

Endowment and Capital Campaigns for Associations and Membership Organizations

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WEINSTEIN'S THEOREM:

Setting Fundraising Goals

$$C = U + \sum_{i=1}^N R_i P_i$$

WEINSTEIN'S THEOREM:

$$C = U + \sum_{i=1}^N R_i P_i$$

C = Total Contributions
Received

WEINSTEIN'S THEOREM:

$$C = U + \sum_{i=1}^N R_i P_i$$

U=Unsolicited Gifts

WEINSTEIN'S THEOREM:

$$C = U + \sum_{i=1}^N R_i P_i$$

R_i = Request Amounts
(Individuals)

WEINSTEIN'S THEOREM:

$$C = U + \sum_{i=1}^N R_i P_i$$

P_i = Probability

(of attaining request)

WEINSTEIN'S THEOREM:

$$C = U + \sum_{i=1}^N R_i P_i$$

N = number of donors

Σ

i=1 (counting from donor 1)

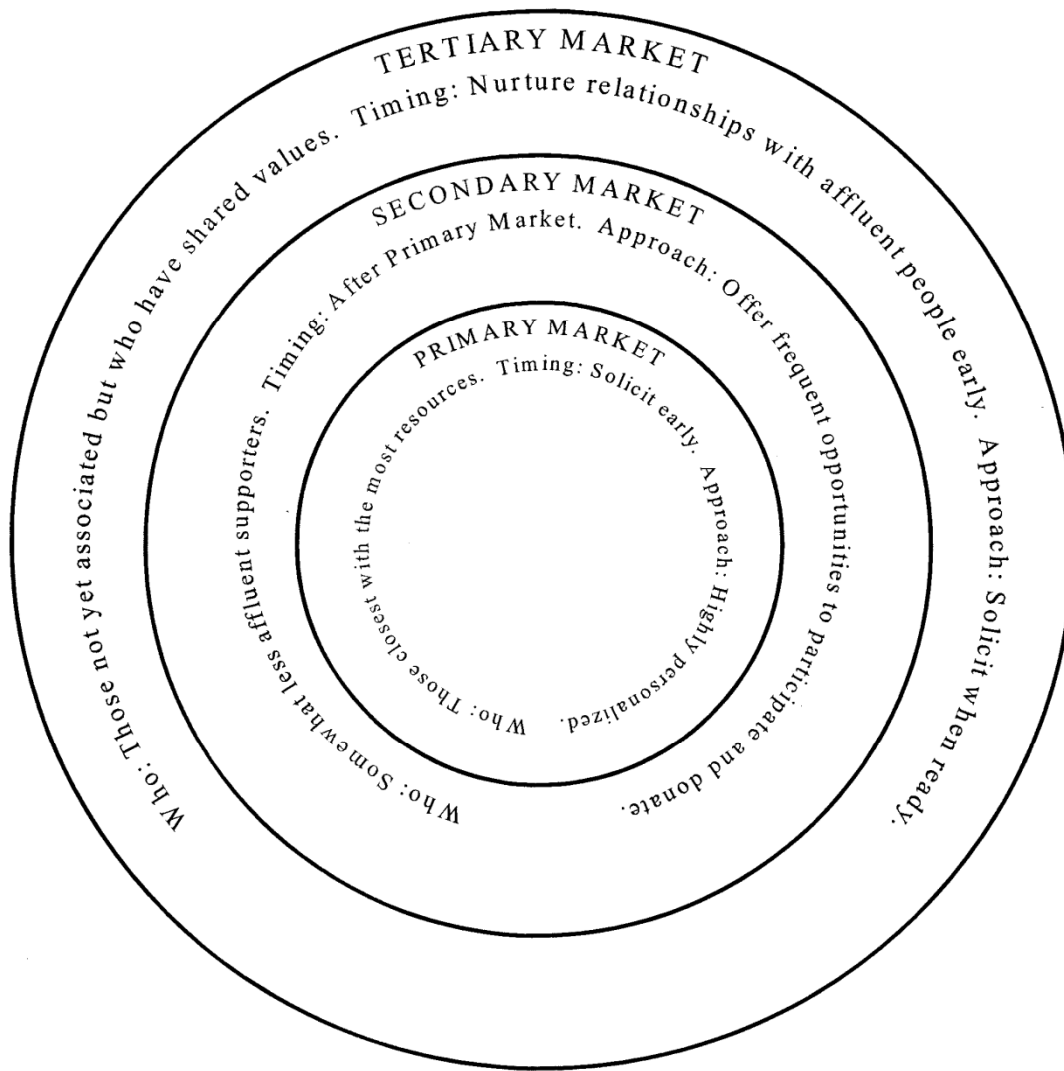
PROSPECT	AMOUNT TO BE REQUESTED	% PROBABILITY OF SUCCESS	VALUE OF SOLICITATION
ABC Corporation	\$5,000	80	\$4,000
M/M Gotbucks	10,000	20	2,000
Mega Foundation	150,000	60	90,000
Etc. (Many lines, many prospects)			
Total Requested	\$X,XXX,XXX		\$XXX,XXX (Amount List is Most Likely to Produce)

SO WHAT?

Some lessons of Weinstein's Theorem:

CULTIVATION AND RELATIONSHIPS ARE EVERYTHING!

- People who are closer are more likely to give unsolicited gifts (U)
- The more people who are close, the larger the field of play (N)
- It pays to cultivate anyone, but especially the people with the largest resources (R)
- The closer people are, the likelier they are to respond to a request (P)
- The more people who you can bring close to you, the more you raise. QED!



The 80-20 Rule

In a typical fundraising effort
80% of funds raised . . .

come from 20% of the donors

BUT . . .

In today's climate many campaigns
are succeeding with a 90-10 ratio

Guaranteed failure

The way to absolutely guarantee failure is to ask everyone for the same gift.

*“If we just ask 300 people to each give us \$1,000,
We’ll reach our goal in no time!”*

Sample \$3 million campaign

Number of Gifts	Investment Level 3-year pledge period	Annual Amount	Value
1	\$750,000	\$250,000	\$750,000
1	500,000	166,666	500,000
1	250,000	83,333	250,000
4	100,000	33,333	400,000
5	50,000	16,666	250,000
10	30,000	10,000	300,000
15	15,000	5,000	225,000
20	7,500	2,500	150,000
25	5,000	1,666	125,000
50	1,000	333	50,000
132			\$3,000,000

Why people give

- It feels good
- They believe in the cause and in your **PLAN**
- A person they like or respect is asking for the gift
- They may have personal experience with the organization and its work
- Tax benefits

Chronological Steps

- Develop a case for support.
- Strengthen your information system.
- Identify & research prospects.
- Determine request amounts & volunteer assignments.
- Nurture positive relationships.
- Train staff and volunteers.
- Solicit major gifts.
- Be generous in acknowledgment.

The Case Statement

- To donors, *institutions* do not have needs. *People* do. The case statement is a compelling articulation of who is being served & why your organization merits support. It is vital to the fundraising process.

Targets & Formats

- Tailor presentation materials to specific markets and to individuals.
- The case statement can exist in many formats: 4 to 9-page personalized formal case statements; 1 or 2-page versions; video & CD case statements; slide show; other group presentations.

Prospect Research Focus

- Prospect's relationship to our organization
- Prospect's interests & hobbies
- Networking--who in our organization is close to the prospect?
- Prospect's capacity to support our organization (net worth & challenging request amounts)

Major Gift Preparation

- Prospect identification, research & cultivation
- Ratings & evaluation: request amount, gift opportunity, solicitor assignment
- Materials preparation
- Training & orientation
- Volunteers make their financial commitment
- Staff & volunteers work together to secure appointments.

Sample Prospect Rating Form

Staff fills in 300–400 names prior to the Volunteer review

VOLUNTEER'S NAME _____

Donors & Prospects Name/Company	Maximum Capacity	Interest in Our Organization	Your Relationship	Willing to Visit?
Mr. Ronald P. Abelson				
Mr. Thomas N. Ackerly				
Dr. & Mrs. Arthur Q. Adelle				
Mr. & Mrs. Harry B. Allen III				
American Widgets, Inc.				
Mr. Stanley W. Ammson, Jr.				
Aphorism Industries Paul Epigram, President				
Mr. & Mrs. Robert O. Baxter				
Mrs. Evelyn T. Carter				
Harold Charles, Esq.				
Mr. & Mrs. Russell Clinett				
Mr. & Mrs. Steven Damit, Jr.				
Mr. & Mrs. William Derby				
Mr. & Mrs. Frank Desstitute				

PLEASE USE THE FOLLOWING KEYS WHEN FILLING IN THE FORM

MAXIMUM CAPACITY

(Base Solely on Prospective Donor's Means)

Enter number 1 to 8 based on your best guess. Leave blank only if you have no knowledge whatsoever.

- 1 \$300,000 or more 3-year pledge (100k a year)
- 2 100,000 or more 3-year pledge (33k a year)
- 3 75,000 or more 3-year pledge (25k a year)
- 4 30,000 or more 3-year pledge (10k a year)
- 5 15,000 or more 3-year pledge (5k a year)
- 6 7,500 or more 3-year pledge (2.5k a year)
- 7 3,000 or more 3-year pledge (1k a year)
- 8 Less than \$1,000 a year pledge potential

LEVEL OF INTEREST IN OUR ORGANIZATION—AND PHILANTHROPIC TENDENCY

Enter letter A through E based on your best guess. Leave blank if you have no knowledge of prospect.

- A High level of interest in ABC Not-for-Profit
- B Moderate level of interest (probably donates or attends organization activities)
- C Low level of interest but with potential for cultivation (doesn't give or participate yet but is interested in the goals of the organization)
- D Little known interest in the goals of the organization but has demonstrable civic pride
- E No interest and no concern for community

YOUR RELATIONSHIP TO PROSPECT

Enter number 1 to 5 to indicate the phrase that best describes your relationship.

- 1 Best of friends, relative, or close business associate
 - 2 Acquainted and friendly
 - 3 Met once or twice
 - 4 Never met
 - 5 Hostile relationship
-

Compiled Prospect Rating Form

Name/Company	Maximum Capacity	Interest in Organization	Your Relationship	Willing to Visit?
Mr. Ronald P. Abelson				
Mr. Thomas N. Ackerly	6(Carr) 5(Harrison)	B(Carr) C(Harrison)	2(Carr) 2(Harrison) 3(Hagard) 2(Mitchem) 2(Whitt)	
Dr. & Mrs. Arthur Q. Adelle	4(Carr) 3(Herring)	D(Herring)	2(Carr) 2(Hagard) 2(Herring)	
Mr. & Mrs. Harry B. Allen, III	7(Carr)		3(Carr) 3(Hagard)	
American Widgets, Inc.	2(Harrison)	C(Harrison)	2(Harrison) 3(Hagard)	
Mr. Stanley W. Ammson, Jr.	7(Liddy) 8(Mitchell) 8(Carr) 8(Harrison)	C(Liddy) C(Mitchell) C(Harrison)	2(Liddy) 2(Mitchell) 2(Carr) 2(Harrison) 3(Hagard) 2(Michel II)	Y(Mitchell) Y(Carr)
Aphorism Industries Paul Epigram, President	1(Liddy) 2(Carr) 2(Hagard)	B(Hagard) A(Liddy) A(Carr)	2(Hagard) 2(Liddy) 4(Carr)	
Mr. & Mrs. Robert O. Baxter				
Mrs. Evelyn T. Carter				
Harold Charles, Esq.				
Mr. & Mrs. Russell Clinett	8(Harrison)	C(Harrison)	2(Harrison) 3(Hagard)	
Mr. & Mrs. Steven Damit, Jr				
Mr. & Mrs. William Derby				
Mr. & Mrs. Frank Desstitute	8(Liddy)	D(Liddy)	5(Liddy)	

How to Ask

- Team visits work best
- Steps
 - Build rapport
 - State the Case
 - Ask involvement questions
 - Listen & respond appropriately
 - After the prospect says something positive, ask for the commitment

After the Ask

- SILENCE! -- Wait for the prospect to respond.
- Respond appropriately to the “Yes,” “No,” or “Maybe.”
- Do not offer to leave the commitment card.

Follow-up

- Write a thank you note for the visit immediately (both volunteer and staff)
- Let volunteers know how and where call reports and commitments are handled.
- Explain the importance of recording follow-up steps and dates.
- Acknowledge pledges ASAP -- thank you letter sent in 48 hours -- never longer than 5 business days.
- Keep donors informed & involved.

WEINSTEIN'S THEOREM

(One More Time!)

The sad story of the demise of Weinstein's Theorem points to your case for support at AIP:

- The importance of STEM curriculum
- Pride of Profession
- America's economic growth and international competitiveness



Thank You!

Q & A

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Capital Campaigns & Capacity Building Services for Non-profits

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