THE AGONY AND THE ECSTASY: DEVELOPING AN ANNUAL FUNDRAISING PROGRAM, PART I

by Carol Norris Vincent

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There is much hand wringing and gnashing of teeth today when there is talk about fundraising in the 1990s. However, the challenge is as exciting as ever, with untapped potential in most of our communities. Part I of this insert will explore ways to develop fundraising through museum members. Part II, which will appear as the technical bulletin in the Summer 1998 issue of MUSENEWS, will explore topics such as corporations, foundations, gifts-in-kind, special events, planned giving, and telemarketing. It will also offer a summary of guiding principles for successful fundraising.

Many museums are looking for that magical one gift or one source that will answer all funding needs. But is that what is best for the organization? Of course not! A broad-based funding program is what will provide stability for our museums as we approach the twenty-first century.

And what of government funding? The 1991 survey of museums in Indiana, conducted under the auspices of the Association of Indiana Museums, revealed that many Indiana museums rely on some government funding. But as these sources may become less available, it behooves museums to broaden their base of support and thereby strengthen the organization through diverse funding and increased awareness of the museum and its mission. This paper will not address how to garner government funding.

Recent information reveals that non-profits receive their philanthropic funding from these sources: 85% from individuals, 5% from bequests of individuals, 5% from foundations, and 5% from corporations. How can we tap these sources effectively while pursuing our museum’s mission and maintaining its facilities?

**Developing a Fundraising Program**

The key to developing a successful annual fundraising program is to plan—it’s as simple as that! Your museum, of course, will already have a sound mission from which a case for support can be built. Your board members and enthusiastic volunteers will be crucial to a successful program—in many more ways than just simply asking for money. And a steadily growing program that gradually broadens your donor base will lead you to the financial support you want to help your museum fulfill its dreams and the dreams of those we serve.

In everything you do, no matter what the fundraising program, keep in mind the basic reasons that people give:

- Social acceptance
- Dedication to the cause
- Sense of moral obligation
- Business purpose
- Direct, personal benefits
- Income tax advantages
- To honor or memorialize a loved one
- Perceived benefit to the community or region
- Gaining a position of influence to help shape the future of an institution

**The Beginning Program: Membership**

Nearly every museum in the nation has a membership program because most people are joiners. They happily join successful growing organizations with viable programs. Your membership program becomes the base of your fundraising program. It seems very simple, and many programs are established with little thought. But whether or not your membership will grow and be vital depends upon your attention to this foundation of your museum’s fundraising program.

There are many ways to target those who may be interested in becoming a member: capturing names and addresses of those who visit your museum, attend your programs, and use your services; asking board and volunteers for suggested names; tapping community leaders; approaching descendants of your community’s founders and leaders; soliciting when presenting programs in the community; recruiting students (young and old alike) in classes that relate to your museum collections.

This process is on-going; but, in order to keep these members, several things need to happen:

1. Serve them and remind them that you exist. Regular contact, through a newsletter or program mailing, is crucial. Contact at a minimum of four times a year is essential. This contact should be the most attractive, high-quality product your budget can afford. In today’s world with computers and photocopying capabilities, there is no excuse for mailing sloppy information to your constituents.
2. Ask for their renewal. Send out reminders at least three times. If they don’t renew, then follow up with a “we’ve missed you” reminder six to twelve months later.
3. Keep your “database” clean. At least once a year, send a mailing that will give you current addresses or let you know if a member has moved away or died. It will cost a little money to ask for an address correction on your mailing, but in the long run it will be far cheaper than sending out mail that is reaching no one.
4. Don’t underestimate the value of a membership. Far too many museums have memberships of $1 or $5. You simply cannot provide any sort of service to your members for that small a fee. Let’s do some simple math for a minimal annual membership:

   | 3 renewal notices (paper, printing, mailing) | $2.50 |
   | 2 postcard notices of meetings | .70 |
   | 1 membership card or receipt, postage | .50 |
   | Total | $3.70 |

That adds up to $4.90 every year, with no amount built in for staff or volunteer time to keep the database current, to find members, to provide any sort of program, or to serve members by answering their questions, writing and preparing the newsletters and notices, the value of free admission (if others are charged) or discounts in the gift shop, etc.

5. Do not give life memberships unless that money goes into an endowment or fund which provides annual income to service that membership. A $100 life membership will provide a maximum of $5 every year, if invested wisely, to service an individual’s membership. The large amount of money looks tempting, but to use it in the year it is received will be devastating in the long run, for you will be required to provide a minimum of $5 in service to a member with no annual income to offset that expense.

**Individual Philanthropic Gifts**

**Direct Mail**

Many people want to give; they are just never asked. With limited time and personnel, the easiest way to begin asking for money is by direct mail. This is also the most expensive in terms of dollars because this is the method most used to simply find donors and persuade them to get in the habit of giving to your museum.

Your membership database, of course, becomes the nucleus of your very first direct mail solicitation. For relatively small museums,
The letter should build a compelling case for how well the gift from the donor will be used. Don't dwell on the needs of your organization. Talk about the wonderful things you will be able to do with the support you will gratefully accept from the donor—your organization's friend.

As with your membership materials, the quality of the letter and the entire package should be top notch. It does not have to be expensive but should be attractively typed (no misspellings or old typewriter ribbons or printer cartridges, please!) and on nice quality paper in a presentable envelope. Be sure to include an easy way for the recipients to send their gift to you; this is called a response device. Probably the most effective device is an envelope that includes a form on which they can fill in the information about how much they are giving, for what purpose (if you give that option), their name and address, and boxes to check for further information: "Please send me information about membership, how to volunteer, etc." If possible, the name and address should be typed on the envelope (rather than using a label or window envelope), and either send it first class—if you have less than 200—or use a bulk rate postage stamp if you are sending it by bulk rate. Do not use a printed bulk rate indicia or meter the mail.

Once you receive the gift, send a thank-you note as soon as possible. For a large gift, a phone call or a handwritten note from the board president—in addition to the thank-you note or letter—is a wonderful touch that donors remember. If your thank-you letters go out over the board president's signature, then a phone call or handwritten note from another board member, a revered volunteer, or your curator or director would also be appreciated.

The definition of a large—or major—gift, of course, depends upon the organization. For a museum with a budget of $10,000 annually, a gift of $100 may be highly valued. However, if the budget is $1 million or more, $1,000 gifts may be considered large.

A year-end appeal (calendar year, not your fiscal year) is effective. Try to target your mail date between late September and Thanksgiving. Donors are inundated with appeals between Thanksgiving and Christmas. Try to beat the rush! As your program expands, try an additional direct mail appeal when your museum is at its most active. If you have a popular summer program that receives a lot of publicity, try sending out an appeal about the time you begin to get your first publicity. It reinforces how wonderful your museum is.

Be sure to keep your database accurate and complete, noting not only correct names and addresses but also when the gift was received, how much it was, for what purpose it was designated if any, to which appeal the contributor responded, etc. Your database can be as simple as 3x5 cards if you do not have a computer yet, but do keep a database of some sort. Don't just take in the money without being able to track the information.

Major Gifts

As mentioned earlier, each museum has to determine what a "major" gift is, but every organization should work at developing a core group of major donors. Generally, you can anticipate that about 10% of your donors will give 60% of your total gift income; 20% will give 20%; and 70% will give 20%. Once you have targeted those giving larger gifts, you should concentrate your efforts on this group. This group should receive individual, personalized attention. They should be asked in person for their gift. They should be given special opportunities: invited for special events, given behind-the-scenes tours, be among the first to learn exciting or challenging information about your museum, called upon regularly, and treated as the good friends that they are.

You then want to identify those other 20% who are giving larger gifts than that large group of 70% who are giving you the smallest gifts. With this 20% group, you should work at ways to upgrade their level of commitment.

Finally, identify and eliminate the prospects or lapsed donors who are taking more of your resources than their level of commitment would warrant.

We often use the pyramid to describe types of donors, percentages of donors, etc. Another type of pyramid is the commitment pyramid where donors move from the lowest level to the highest. These levels, moving from bottom to top are:

1. Leaving a legacy
2. Involvement with "their" museum
3. Commitment to your museum
4. Support of your museum
5. Interest in your museum
6. Awareness of your museum

These levels, moving from bottom to top are:

- Gift clubs are often named after important people in your community's or organization's past or, more typically, by logical levels of beneficence: Benefactor, Patron, Contributor, Friend. The more successful clubs, however, have unique names which help the donor to be reminded of the commitment to a specific museum. Often the founder of an organization is honored with the highest level of giving club. The William Henry Smith Society carries a lot of weight with those who know his role in establishing the museum, and this is a way to remind donors of the commitment of its founders.

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