



DEVELOPMENT 101

A New Perspective

Kathryn L. Caudill, JD, CFRE



What we will cover this evening ...

- Development – what is it?
- Giving – Who gives? To whom? Why do they give? Why do they stop giving?
- Development as Ministry
 - *Mission Focus*
 - *Donors Participation*
 - *Accountability*
 - *Stewardship*
- Generations of Donors
- Giving Options
- Donor Relations and Engagement
- Q and A

What is “Development”?

- Fundraising/Development/Mission Advancement
- Sometimes thought of as:
 - A *“necessary but unpleasant activity to support spiritual things”* or
 - *“Reflecting a failure to plan well, or trust enough that God will provide for our needs”* or
 - *“Responding to a crisis”*

MISSION

If you care about your community's mission, you are already involved in “development”!



This Photo by Unknown Author is licensed under [CC BY-SA](#)

WHO GIVES?
TO WHOM?

For the first time ever, charitable giving exceeded the \$400 billion mark in 2017, spurred by growth from all four sources of giving.

\$410.02 billion

Where did the generosity come from?*

Giving by Individuals
\$286.65 billion

↑ 5.2% **70%**

increased 5.2 percent (3.0 percent when inflation-adjusted) over 2016

Giving by Foundations
\$66.90 billion

↑ 6.0% **16%**

increased 6.0 percent (3.8 percent when inflation-adjusted) over 2016

Giving by Bequest
\$35.70 billion

↑ 2.3% **9%**

increased 2.3 percent (0.2 percent when inflation-adjusted) over 2016

Giving by Corporations
\$20.77 billion

↑ 8.0% **5%**

increased 8.0 percent (5.7 percent when inflation-adjusted) over 2016

Contributions by source
(by percentage of the total)

Giving by individuals increased \$14.27 billion over last year for a growth rate of 5.2 percent, on track with the growth in total giving.

Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*.

* All figures on this infographic are reported in current dollars unless otherwise noted.

Giving to arts was the second-fastest growing subsector, with an 8.7 percent increase over the previous year to a total of \$19.51 billion in 2017.

Giving to foundations increased 15.5 percent in 2017, the largest gain of any subsector, far outpacing the growth in total giving.

Where are all of the charitable dollars going?

(as a percentage of the total)

The 6 largest subsectors all grew in 2017, but growth rates ranged widely from 2.9 percent all the way to 15.5 percent.

31% **Religion** ↑ \$127.37 billion

14% **Education** ↑ \$58.90 billion

12% **Human Services** ↑ \$50.06 billion

11% **To Foundations** ↑ \$45.89 billion

9% **Health** ↑ \$38.27 billion

7% **Public-Society Benefit** ↑ \$29.59 billion

5% **Arts, Culture, and Humanities** ↑ \$19.51 billion

6% **International Affairs** ↓ \$22.97 billion

3% **Environment/Animals** ↑ \$11.83 billion

2% **To Individuals** ↓ \$7.87 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



In 2016, **INDIVIDUAL DONORS** drove the rise in philanthropic giving
 And for only the sixth time in 40 years, all nine major philanthropy
 subsectors realized giving increases

\$390.05 billion

Where did the generosity come from?*

Giving by Individuals
 \$281.86 billion

increased 3.9 percent (2.6 percent when inflation-adjusted) over 2015

↑ 3.9% **72%**

Giving by Foundations
 \$59.28 billion

was 3.5 percent (2.2 percent when inflation-adjusted) over 2015

↑ 3.5% **15%**

Giving by Bequest
 \$30.36 billion

declined 9.0 percent (10.1 percent when inflation-adjusted) over 2015

↓ 9.0% **8%**

Giving by Corporations
 \$18.55 billion

increased 3.5 percent (2.3 percent when inflation-adjusted) over 2015

↑ 3.5% **5%**

Contributions by source
 (by percentage of the total)

The single largest contributor to the growth in total giving was an increase of \$10.53 billion in **GIVING BY INDIVIDUALS**—offsetting declines from bequest giving.

Where are all of the charitable dollars going?

(as a percentage of the total)

32% Religion \$122.94 billion

15% Education \$59.77 billion

12% Human Services \$46.80 billion

10% To Foundations \$40.56 billion

8% Health \$33.14 billion

8% Public-Society Benefit \$29.89 billion

5% Arts, Culture, and Humanities \$18.21 billion

6% International Affairs \$22.03 billion

3% Environment/Animals \$11.05 billion

2% To Individuals \$7.12 billion

Each charitable subsector grew in 2016 except for giving to **Individuals**. Growth rates ranged from approximately 3–7 percent.



Giving to international affairs comprised a larger percentage of total charitable giving in the United States, increasing from 4 percent to 6 percent in 2016.



Giving to environment/animals increased 7.2 percent in 2016, the largest gain of any subsector, outpacing growth in overall giving for the last two years.

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.

* All figures on this infographic are reported in current dollars unless otherwise noted.

Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2017: The Annual Report on Philanthropy for the Year 2016*.





This Photo by Unknown Author is licensed under [CC BY-SA](#)

WHY DO DONORS GIVE?

Why Do Donors Give?

- Mission-driven

Why Do Donors Give?

- Mission-driven
- They want to make a difference

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction
- Family and upbringing

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction
- Family and upbringing
- Personal stories that touch their heart

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction
- Family and upbringing
- Personal stories that touch their heart
- Religious beliefs

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction
- Family and upbringing
- Personal stories that touch their heart
- Religious beliefs
- Social networks

Why Do Donors Give?

- Mission-driven
- They want to make a difference
- Personal satisfaction
- Family and upbringing
- Personal stories that touch their heart
- Religious beliefs
- Social networks
- Tax benefits



**The #1 reason why
donors STOP giving...**



The #1 reason why donors STOP giving...

They stop thinking that they
(or their gift)
matter to your organization.

Development as Ministry

Fundraising is, first and foremost, a form of ministry.

- Henri Nouwen, *A Spirituality of Fundraising*

Ideally, the work [of development] should take on the characteristic of a ministry.

- Paul Reinert SJ, *The Ministry of Fundraising*

Focus on Mission

Fundraising is a very concrete way to help the Kingdom of God to come about.

- Henri Nouwen, *A Spirituality of Fundraising*

Learn to proclaim the good news of your organization
and how it is making a measurable difference in the world.

- Kerry Robinson, *Imagining Abundance*

Participation of Donors

Through our invitation to contribute
and the relationship we develop with [our donors],
hopefully they will come closer to God.

- Henri Nouwen, *A Spirituality of Fundraising*

Donors are subjects, not objects.

- Kerry Robinson, *Imagining Abundance*

Accountability

...[T]hose who raise funds
must show potential donors a strategic plan
that convinces donors their money will help
to increase the productivity and success of the organization.

- Henri Nouwen, *A Spirituality of Fundraising*

We are called to administer the goods we possess,
which are not our exclusive possession.

- Kerry Robinson, *Imagining Abundance*

Stewardship

Fundraising as ministry is grounded in prayer and undertaken in gratitude.

- Henri Nouwen, *A Spirituality of Fundraising*

“You make it a joy to give.”

- Kerry Robinson, *Imagining Abundance*

Generations of Givers

In 2017:

- **Matures** – born before 1946, 78% (55 million) gave to charities on average \$1,235/person to 6.3 charities, for a total of \$29.0 billion
- **Baby Boomers** – born between 1947 – 1964, 75% (55.3 million) donated an average of \$1,061/person to 4.2 charities, for a total of \$56.6 billion
- **Generation X** – born between 1965 – 1980, 55% (35.8 million) gave an average of \$921/person, to 3.8 nonprofits, for a total of \$32.9 billion
- **Millennials** – born between 1981 - 1995, 51.5% (34.1 million) gave an average of \$591 to 3.5 charities for total giving of \$20.1 billion
- **Generation Z** – born between 1996 and after, just begun to enter the workforce and already started giving. 44% (9.3 million) gave an average of \$341 to 4.6 charities, for a total of \$3.2 billion

Various Giving Options

- Direct mail appeal
- Special events – Friendraisers, Donor Appreciation events
- Communications (newsletters, annual reports)
- Memorials, honorariums
- Online giving
- Amazon Smile

Various Giving Options (continued)

- Grants
- Stocks appreciated in value
- IRA qualified minimum distributions
- Planned gifts
- Charitable gift annuities
- Major Gifts
- Capital Campaigns
- Create a wish list
- Be prepared for that random call or inquiry

A gift is received – now what?

- Donor Acknowledgement is critical
- Call to say thank you
- Be Prompt with written thank you
- Donors want to know:
 - *Gift is received*
 - *Gift is appreciated*
 - *Gift is being used for what they asked*
 - *Gift is making a real difference*
- Advise of tax deductibility to the fullest extent allowed by law

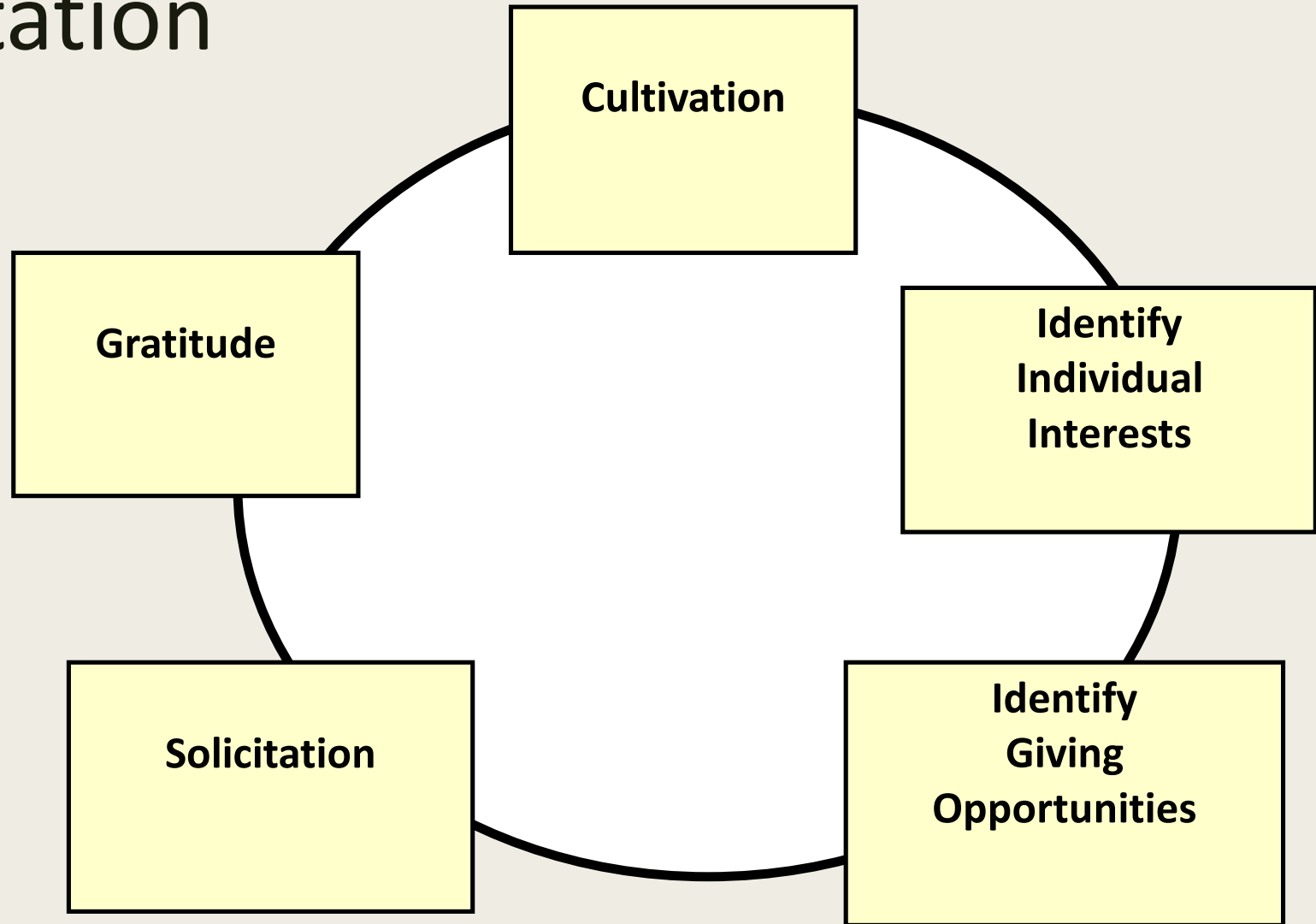
Donor Relations and Engagement

- Get to know your donors
- Keep records of all interactions

Various Tools you can use

- Note cards
- Excel database
- CRM (customer/client relationship management) software
- Planned giving marketing software

Cycle of Donor Cultivation and Solicitation





Questions?





Thank you!

Kathy Caudill, JD, CFRE

kathycaudill785@gmail.com