THE FIRST MONDAY REPORT

Thoughts on Fund Raising for Campus Ministry

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"WE ARE OPPORTUNITY OFFERERS"

I am recently back in the office following the 25th annual conference of ALDE (Association of Lutheran Development Executives) in St. Louis, Missouri. I have been attending these gatherings ever since I began my advancement work and find them to be a valuable source of information, resources and networks. Millard Fuller of Habitat for Humanity was the latchnote speaker. He did an excellent job of reminding us of God's generosity and of our calling to figure out how to share God's gifts with others creatively and intentionally. ELCA Presiding Bishop Mark Hanson was preacher and worship leader on Sunday morning. As usual Mark was personal and powerful in his presentation of the Gospel. Later in the morning he spent quality time with ELCA folks at the brunch sponsored by the ELCA Foundation, answering questions and commenting on the continuing restructuring process of the church.

What I want to offer you in this month's First Monday Report are some insights from the various workshop leaders at the ALDE conference. Sometimes a key idea or phrase has as much impact for me as reading a huge book. Perhaps that's true for you, too. If so, here are some key thoughts to stir your thinking.

Douglas Lawson, PhD, founding Chairman of Lawson Associates, author of *More Give to Live* and *Volunteering*.

Doug challenged us to get the phrase "fund raising" out of our vocabularies. Instead, he said, pledge to become "opportunity offerers for major gift prospects who want to make the world a better place." In order to do this, we have to stop thinking about "getting the money" and start focusing on what the donor might want to accomplish with his/her life and resources.
A. We will have to inspire people, and we don't do that by talking about what the ministry needs, but about what opportunities we offer for changing the world. We have to make it interesting.
B. People want information, but we probably tell them too much. Can we state the case for our ministry in 7 words or less? In 7 words it can be memorized. Say what you are about simply and powerfully. Give them the information they need and wait with the rest until they ask for it.
C. Be a ministry of integrity. Report back to your donors what you do with the gifts they give. Let them know that they are being managed carefully and that lives are being changed because of their generosity. "What will it cost to change the world?" becomes the question they will ask you if your case is clear, interesting and strong enough.

Asking for a gift of major size takes some time and a solid relationship—with the ministry and often with you or a board member as the representative of the ministry. The process is like a courtship. You don't ask someone to marry you on the first dance of the first date. They need to get to know you and trust you. In fact, Lawson says, it will take as many quality "dates" with a person to receive a gift as there are zeros in the amount you are seeking. So if you're hoping for a $10,000 gift, you will have to have at least four quality meetings—lunch, a visit to the center, participation in a ministry event, time spent with students, etc. And these "dates" should take place over some period of time, lest the donor think we are trying to hustle them and then forget them.

Lawson spent some time talking about who major prospects are these days. He referenced *The Millionaire Next Door*, as he described the qualities of the typical hidden donor: married, conservative, religious, patriotic, live modestly, shop at Wal-mart. Beware of the millionaire who has all the toys, he urged. They are probably leasing most of what you see and are proud of it. Look for those who are more modest in their consumerism, yet care deeply about the church and the larger world.

The "Ask" is really the offer of an opportunity. When you finally sit down with your prospective donor, ask leading questions that invite them to talk about something that interests them. When you finally discover what motivates them, try to offer them an opportunity to fulfill that dream through your ministry. Make the "ask" short and sweet and clear. You may not get a simple "yes" or "no" on this particular date. Try to make another appointment after they have had a brief time to consider your offer. Be grateful for whatever they finally give, because it may lead to another gift later, when they see how you have managed your first gift. If you have helped them change the world a bit, they may trust you to help them do it again.

Christine Zrinsky, Director of Individual and Major Gifts for the Lincoln Park Zoo in Chicago.

Christine's topic was how to piece together the puzzle of annual giving. Here are some important steps to take.

1. Assess your current program. Review all of your activities to see if they are supporting or hindering your annual fund. Ask how current resources are being used. What's working and what needs improvement? Establish policies and procedures to maximize time and investments. For example, are staff doing work that volunteers might do or are you trying to flood your members with mailings and newsletters when a few simple phone calls might accomplish the same thing in shorter time with less cost? Identify areas of growth potential, such as, beginning to work with a few local congregations when you have done all you can with alums.
2. Develop a strategic plan for fund raising. The fund raising goals should support the strategic vision of the organization. These goals should be realistic, but ambitious. Perhaps having monthly goals as a subset of your annual goals will give you more measurement. Develop reports to track results and share them with board members and donors. Determine how to assess success. A strategic plan will help you balance the time spent on new donors vs. relating to existing donors. Part of the plan might also be setting a schedule for contacting particular individuals, so that the contacts don't all get lumped at the end of the year.
3. Practice stewardship cultivation. This means taking care of your donors—those who love you. Have a regular way to communicate with them, at least quarterly. Have a policy about how you are going to say "thank you." Annual events foster loyalty. You might have different ones for different audiences, but each should have purpose and focus. Ask, what will keep donors loyal and engaged? If you use giving clubs, you will need to establish some pattern and tradition before anyone gets too excited about them. Even then, be careful that they don't become exclusive.

4. Board involvement is essential. Be clear to all board members that they are expected to give and they must help raise funds. Ask them to share a list of friends who might support your ministry. Fund raising is really “friend raising.” Utilize a development committee as a subset of the board to oversee your work. Create reports that help your board members understand.
5. Seek input from your donors. Ask them what they want and what the best way would be for them to keep up to date with your ministry. Conduct some research with focus groups. Ask them what they know about your ministry, what they want from it, and how they want to stay connected.

Loren Mead, Founding President of the Alban Institute

Mead’s topic was “Trends in Church Giving.” Much of his presentation you may have heard in other contexts. In fact, the most recent edition of the *Lutheran* has a well-written article on the state of finances in the ELCA and other denominations (March, 2004, pp. 40ff). Here are some trends that Mead notes:

- The cost of operating the average parish is going up faster than the offering plate will allow. Salaries and building needs are lagging behind program expenditures.
- Income per capita is rising, but not giving to the church.
- Per member giving fluctuates over the years, although the trend from 1921 (3%) to 1996 (2 ½ %) is discouraging.
- Benevolence contributions from 1968 to 1998 tend to be flat.
- 60% of ELCA churches are under funded, yet we expect them to carry the benevolence weight along with the other 40%.
- In 1963, 16% of giving by congregation members was passed on to synod and churchwide ministries. By 2002, the percentage had dropped to 5.3%.
- More money in congregations is put into short-term programs than into long-term vision.
- We are increasingly dependent on an aging, declining donor base in congregations.
- Many churches have huge deferred maintenance costs.
- There are no plans to deal with congregations and clergy who will be squeezed out in the next 2-3 decades.
- All institutions are in trouble financially.
- Nobody is talking about it.

While all is not gloom and doom, there are some things that we can do now to provide solutions.

- Stop the conspiracy of silence. Let’s begin to acknowledge that we are in trouble and support each other in these times of struggle.
- Challenge the older generation to be generous in their wills and estate plans.
- Address the educational vacuum that exists with younger donors.
- Address clergy fears about money.
- Get serious about planned giving.
- Learn to use endowments so that they don’t embalm the local congregation.

Mead recommended to the group the following books:

Jonathan Bonk, *Missions and Money: Affluence as a Western Missionary Problem* (Orbis: Maryknoll, 2000)

James Buchan, Frozen Desire: The Meaning of Money (Farrar, Straus & Girouz: New York, 1997)

Rodney Clapp, *The Consuming Passion: Christianity & the Consumer Culture* (Inter-varsity, Downer's Grove, 1998)

Nathan Dungan, *Prodigal Sons and Material Girls: How Not To Be Your Child's ATM* (Wiley: Hoboken, 1003)

Robert Frank, *Luxury Fever: Why Money Fails to Satisfy in an Era of Success* (Free Press: New York, 1999)

Jacob Needleman, *Money and the Meaning of Life* (Doubleday: New York, 1991)

John and Sylvia Ronsvalle, *At Ease: Discussing Money and Values in Small Groups* (Alban Institute: Washington DC, 1996)

Kevin Phillips, *Wealth and Democracy* (Random House: New York, 2002)

Robert Wuthnow, *The Crisis in the Churches: Spiritual Malaise, Fiscal Woe* (Oxford: New York, 1997)

Doug Mason, consulting partner with Gonser, Gerber, Tinker, Stuhr in Naperville, IL, and formerly Vice-president for Development at Wartburg College.

Doug has done about everything there is to do in the world of development. This day his topic was strategic planning. One definition he offered is: "Strategic planning is the process by which the leaders of an organization envision its future and develop the necessary procedures and operations to achieve that future."

We need to "plan to plan," he urges. We are too easily led down any path to any future if we do not envision that future and make specific plans about how to get there. Here are some critical elements of strategic planning:

- Gain commitment from the leadership
- Develop the planning group and choose the chair
- Design the step by step process
- Involve the constituents in visioning and planning
- Set a time frame
- Budget for planning
- Do research and analysis. What do others think about what you propose to do?
- Decide how the plan will be implemented and evaluated

It is important at the outset to know exactly who will manage and drive the planning process. Will it be a subset of the board, an outside consultant or some combination of board, staff and outside assistance? Staff ought not be the key player in driving the process; that's the board's responsibility. A strategic plan is a living, dynamic document that requires continual modification and reality testing. For example, an environmental analysis ought to be done frequently, as you seek to keep abreast of current conditions that will affect your mission and ministry. SWOT analysis (strengths, weaknesses, opportunities and threats) is helpful, but the process is really more than that. For example, you may want to use focus groups to help you examine your decision to tear down your old facility and build a new one. Realize that there are "plans within the Plan," such as technology, facilities, staff costs, etc. You will have to budget and include them in the larger Plan.

Karen Greene, Bentz Whaley Flessner, and Michelle Janssen, Valparaiso University, "The Major Gift Officer's Guide to Prospecting and Research."

The focus of this presentation was on how to do research on potential major donors. Identifying prospects is different from doing research. Prospect identification is what we all do when we read about or hear of a person who has sold a business, made a large contribution or inherited a large estate. We wonder if that person might be interested in our cause or organization. Based on some preliminary information, we decide that, perhaps, we can make a connection between their interests and our mission. When we go beyond that identification, by looking into that potential donor's background, previous giving, etc., we have moved into the arena of donor research.

Prospect research is usually done during the "silent phase" of a campaign, because at that stage we are looking for larger leadership gifts. It is typically not done for annual funds or planned giving. Research is expensive. It may cost at much as $350 per person and take 1 to 1 ½ days to accomplish using professional means. It goes far beyond what is available on a Google search. It will tell you, as far as legally and ethically possible, what a persons assets are, their business and professional relationships, and their stock and real estate holdings. But, in addition to the expense, you should know that this data has a shelf life of about 36 months. Researchers can also provide you with a way to expand your current data base. For example, if you are interested in including "Lutheran physicians living in New York City who belong to the Rotary Club," they might be able to provide such a list—for a fee, of course, and not a small one. You can also purchase mailing lists from a variety of sources, such as members of the Audubon Society or subscribers to Good Housekeeping. What you are looking for in the purchase of such lists is a group of people who have similar interests to those who currently support your organization.

The presenters offered a few Web sites that are often used in research, again most costing some dollars for the actual research information, although an account may be free.

- Lexis-Nexis **www.lexisnexis.com** (2 week free trial)
- Knowx **www.knowx.com** (no cost for account) Good for researching family foundations
- Dun and Bradstreet **www.dnb.com** (no cost for account)
- Guidestar **www.guidestar.com** (no cost for account)
- Big Charts **www.bigcharts.com** (stock, SEC documents and insider trading)
- **www.donorseries.com** (may tell where they have previously given)

If you would like more information about the cost of doing prospect research, you can contact Karen Greene in Minneapolis at **kgreene@bwf.com**