



# Investing in the *Donor Next Door* for Long-Term Sustainability

Presented by Jen Pendleton, CFRE  
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A large group of people, likely an audience, is shown in profile, sitting in rows of chairs. The image is heavily filtered with a dark blue color. The word "WELCOME" is written in large, white, bold, sans-serif capital letters across the center of the image. The background shows a blurred crowd of people, suggesting a large gathering or event.

**WELCOME**

Your success is our mission. We work collaboratively to create proactive solutions that meet each organization's unique needs.



### **Fundraising Solutions**

We provide a deeper understanding of why donors give and strategies for helping your organization raise more money.



### **Strategic Planning**

We lead your nonprofit through a thoughtful assessment to align goals with organizational values and create a bold plan of action.



### **Board Catalyst<sup>SM</sup>**

We help you assess, strengthen and energize your board members to meet the challenges of today... and tomorrow.

# OUR CLIENTS

We're proud to work with nonprofits of all sizes that serve a range of interests.



“In Aly Sterling Philanthropy, we know **we’ve chosen the best consultant** to help us thoughtfully plan and successfully orchestrate our first capital campaign. The **leadership skills, hands-on project management experience and fundraising expertise** the firm brings to the table is providing exactly the direction and counsel we needed to move forward with our campaign vision. We couldn’t have a more capable and effective project partner.”

**Silvia Argueta**

Executive Director | Legal Aid Foundation of Los Angeles



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# Agenda

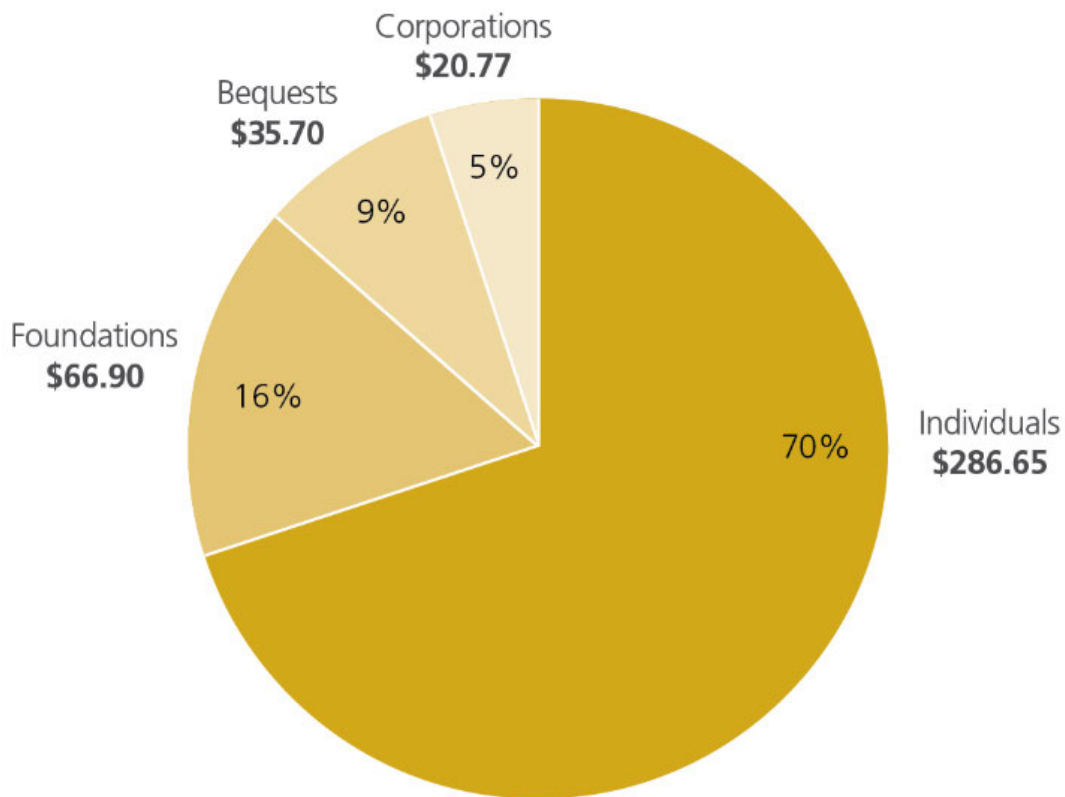
- Defining the *Donor Next Door*
- Why are they important to your mission?
- How to find them
- How to engage & connect
- How to implement a strategy
- Q & A

## A LOOK BACK

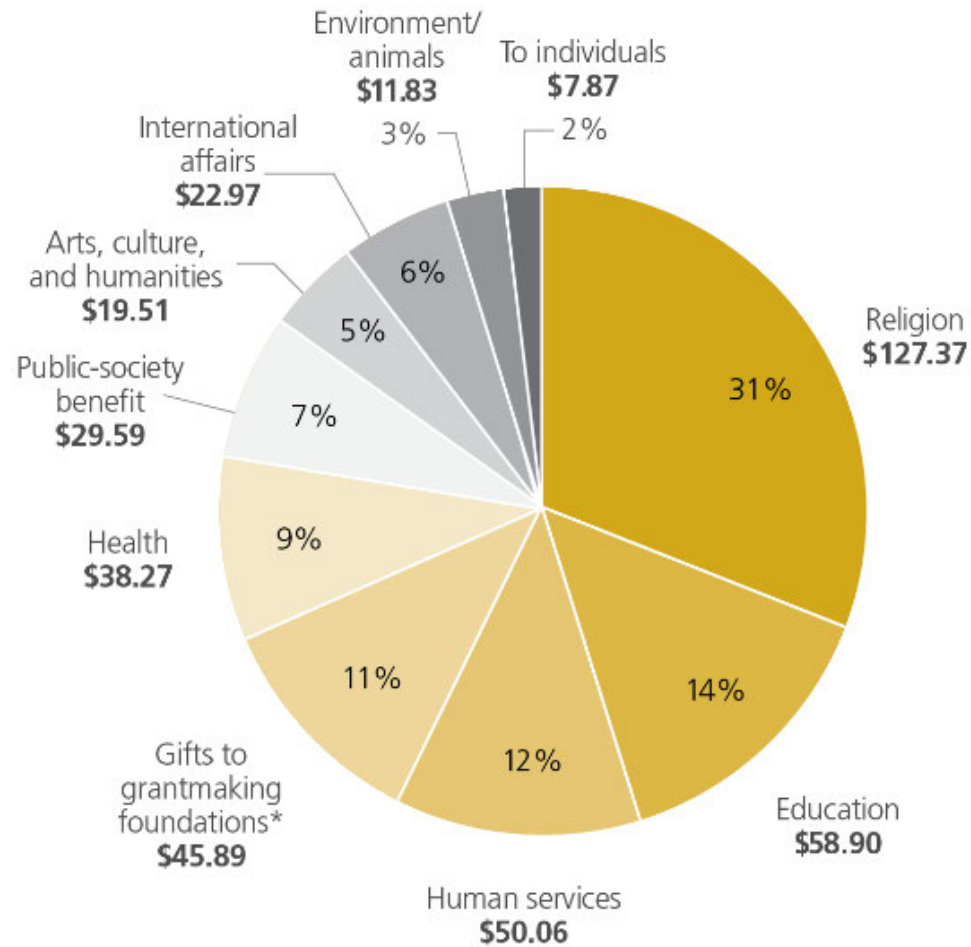
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# Giving USA Annual Report on Giving

2017 contributions: \$410.02 billion by source  
(in billions of dollars – all figures are rounded)



# 2017 contributions: \$410.02 billion by type of recipient organization (in billions of dollars – all figures are rounded)



\* Estimate developed jointly by the Foundation Center and Giving USA



“It’s easy to feel **overly optimistic about the big headlines we’ve seen**. When you look at the pipeline, I’m not sure that same success will carry into the future, at least not without a profound change in direction and strategy.”

- Jeff Martin, senior consultant EAB

# What's behind the data...

- Only 56% of American households made a charitable donation (in 2000 that number was 66%)
- Giving declined across every age group and every income and education level
- The share of giving dropped most among 51-60 year-olds
- 20 percent of households gave 83% of donations; 1 percent of households gave 49% of donations
- Our donors are being fleeced by on-line giving platforms

**“It’s clear that traditional fundraising tactics are faltering. Many groups recognize this, but they often don’t know how to change the course and don’t have the money to experiment. Facing enormous pressure to produce big-dollar results today, they put aside concerns about tomorrow. They are like the proverbial frog in the pot of water slowly heating up to a boil. They may not realize the danger until it is too late.”**

- Dave Strauss, Nature Conservancy



**ENTER...**  
***THE DONOR NEXT DOOR***

# Defining the Donor Next Door

- Donors who give between \$1,000-\$10,000
- Committed, long-term donors
- Not high-maintenance
- Under the radar
- Believe in your cause



# Why Are They Important?

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- Backbone of your fundraising program and future pipeline
- Recurring donors give 440% more
- They give more of their income to charity
- Retention rates are better for mid-sized givers
- Perfect stage for planned gift consideration
- Can become your next volunteer leaders



**HOW TO FIND THE  
*DONOR NEXT DOOR***

# How to Find the Donor Next Door

## Look in your database:

- Regular, loyal donors
- Mid-level support
- Passionate about your programs/services
- Volunteer often
- Ambassadors for your cause
- Attend events (or attend as guests)
- NOT YOUR USUAL SUSPECTS



# How to Find the Donor Next Door

If not in your database, they are near you:

- Already supporting and engaged in other, like-minded organizations
- Somehow engaged in the periphery
- Non-donors provided 70% percent of mid-level gifts when secured through face-to-face solicitation
- Waiting for attention



**HOW TO ENGAGE & CONNECT  
THE *DONOR NEXT DOOR***

# How to Engage & Connect

- Informal networks
- More like a major donor strategy
- Focus on stewardship
  - ☑ Mission-immersion; leverage leadership
- Treat them as if they're investors (ROI)
  - ☑ Micro-campaigns = immediate impact
- Use a consistent message with this group
- Create a group/circle name and identity
  - ☑ Make communication personal and targeted
- Provide a personal point of contact
  - ☑ Concierge approach
- Be patient – marathon not sprint!



# HOW TO IMPLEMENT A STRATEGY

# Implementing a Strategy

- Gain buy-in
- Create an ad hoc group
  - ☑ Representative of demographic
- Deploy focus groups or on-line surveys
- Update your Case for Support
  - ☑ Micro-campaigns/needs
- Create a strategy with timeline and KPI's
- Update a stewardship plan

## What else?

What's holding you back?

What mission-immersion experiences can you create?

What examples of micro-campaigns can you think of?

Q & A

Thank You

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