

## **10. Fundraising**

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### **Introduction**

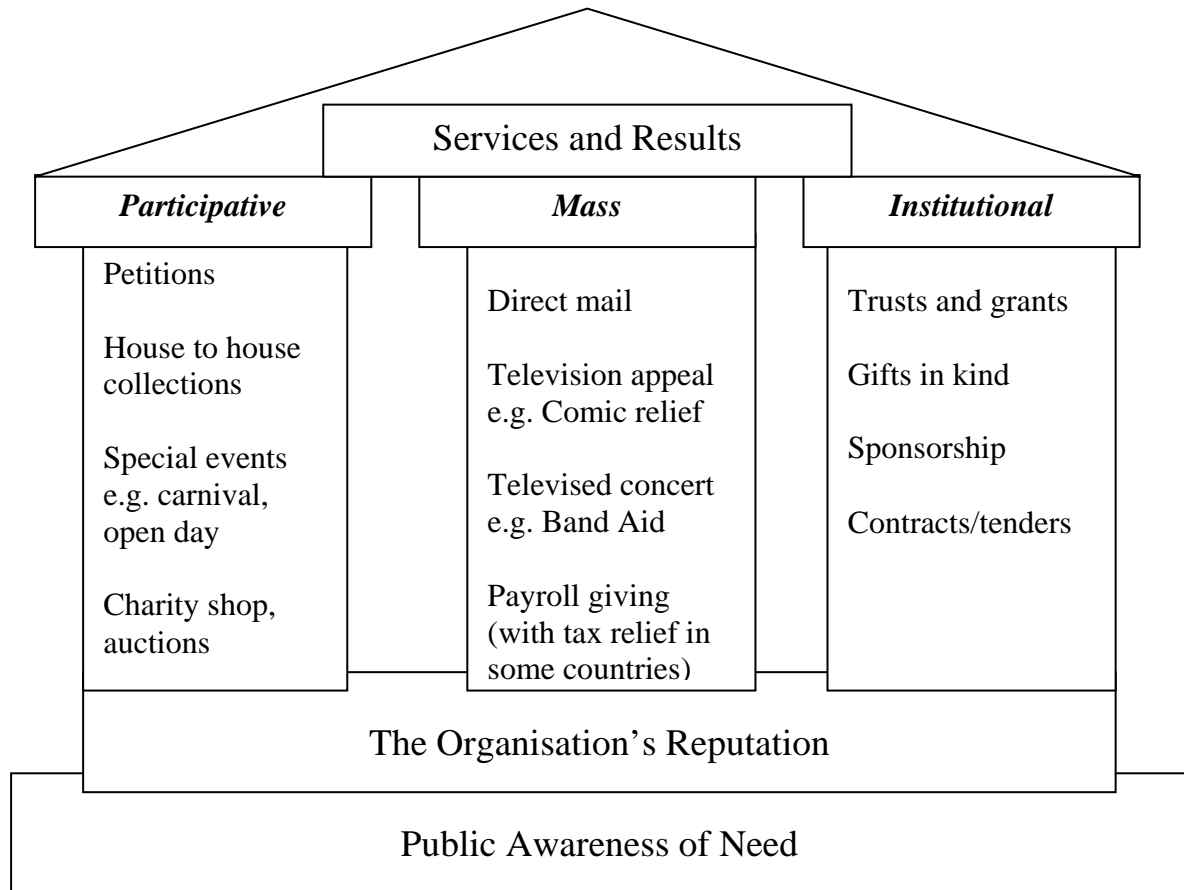
Fundraising needs to be strategic and proactive if it is to succeed in terms of maximising mission achievement for the organisation, rather than just raising funds. ‘Mission drift’ is a key problem – where the work of the organisation is redirected to chase possible funding sources. Another problem can be that the fundraising department works in isolation, rather than in harmony with the organisation. To overcome this problem, the fundraising department should play a part in establishing the overall organisational strategy, and then plan its own departmental strategy in the light of the end result. This should help to ensure that fundraising objectives are considered in the overall organisation strategy, and that the fundraising department understands and supports the broader organisational strategy.

Modern fundraising departments have a recipe book full of fundraising methods to try, analyse and amend, repeat or reject. But they also need a full understanding of the animal protection environment, and its own particular funding environment, in order to succeed.

### **Funding Sources**

#### ***The Three Pillars***

Funding comes from many sources, but these can be understood more readily if categorised – albeit in a simplistic way. The ‘Three Pillars’ of supporter and donor development are demonstrated below in diagrammatic form.



The first pillar is *participative fundraising*. Key skills needed for this are: organising people and events.

The second pillar is *mass fundraising*. Key skills needed for this are: communication and information management.

The third pillar is *institutional fundraising*. Key skills needed for this are: lobbying, networking and negotiation.

These build upon the foundations of the public's perception of need and the reputation of the organisation. So, people will give if they understand (and more importantly feel) the case of need, and feel that the organisation is the best for the job. This indicates the need for public education, plus concerted action to develop the organisation's reputation (and brand).

### Fundraising Methods

There are a variety of fundraising methods, as can be seen in the items described in the three pillars above – and many more contained in the further information resources.

There is no right answer as to which methods will work best for any given country, culture or situation. Every effective fundraising department has a ritual 'test it and see' policy. So each time a fundraising method is used, it is tried, analysed and then amended, repeated or rejected. This is done each and every time, as the market changes (some methods become 'saturated', whilst others gain in popularity).

In general, it is best not to rely on a single source – or even just a couple of sources – of income. In fundraising as with investments, a broad portfolio spreads risk. Legacies and Trusts and Grants, for example, are not regular and reliable forms of income. Legacies are, by nature, sporadic. Foundations (Trusts & Grants) usually only offer project-by-project funding. Funding from donors and supporters is core income, and time and effort should be placed into this source – always remembering to spread the risk by developing other methods at the same time.

Appeals to supporters are an important source of income. How – and for what – you appeal for funding will depend on who your supporters are, and what they most like about your work. You can assess this by way of questionnaires, and by getting to know your supporters personally. But whatever your supporters say when explaining their attitudes and responses, it should be borne in mind that the general rule is that most people respond when they react emotionally to an appeal – and this usually involves identification with the suffering of an individual animal (eyeball to eyeball appeal), and knowing that they can give for a specific purpose that will help to take away the suffering. Although supporters may recognise the merits of an intellectual appeal (based on reasoning and practical approach), it is the emotional pull that works in practice. And the knowledge that their money will help in a specific way (this is the way in which professional fundraisers always give indications of what particular levels of donation can buy e.g.

- £25 can buy feed for a hungry horse for a month
- £100 can buy a horse a new bridle to stop painful mouth sores
- £200 can rescue a horse and find it a new home

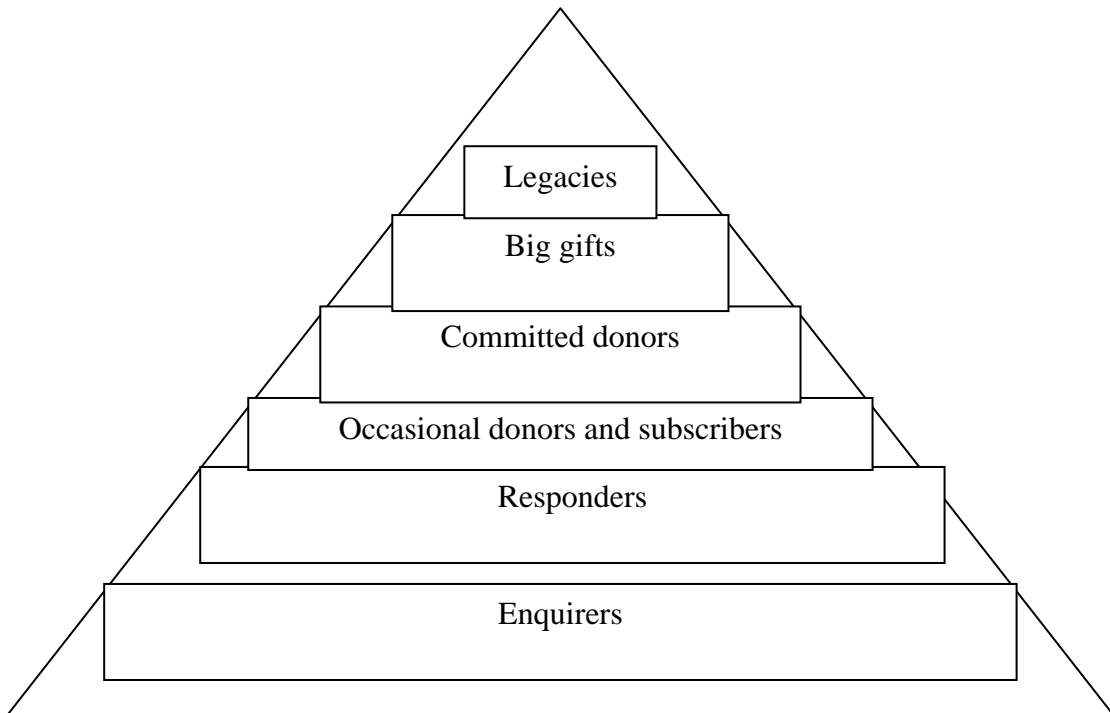
Most organisations avoid keeping donations for ‘restricted funds’ (i.e. where they are earmarked for a specific purpose only) whenever they can. This is because all of their work needs to be funded, and accounting for ‘restricted funds’ can be a logistical nightmare. Most organisations avoid this by wording their appeals in a way that indicates that donations are used for both the given purpose and, for example, their ‘other work to save animals around the world’.

### **The Donor Pyramid**

The basic concept for donor development involves: -

- Turning enquirers into donors and subscribers.
- Enthusing donors into becoming regular committed donors.
- Enhancing levels of donations into ‘big gifts’.
- Turning the donor into a legacy giver.

*This is shown in diagrammatic form below.*



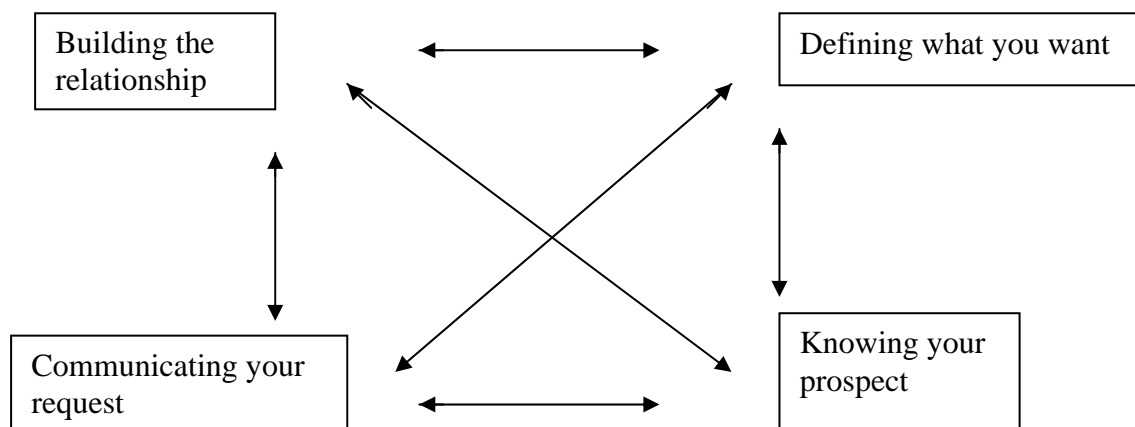
The objective is to move your donors as far up the pyramid as possible.

The below are useful principles to assist with this process: -

- Knowing your prospect
- Defining what you want
- Communicating your request
- Building the relationship

They also apply to other funding sources, such as Trusts and Grants.

*This is demonstrated diagrammatically below: -*



Donor databases need to be 'segmented', to enable different approaches to be taken with different levels of donor. This enables the organisation to give special attention to their most valuable donors. According to the 'Pareto Principle', 80% of the organisation's income will come from the top 20% of donors.

## **Carrying Supporters and Donors Along the Path to Social Change**

Supporters and donors are important stakeholders of the organisation and, as such, should be consulted about the organisation's work. However, they are only one part of the wider stakeholder group. The organisation should take account of the views of supporters and donors, but not be driven by them.

The same applies to potential supporters and donors. Thus, whilst market research can be a valuable decision-making tool, it should not be allowed to dictate decisions. After all, the wider public are often more ill informed about the complex animal protection environment and problems, than many other stakeholders (in particular the organisation's professional staff). The 'big picture' is needed, as is awareness and understanding of both the organisation's mission and the wider movement's pressing need to create a social change programme.

A proactive programme to educate donors and supporters can really pay dividends – not only in terms of personal change, but also in terms of aligning these important stakeholders to the organisational mission and priorities. The majority are genuine supporters of the cause, and can be real assets of the society, and the investment is worthwhile in terms of bringing them along with the society as it charts its path to progress.

## **Magazine and Campaign Materials**

The organisation's magazines and campaign materials are a key 'shop window' of its fundraising efforts. These need to accurately reflect the organisation and its mission, and to build both the case of need, and the organisation's reputation. They should not neglect an opportunity to make an 'ask' for funds or support.

## **Internet/New Technology**

The Internet provides a novel method of fundraising, which requires new techniques and learning. Much can be found out by studying other Web Sites to see what approaches have been used. The organisation's Web Site is now the primary 'shop window' on your work, so it is worth an investment in time and effort to ensure that it looks good, and its content is effective.

## **Brand and Reputation**

Building a credible brand and reputation are essential to fundraising development. This means not only doing the work well, but also communicating this effectively to various audiences. This is the work of the operations sections of the organisation, as well as the fundraising team.

## **Ethical and Practical Dilemmas**

### *Funding and Corporations*

Problems can exist with corporate funding. If you examine Trust funds with corporate links, you often find a desire to give grants to the self-same causes that the business is destroying or harming in the course of its business activities. This may appear perverse at

face value, but it is, in fact, a simple case of ‘damage limitation’ (or ‘positive PR’) to rebuild the reputation and standing of the company.

Notable examples include the following: -

- The BP Foundation gives substantial grants towards a range of projects including renewable energy, environment and nature protection.
- Frame (The Fund for the Replacement of Animals in Medical Experiments) includes an array of corporate members, including many well known for their own animal testing programmes (pharmaceutical companies, cosmetic companies and household product manufacturers), see: <http://www.frame.org.uk/frameinfo/corpsupport.htm>
- Many zoos also have foundations, which help to fund research into environmental enrichment, as well as conservation and educational programmes.

With funding problems in the NGO sector, many begin to look towards corporate sector funding. However, NGOs are right to be wary of the obligations that come with corporate funding – and even the positive ‘kudos’ they are conferring on corporations.

### ***Funding and Ethics***

There is also a clear ethical dilemma attached to the acceptance of funding, particularly from the corporate sector. For example, should an antivivisection group accept corporate funding from a company that tests its products on animals? Clearly most would deem this to be unethical (taking money from the profits of animal use/abuse). However, many charities that search for alternatives to animal experiments obtain a high proportion of their funding from animal testing corporations – and indeed feel that such corporations should give a proportion of their profits towards the search for alternatives.

There are three main considerations: -

- Should the organisation accept ‘dirty money’?
- Should the organisation permit the corporation to use its donation to enhance its reputation and positive image?
- Will the donation have an impact on the organisation’s decision-making and neutrality?

### ***Funding and Competition***

As was pointed out in the chapter of the WAN Online Manual ‘Forging a Movement – Collaboration and Alliances’: -

‘The competitive ethos also militates against genuine cooperation. In fact, competition is probably the most serious impediment to the creating of a strong and coherent movement for social change. This is partly a product of ego, but is also wrapped up in competition for supporters and funding: it is notable that the market is mostly saturated in areas that attract the most funding (i.e. disaster relief, wildlife and particularly attractive species such as bears, primates, whales and dolphins etc.). ‘

So competition for funding between animal protection societies could be a major impediment to the forging of a movement for social change that is a force to be reckoned with? But is there a solution to this? Is it possible to collaborate wholeheartedly on certain priority issues whilst competing shamelessly (and with duplication) on others?

The irony is that most funders themselves want the very cooperation that fundraising competition prevents! Supporters are often asking ‘why do you not cooperate with [a named animal protection society] on your projects?’ or ‘why do you not join together with [a named animal protection society] on their campaign? Perhaps it is time for funders to demand cooperation, and to withhold funding from organisations that compete and duplicate?

### ***Funding and Cooption***

There is a well-known saying that applies equally to NGO funding: ‘He who pays the piper, calls the tune’. Funding can, and often is, used to influence NGOs. Funding promises, or threats to withdraw funding, can be used to influence their programmes, to neutralise their message and pressure and to co-opt them into a quasi government role (particularly payments for service delivery work). Organisations need to be aware and guard against this, if they wish to retain their potency and independence.

### ***Charity or Business?***

As in every area of an organisation’s operations, a strategic approach to fundraising is not only desirable, but also necessary. Research and analysis are vital. The traditional fundraising methodology of evaluation and review are also essential. A proactive approach has been called for. So, yes – professional management – is the order of the day. But: the mission should always be first and foremost. It is, after all, the organisation’s ‘raison d’être’. Animal suffering is not just a product to be exposed and marketed. It is the very reason for the existence of animal protection organisations, and if will only be ended if this mission is followed with clear-mindedness, resolve and urgency. We cannot, and should not, allow ourselves to be distracted – because if we ‘take our eyes off the ball’ we will lose the game and the battle.

### **NGOs and Fundraising**

The not for profit sector is now worth over \$1 trillion globally. This is truly ‘big business’ in terms of fundraising opportunities. Yet, without serious reflection and awareness, the competitive business of animal protection society fundraising can lead to many pitfalls. The most notable are: mission drift through chasing perceived funding opportunities rather than chasing funds for projects designed to achieve mission; cooption and neutralising due to acceptance of funds from governments and animal use industries; and compromising of reputation and ethical beliefs due to ill-advised funding options. Continuing to use outdated formulas that worked in the past, rather than adapting to the future needs and aspirations of funders, is another prominent pitfall.

A SustainAbility report into NGOs of the 21<sup>st</sup> century (2003) speaks of signs of a ‘seismic shift’ in the landscape across which NGOs operate. There is no longer such a thing as ‘business as usual’ in the NGO sector, unless failure is an option. In terms of impact upon fundraising, SustainAbility concluded that much of 20<sup>th</sup> century funding of NGOs was fuelled by public anger or guilt, whereas 21<sup>st</sup> century NGOs will have to persuade supporters that they are a good investment. They forecast growing interest in NGO priorities, strategies, accountability and business models. This means a quick media horror story will lose the power to attract donations, unless all the other building blocks are present too. The successful NGO will have to move from professional fundraiser and media attracter to professional and reliable business model with a social mission.

## **Change, Not Charity**

Major funders of animal protection work, such as Trusts and Grants, have traditionally favoured service provision activities – which they tend to know as ‘practical projects’. This is probably partly due to the more tangible, measurable and emotionally pleasing results gained from this type of work in the short-term. However, as these bodies – and individuals - become more familiar with the complex animal protection environment, this perception is changing. More Trusts and Grants are beginning to realise that the service provision work they are funding, day-after-day, year-after-year, is failing to change the situation for animals in a real and lasting way. The only way to do this is through tackling the ‘root causes’ of these enduring problems. This may be longer-term, but it is sustainable.

## **Further Resources**

### *🔗 Web Sites*

***International Fundraising (including the Worldwide Fundraiser's Handbook)***

<http://www.dsc.org.uk/acatalog/International.html>

***DSC: The Fundraising Programme***

<http://www.dsc.org.uk/Training/TheFundraisingProgramme>

***Humane Society***

[http://www.animalsheltering.org/programs\\_and\\_services/financial\\_assistance/](http://www.animalsheltering.org/programs_and_services/financial_assistance/)

***Directory of Funding Sources (for environmental NGOs in central and eastern Europe)***

<http://www.rec.org/REC/Databases/Funders/Default.html>

***NGO fundraising strategies***

<http://www.gdrc.org/ngo/funding/fund-raising.html>

***European Foundation Centre***

<http://www.efc.be/>

***The Foundation Center***

<http://www.fdncenter.org/>

***The Chronicle of Philanthropy***

<http://philanthropy.com/>

***The Institute of Fundraising***

<http://www.institute-of-fundraising.org.uk/>

***South African Institute of Fundraising***

<http://www.geocities.com/Athens/Delphi/4594/>

***HSUS: Fundraising and Public Relations***

<http://www.hsus.org/ace/16122>



**Books**

***Fundraising on the Internet: the Ephilanthropy Foundation Organizations Guide to Success Online***

By: M. Warwick  
Publisher: Jossey Bass Wiley  
ISBN: 0787960454

***Fundraising for Dummies***

By: John Mutz  
Publisher: John Wiley & Sons Inc  
ISBN: 0764552201

***Tried and Tested Ideas: For Local Fundraising Events***

By: Sarah Passingham  
Publisher: Directory of Social Change  
ISBN: 1903991374

***Effective Fundraising: An Informal Guide***

By: Luke FitzHerbert  
Publisher: Directory of Social Change  
ISBN: 1903991404

***The Complete Fundraising Handbook***

By: Sam Clarke, Nina Botting (Editor), Michael Norton (Editor)  
Publisher: Directory of Social Change  
ISBN: 1900360845

***Event Planning: The Ultimate Guide to Successful Meetings, Corporate Events, Fundraising Galas, Conferences, Conventions***

By: Judy Allen  
Publisher: John Wiley and Sons  
ISBN: 0471644129

***Relationship Fundraising: A Donor-based Approach to the Business of Raising Money***

By: Ken Burnett  
Publisher: Jossey Bass Wiley  
ISBN: 0787960896

***CPR for Nonprofits: Creative Strategies for Successful Fundraising, Marketing Communications and Management***

By: Alvin Reiss  
Publisher: Jossey Bass Wiley  
ISBN: 0787952419

***Ten Steps to Fundraising Success: Choosing the Right Strategy for Your Organization***

By: Mal Warwick, Stephen Hitchcock  
Publisher: Jossey Bass Wiley  
ISBN: 0787956740

***Marketing Strategy: For Effective Fundraising***

By: Peter Maple

Publisher: Directory of Social Change / Charities Aid Foundation

ISBN: 1903991382

***Do's and Don'ts of Fundraising: How to Be a Successful Fund-Raiser***

By: Adrienne Johnson, Joseph Johnson, Suzanne Mayo-Theus

Publisher: Leathers Publishing

ISBN: 1585972630

***Corporate Fundraising***

By: Valerie Morton (Editor)

Publisher: Directory of Social Change / Charities Aid Foundation

ISBN: 1903991005

***Cultivating Diversity in Fundraising***

By: Janice Gow Petty (Author), Janice Gow Pettey (Author)

Publisher: John Wiley & Sons, Inc.

ISBN: B000066BRQ

***A Practitioner's Guide to Charity Fundraising***

By: Elizabeth Cairns

Publisher: Tolley Publishing

ISBN: 0754520269

***Teach Yourself: Fundraising***

By: Jenny Barlow

Publisher: Hodder Arnold H&S

ISBN: 0340857838

***Revolution in the Mailbox: Your Guide to Successful Direct Mail Fundraising***

By: Mal Warwick (Author)

Publisher: Jossey-Bass

ISBN: B0001QNKBE

***The Fundraising in Diverse Cultural and Giving Environments***

By: Robert E. Fogal (Editor)

Publisher: Jossey Bass Wiley

ISBN: 078796512X

***Groundspring's Online Fundraising Handbook***

<https://www.groundspring.org/learningcenter/handbook.cfm>