

# THE FIRST MONDAY REPORT

## Thoughts on Fund Raising for Campus Ministry

Office of Lutheran Campus Ministry Advancement  
1407 North Cleveland  
St. Paul, MN 55108

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### E-Giving—The New Wave

Unless you confess to being a complete luddite, you will know that a large majority of transactions these days take place online. Philanthropic giving is no exception. While there will continue to be dramatic changes in what we currently know as the Internet, we are even now on the edge of the new wave of giving—electronic contributions.

First, a disclaimer. The purpose of this First Monday Report is to instigate thinking and investigation about the possibilities of doing online fund raising. It is not meant to be a primer on precisely how to do it or how to configure your Web site. Use it for what it is—an attempt to push your organization beyond the usual fund raising letter into the 21<sup>st</sup> Century of gift solicitation.

Consider these statistics:<sup>1</sup>

- There are more than 140 million internet users 18 years+
- This represents 67% of the US population
- Average use is 8 hours per week for personal use
- Online purchases are made by 81% of users
- 27% of users are under 30
- 41% have income higher than \$50,000

When giving online is examined the following points are made:<sup>2</sup>

- \$250 million was contributed online in 2000, up \$10 million from 1999
- Based on current rates, this amount could approach \$640 million by 2010
- 75% of all dollars raised in 2010 will be influenced by the internet
- Internet donors give higher gifts, approximately \$55 per gift
- Between 40-90% of gifts are from new donors
- Many of these new donors want only e-communications/asks
- 80-90% of internet donors think it's a good idea
- The fastest growing segment of internet donors are 50+, 22% being 64+
- These donors, on average, are married, well-educated, with high incomes
- They are “devout” daily users who purchase online

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<sup>1</sup> Harris Interactive 2002 & 2003, CyberAtlas 2002

<sup>2</sup> Chronicle of Philanthropy 2001

Organizations that currently use online services to secure gifts point to several success factors.<sup>3</sup> First, they provide clearly defined goals and expectations. On the Web there is not the usual opportunity for one-on-one conversation, so the material presented must be clear, concise, and compelling at first read. While there certainly ought to be ways for online readers to e-mail questions and reactions, what they see at first-read will be their primary impression.

Second, they provide outreach via e-mail, such as developing an online newsletter to promote ongoing giving opportunities.

Third, there is a tie to print materials that the organization makes available to those who want more information. Some donors will prefer to have hard copy sent to them rather than going to the expense of printing it from the Web site themselves.

Fourth, they provide a chat room that will allow donors to talk among themselves or some other means to interact with staff of the organization.

Fifth, they design a bulletin board that allows them to post coming events, articles, or information related to current programs.

Sixth, they put a “donate” button on your Web site that will open the door to online giving for your readers. (See suggested Web sites below.)

When considering the design of your Web page, it is important to remember that as few as 10% scroll past the first page if they are casual readers. Although creative graphics are desirable, most read the text before looking seriously at the graphics. Readers tend to jump around to find out what they want. If the site is hard to navigate, or if it is slow or non-functioning, they don’t come back. So create a good first impression—it will be a lasting one.

One of the easiest ways to begin online giving is to set up a pledge page. This consists of a simple online form which allows individuals to enter a pledge amount to your ministry. This is then treated like a phone pledge, which would mean a pledge form sent to the donor with the pledge amount written in. Better yet, pay the person a visit with pledge card in hand. Remember the truism that “people give to people,” meaning that you can’t expect to receive a major gift online from someone you don’t know or have a relationship with. The larger the gift, the more personal contact will be required. You can’t expect to put a few engaging pictures on the Web, add some compelling text, and expect the dollars to come rolling in, anymore than handing out brochures at the local mall would finance your next year’s budget. Yet, this is a start which nearly any ministry can accomplish with some help from a local Web designer.

Most people are becoming more comfortable with using credit cards online through secure sites. There is little or no risk to the organization to provide this service. And from the cardholder’s perspective, most cards are protected by the provider with such language as “In the event that this card is lost or stolen, customer’s liability shall not exceed \$50.00.” The

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<sup>3</sup> Presentation by Ann Thompson-Haas, FAHP, Organizational consultant, Oakland, CA, to ALDE , 2003

real reason that people are hesitant to use the internet for commercial transactions is that it's new activity and it involves finances, like ATM machines 30 years ago. To find out more about this option, talk with your Information Systems manager or your Internet Service Provider (ISP). Or pay a visit to a local organization that uses credit cards and find out how they did it and how they like it. You might want to check out these Web sites: The Nature Conservancy ([www.tnc.org](http://www.tnc.org)), The American Cancer Society ([www.cancer.org](http://www.cancer.org)), or The American Red Cross ([www.redcross.com](http://www.redcross.com))

Some suggest that the Web is a new paradigm that is characterized by the following:<sup>4</sup>

1. **Immediacy.** The expectation from consumers, including donors, that everything will be faster, including messaging, purchasing, and delivery. Think about this in contrast to the old paper newsletters that are usually outdated by the time they reach their destination—not to mention to cost.
2. **Individualization.** The Internet allows you to provide more information that is tailored to specific groups. Internet users expect that *their* interests and preferences will drive your communication with them. Think about a membership service that provides to your donors certain kinds of information packaged in certain ways. It's possible electronically, and relatively inexpensive.
3. **Information.** The new paradigm is built on a never-ending exchange of information that effectively drives the relationship between the organization and the Web reader. It's a loop that keeps on looping. And along the way loyalty deepens.
4. **Integration.** Donors want multiple choices. Therefore, organizations will need to provide a variety of options for inviting gifts. These options will need to be connected and integrated. Think of the importance of linking direct mail, phone messages, e-mail, print, and Web sites. Think about uniformity of message with a multiplicity of faces.

When all this is said and done, the Web site is not much more than a billboard at a busy intersection. To be useful to you as an interpretive tool, it must have solid content and compelling draw. You will have to determine how to use it to invite conversation and build relationships. The Internet is too transformational not to be part of your outreach strategy, but it cannot be the only part.

Michael Stein, who offers a multitude of online fundraising resources, sums it up well. "The time-tested fundraising approaches of face-to-face contact, slow building of relationships, events and direct mail are deep components of most organizations' fundraising programs. The Web is not a replacement for traditional fundraising practices, but rather an important supplement to it. This understanding should reassure nonprofit staff that online fundraising is not some new, arcane science, but a set of practices that are quite familiar and attainable by even the smallest nonprofits."<sup>5</sup>

Finally, here are some Web sites that you can explore to help you think through the process of inviting gifts online. Some good sites will lead you to others. Enjoy!

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<sup>4</sup> "A Web Site is Not a Strategy," Share Group, Inc, 2000

<sup>5</sup> [www.michaelstein.net](http://www.michaelstein.net) "Websites for Fund Raising"

Network for Good [www.networkforgood.org](http://www.networkforgood.org) This is a “charity portal” that will help organizations with meager technology resources to join the online donation revolution. In 2003 Network for Good delivered \$17.5 million to 8,500 charities.

Other sites offering charity portals are:

[www.Helping.org](http://www.Helping.org)  
[www.Charitableway.com](http://www.Charitableway.com)  
[www.4Charity.com](http://www.4Charity.com)  
[www.GreaterGood.com](http://www.GreaterGood.com)  
[www.AllCharities.com](http://www.AllCharities.com)  
[www.eGrants.org](http://www.eGrants.org)

Other Web sites to visit are:

[www.ephilanthropyfoundation.org](http://www.ephilanthropyfoundation.org)  
[www.Gilbert.org](http://www.Gilbert.org) (internet giving)  
[www.Npower.org](http://www.Npower.org) (technology and e-providers)  
[www.Clickz.com](http://www.Clickz.com) (e-marketing and web sites)  
[www.Benton.org](http://www.Benton.org) (general e-philanthropy)  
[www.Techsoup.org](http://www.Techsoup.org) (technology)  
[www.Nonprofitmatrix.com](http://www.Nonprofitmatrix.com) (tech and e-giving)  
[www.nonprofitbasics.org](http://www.nonprofitbasics.org) (a site that provides links and over 3,000 articles and online courses all organized by topic)