Diversifying Revenue

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August 2025

Today's Agenda

Warm-Up

Why to Diversify & What to Prioritize

Growing Individual Giving & Major Gifts

Warm-Up Prompt

In the chat, share your name, your organization, and…

In a sentence or two, please share your thoughts on why diverse revenue is important at your organization.

Why to diversify? What to prioritize?

Let’s Ground: Why Diversify Revenue Streams?

Minimize financial risk

Better withstand economic volatility

Enhance organizational resilience

What trends are we seeing in the sector?

- Government grants are now less predictable and reliable—or in some cases disappearing altogether
- Some community and family foundations are reworking their approach to grantmaking to be responsive to community need and friendlier for grantees
- Corporate philanthropy is often visible, but still the smallest “piece of the pie”
- Strong economy and stock market equals strong individual giving
- Donor Advised Funds (DAFs) obscure donor identity and gift timing – but offer a major opportunity for unlocking large pools of charitable dollars
- Uncertainty (financial, political, social) can negatively impact individual giving, earned revenue, and granting organizations—but can also inspire some to step up

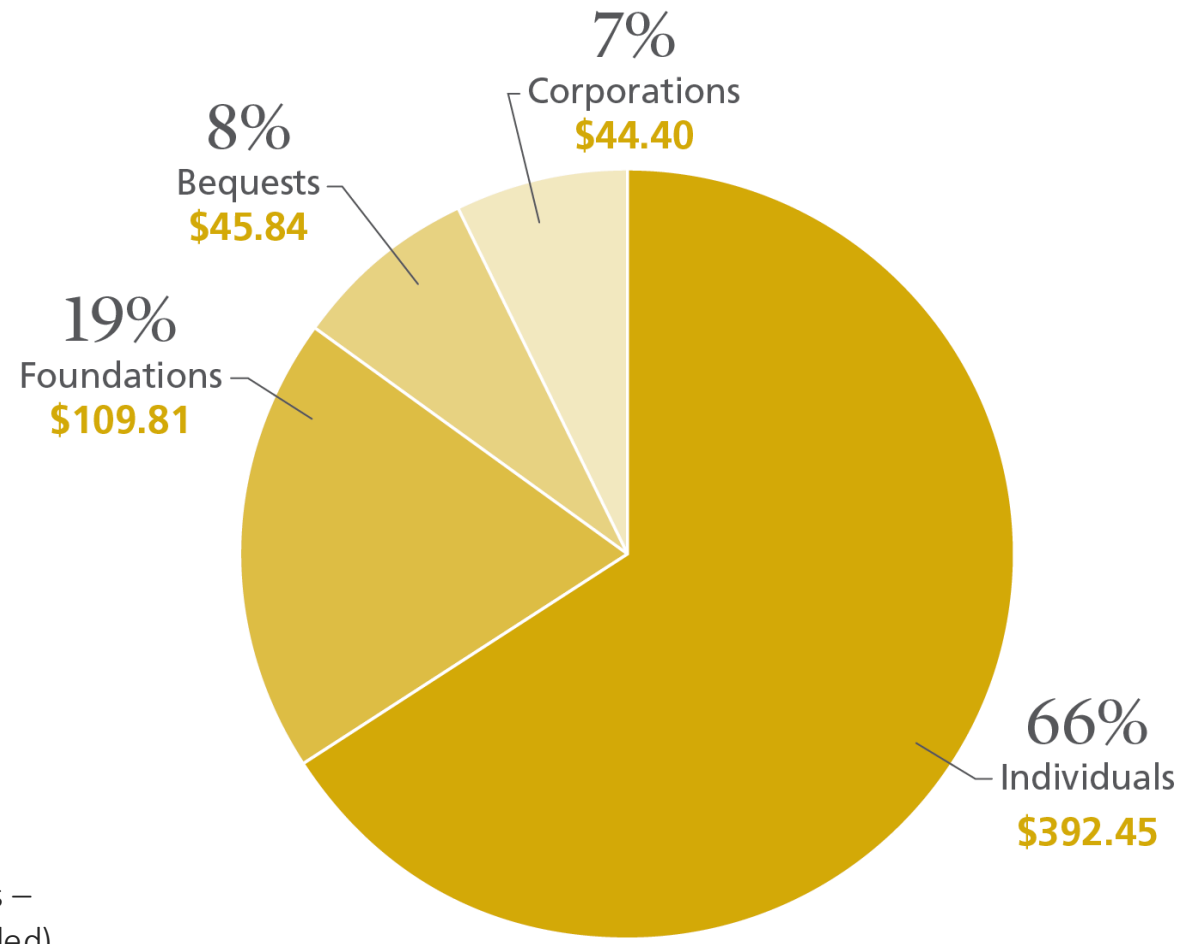
Which path is right for our organization?

Revenue Stream	Pro	Con
Earned Revenue	Often aligns with mission delivery and strong scalability	Can be transactional; can fluctuate in a downturn
Government Grants	Significant funding available, across many years	Application, approval, and ongoing tracking can be time consuming; increasingly politicized
Foundation Grants	Can support growth and innovation; often clear on priorities and expectations	High variability on approval and tracking requirements, and opportunity for future funds
Corporate Support	Clear priorities; often highly interested in event sponsorship, brand alignment, and volunteerism	Can be transactional; sophistication and approach varies across companies
Events	Great for building community and excitement, acquiring new donors, and engaging volunteers in fundraising	Low ROI based on staff time typically required
Individual Giving	Best ROI and greatest opportunity overall; high growth potential	Requires significant, long-term investment in staff, systems, and strategy

Why individual giving?

Where did the generosity come from in 2024?

$592.5B in contributions by source



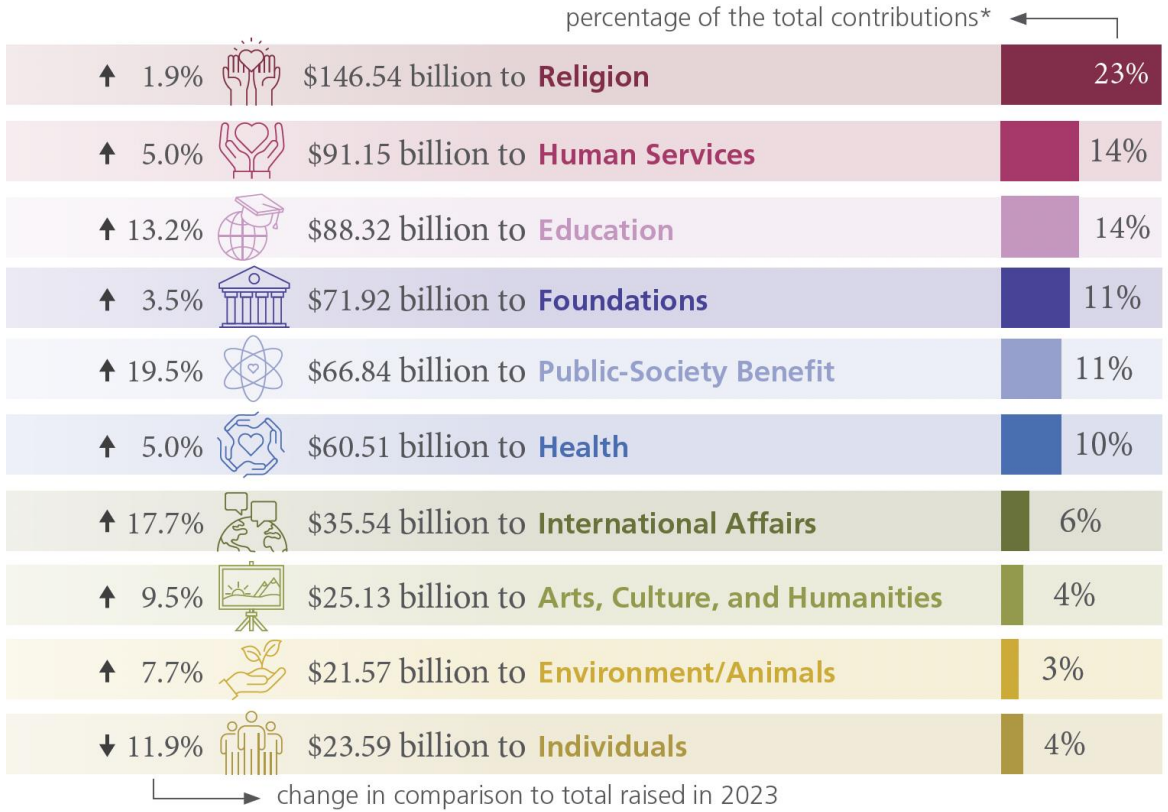
(in billions of dollars –
all figures are rounded)

- Over the last 5 years, giving by individuals has grown, on average, 5.6% per year
- Foundations grew at an annualized average rate of 8.5%
- Corporations grew at even higher rates, fueled by pre-tax profits and strong performance by tech sector

Researched and written by LILLY FAMILY SCHOOL OF PHILANTHROPY INDIANA UNIVERSITY

Where did the charitable dollars go in 2024?

$592.5B in contributions by type of recipient organization*



- Religion remains the largest destination, though it has been declining (steadily)
- Human Services surpassed Education for the second year in a row
- Largest giving in history last year in: Education; Health; Arts, Culture, and Humanities; and Environment/Animals

(all figures are rounded) **Total includes unallocated giving, defined as the difference between giving by source and recipient categories. Unallocated giving totaled $38.60 billion in 2024.*

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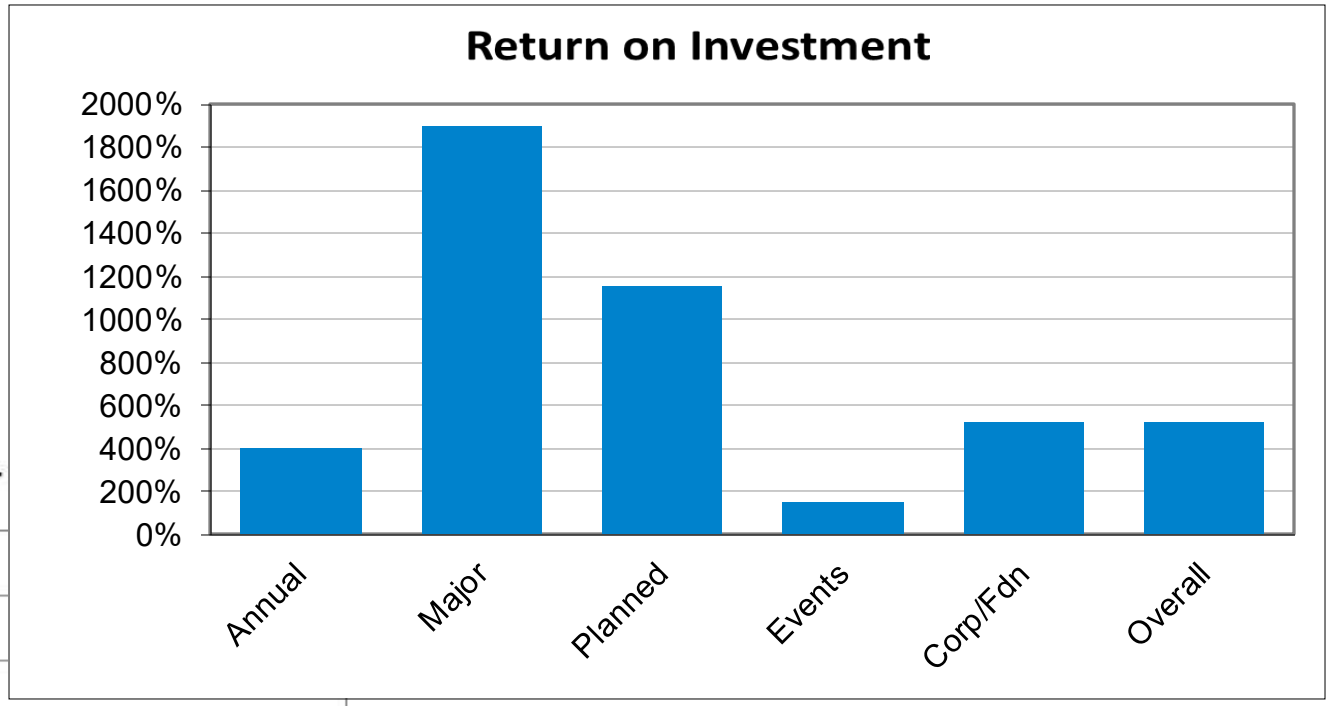
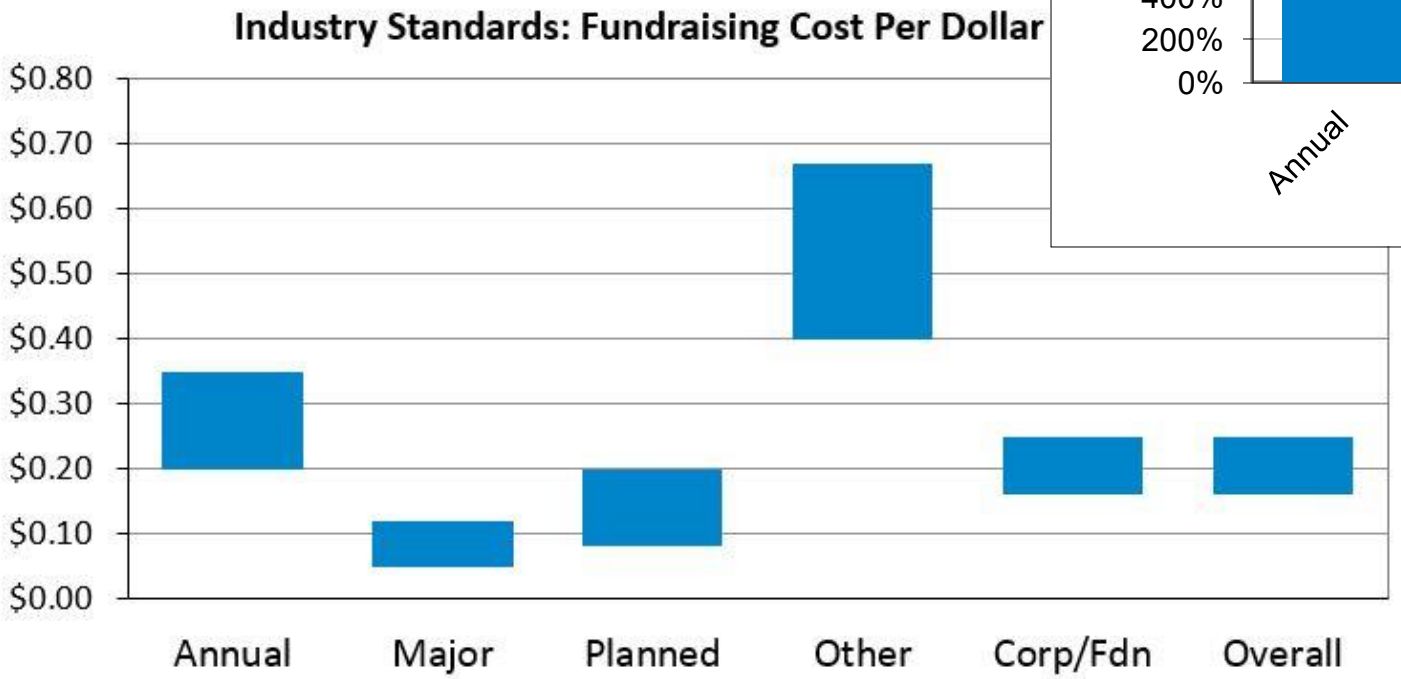
Cost Per Dollar Raised

Takeaway Summary of ROI:

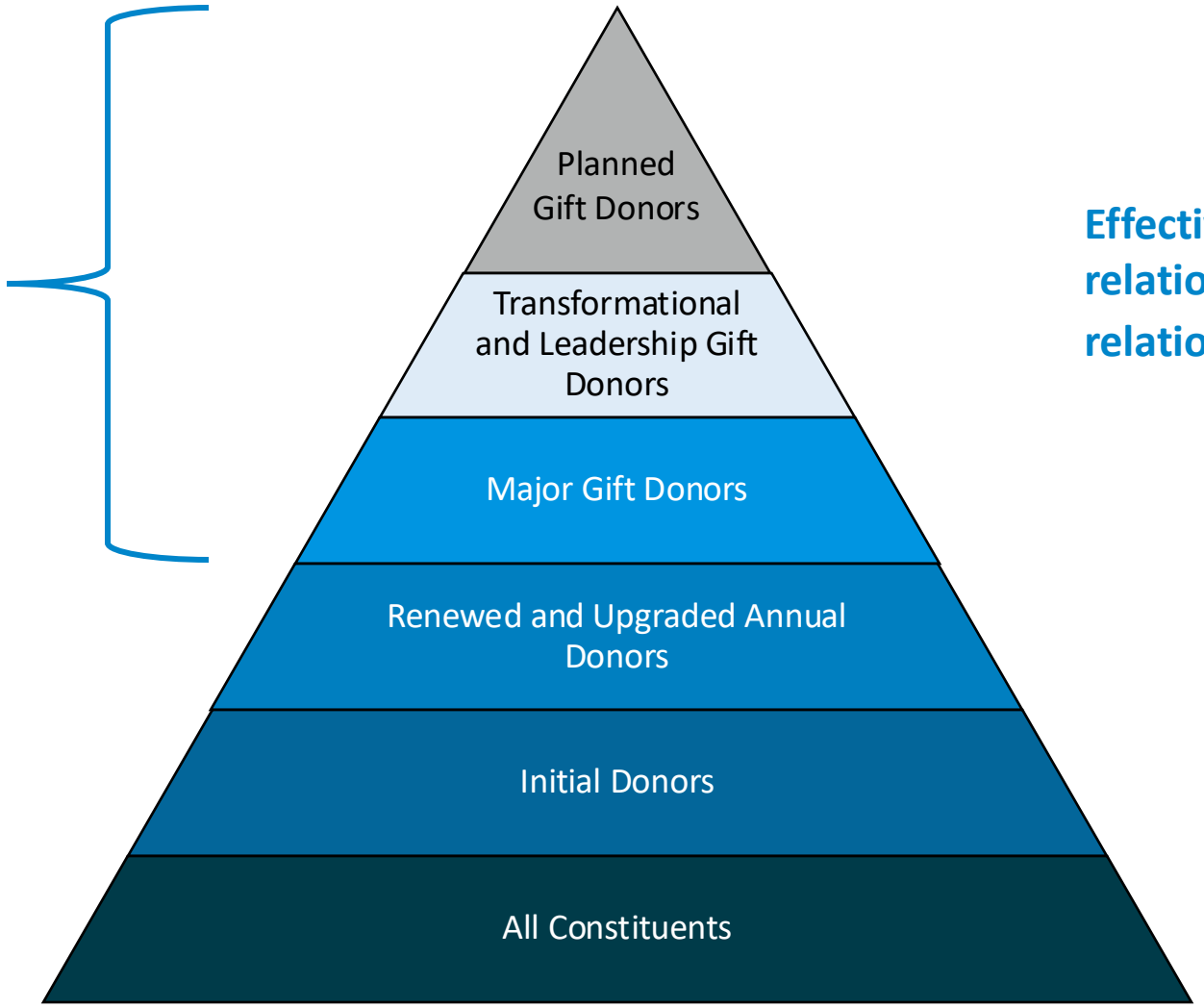
- Individual major giving is highest ROI
- Events about break even
- Direct mail is sometimes a loss





Relationship-Driven Fundraising

Where prospects generally make a **TRANSFORMATIONAL GIFT**



Donor moves up through **EDUCATION, INVOLVEMENT**, and **MORE PERSONAL SOLICITATION**

Effective fundraising is built on relationships, and meaningful relationships take time.

As we work toward financial sustainability…

Be cleareyed about challenges AND possible solutions.

Try to respond thoughtfully and strategically—don’t just react.

Wherever you can, embrace an abundance mindset (not scarcity).

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Increasing Revenue Form Individual Donors

Increasing Revenue From Individuals: Action Plan

Identification

Where do I look to find people who might give to our organization?

Discovery & Qualification

Once I have a list of prospects…

How do I verify interest and strategically focus on those most likely to give?

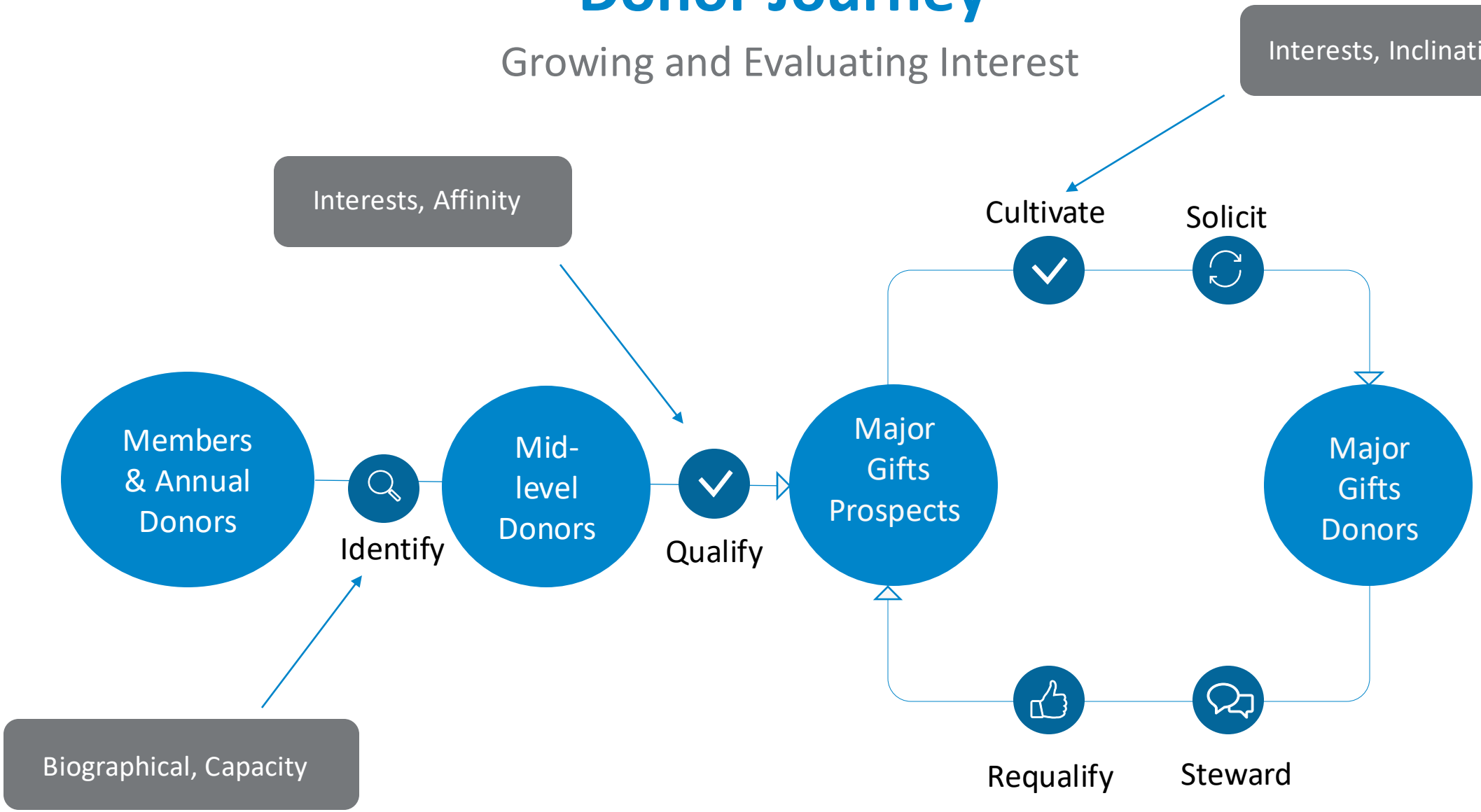
Cultivation

I know who my shortlist of prospects is.

How do I deepen engagement and prepare to make an ask?

Donor Journey

Growing and Evaluating Interest



What is Your Donor Pipeline?

People you may already know or who know you

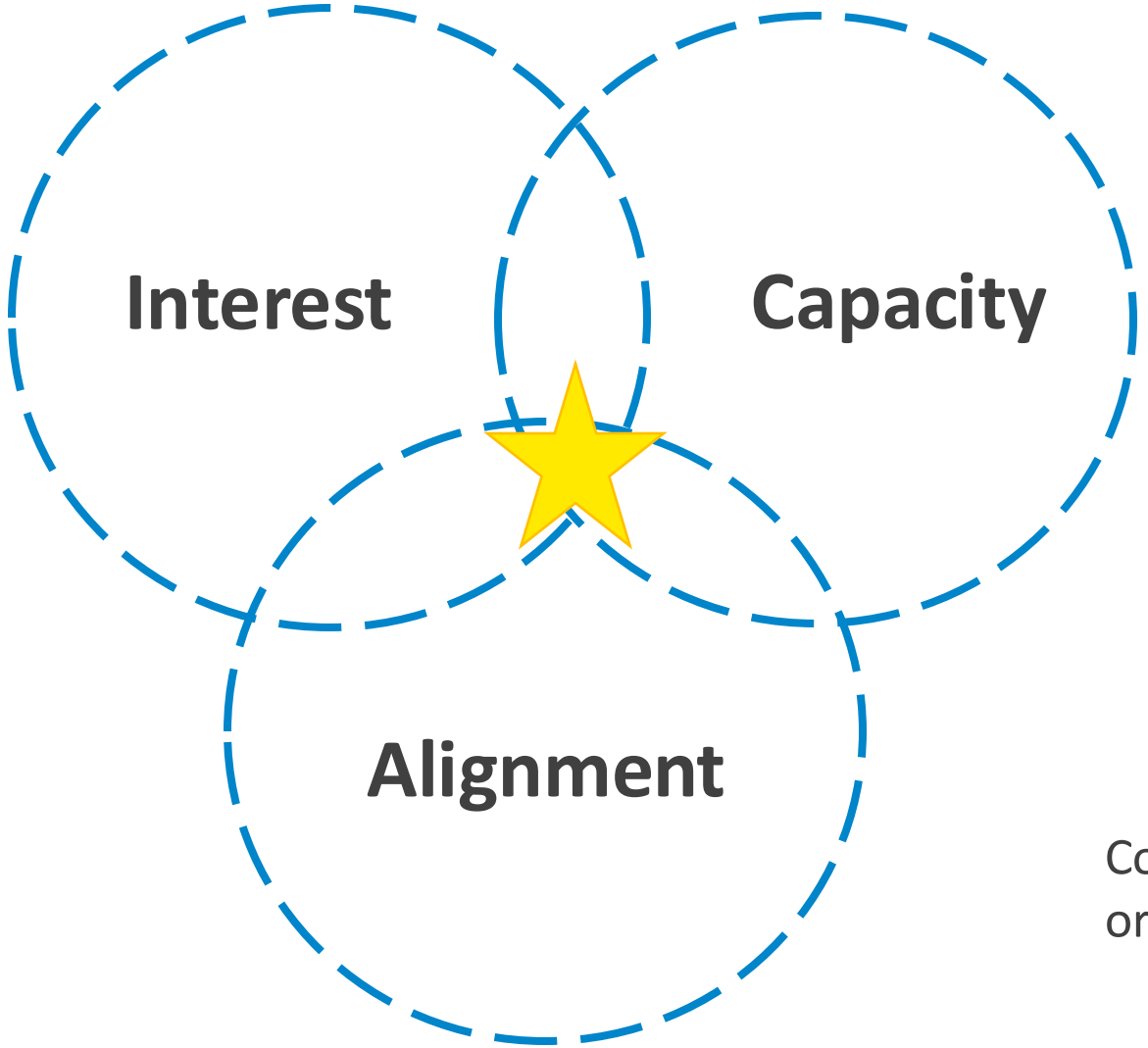
- Annual donors – current or lapsed
- Event attendees
- Connection to program participants
- Alumni
- Board members – current and former
- Volunteers

People you don't know yet

- Share values and commitment to your mission
- Are in your stakeholder's network
- Donors to similar organizations
- People that come to your events
- List purchase

Recognizing Potential Donors

Gives to similar organizations



Financial ability to make a gift

Connected to your organization or mission

Research Tools

- CRMs like Raiser's Edge, Salesforce, Altru, Tessitura, DonorPerfect, and more…
- Research engines like iWave, DonorSearch, Research Point, Guidestar, and more
- AI! (we'll talk about that next)
- Excel, LinkedIn, Google
- Staff and volunteers

HELP YOU UNDERSTAND….

- Biographic or demographic info
- Relationship to your organization, like gift size and constituency
- Donor journey status and readiness to support
- Capacity ratings and other giving
- Affinity and interests

AI Tools & Donor Research

Chat Tools

- ChatGPT, Copilot, Perplexity, Gemini
- Type in a question, get an answer
- Good for -
  - Writing
  - Ideas
  - Quick research

2. CRM Tools

- Salesforce, Blackbaud, Tessitura
- Smart features inside your donor database
- Good for -
  - Organizing donors based on giving history
  - Suggesting who might give again

3. Special Research Tools

- Windfall, DonorSearch
- Look outside for potential new donors
- Good for -
  - Finding new major donors

What Should You Use?

Just getting started? Try a chat tool like ChatGPT.

Already using a CRM? See what smart features it has.

Looking for big gifts? Use a research tool, whether in your CRM or outside.

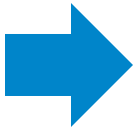
What Do You Want To Know About Your Donors?

KEY MOTIVATORS

KEY MESSAGES

KEY INFLUENCES

MISSING DATA



- What issues are they **passionate about**?
- Who do they **listen to or trust** for information?
- Where else do they give? **Where do they volunteer or serve on the board?**
- What is their top philanthropic priority, and **where does our organization fit in their priorities?**
- What was the largest gift they've ever given to our organization? To any organization? **What were they trying to accomplish with each gift?**
- What motivates their giving?
- How do they want to be **involved, informed** or connected to you?

What's in the Outreach Message?

- **Personal salutation and a reference to their relationship with the organization**
- **A short description of who you are and why you're reaching out**
- **A sentence on what you're asking for and why it makes sense for their interests to say yes**

- Make it easy to say "yes"
  - Include 2-3 appointment times to make it easy to say yes (instead of "when are you free?")
  - No more than 4-5 sentences in your outreach e-mails

Common Challenge: Unresponsiveness

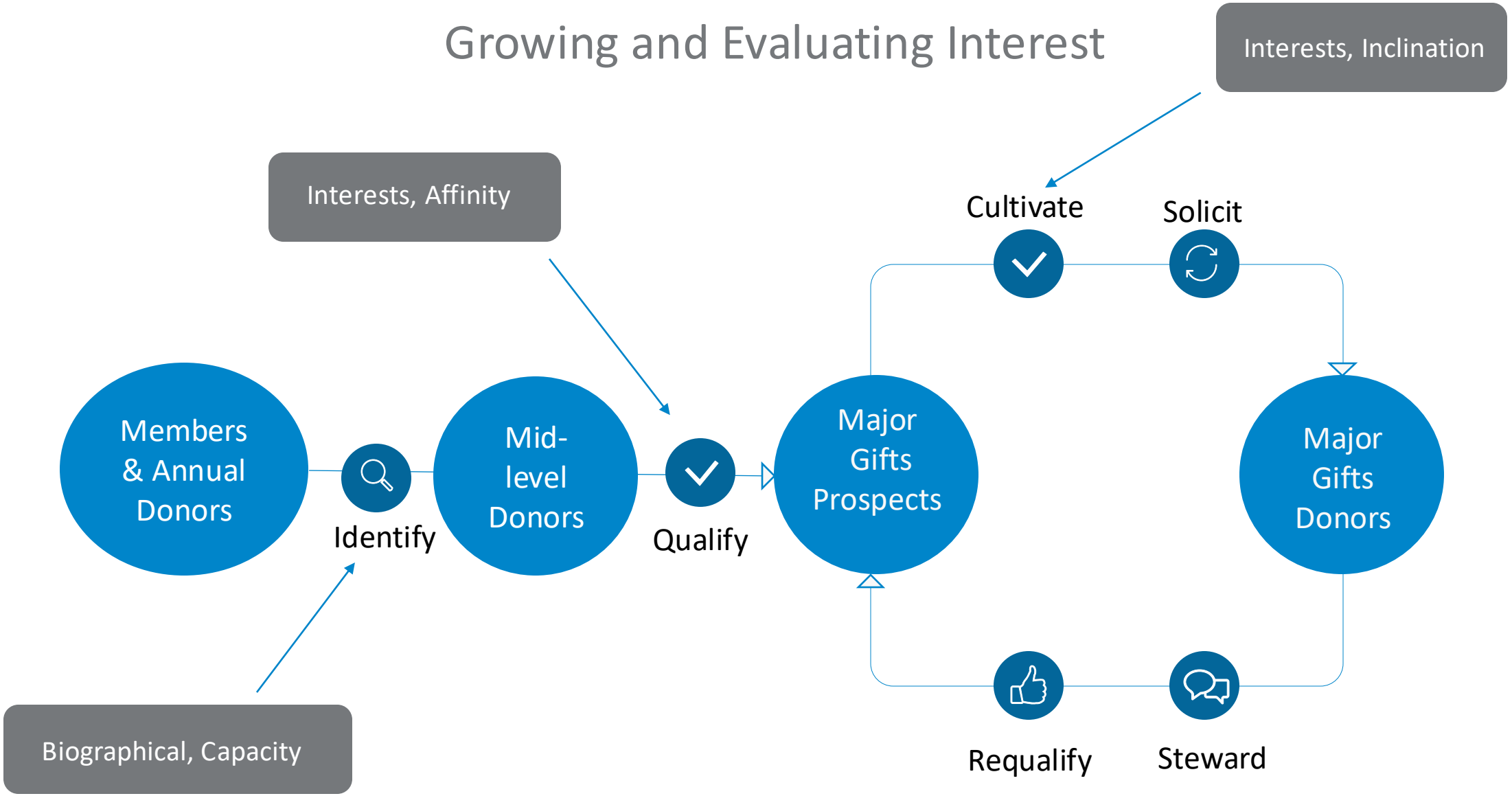
Try a combination of things before disqualifying.

Change your outreach schedule	Attempt calling or emailing at a **different time of day** or reaching out through a **different mode** of communication.
Pause for a few weeks or months, then try	Your prospect may be traveling, busy with existing commitments or **not ready to talk**.
Leverage a mutual connector	Connect with someone in your network who can facilitate a meeting or **provide you with insight** on the prospect.
When in doubt, invite them to something, *anything!*	**Utilize existing events and engagement opportunities** to pique the prospect's interest.

Action Plan:
Cultivating Supporters

Donor Journey

Growing and Evaluating Interest



Cultivation Strategies

Personalized communications and connections
Utilizing newsletters, social media, and **face-to-face meetings** to build relationships.

Engaging events and educational opportunities
Hosting engaging events **like tours or workshops** can showcase your organization's impact and attract potential donors.

Transparent reporting, with a focus on impact
Transparent reporting on **how funds are used builds trust and shows accountability**, which is crucial for cultivating donors.

Community and network-building
Giving space for donors to build community and integrate new networks, offering shared value and impact at multiple levels

Wrap-Up Prompt

In the chat, share any questions you may have, and…

What's one action step you learned today that you can apply in the next week?

Thank you!

Contact us to talk more –

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