What Every Trustee Should Know About Independent School Fundraising

CAIS Governance Conference
September 24, 2016

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Assistant Headmaster for Advancement
The Hun School of Princeton
Today we will:

- Gifts 101:
  - Annual
  - Capital
  - Endowment
  - Planned

- The Four Pillars of Successful Fundraising

- 10 Rules for Trustees Involved with Development
The Fundamentals

- Annual Fund - *The First Priority*
  - Supplements the operating budget *(Pledges paid by June 30)*
  - 3%, 5%, 12%?
    - The “black hole”
    - What if we thought of it as endowment income?
  - Steady growth needed – to keep up with costs
  - Broad participation is important – but most of the money comes from a small percent.
  - Generally… *unrestricted*
The Fundamentals

- **Annual Fund** - *Benefits other than financial…*
  - Sustainable, long-term support
    - Repeatable gifts…
  - Builds the “habit” of support among alumni
    - 3 years in a row… 50% chance he/she will give *every* year
  - “Farm Team” - for future top volunteers
  - Grateful and generous constituents “self identify”.
  - Engenders a sense of broad ownership for the your institution – and its future.
The Fundamentals

- Capital Gifts
  - Above and beyond the operating budget
  - Often large, but not necessarily
  - Spent
  - Buildings, equipment, special needs
  - Generally - one-time need
Endowment Gifts

- Generally larger gifts
- Often bequests and planned gifts
- Invested - small percentage spent each year
  - “Spending rate” – 3%-5%
  - Supplements operations
- Restricted and Unrestricted
- Opportunity for future gifts
- Safety net
The Four Pillars of Successful Fundraising...

1) The “Case” for support
   - What, why, how much and by when
   - Broadly understood and endorsed

2) Leadership and Volunteers
   - Who will work and “own” the plan’s success?

3) Development Staff support
   - “Air Traffic Control”, organization, information, and encouragement

4) Prospective Donors
   - Trustees – all in
   - Others - Identified, qualified and cultivated
Rule #1 - Keep your eye on the ball…

- The majority of funds will come from very few sources.
  - Identify, cultivate and involve them
- Engage top prospects early!
  - In the school’s vision and plans
- Achieving campaign objectives must be their project and their passion
- Trustees and the Head should focus their energies on securing the top gifts.
- Individual strategies!
## Keep Your Eye on the Ball!

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Trustees should focus their energy here.
Rule #2 - You already know your major donors – with a possible exception or two...

1. “We can’t keep going back to the same people.”
2. Let’s look at foundations…
3. What about new parents?
4. These people who never give, it’s their turn now.
The Top 25 Campaign Gifts…

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|       |        |    |    |    |      | 17  | 12    | 9     | 4     | 7     | 1     | 50   | $35,374,672 |
Rule #3 - Face-to-Face Relationships

- If it is important, you would go see him/her – wouldn’t you?
- No Sideline Solicitations…
- Dinners for 20 aren’t the answer.
- Philanthropic individuals expect to be contacted by the development program
- *Individual* strategies!
In looking back…

- It’s all about RELATIONSHIPS.
- Donors are inspired by vision, not needs.
- Don’t get too caught up in the dollar goal and campaign statistics.
- Having a successful campaign isn’t why they are volunteering or giving.
- How will his/her support make a difference for students and teachers?
Why do they give?

- To do good.
- To pay back.
- To support the vision/the cause.
- They know and believe in the people associated with the cause.
- To join with others they respect
- They are **needed** - to make a difference.
Rule #4 – Most of the work will be done by a few volunteers, HOS and advancement staff.

“In order for the campaign to be a success – every trustee – must be involved with asking for money.”

Not necessarily…
But every can help...

There is a comfortable place for every trustee and campaign volunteer.

- Identifying
- Introducing
- Interesting
- Informing
- Involving
- Investing
People support organizations they know.

- **Identified** – The organization knows who you are.
- **Introduced** – You have been introduced to some of the leaders.
- **Interested** – You have a particular interest in some aspect of the organization or its work.
- **Informed** – You are knowledgeable about the organization’s purposes and priorities. You have “inside” information.
- **Involved** – You are involved.
- **Invest** … Your help is needed, and you want to help.
Rule #5 - To maximize success, you’ll need to spend some money.

- Advancement Office: Revenue center vs. expense
- Consider your competition – how do you compare?
- “Mom and Pop” doesn’t inspire confidence. Find the balance.
- What is the cost of not doing the job well?
Rule # 6 - There will be surprises.

- Good and bad
- Don’t be too influenced by either…
- Measure success in the aggregate - over time
- Spend time with those who are grateful
- Success will not be linear
Rule #7 - It will take longer than you think.

- Your agenda/timetable vs. the donor’s or volunteer’s
- The tyranny of, “Arbitrary Deadlines”
- Maintain flexibility
- It’s all good… staying positive
- It’s not just about the money.
Rule #8 — Prospects - you’ll never know everything - but you can know a lot.

- Screening lists with your campaign leaders and other volunteers
- Past giving to your school. Gifts to others.
- Electronic screening
- Talk to the prospect – it’s about relationships.
Rule #9 - You already have the tools.

- For lack of knowing everything, we sometimes do nothing. “Paralysis by Analysis.”
- People don’t give to brochures, case statements, or needs – they give to people and vision.
- If you are committed, it shows. The rest is mostly window dressing.
Rule # 10 - Remember the Team

- Everyone can’t be the chef.
- Even experts need training.
- If, as a trustee or volunteer you have a great idea, concern, or worry, bring it up before the big meeting.
Asking....

It is less about *asking*,
and more about *believing*

that your cause is important enough
to talk about with others.
What is your message about your school?

Why are you involved?

What do you believe?

Why is this important?

What makes you believe your school is worthy of support?
Good Luck
and
Thank You

Andrew C. Hamlin
Assistant Headmaster for Advancement
The Hun School of Princeton