**OCIC Money Talks Issue 1 – Determining Your Best Fundraising Strategy (Accessible Word Format)**

*Cover (Page 1)*

[IMAGE (left): Money Talks Logo – Circular icons in varying shades of blue and green interconnected by dotted lines. Icons include a lightbulb, a piggy bank, and a hand receiving coins]

**Money Talks Issue 1: November 2016**

[IMAGE: OCIC Logo – OCIC in green interconnected letters above the text “Ontario Council for International Cooperation”]

**Determining Your Best Fundraising Strategy**

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[IMAGE (top left): Money Talks Logo]

Money Talks is OCIC’s take on innovative solutions for common funding challenges faced by international cooperation organizations. Visit ocic.on.ca/moneytalks to learn more.

**In This Issue**

[IMAGE: Blue lightbulb icon] Why Money Talks? Why Now? (Page 3)

[IMAGE: Green hand receiving coins icon] Determining Your Best Fundraising Strategy by Ken Wyman, CFRE (Page 4)

[IMAGE: Blue piggy bank icon] 5 Reasons to Fund Small and Medium-Sized Organizations (Page 7)

[IMAGE (right): Several Canadian coins, with a Canadian 2 dollar coin on top. Caption “Canadian coins. Photo by [KMR Photography](https://www.flickr.com/photos/morbokat/16454450011/in/photolist-r52mHZ-k6jE7s-aWiByz-fCTbwZ-mWMBBw-dsxP1J-pfDhSx-mMhajp-4nmZPi-ZRq8-7cUQZM-e1cuEY-qLsd9R-r4xVaT-qMBmnm-k4FFA9-buoe7Q-LfMDD-nq1SsD-r3UPm2-ncvUa6-nvMrui-r4oSbR-pyFeUF-otD4jL-aagPZR-nb2jG6-mWNbwE-nbuUDh-8UwqQB-Ec6CF7-qLtXi2-r2fzUf-q6Uf2f-8AxZYh-e6MGuq-DJ81nw-EsB8-r2T3Q7-nui17M-be5XWD-GcaNmW-pDUNN7-9Npfbz-bWsoCS-jpNpdJ-kZbBQh-7F6PNx-hQ6SLs-62QF3A/). CC Licensed.]

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[Background Image: Black and white photo of several Canadian 1 cent coins]

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**Why Money Talks? Why Now?**

Non-profit and charitable organizations in the international cooperation sector in face perennial funding challenges. Some small volunteer-run organizations are shut out of major funding pockets and struggle to cover their basic expenses, while some larger organizations struggle to diversify their funding base. One of the most frequent questions from OCIC members is how to successfully navigate Canada's funding landscape

Enter Money Talks. In this series we will cover funding challenges and how to overcome them through contributions by Ken Wyman, Certified Fundraising Executive and Professor of Fundraising at Humber College, as well as other influencers in the fundraising field.

Money Talks is meant to connect OCIC members and partners in the international cooperation sector to ideas of influencers in the field of funding and fundraising. It will review funding basics and provide case studies, resources and helpful links to jump-start the creative thinking needed to meet your funding goals.

Money Talks Issue 1 focuses on determining your best fundraising strategy. It also shares key findings from Small and Medium-Sized Civil Society Organizations as Development Actors: A Review of Evidence, released by the Inter-Council Network of Provincial and Regional Councils for International Cooperation (ICN) in May 2016. This study provides an overview of the SMO funding landscape and makes the case for more support for SMOs as development actors.

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**DETERMINING YOUR BEST FUNDRAISING STRATEGY**

[IMAGE: Photo of Ken Wyman, man with white hair and beard, wearing black rimmed glasses]

By Ken Wyman, CFRE

[TWITTER BUTTON: Follow [@KenWyman](https://twitter.com/KenWyman)]

[BUTTON: Once clicked, leads to bio of Ken Wyman]

If your organization is like most in the international cooperation sector, you need more funding so your programs and projects can be stable and secure. You also likely have limited resources available for funding, not much money, few volunteers or board members who are interested in fundraising, limited staff, and not much time. So what is the best fundraising strategy for your unique situation?

A good fundraising plan will recruit, retain, renew, revitalize and reward donors, which ensures a sustainable source of revenue. Although there is no one-size-fits-all fool-proof answer, this article and the others in this series will help you avoid known traps and make wiser choices.

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| **Information Box (Blue Background)**[IMAGE (left): Lightbulb icon] **Did You Know?** Small and medium sized international cooperation organizations rely on individual donations for up to 67% of their total funding. **Direct mail is one of the most effective ways of raising funds from individual donors.**[IMAGE (right): Photograph of a black mailbox with silver trim, with the number 43 in silver trim on the side. The flag is raised. In the background is a house surrounded by trees and leaves] |

DO SOME RESEARCH TO FIND OUT WHO GIVES, AND HOW MUCH

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| **Information Box (Green Background)****Sources of Revenue**[IMAGE (left): Building with columns]**Government funding – 49%**Earned Income – 31%Individuals – 11%Fees – 5%Other Charities – 2%Corporations – 1%Foundations – 0.5%*The figures given are averages, not goals. You may get far more or far less from any of these. The figures do not include non-profit groups.* [*Learn more*](http://www.statcan.gc.ca/daily-quotidien/040920/dq040920b-eng.htm)*.*  |

The true sources of revenue for all Canadian charities surprise many people. Here are some facts to jumpstart your research.

• Government funding is the largest source of revenue for charities, followed by earned income.

• Corporations give a much smaller proportion than most people imagine, and it is even less for the international cooperation sector, because corporations primarily give to charities where their employees and customers live. Foundations also give less than expected. They give almost exclusively to registered charities. Revenue from other charities is more than corporations and foundations combined.

Fees and earned income account for 36% of revenue. This refers to the tickets that arts organizations sell to concerts, galleries and museums, as well as tuition for schools, rent in non-profit housing, and hospital parking lot fees. It also includes bake sales, sales of Girl Guide Cookies, calendars, UNICEF cards and fair trade products, conference admissions, and "virtual gifts" like goats. Membership fees, interest on investments, and revenue from lotteries and other gaming complete this category.

• International cooperation organizations do best with government funding, mass market appeals, monthly giving, and support from other charities, foundations and unions. In fact, the ICN's recent study shows that small and medium-sized international cooperation organizations rely on individual donations for up to 67% of their total funding. Most do not get much revenue from corporations, special events, major individual donors, or fees and earned income.

IN ORDER TO MAKE MONEY, YOU HAVE TO SPEND MONEY

When an organization is trying to find new supporters, it might lose money at first. This is short-term pain for long-term gain. This ‘friendraising’ phase only pays off if most of the people you contact give again and again. Fortunately, most do.

The good news is that there are fundraising methods that both cost less, and return more. Here are the

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| **Table: On average, you spend 26 cents to raise $1** |
| **Method** | **Cost to raise $1** |
| Direct mail acquisition | 90¢ to $1.25 |
| Special events | 50¢ |
| Product sales  | 35¢ |
| Telephone solicitation | 32¢ |
| Planned Giving | 25¢ |
| Gaming  | 23¢ |
| Direct mail renewal  | 20¢ |
| Corporations/Foundations | 20¢ |
| Capital Campaigns | 10¢ to 20¢ |
| Workplace giving | 7¢ |

[IMAGE (right): Several silver Canadian coinsCaption: “Canadian coins. [Photo by KMR Photography](https://www.flickr.com/photos/morbokat/16454450011/in/photolist-r52mHZ-k6jE7s-aWiByz-fCTbwZ-mWMBBw-dsxP1J-pfDhSx-mMhajp-4nmZPi-ZRq8-7cUQZM-e1cuEY-qLsd9R-r4xVaT-qMBmnm-k4FFA9-buoe7Q-LfMDD-nq1SsD-r3UPm2-ncvUa6-nvMrui-r4oSbR-pyFeUF-otD4jL-aagPZR-nb2jG6-mWNbwE-nbuUDh-8UwqQB-Ec6CF7-qLtXi2-r2fzUf-q6Uf2f-8AxZYh-e6MGuq-DJ81nw-EsB8-r2T3Q7-nui17M-be5XWD-GcaNmW-pDUNN7-9Npfbz-bWsoCS-jpNpdJ-kZbBQh-7F6PNx-hQ6SLs-62QF3A/). CC Licensed”]

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**USE THE FUNDRAISING PYRAMID MODEL TO TARGET THE RIGHT DONORS AND MAXIMIZE LONG-TERM RESULTS**

The fundraising pyramid model focuses attention on long term results. Here’s an overview of each level, from bottom to top, to give you an understanding of different levels of donor commitment.

[IMAGE: Arrow pointing upwards from bottom of pyramid to the top – Build from Bottom to Top]

**The Public:** It is best not to focus on how to get support from “The Public”. Sadly, 25% of Canadians don’t donate to non-profits at all. Another 50% give, but their donations are so small that they do not make a real difference. Only 25% give enough to matter, and of those who give, most don’t donate to international cooperation efforts. Of the 3% or so that do, they may be giving to other groups and are not yet ready to support you.

**Prospective Donors:** A good plan includes a strategy to acquire new donors from those who are pre-disposed to donate to international cooperation organizations. Every year current donors stop supporting non-profits. A non- profit organization that does not add new donors will founder in just a few years. The loss of current supporters, called the attrition rate, is often from 10% to 50% each year. Attrition in international cooperation organizations is highest for disaster response. Check your data to answer these questions:

• What is your attrition rate?

• Do you add new donors faster than you lose old ones?

• What is your budget for prospecting?

**First Gift:** Only one in 100 prospects may donate. A reply rate of 1-2% is normal when asking for support from people who have not supported you in the past. You may barely break even and might even lose money at this investment stage. This is "friendraising," not fundraising.

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| **Information Box – Blue Background**[IMAGE (left): Blue Lightbulb icon]"The best measurement of fundraising success is not how much money you make from any one campaign, but how well you develop donors." |

**Renewal:** Before spending a lot finding new supporters make sure you have a system to welcome, retain and renew them. Getting the second donation is critical. Most nonprofits lose 40-60% of first time supporters, and for disaster relief groups this can be well over 90%. The secret of renewal is to quickly and warmly thank donors, and to ask them to give again soon. The best thank-you packages go out within 48 hours of the gift, make donors feel appreciated, report on how donations are used, and seek additional information about the donor so appeals can be customized. While there is ongoing debate about asking for another gift in the thank-you letter itself, asking again in six to twelve weeks keeps the momentum building in this new relationship.

**Regular Gifts:** Ask everyone on your house list to give three to seven times a year (or more) in order to get at least 60-80% of them to give at least once. The exception would be those who have enrolled as monthly donors. If people in your organization are concerned about asking too often, compare the number of complaints to the number of gifts, and make it easy for donors to choose to be on a ‘once a year only’ list. This primarily applies to individual donors. Corporations and foundations may not give annually.

**Monthly Gifts:** Monthly giving is the most reliable source of revenue. Donors give more, and continue giving longer. Over three to five years your goal should be to sign up 15-30% of your donors. Charities that offer child sponsorships and similarly strong bonds of affiliation have over 90% of donors on monthly giving, often for 15-20 years.

**Gift Clubs:** Upgrading donors can be your easiest source of more money. Create “Gift Clubs” that offer low-cost incentives, such as artwork, books, private receptions with interesting people, trees planted in the donor’s honour, or plaques and certificates of appreciation.

[IMAGE (right): Hand holding Canadian Coins. Caption: [Photo by Daveynin](https://www.flickr.com/photos/daveynin/14908710150/). CC Licensed]

Here is one way to find those very generous people. Gather your board and top volunteers, and ask who they know. To stimulate their thinking, ask them about potential major donors based onoccupational groups. One study by Canada Revenue Agency revealed the jobs of the people who claimed the most charitable donations as a percentage of their income. The answers are surprising, but chances are good some of your donors and contacts fit these categories.

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| **Information Box – Blue Background**“**Do you know any accountants?** According to the CRA, accountants give the highest percentage of their income to charity compared to other professionals.” |
| Accountants | 1.98% |
| Farmers | 1.83% |
| Doctors | 1.45% |
| Lawyers | 1.37% |
| Dentists | 1.36% |
| **Canadian Average** | **0.66%** |

[IMAGE (left): Green calculator icon]

**Planned Giving:** Planned giving is the top level of the pyramid. Remind your donors at least once a year that a gift in their will is an effective way to leave a legacy of caring. In your newsletter, tell stories about donors who have done this already (perhaps a board member would lead the way). While the revenue from bequests is unpredictable, it can be substantial.

The best measurement of fundraising success is not how much money you make from any one campaign, but how well you develop donors. Relationships for long-term support matter more than short-term money.

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**CHOOSE YOUR METHOD**

One secret of success is to stick with proven, reliable fundraising methods to reduce risk. Here is a brief overview of four such methods. Remember, it is best to build on your core strengths before exploring new, untested possibilities.

[DOWNLOAD CHART HERE: <http://www.ocic.on.ca/sites/default/files/files/DETERMINING%20YOUR%20BEST%20FUNDRAISING%20STRATEGY%20CHART.pdf>]

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[BACKGROUND IMAGE: Faded map of the world with countries in green, oceans in grey. Text is centred in a white box on the page]

**5 REASONS TO FUND SMALL AND MEDIUM-SIZED ORGANIZATIONS**

*Small and Medium-sized Organizations (SMOs) are crucial development actors that deserve more support*

[BUTTON: Download symbol (cloud with arrow pointing downward) Text: DOWNLOAD THE REPORT. Hyperlinks to: <http://ocic.on.ca/content/study-smos-their-operations-funding-and-impact#overlay-context>=]

In 2015, Global Affairs Canada (GAC) adopted the [*International Development and Humanitarian Assistance Civil Society Partnership Policy*](http://www.international.gc.ca/development-developpement/cs-policy-politique-sc.aspx?lang=eng) in which they noted that “the great diversity within civil society in Canada is also a significant strength that helps respond in innovative ways to the needs of those living in poverty. [Global Affairs Canada] recognizes this strength and is committed to supporting CSOs of diverse sizes and scale, sector and region.”

SMOs in Canada represent this diversity and strength, yet can face unique challenges in accessing funding opportunities. While SMOs in general devote a larger percentage of their resources to overseas activities, they are more likely to depend on direct donations from Canadians to support their programs, and are less likely to be able to access grants and government funding.

While the international cooperation sector awaits the results of Canada's 2016 International Assistance Review, it is a good time to reflect on how SMOs achieve development effectiveness – and why they deserve access to funding. Here are 5 reasons SMOs deserve more funding.

 1 | SMOS EXCEL AT BUILDING MULTI STAKEHOLDER PARTNERSHIPS

SMOs do exceptionally well at fostering multi-stakeholder approaches for their initiatives, with a focus on building long-term relationships. This is key to leveraging expertise, mobilizing resources, and building public support for international cooperation. The [Nova Scotia Gambia Association](http://novascotiagambia.ca/) has worked closely with numerous partners in Canada, such as Dalhousie University, St. Mary's University and Mount St. Vincent University, as well as multiple partners in the Gambia, including the government. This has allowed them to effectively engage Gambian and Canadian youth in education and health initiatives to promote healthy communities in the Gambia and other parts of West Africa.

2 | SMOS BUILD CAPACITY OF THEIR LOCAL PARTNERS

Many SMOs emphasise building the capacity of their local partners by drawing on both local knowledge and Canadian expertise. Some, like [Equitas](https://equitas.org/en), an organization that works to advance human rights, structure their programming to ensure that “knowledge, skills abilities and techniques are effectively transferred and used by their organizations.” The report found “evidence that direct beneficiaries [organizations] have incorporated knowledge and skills into their operations [and] are undertaking significant number of human rights education initiatives [with indirect beneficiaries].”

3 | SMOS ARE FLEXIBLE AND ADAPTABLE TO CHANGING LOCAL CONDITIONS

SMOs are often able to learn quickly and to rapidly adapt projects to changing needs. This is often due to their smaller size and propensity for building strong relationships in the communities where they work. One example cited in the study was [Rooftops Canada](http://www.rooftops.ca/), an organization that works with partners in many countries to improve housing and build sustainable communities. Their iterative management style meant that they were able to “respond quickly to the priorities of its partners as they arise and seize opportunities when they present themselves.”

4 | SMOS ENGAGE CANADIANS DIRECTLY IN DEVELOPMENT COOPERATION

SMOs are more likely than larger organizations to be located outside of urban centres, which means that they can directly engage rural and small town Canadians in issues of international cooperation. This could be due having multiple offices in communities across Canada, like the [YMCA](http://ymca.ca/What-We-Offer/Global-Initiatives), which runs international cooperation programs in multiple communities or because of establishing deep connections with their local community, like [World Accord](http://worldaccord.org/) in Waterloo, who “given its small size... has had a relatively large impact in development education.”

5 | SMOS PRODUCE SCALABLE SUSTAINABLE RESULTS

Involving multiple stakeholders, building local capacity, adapting to change and engaging Canadians in global cooperation all contribute to sustainable change. The study notes several examples, such as [Youth Challenge International](http://yci.org/)’s shift from short term interventions to long term community involvements, which allowed them to focus more on building local capacities to sustain and complete community initiatives. Once SMO initiatives are shown to succeed, they can then be scaled up by attracting other partners (including larger donors) thereby increasing impact. An example of this is [Inter Pares](https://interpares.ca/), who leverages the credibility generated through their long-term partnerships to develop high impact programs with global partners, funded by larger donors who may not have otherwise been involved.

The distinctive characteristics of SMOs mean that they are effective development actors in their own right, despite the funding challenges they face. Given the right public and financial support, SMOs are well placed to help Canada and the world achieve sustainable change. Download a copy of the Inter-Council Network (ICN) report [*Small and Medium-Sized Canadian Civil Society Organizations as Development Actors: A Review of Evidence*](http://ocic.on.ca/content/study-smos-their-operations-funding-and-impact#overlay-context=), written by Brian Tomlinson of AidWatch Canada to learn more about the role of SMOs as development actors.

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**MORE TO COME**

These are the elements of fundraising strategy for you to custom fit to your unique situation. Upcoming issues of Money Talks will give you more insights into how to develop your case for support, access grants, and raise funds from major donors. For more information, visit [ocic.on.ca/moneytalks](http://ocic.on.ca/moneytalks).

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DETERMINING YOUR BEST FUNDRAISING STRATEGY REFERENCES

1. Statistics Canada "National Survey of Non-profit and Voluntary Organizations" The Daily Sep 20 2004, Web. 25 Oct 2016.

2. The Globe and Mail "One in four games has fund-raising costs exceeding 40 per cent. More than five percent lose money" The Globe and Mail n.d.

3. Phelps Bell and Robert W. Thompson, Canada Gives: Trends and Attitudes Towards Charitable Giving and Volunteerism, Imagine Canada

ABOUT KEN WYMAN:

Professor Ken Wyman CFRE teaches in the Fundraising Management graduate program and the International Development graduate program at Humber College, and has taught at several other colleges and universities. His fundraising career began with five years as National Coordinator of Fund Raising and Publicity for OXFAM-Canada where he led a campaign that reversed a seven-year decline in income, and tripled public donations. Earlier, as a journalist and photographer, Ken filed news and human-interest stories from across Canada, Europe, South America and the Middle East. He has reported for The Globe and Mail, The Toronto Star, The Financial Post, As It Happens, and CBC National News, among others.

Ken has been a Certified Fundraising Executive (CFRE) for over 25 years. This international professional designation requires passing a rigorous exam and re-certification based on current practice every three years. His research sabbatical in 2012-13 focused on the challenges charities face when they speak out as advocates for social change. A popular trainer and consultant, he has lead conferences and workshops across Canada and the US, and in Cuba, Sweden, Austria, England, and Holland. Ken has been called "one of the world's best fundraisers".

Ken has written or contributed to eight books on fundraising. His most recent was the lead chapter on planning for fundraising for Excellence in Fundraising in Canada, which reached #3 on the Globe and Mail business book list. His other books include:

• Face to Face: How to Get Bigger Donations from Very Generous People (F)

• Fund Raising Ideas That Work for Grass Roots Groups (F)

• The Guide to Special Events Fund Raising (F)

• Everything You Need to Know to Get Started in Direct Mail Fund Raising (F)

• Planning Successful Fund Raising Programs, published by Imagine Canada

• Fundraising for Non-Profit Groups, with Joyce Young and John Swaigen, published by Self Counsel Press

(F) Livres diponsible aussi en français.

[BLUE BUTTON: Text – BACK TO DETERMINING YOUR BEST FUNDRAISING STRATEGY. Hyperlinks to Page 4]

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[BACKGROUND: Faded Black and white photo of several Canadian 1 cent coins]

[Text and imagery centred in a rectangle on the page, with a thick blue line and a thick green line bordering on the right]

OCIC LOGO, MONEY TALKS LOGO

The Ontario Council for International Cooperation (OCIC) is an expanding community of Ontario-based international development and global education and individual associate members working globally for social justice.

As a Council, OCIC strives to increase the effectiveness and collective impact of all our members' efforts to promote sustainable, people-centred development in a peaceful and healthy environment. OCIC is committed to principles of fair and equitable cooperative international development and promotes public engagement that helps Canadians develop a global perspective and take action for social justice.

FORM: Tell Us What You Think

Q1: Was Money Talks Issue 1 helpful? (Once clicked, the dropdown options are as follows): Very Helpful, Helpful, Somewhat Helpful, Not Helpful At All

Q2: Type any comments here:

[*Please note: If you would like to submit your answers to these questions, please send them by email to* ***communications@ocic.on.ca****]*

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