Building a Powerful Relationship with Funders
Housing Action Illinois’ 2014 Housing Matters! Conference
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Objectives

• Participants will gain factual knowledge on private sources of funding.

• Participants will learn fundamental principles of prospect research and donor cultivation.

• Participants will discuss specific strategies for developing funder relationships and building partnerships.
Who is in the Audience?

• Executive Directors/CEOs
• Development Staff
• Program Staff
• Board Members / Volunteers
• Funders
• Others
Philanthropy in the United States

- 2013 Total Contributions = $335.17 Billion
- Foundations contributed $50 B and Corporations contributed $16.8 B
- Individuals contributed $268 b or 80% of the total
- Foundation giving went up 5.7% and Corporate giving went down -1.9%

SOURCE: GIVING USA 2014 OVERVIEW OF GIVING
Philanthropy in the United States

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Philanthropy in Illinois

- Total Giving = a record $2.6 Billion
- There are 4,217 Illinois grant making foundations.
- Education and health are areas that received the most funding.
Philanthropy in Illinois

- Cook County grant makers account for 60% of Illinois foundation giving.
- Education and health received the most funding.
- The total giving by non-Illinois foundations is $335.5 million.
If Corp/Fdn giving is only 20% of the “giving pie,” why grab a slice?
Prospect Research

- Purpose of research (gage interest to submit proposal)
- Type of information you need (due dates, qualifications, mission alignment, what they don’t fund)
- Find personal links if possible
- Don’t be afraid to reach out via phone
- Types of Foundation-Corporate Giving Program
Prospect Research

Types of Funders

- Independent Foundation
- Family Foundation
- Community Foundation
- Operating Foundation
- Corporate Foundation
- Corporate Giving Program
Prospect Research

Sources of Information

- Funder’s Websites
- www.foundationcenter.org
- www.guidestar.org – 990s
- Board Members / Senior Staff / Volunteers
Prospect Research

- Conduct preliminary research
- Prioritize your prospects:
  - Existing Donors
  - Lapsed Donors
  - Prospects with whom you have a connection
  - “Cold” prospects
- Conduct in-depth research
- Try to talk with the prospect before submitting the proposal or letter of inquiry and be prepared to Wow Them with Facts.
- Follow the guidelines
Prospect Research

Trends

- Online applications with criteria to screen you out.
- Narrowing of priorities to make more impact in chosen areas of giving.
- Majority of funding for specific project.
- Taking a leadership and/or collaborative role with nonprofits in seeking solutions to community problems.
- Paying more attention to grantee leadership; fiscal stability, board involvement and expertise on the issue.
Prospect Research

- Corporate and foundation prospecting is about dealing with PEOPLE, not just INSTITUTIONS.

- You have to be prepared to demonstrate what you bring to the table (benefits for the corporation / return on investment).
How to Approach Corps/Fdns
Cultivation Techniques

- Send a thank you note recapping the “road map.”
- Keep your advocates and champions informed.
- Send invitations to special events and special communication.
- Attend industry events (lunches, galas, forums, etc.)
- Secure guidelines and directions.
- Prepare and submit a proposal for funding.
Scenarios Instructions

- Form in a small group to discuss the scenario.
- Choose someone to report back to the full group.
- Discuss strategies on how to open and maintain a relationship with the funder.
- Outline next steps for having a positive relationship.
Stewardship

- Acknowledgement
- Fulfillment of obligations
- Reporting
- Recognition
- Cultivation
Declined, now what?

- Send a thank you note.
- Seek feedback on proposal and approach.
- Integrate into database and communications plan.
- Develop a stewardship plan.
- Apply again.
Approved, Now What?

- Donor Recognition Plan Kicks In
  - Thank you issued within 48 hours (phone call, letter, etc.)
  - Invite donor to special event (press event, program event, etc.)
  - Integrate donor into database and communications plan
    - Program Outreach Materials
    - Annual Report
    - Newsletter
  - Encourage corp or fdn donor to take leadership in volunteer opportunities
  - Sustained Giving: Board Members, Board Cmte Membership, Special Recognition
Q & A

Business-Plan

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Thank You

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