually, the human brain doesn't work that way. And we have a scale problem in the human brain. And when the numbers get too big, we shut down. We can't imagine those numbers. We don't feel we can address those numbers. And we have what he calls the "collapse model of compassion," which is actually, the more you pile on the scale of problems, the more you talk about, the less likely people are to give.

I wanted to tell you this story and spend a lot of time on this first trend, because this is one where you have to step very carefully. You need to show impact, but you need to do it on a human scale. And, learning from Kiva, you need to do it in a very honest way.

So what does this mean to you going into this holiday season? Slide 22: "Show where your money is going." Built trust. Show what percentage of money goes to overhead, which goes to programs, tell some good stories about where it is going. Show the difference that donors are making and keep it on a personal scale.

I have on slide 23 that I always get asked for examples. That means you do not want to do what is on the left there. That is like a public awareness campaign for global warming. That is not about impact. That is about need and it is completely depressing. And it actually ruins my idea of a chocolate ice cream cone forever.

On the right is how you do want to frame things. So there you see big numbers, but you have one child you can protect. That is how you talk about impact. And this is done in a perfect way. This is the perfect homepage right here.

OK. So now I am going to move onto Trend 2, which is involvement. I have hinted at this quite a bit, and it is the idea that people no longer trust institutions. They trust their own experience and their friends and each other.

And this is a really big shift. Everyone used to sit around and watch the nightly news at night, and Walter Cronkite told us what was going on in the world. Trust level in the media-I would say that slid just a tad recently, and we are not necessarily listening to an ad on TV and taking what the company says as the truth. We are asking our friends what their experiences were.

And so what this is, if you look on slide 25, is a big shift in power from our peers and our friends-they hold the power now, not institutions and organizations as much. And what does this mean to you as a nonprofit?

Well, think for a second about the last trip you went on. If you look at slide 26, I was recently in Princeton for a business trip and I stayed at the Westin near the Robert Wood Johnson Foundation where I was doing training. And this is the website for the Westin, and it waxes ecstatic about how fabulous the experience of staying there is.

Now, is that where you go when you want to find out what a hotel room is like? I think probably not. If you go to the next slide, 27, you can see what Trip Advisor says. They said the lobby may look nice, but look at the rooms. They have people complaining about an early morning awakening. And they have photos in there that people took of what the rooms really look like without a fisheye lens.

So why do we trust the Trip Advisor? You don't know these people. I mean who is sbritta? We don't know who that person is, but somehow we trust them, because they are not being paid by the Westin, we don't think, although, who knows? There are probably Westin representatives on here. And you see the management team does do responses on here.

But we instinctually trust people like us more than we trust institutions. So what does this mean to you? Well, if you go to slide 28, this is happening to nonprofits. I mean have you gone to Charity Navigator? It is not just Charity Navigator ratings. People are writing in what they think of nonprofits. Have you gone to [greatnonprofits.org](http://greatnonprofits.org)? Have you checked out some of Guidestar's new pages?

Ratings are coming. If you set up Google Alerts for your organization, you can see what people are saying about you. But we don't have control over the conversation. The people are turning to each other, and that is good and bad for us. It means that we have lost control, which may feel bad, but I would say that train left the station a long time ago. We never really truly had control over our message and image.

So we need to recognize that and understand that people's opinions of us are being filtered through many other means. And that can be good in many ways. Wouldn't you rather have all the people who love your cause talking about you and being your messenger than just you being your messenger?

On the right there is a woman named Robin who was fundraising with Network for Good's widgets and raised \$30,000 from her friends and family. She has MS and she is talking about having MS. This is an example of what happens when there is that great involvement.

Now, one caveat here. I put "more" in parenthesis. Donors are more involved. They are more interested in impact and they want to have more engagement. That does not mean they want massive amounts of engagement and huge amounts of data.

Most people give, as I said, from an emotional place. And they, for a few split seconds, say, "OK. Is this a legitimate organization? I better check them out and make sure they are OK. Oh, OK. They have X number of stars on Charity Network. Oh, OK. They have this seal on their website. They must be OK." Or, "Gee. Rebecca, my colleague, is doing this walk. The message is coming from her. It must be OK."

So they are doing that spot-check, and that has implications for your fundraising this holiday. Go to slide 29. “Get third-party endorsement.” Do you have third-party endorsement on the homepage of your website? Do you have it in your appeals? What do I mean by third-party endorsement? I don’t mean your executive director. I don’t mean your board member. I mean someone else in the community: a volunteer, someone who was helped by your program, a big fan of yours, the BBY’s Giving Alliance, Charity Navigator. You want someone else saying that you are a good organization.

You want to change up the messenger. How refreshing if one of your appeals came from someone you help written in their words rather than you. Think about how you can change the messengers to deepen the donor relationship this holiday.

OK. That means do not treat people like the walking wallet. Focus on involving them and giving them that helper’s high. Because when we feel we made a difference, we feel really good. And it actually triggers chemicals in our brain and makes us feel euphoric. That is how we want to treat donors.

OK. So those are the two I wanted to spend a lion’s share of my time on. I am going to move quite quickly through the next few and then open up for questions.

If you look at slide 31, “Impulse”, what do I mean by impulse? Well, we are not the only ones asking for money anymore. It is unbelievable how many opportunities you now have to give. You can be on your Facebook page and you can be a click away from starting a donation now. You can be in Petsmart buying guinea pig bedding and you are asked for a dollar for homeless pets. You can be at Whole Foods buying your groceries and you are asked for money. Safeway is asking me for a dollar for breast cancer.

These are all examples of competition for us. And so, we need to think portable. That is why there are suitcases on slide 31. How can we take our message and our cause out where people are and not just wait for people to come to us? This is going to be really important.

If you look at slide 32, these are just some of the examples of what is happening. Causes on Facebook, the bottom right of that slide, is how anyone can set up a cause and raise money for nonprofits through Facebook. If you are not aware of that, please go to Causes Exchange. Please go to the Nonprofit Center and find out what people are saying about you and how to engage with them online.

Twitter I think most of you are familiar with-Twestival. There are a number of fundraising things going on with Twitter. Zag is one of Network for Good’s partners where they have something called Drive for Donations where you can buy a car and part of the money goes to charity. So there is just no end in sight to these types of things.

A couple more examples if you go to slide 33. This is the most recent thing Causes on Facebook did with The Case Foundation and Parade Magazine. It was America’s Giving

Challenge. It raised over \$2 million. And this was all friends to friends fundraising on social networks.

There is no fundraising mother ship anymore where we are in command and control. This stuff is going on all around us. Even Boston Market on slide 34 is in the game. Their website just sort of astounds me. You can buy coupon books that are sold at slightly less than face value. I think they are counting on people not necessarily using them all. And you go out and sell them and you are promoting Boston Market, and then you are getting a little bit of money for your cause. So in that instance, Boston Market is almost competition for us, because some of the dollars are going to them.

Anyway, I could go on and on. What is the headline here, slide 35? “Think portable.” Don’t be a control freak. I am being flippant there. But you can’t necessarily control your message. You can’t stop all this embedded giving from going on. You can’t curtail the competition for attention.

So you need to think about where are your supporters? Which places are they congregating online? Where are they in the mindset where they may want to start a relationship with you or support you? And what are the most expeditious means of getting them to do that in the place where they are congregating?

And also, last tip, if you are a bigger organization, keep the alerts up. The New York Times did a story on this last year, but there are so much of these corporate programs going on right now where they will say, “We are donating a part of our proceeds to X nonprofit.” Sometimes those nonprofits haven’t even given permission for their name to be used in that way. So be on the alert for this. I think you should have an attitude of embracing much of it, but also, be protective of your brand and just make sure people aren’t out there using it inappropriately. Again, the goal there is not control. The goal is awareness and engagement.

OK. Trend 4-“Community.” This is getting sort of deeper into the social network sphere. And I am not going to spend a lot of time on this today, because if you don’t have a sort of well thought out social networking strategy, between now and December 31<sup>st</sup> is not really the time to just sort of delve into that. You need to run your holiday fundraising campaigns. You need to engage your donors. You need to focus on the task at hand.

But recognize that as we have these power shifts, as we have donors turning to each other for opinions, they are also self-organizing. And you see sites like Give Well or the Nonprofit Mapping Project. Lucy Bernholz, the blogger, has done a lot of interesting work in her Philanthropy 2173 blog talking about this sort of cloud of efforts by people to sort of organize their giving, figure out what their impact is. You have the growth of giving circles. And so, this is yet another way that we are losing control, but we are gaining advocates in new places.

And so, we need to keep an open-minded mindset, as I covered in the last point, and we also need to think about, “How can we take the communities that support us and make it

easier for them to be in contact with each other?” How are you connecting your donors with each other?

If you look at slide 37, how are you seeking out your evangelists and giving them easy ways to connect with their communities and bring together other champions with you and your organization?

Have you ever had volunteers come in and write thank you notes for you to your donors and talk about why they support the cause? You want to capitalize on the socialization of giving. It is a real opportunity.

OK. Number 38. I just want to point out that this holiday, another trend, the competition for dollars is getting stiffer, and stiffer, and stiffer. If you look at the overall giving pie in any given year, it barely grows- \$300 billion give or take. It went down 2% last year. It might go up a few percent with the GDP or inflation. But it is not changing dramatically.

What is changing dramatically is the number of nonprofits. There are 1.8 million now. There were 1.1 million, I think, when I started Network for Good a few years ago. And there are over 100 more being formed each day.

That is scary if there is a relatively fixed amount of money out there. And this is only getting worse, because it is not just competition from other nonprofits. It is the kind of competition I was just talking about from Boston Market, for heaven sakes, or from Petsmart. You are having folks being solicited all the time in many different ways.

So what do you do? So a quick word on this here. These three circles are your cheat sheet. They are inspired by Jim Collin’s Good to Great Hedgehog Concept. If you are not familiar with that book, “Good to Great for the Social Sector”, it is a good read.

But what you want to think about is not just what you are good at and what your audience cares about, those blue and yellow circles we have talked about today. You also want to think about what no one else is doing and what is truly unique about your organization this year in particular. There is more need than ever. There is more competition than ever. And donors have less money to give.

So you better do a darn good job at that green circle. What is unique about you? Why should the money go to you this year? That is so important.

If you look at the next slide, that requires we get out of a herd mentality, right? Lance Armstrong has done a lot for the cancer cause with his yellow bracelets and his whole outlook. But then what have we done? If you go to the next slide, 40, we have all just started making wristbands. That is how you lose. That is not what is unique about you. You need to do a better job telling the story of what makes you unique.

And if you look at slide 41 there, show how you are different. Focus on the donor better than others. Thank them more. Talk about how you are uniquely qualified to deliver the difference they are seeking in this world.

All right. Last one before I open for questions here. “Transparency.” Sort of full circle. You want to have an open door here. Because trust is low, expectation and engagement is high. You need to be as open as possible. And I want to give you a couple good slides of organizations that do this really well.

Charity Water does a phenomenal job of showing you where your money goes. So look at their website for examples of that. The Nature Conservancy, slide 44. You are planting a tree. A dollar a tree-that sort of thing. That is where our money is going.

If you also look on their site, in terms of transparency, they are showing their Charity Navigator rating, their BBB rating. They have information on how much money goes to overhead. They are being very clear about what happens when you support the Nature Conservancy. And I urge you to have all that kind of stuff on your website.

Now, I get a lot of pushback from folks about, “Gee Katya. Nice presentation, but you are just going on and on about how we need to focus on the donor. And we need to teach donors to think differently. And we need to have them not be so emotional and really look at impact and how important our organization is.”

No. I really advise against that if you are a fundraiser. This is a relationship, not an ATM transaction. We are stewards of our donor’s precious money and we owe them information on where it went. We owe them gratitude and we owe them the story of our impact. We owe them transparency.

These are good things. They are part of what makes any good relationship. We can’t do it without them. We need to treat them more respectfully than ever.

And to wrap up, I promised a few quick tips on dealing with hard times. Four things to think about in your field this year.

The first thing is I get asked a lot: “Things are really bad. We may even have to close our doors. How much should we play that up or play it down?” Here are my tips on what to do.

Number one: acknowledge times are hard. They are hard for you, but they are also hard for your donor. So acknowledge that everyone has fewer resources this year and that you have greater need because of that. Times are hard.

But you can’t just say that means you need more money, more money, more money. You need to do the second thing, which is, you better show how you have tightened your belt. How have you cut costs? How have you reacted to this downturn and become more

efficient and careful with your money? Just like your donors are cutting back their budgets, you need to show how you cut yours back.

That leads me to the third thing, which is prove you can stretch your dollar, every donor dollar. If you increase efficiency, then their dollar is going further than it ever went before. And even if they are giving a little less, they may have the same or even greater impact because you are such an effective steward of their money this year.

And that brings me to the fourth point. Show that this year you really are going to deliver impact, not just keep the doors open. You don't want to have to be a house of cards. You want to show how you can deliver impact. And I hope that these trends show why that is very important.

OK. I am going to stop there and take some questions. Rebecca, do you have a question for me?

**Rebecca:** Absolutely. Thanks so much Katya. We do have a couple of questions. And just a quick reminder for those of you who have not submitted your inquiries yet, please go ahead and do so. The email, as Katya mentioned at the beginning of the call, is [fundraising123@networkforgood.org](mailto:fundraising123@networkforgood.org).

Our first question comes from Shondell. I will read Shondell's full question and then kind of give you the headline of what I think Shondell is going for here.

Shondell says, "In preparation for today's training, I have a question about mailing a letter and having a viral campaign at the same time. My organization just completed a viral marketing campaign for the first time last month and it was very successful, and now I am preparing for our annual appeal. Do you think we should just invest our time in sending a letter or do you think we should send and create an ad, you know, for our website, for our Causes page, etc?"

And then kind of the headline, I think Shondell brings it together and says, "In general, do you think it is a good idea to do both at the same time or just focus on one or the other for a campaign? Do you have any advice on how we can encourage our mail-in donors to react with those online and vice versa?"

So I think Shondell is really getting into online and offline and how to integrate, and also, when you have annual campaigns going on, as well as appeals that specific beginning and end dates. How do you manage all that?

**Katya:** Great question, and it sort of gets back to the theme of making it about the donor. So we want to stop for a second and not think so much about what departments we have. So we have direct mail. We have vehicles for communication. We have our e-newsletter. We have this, we have that, which we do for the sort of monolithic group of donors.

We want to turn around and think about the donor. And if you really focus on the donor and when and how people give, there is a lot of really good data from Target Analysis Group. Blackbaud recently did a presentation for Intend that dug into this. And then, we have done some of our own research.

And what it all shows very consistently is the best method for fundraising is multi-channel. So what you find is online can be a fantastic means of acquisition, but then, many online donors end up giving offline. So you would never want to just assume that your viral online donors are never going to give offline and that you should not put them on your mailing list if they have given you permission to do so.

Similarly, when you are doing direct mail and other pieces, is your website really prominent? Did you talk about the viral campaign? Did you invite people to go and people come to your website? Are they one click away from giving you their email address so that you can build the online form of your outreach?

Anyway, the headline here is think very integrated. And your best results are going to come when you integrate, because you can't predict what behavior a donor is going to undertake. They do not fall into, "I am an online giver and always an online giver" and "I am an offline giver and always an offline giver." It is much muddier than that. And that is a good thing. It gives you more touch points with a donor and more of an opportunity to cultivate a relationship with them.

**Rebecca:** Great. We had a quick question from Chris, which I am happy to just answer. Chris just wanted Katya to repeat the blog address of the blogs that she composes. That is at [nonprofitmarketingblog.com](http://nonprofitmarketingblog.com). And we will be sure to include a link to that in this Friday's email that has the transcript.

OK. Megan wrote in and Megan said, "We try to include specific items with donation amounts in our appeals. For instance, \$10 is a box of nails, etc. But is there a better way to show impact of a gift if the funds are going to be put in the general operating fund?"

**Katya:** Yeah. This is a really natural understandable tension, Megan. You want to make a gift as tangible as you can to a donor. So it is good to talk about things like how many meals you buy or how many boxes of nails that equates to.

But you also don't want to, as Kiva ran into, set up an expectation that you are going to get Sally Anne's gift online, run off to the hardware store and buy the box of nails, and send a photo of the nails going into the house.

So there is a happy medium there. And I think the important thing to do is to show impact. It is good to use analogies and examples of what level different gifts buy, but for general operating funds, the best thing to do there is storytelling about people.

You remember the story about Rokia. You remember how well that performed. They tested that even against two children and that performed worse. People are single

individuals and they relate best to single individuals. Or if you are working with animals, or you are working with the environment, boil it down to a single individual, whether it is a canine or a human.

The best thing you can do in terms of impact is talk about people and just be clear that they are an example of someone helped. You are not suggesting they are sponsoring this person, but that is a really good way to take a really complex idea like food security, or addressing the root causes of poverty, or helping ensure that animals don't end up in kill shelters-that kind of thing.

You are taking something like that, which is very abstract and not relatable, and making it something that it is easy to connect with personally and emotionally, which is, of course, the pre-requisite to giving.

**Rebecca:** Great. And I think Janice's question actually dovetails on that just for a bit of clarification. Janice's question says, "Could you give an example of how we can put the face on a request without misleading folks into thinking that perhaps their gift supports a specific child or some sort of constituent?"

**Katya:** Right. And that is where you saw the two Kiva screens, and I hope that showed you the difference there. The second one is much better. Also look at Heifer.org. They do a really good job showing that your dollar equates to a Llama or a flock of chickens for a farming family in Ecuador, or what have you. But they are pretty clear about that is the representation of what it can do.

I think the key is this simple. If we are talking about children, you want to say, "Thank you so much for your gift, which is enough to put a child through school for a year. And let me tell you about one of the children who went through school this year because of the support of donors like you. And here is her story." And that is how you do it.

**Rebecca:** Excellent. This next question comes from Sue, and Sue actually works with a history museum. And she mentioned that a lot of the examples have worked great for social causes. But she wants to know if you have some ideas for telling stories for the arts and cultural segment of nonprofit organizations.

**Katya:** The best fundraising I have seen for, actually, history museums and this kind of thing are stories about the kids who went to the museum or the people who went to the museum, really. I mean it is not terribly exciting unless you have an audience of people who are obsessed with Louis and Clark and you have a Louis and Clark museum. That is a natural affinity. That is fine. But if you want to expand beyond that, you need to expand to really universal human values and interests. And most of us really care about children and how excited children get about their connection with the past, with history, with what it does for them.

If you could do a great job talking to kids and interviewed them about the trip to your museum, or if you are not a museum for kids, interviewed adults who were there. Talk to

people who were there. Why are you here? How did you find your way here? What happened to you while you were here today? What did it make you think?

And what happens quite naturally when you talk to the people who were there is the people who read the appeal can relate to that, and it gets them back in touch with what makes them excited about history and makes them much more likely to give a gift.

**Rebecca:** Great. We have another question from Shondell who is putting together some information, some graphics, and some follow-up information to actually communicate to donors what their impact looks like in terms of dollars raised and things like that. Shondell would like any advice for first-timers, for someone who has never put together charts or statements showing the impact like that before.

For instance, Shondell says, “I would like to create a pie-chart or graph showing the funding division for areas like general operations, programming, and fundraising. Are those good categories to start with? Is there another approach? What do you recommend in terms of really relaying this impact?”

**Katya:** OK. So the first part of your question, yes. It is good to have a pie or something on your homepage showing how much money goes to program and how much goes to overhead. I know that it is frustrating that that is how a lot of donors just perceive whether you are an effective organization or not, but it is something they know to look for. And you look at donor research and focus groups, it is the question anyone always asks. That is the one I would answer.

You do not need to break it down to general operations versus this. I’d keep it very simple, two parts a pie. Look at care.org, savethechildren.org, Nature Conservancy. Look at some of the big guys’ websites and you will see how simple their pies are. That is the level of granularity you need.

Part of your question, too, is you are going to put an ad together of accomplishments for the year, like number of trainings held, number of people reached through public awareness. That is where data might start to not be as useful at a granular level unless that is an ad for a funder who counts those types of things, like a foundation.

That is where you get into the unrelatables. That is where you get into that compassion collapse model. You are much better off with a pie and three really good stories. People do not care if you held 100 trainings. That means nothing. Who was transformed by the training? What changed because of the training that I can relate to, and see, and hear, and experience in my community?

So don’t get so carried away with this idea of impact and numbers. Remember I put in parenthesis they want more involvement, more of a sense of impact, but that does not mean they want a lot of numbers, because those are not relatable.

**Rebecca:** Great. And now we have a representative from a different category of nonprofits. It sounds like everybody on the phone wants to make this relatable to the type of organization that they are from, and we appreciate that.

So this next question comes from Emily, and Emily says, “Can you give some examples of how you would apply some of these tactics and principles to arts organizations. In times like this, it is really hard to argue that we are necessary. We are often seen as expendable.”

**Katya:** OK. So you are with Williamston Theater in Williamston, Michigan. OK. A theater does seem to be expendable. I am pretending I am not a supporter of the theater, which I am. I don’t think theaters are expendable. But there can be that perception. You are seen as expendable, particularly in hard times.

That is why the human face has to happen. I talked about the history museum example. The theater example; I assume you have programs for school children. I assume that you have people who have come to plays and events there that have been transformative to them.

What is not expendable is joy of children. What is not expendable is an experience with art that is transformative to us. What is not expendable is someone’s life changed because of something they saw or experienced. We don’t want to say no to those things.

It is easy to say no to a building. So what you need to do is not make this about the theater. You need to make it about the experience of the theater, the people who come to the theater.

And when you start to do that, then that argument of, “Well that is not as important as X” starts to go away, because it is about people and their stories. And it is really hard to say no to people and their stories. We are compassionate beings. We relate to other beings and their stories, and you need to stay in that place.

If a couple of you want to send me your appeals or homepages, I am happy to brainstorm with you further. But that is the level that you need to be thinking on here to make a compelling case.

Right around the corner from Network for Good’s offices is the Imagination Stage Theater and they send out a lot of appeals. And they know I sent my child to camp there. And they talk a lot about the camp experience. And I know what that did for my children. That is hard to say no to.

So again, think on the human level when you are thinking about impact, need, and emotional ties.

**Rebecca:** Great. And Emily, you can feel heartened. We had another listener on the phone, Lisa, who is voicing her opinion that arts are more important now than ever,

because we need imagination now more than ever. So thank you Lisa and Emily. We appreciate your pioneering the arts for us.

We have a couple more questions. The next one says, “What is the best online method for soliciting a quote from our donors about why they chose to support our organization?” So, looking for a testimonial. “Would you suggest creating a survey or just invite them to email us? Is there a website we can use to solicit this type of feedback? And also, do you have any suggestions on key questions to ask or language to use when you are reaching out for this type of feedback? Any advice would be great.”

**Katya:** Rebecca, who does a lot of things here, but among other things our learning center at fundraising123.org and our tips newsletter, just had this topic, I think, last week or the week before where we actually talked about collecting stories and how to ask the right questions to collect stories. So I refer you to that, and I will ask her to send around that link. And she is going to pull it up now, too, so I can share it so you can delve deeper there.

But the main idea here is no, you do not collect just a Survey Monkey. You have to do this in a different way. It is not bad to ask if you would like people to share their story. To give you a sense, we do that at Network for Good. Sometimes, Rebecca will put that in her tips newsletters and we will send that to 40,000 nonprofits. And maybe we will get six responses. [laughs] People don’t have a lot of time to sit down and write an entire story.

You are much better off looking for fan mail, looking at who is volunteering for you, looking at your most passionate advocates and tapping them, because they have reasons they have the passion they do for you. They showed up there because they have a great story that got them there. And they are probably right in front of you, and you are much better off doing that, working with a small core of committed people to collect their stories.

And again, it is really merit to the conversation if you get journalists. It is hard to get stories out of people sometimes, and so, an interview is often a really good way to do that. And again, there are tips on that in this newsletter.

You are much better off with that approach than a scatter shot massive survey. That is just not going to get you kind of the richness that you get out of an individual interaction with someone sharing their experience with you.

**Rebecca:** Great. OK. So it looks like we have hit the two o’clock Eastern mark. As Katya mentioned before, we will be happy to follow-up with folks whose questions weren’t answered. And I will give it back to Katya to round us out today.

**Katya:** I told you I feel passionately about online outreach. This is a way where you can afford to do all the stuff I talked about today, OK? It really is. And you can paradoxically deepen relationships with people through technology and the computer.

And so, I have some slides here at the end, which I am not going to go through slide by slide, but these will help you make a case. If you are having trouble convincing your colleagues that they need to get onboard with online outreach, if you are encountering any internal resistance, put this data in front of them.

Giving is down overall. Online giving is way up. If you are not collecting donations online, you are missing out. It has grown 44% over the last year. Nothing is growing 44% right now. You want to be a piece of that, because that pie, that overall giving pie, is pretty fixed. Online giving is not fixed. You need to be there, particularly this year.

And my last thought, a well kept secret, which you will find on slide 52, after you have all these great slides on making your case to whoever you need to make it to internally, the biggest days to ask for money online are December 30<sup>th</sup> and 31<sup>st</sup>. Here is the data from Network for Good for the last several years. Look at the last day of the year. People are generous, but they are procrastinators.

So if you are doing online reaching, and I hope you will use Network for Good to do it, ask for money the week between Christmas and New Year's. That is the best kept secret. All these nonprofit people are on vacation. Your donors are not on vacation. This is the week they give. Be there asking them for money.

And last, to conclude, don't forget to thank them afterwards. Cultivate the heck out of them and you will have an even better December next year. And do consider us as a partner for cultivation.

Again, any last questions, [fundraising123@networkforgood.org](mailto:fundraising123@networkforgood.org). You want our two for one offer for "Donate now" pages? Same email address, [fundraising123@networkforgood.org](mailto:fundraising123@networkforgood.org).

Thank you so much for taking time out of your day today. I really appreciate it. I hope this has been helpful to you, and I hope that you have a fantastic fundraising season this year, because the work you are doing is really important. And pat yourself on the back for that. Have a great afternoon! Bye-bye.