

# SVdP National Assembly



National Council of the United States  
**Society of St. Vincent de Paul®**  
End Poverty Through Systemic Change

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# The Importance of Philanthropy to Non Profit Organizations



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# 3 Ways Charities Can Pay for Innovation

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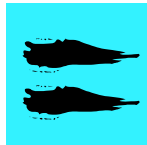
**1. Revenue from Operations and Investments**



**2. Debt**

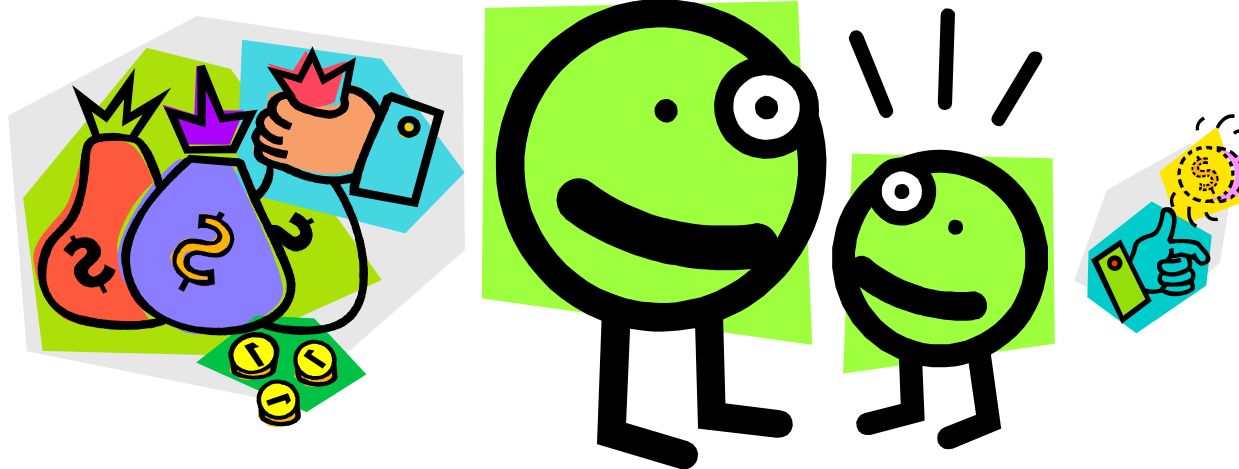


**3. Philanthropy**



# The Cost of Capital from Operations

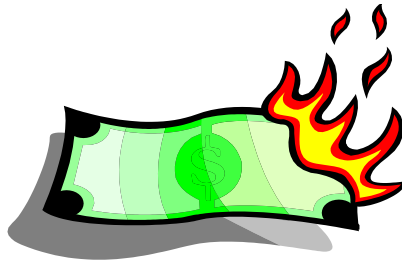
**With a 5% margin, it would require  
\$20M in increased operating revenue to yield  
\$1M in capital for reinvestment.**



# The Cost of Capital From Debt

**Financing \$1M at 5% for 15 years  
will obligate us to pay back \$1.42M.**

**At a 5% margin it will take  
\$28.4 M in operating revenue to pay the loan  
making those funds unavailable  
for new purchases over the 15 year period.**



# The Cost of Capital From Philanthropy

**A mature and efficient fundraising program spends between 15 - 30 % to raise a dollar.**



**The cost of \$1M would be \$150 - \$300K without a long term commitment of operating revenue.**



# A Strategic Priority

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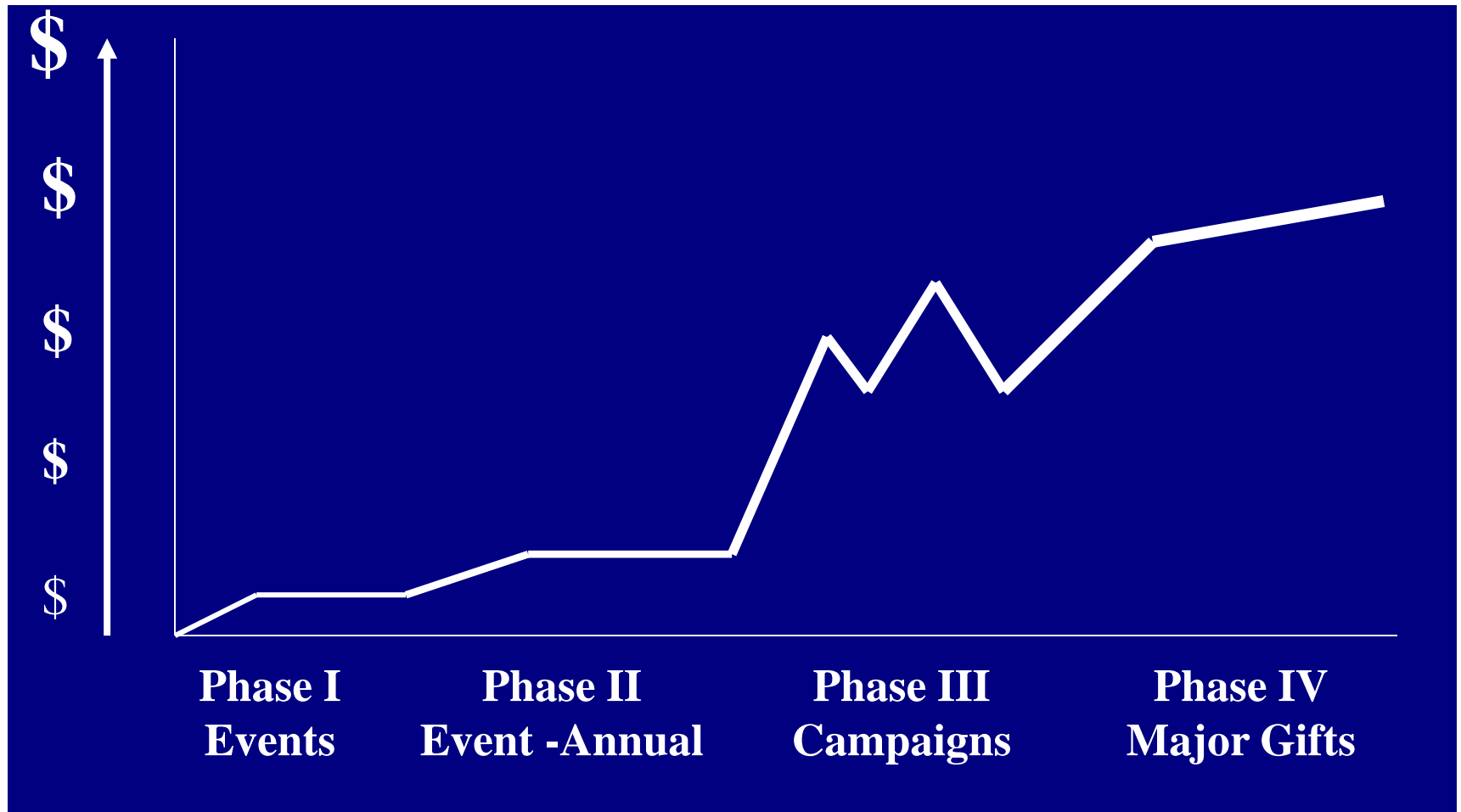
**Of the three ways to fund innovation, philanthropy is the *least expensive, least regulated, and easiest to grow* source of capital available to non profit organizations.**

**SMART STRATEGY:**

***GET GOOD AT THIS!***

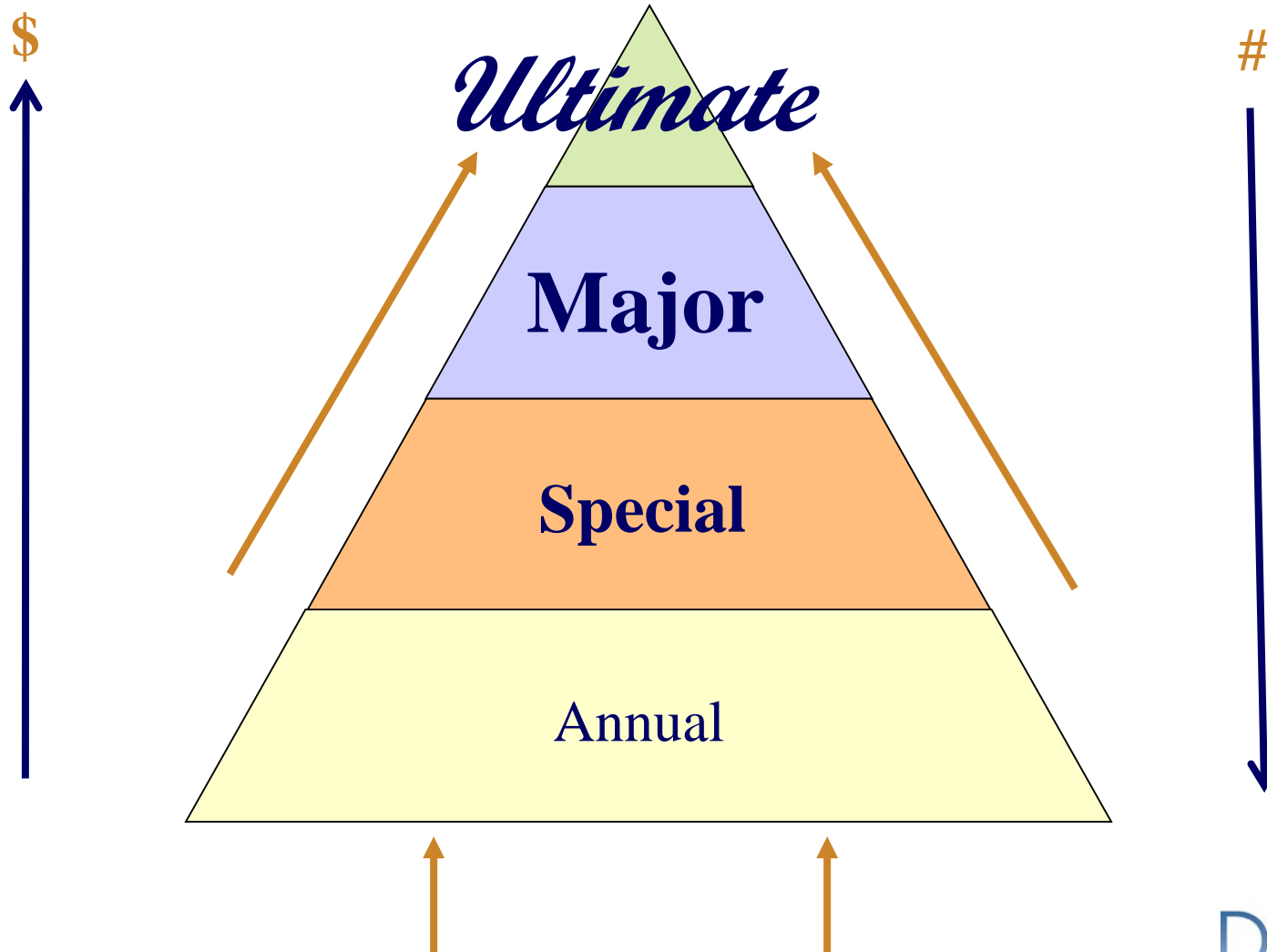


# Typical Evolution of a Fundraising Program





# The Philanthropy Pyramid



# The 80/20 Rule in Fundraising

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**In Capital Campaigns –**

*Approximately 40% of the campaign total  
from the top 10 - 12 gifts.*



**In a Normal Year –**

*Ten - twenty gifts will account for  
40 - 70% of your annual total.*



# 2007 Gift Size – Frequency

<b>Gifts of</b>	<b>#</b>	<b>%</b>	<b>Total \$</b>	<b>%</b>
<b>\$300,000+</b>	<b>1</b>	<b>.03</b>	<b>\$500,000</b>	<b>45.26</b>
<b>\$100 - \$300,000</b>	<b>2</b>	<b>.06</b>	<b>\$231,147</b>	<b>20.92</b>
<b>\$25 - \$100,000</b>	<b>1</b>	<b>.03</b>	<b>\$ 30,000</b>	<b>2.72</b>
<b>\$5 - \$25,000</b>	<b>12</b>	<b>.34</b>	<b>\$107,431</b>	<b>9.73</b>
<b>Under \$5,000</b>	<b>3463</b>	<b>99.54</b>	<b>\$236,093</b>	<b>21.37</b>
<b>Totals</b>	<b>3479</b>	<b>100%</b>	<b>\$1,104,671</b>	<b>100%</b>

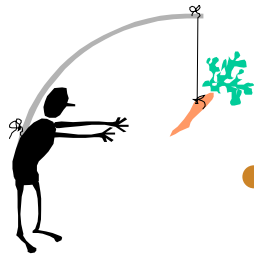


# 2008 Gift Size – Frequency

<b>Gifts of</b>	<b>#</b>	<b>%</b>	<b>Total \$</b>	<b>%</b>
<b>\$300,000+</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>\$100 - \$300,000</b>	<b>1</b>	<b>.02</b>	<b>\$100,000</b>	<b>13.05</b>
<b>\$25 - \$100,000</b>	<b>2</b>	<b>.04</b>	<b>\$ 97,138</b>	<b>12.67</b>
<b>\$5 - \$25,000</b>	<b>24</b>	<b>.47</b>	<b>\$197,676</b>	<b>25.79</b>
<b>Under \$5,000</b>	<b>5091</b>	<b>99.47</b>	<b>\$371,604</b>	<b>48.49</b>
<b>Totals</b>	<b>5118</b>	<b>100%</b>	<b>\$766,418</b>	<b>100%</b>



# Some Common Misconceptions



- **Not Democratic**



- **Not an arms length process**

- **Do as I do**



- **Setting Up the Dominoes**



# What is Major Gift Fundraising?

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- ***Thoughtful*** rather than impulsive
- ***Investment*** rather than gift
- ***Community good*** rather than WIIFM
- ***Values*** rather than duty based
- ***Personal relationships*** rather than mass marketing



# Major Gifts Focus

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- **A list of your top (25, 50, or 100) gift prospects has been developed and is revised regularly.**
- **Leaders and volunteers are regularly made aware of top prospect names.**
- **You are regularly involved in identifying major gift prospects and carrying out strategies for cultivation of top prospect relationships.**



# Major Gifts Focus (continued)

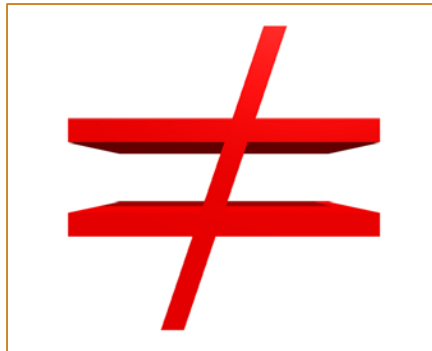
- **Some method for obtaining research information on top prospects exists and research information is available and used to guide cultivation and solicitation activities.**
- **There is a regular effort to identify potential donors and major gift prospects from annual giving, events, and support group donors.**
- **A significant annual giving club exists to encourage regular giving at higher levels.**
- **There is a sustained focus on moving major prospect relationships toward solicitation of major gifts.**





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# Fundraisers/Events?



# Fundraising



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**Events are *a part* of the  
development program...**

**They are not the entire program  
or the most financially productive part.**



# The Importance of Events

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- 1. Involve new donors (relatively low entry level giving)**
- 2. Strengthen relationships with existing donors**
- 3. Opportunity to highlight mission**
- 4. Positive publicity**
- 5. Broad community support**
- 6. Raise money**



# From the perspective of a first time attendee...

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**How much more enjoyable is  
an event that nets \$125,000  
than one that nets \$100,000?**



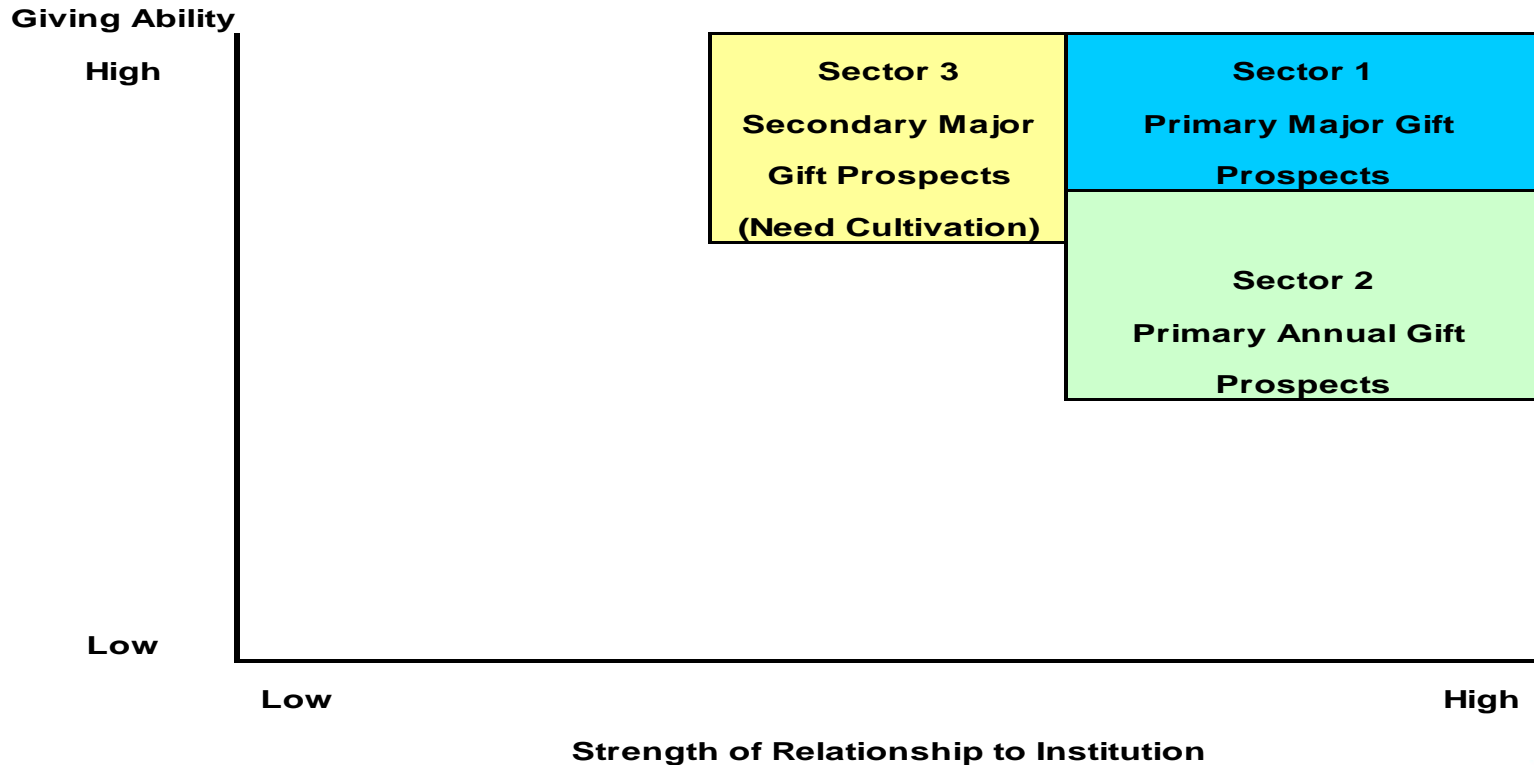
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# Where Do Major Gift Donors Come From?



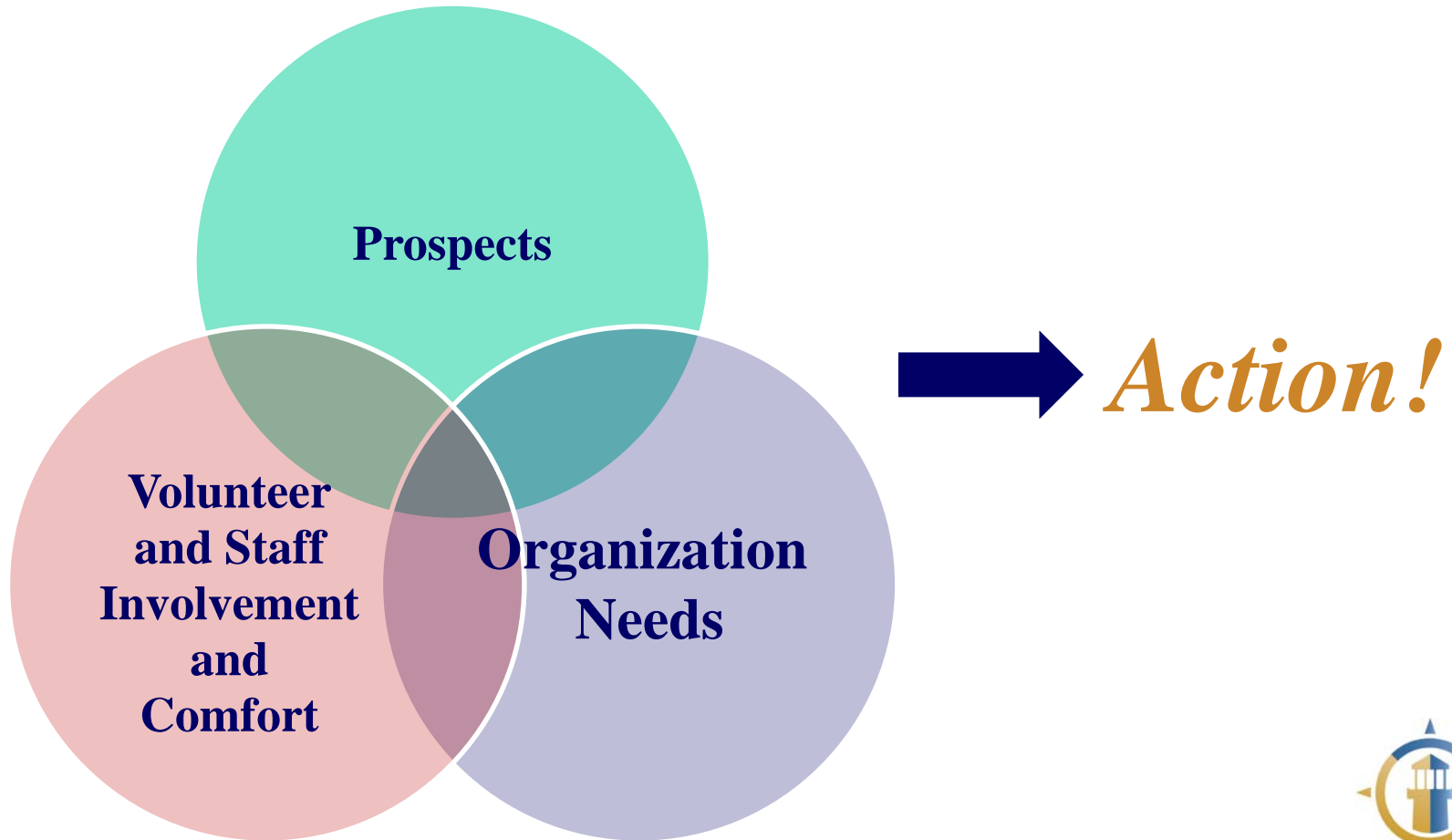
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# Prospect Readiness Grid



# 3 Components for Major Gifts

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# The Role of Volunteers in Philanthropy



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# What Leadership Means

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**Non profit leaders  
must be role models in  
philanthropy.**



# Shared Expectations

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- **Giving**
- **Attendance**
- **Ambassadorship**
  - **Service**
- **Identification & Cultivation**



# Defining Characteristics

	<b>Time</b>	<b>Money</b>
<b>Board Member</b>	<b>YES!!</b>	<b>YES!!</b>
<b>Donor</b>	<b>maybe</b>	<b>Yes</b>
<b>Volunteer</b>	<b>Yes</b>	<b>maybe</b>



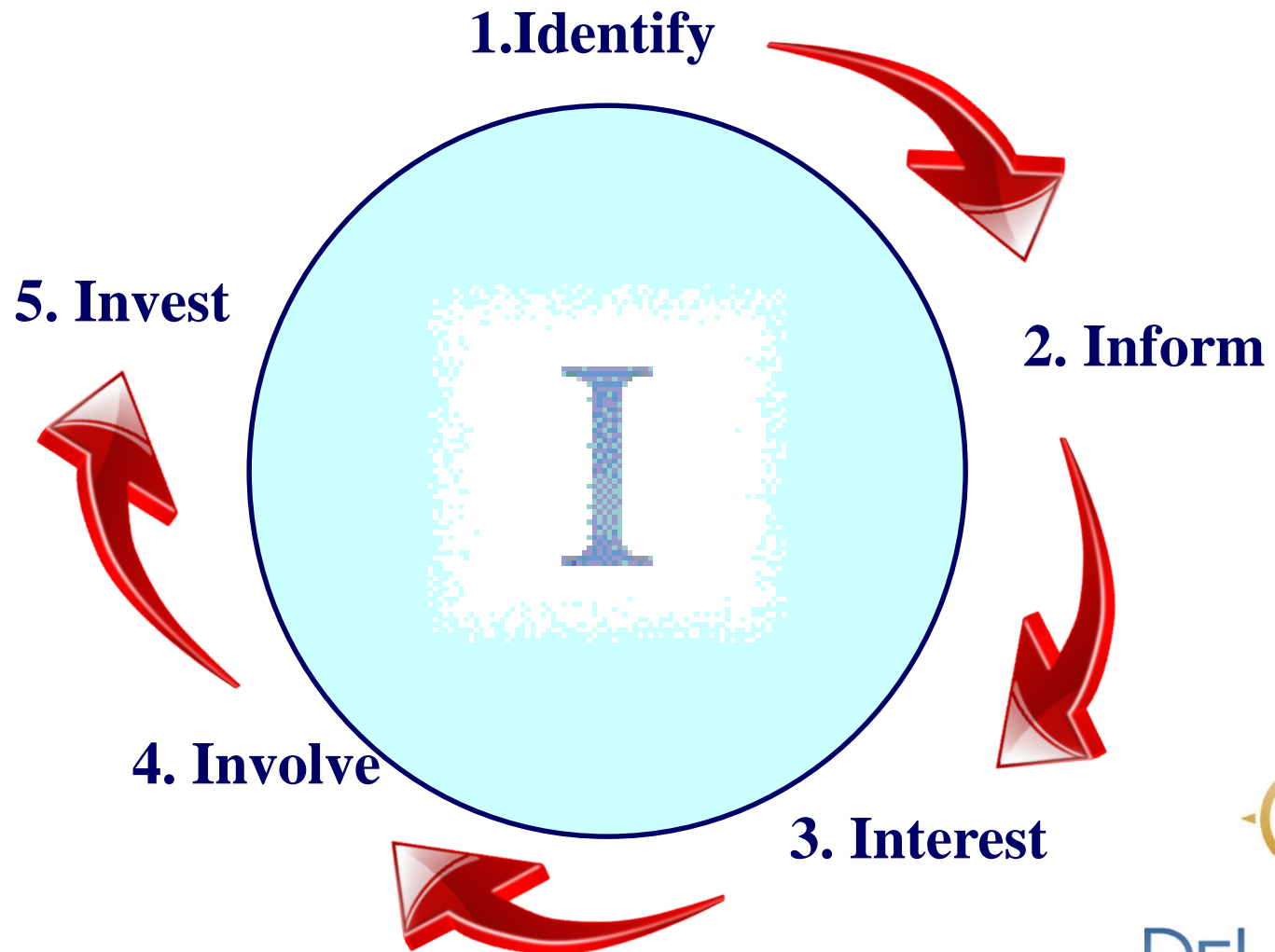
# Why Volunteer Leaders?

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- **Extend staff resources**
- **Expand the philanthropic network**
- **Extend the knowledge base**
- **Are more likely to make meaningful gifts**
- **Bring credibility to the ask**

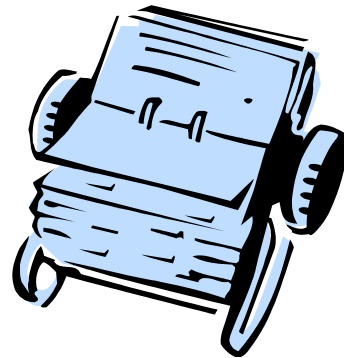


# The Five I's



# Identify

- **Review lists**



- **Provide contacts**





**That was a great party...  
I met three possible donors!  
I have to put them on our list for follow up right now!**



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# Donor Cultivation

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**“Prospect and donor cultivation is the process by which an organization develops new donors and encourages existing donors to strengthen their commitment to the organization.”**

*Dennis J. Murray, Ph.D. - The Guaranteed Fund-raising System: A Systems Approach to Developing Fund-raising Plans.*





# Objectives of Donor Cultivation

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- **Create opportunities to listen to donors**
- **Express appreciation to donors in meaningful ways**
- **Involve donors in the work of the organization**
- **Increase the likelihood of subsequent donations**



# Invite

- **Receptions/Tours**

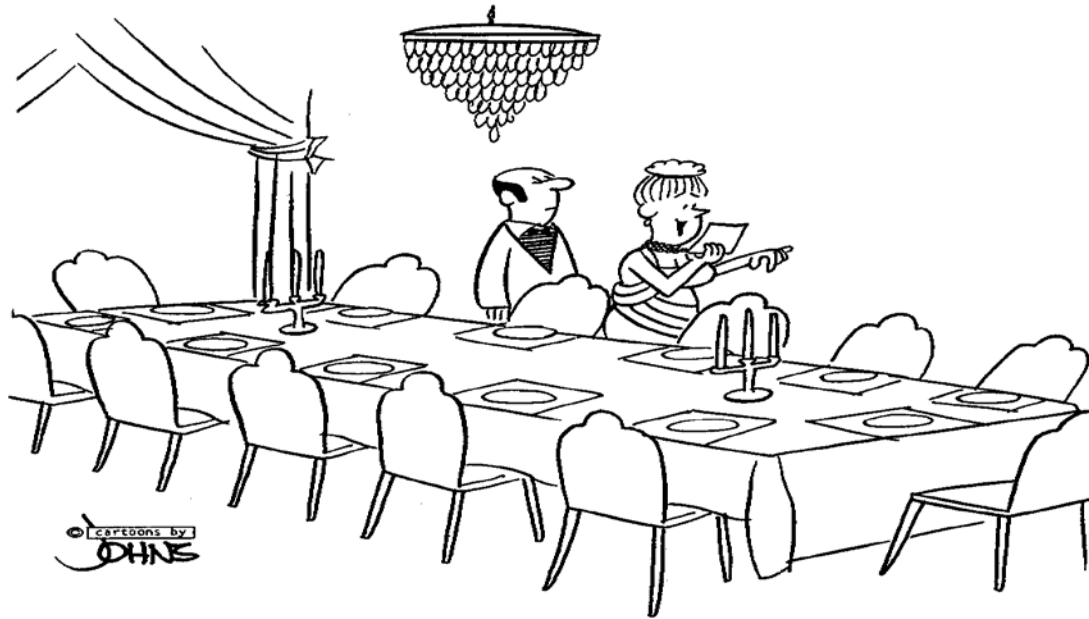


- **Events**



- **Invite Prospects**





*Donor, non-donor, donor, non-donor, donor...*



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# Inform

- **Discussions with friends**
- **Receptions/Tours**
- **Presentations at large gatherings**
- **Speak positively, enthusiastically, and often about the organization and its work**



# Interest

- **Answer questions**
- **Take suggestions**
- **Note and report interest**



# Involve

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- **Serve on committees**
- **Make calls**
- **Host small events**



# What Type of Contacts Build Relationships?

- **Phone conversations**
  - **Letters**
  - **Personal visits**
  - **Tours**
- **Attendance at Events**





# Invest

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- **Make your own gift first**
- **Accompany a professional or other volunteer on a call**
- **“Witness” for the hospital**
- ***Ask!***





# “I’ m afraid to ask...”

- **Most people don’ t give unless they are asked.**
- **People close to the organization expect to be asked.**
- **An invitation, not a sale.**
- **What will be the result if you don’ t ask?**



# Not Asking Insures Failure



*“You miss 100% of  
the shots you  
don’t take.”*

**–Wayne Gretzky**



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# Weak vs. Strong Ask

## Weak Ask

- **No cultivation** (prospect has no understanding of the case)
- **Mail, phone or email ask**
- **Non specific ask** (gift amount or time commitment)
- **Weak or minimal prior relationship to solicitor**
- **Solicitor is not influential with prospect**

## Strong Ask

- **Prospect understands case has a confirmed interest**
- **Ask is in person**
- **Specific request** (amount of gift and/or time)
- **Strong positive prior relationship**
- **Solicitor has power to influence prospect**



# The Culture Of Philanthropy

- **Everyone associated with the organization is part of the ‘development team’**
- **Commitment to mission, vision, and values**
- **An understanding that each interaction with anyone in the community is part of the development process**
- **Everyone thinks ‘development’**
- **Everyone understands the importance and purpose of the organization**
- **New people “feel the culture” when they interact with our organization**



# St. Vincent de Paul Society



*August 30, 2018*

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