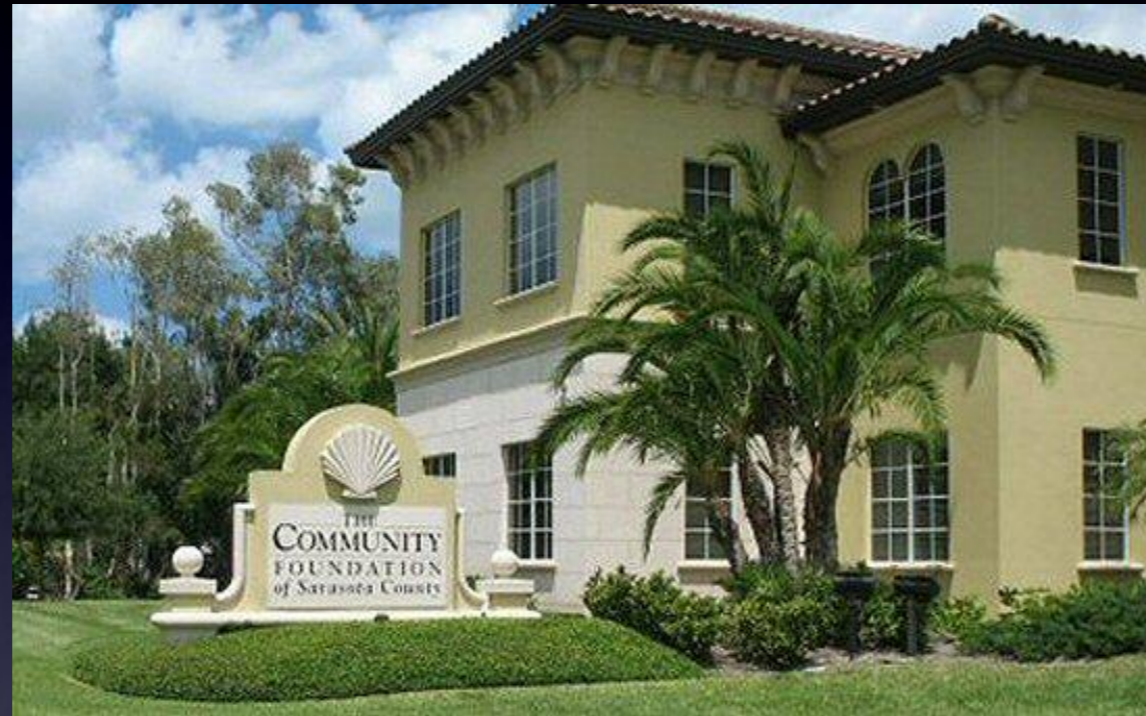


Unrestricted
A Thriving [▲]Annual Fund

What Every Community Foundation Needs!

Kristin Leutz & Katie Allan Zobel
Council on Foundations Fall Conference

Optimizing Revenue Mix



Think of local institutions managing larger endowments.

How does their revenue mix differ?

What funding models and fundraising do they employ?

EARNED
INCOME

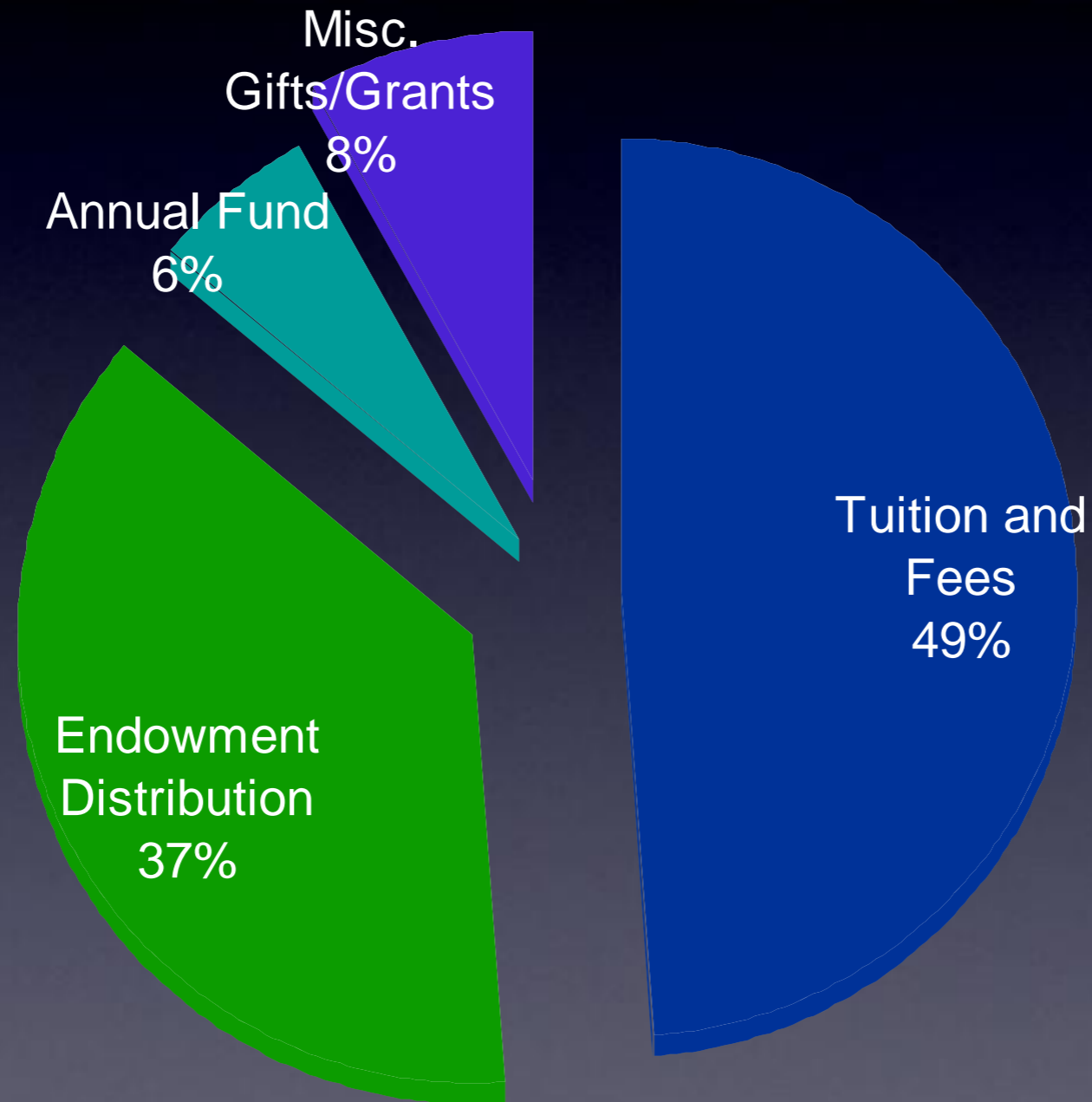
GAP

PROGRAM
COSTS

Can the vision your Foundation
has be supported by fees or earned income alone?

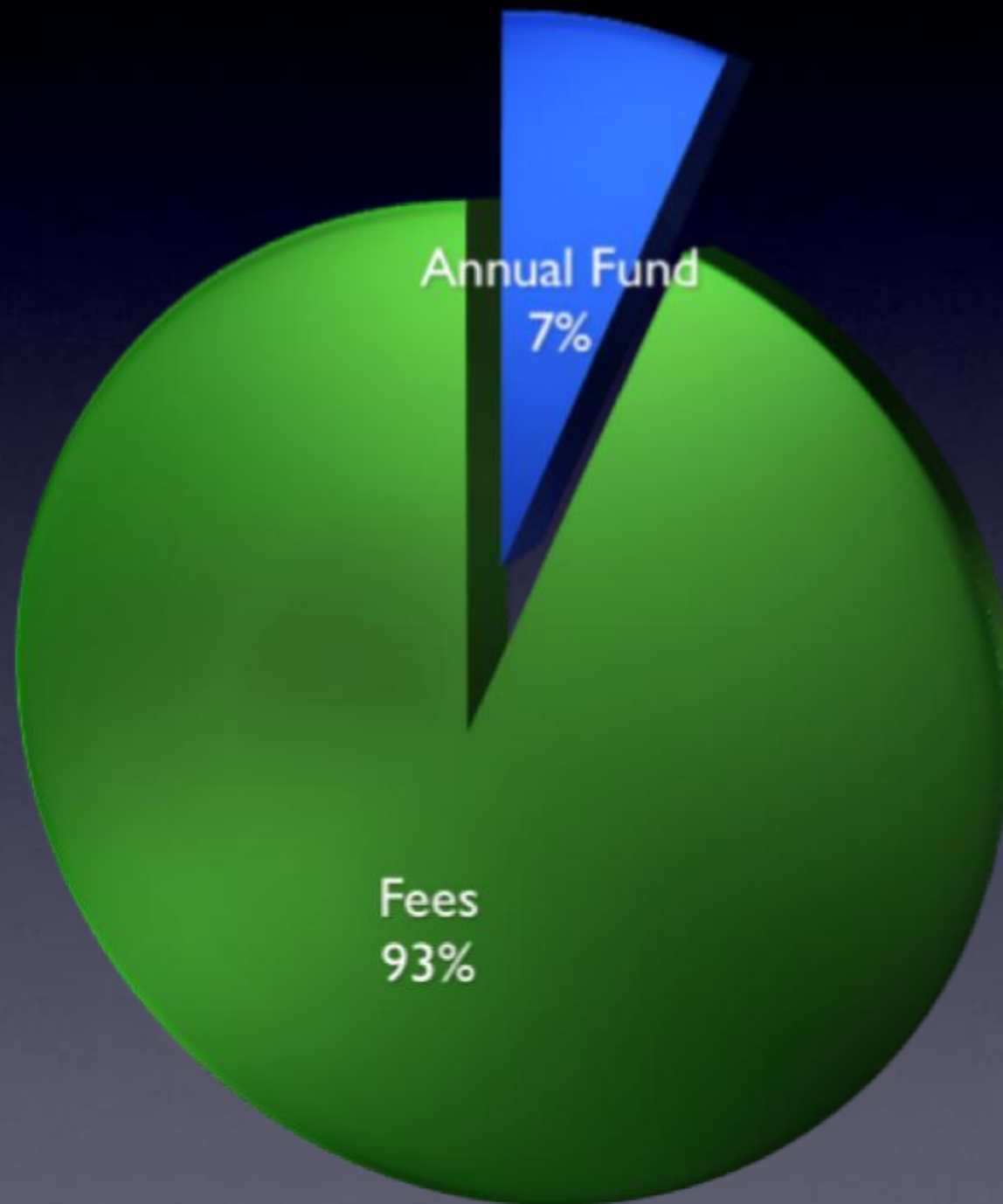
How will you make up the gap between what you can
charge and what you want to do in your community?

Amherst College '09 Revenue Mix



*Would take additional \$240,000,000 in endowment to
replace Annual Fund Income*

CFWM '10 Revenue Mix



Annual Fund Life Cycle

- Establishing a consistent presence, multi-channel approach
- Donor cultivation and education key goal
- Simple segmentation
- Low cost, resources in staff, volunteer time

Start Up Phase



Our Annual Fund

- We had a \$20,000 increase last year by using the old tricks
 - Volunteer Involvement
 - Personalization - asks and stewardship
 - Segmentation
 - Analytics and Planning
 - Gift Pyramid

What an Annual Fund Needs...

ANNUAL FUND BASICS

INGREDIENTS:

Campaign Case for Support
Complete List of Prospects
Multi-channel Approach (Direct Mail, Personal Asks, Online, Events)
Regular, Consistent Solicitation
Metrics, Analytical
Stewardship Plan
Focused on Individuals
Goals
Deadline for Gifts, Urgency for Support
Volunteer Team, Staff Leadership

Loyalty Takes Time



Annual Fund Life Cycle

Mature, Growth Phase

- Segmentation more complex and directly feeds more major gifts
- Higher degree of personalization
- More resources, both staff and volunteer, budget larger
- More personal stewardship



Pro

Our work is important and worthy of support like any other charity in the community.

Even if donors support our Annual Fund, they may not eliminate support for grantee orgs.

Con

If we raise funds for our operating support, we are in direct competition with the charities we are supposed to support in our community.

Pro

Annual Funds provide a uniquely effective way to educate and engage donors. They are easier and more cost effective ways to engage donors (vs. donor advised funds)

Con

The R.O.I. of an Annual Fund is not worth it. We'd be better off spending time, resources on donor advised fundholder services and engagement.

Pro

Annual Funds are the best way to involve anyone in our community in giving. It is a way to engage donors at a smaller level who may be “test driving” the CF before establishing a fund or legacy gift.

Con

Annual Funds are a waste of time at an institution like ours. We are not made to serve small donors. Let's leave that the United Way or some other organization in our community.

Pro

Community Foundations are about encouraging philanthropy. The Annual Fund is another way to do this.

Con

Community Foundations are about raising permanent support, and endowed funds for our community. We should not be in the Annual Fund business.

Move Beyond Fees

We Are Not Banks

We Have a Mission, Worthy of
Support

We Deserve a Healthy,
Optimized Revenue Stream