



***“TOOLS FOR SUCCESS” WEBINAR SERIES
FOR ASSETS FOR INDEPENDENCE
GRANTEES***

Fundraising Strategies for IDAs

February 21, 2012

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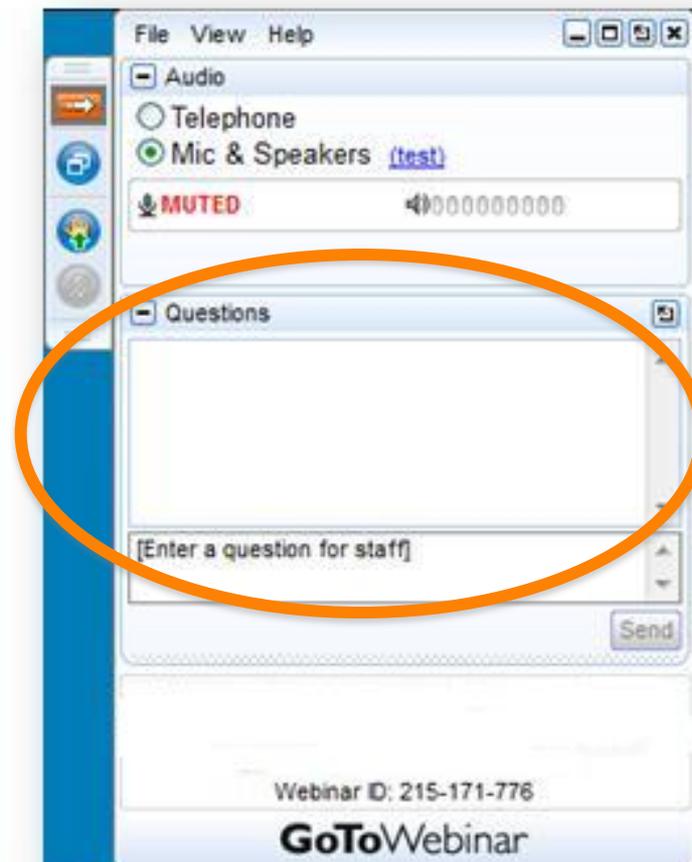
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Housekeeping

- This webinar is being recorded.
- A transcript and link to the recording will be available 1 week after the webinar.
- The webinar will last for 1 hour.
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Housekeeping

- All webinar attendees are muted to ensure sound quality.
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Not an AFI grantee yet?

- Assets for Independence (AFI), which is administered through the Office of Community Services (OCS) at the U.S. Department of Health and Human Services, provides federal funding to community-based nonprofits and government agencies for Individual Development Accounts (IDAs).
- To learn more about applying, visit www.idaresources.org
- Upcoming Orientation Session:
 - AFI Program Overview and Grant Application Process (webinar)
 - Tuesday, February 28, 2:00 – 3:30 p.m. EST
 - Register at www.idaresources.org

Your Guest Speakers

- **Tad Oyler**

Grants Coordinator

EARN



- EARN is a nonprofit that gives low-income working families the power to create prosperity for generations. EARN's ultimate vision is that millions of well-informed, low-wage American families will achieve financial success through proven strategies, fair public policy, and their own hard work.

Your Guest Speakers

- **Devin J. Thompson**
Development Director
Capital Area Asset Builders (CAAB)



- Capital Area Asset Builders puts people on the road to financial independence. CAAB programs help low- and moderate-income individuals and families improve their money management skills, increase their savings, and build wealth by investing wisely. CAAB's goal is to create a community that provides *everyone* with incentives and opportunities to save for the future.

Your Moderator

- **Leigh Tivol**
AFI Resource Center



- The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset building services across the nation.

Today we will cover...

- Exploring a range of funding options for your IDA program – private, philanthropic and corporate
- Developing relationships with funders and donors
- Considerations for working with individual donors
- Creative strategies for a down economy

Fundraising: A Key Task

- ...to raise match dollars
- ...to draw down federal AFI funds
- ...to cover programmatic costs

AFI Requirements

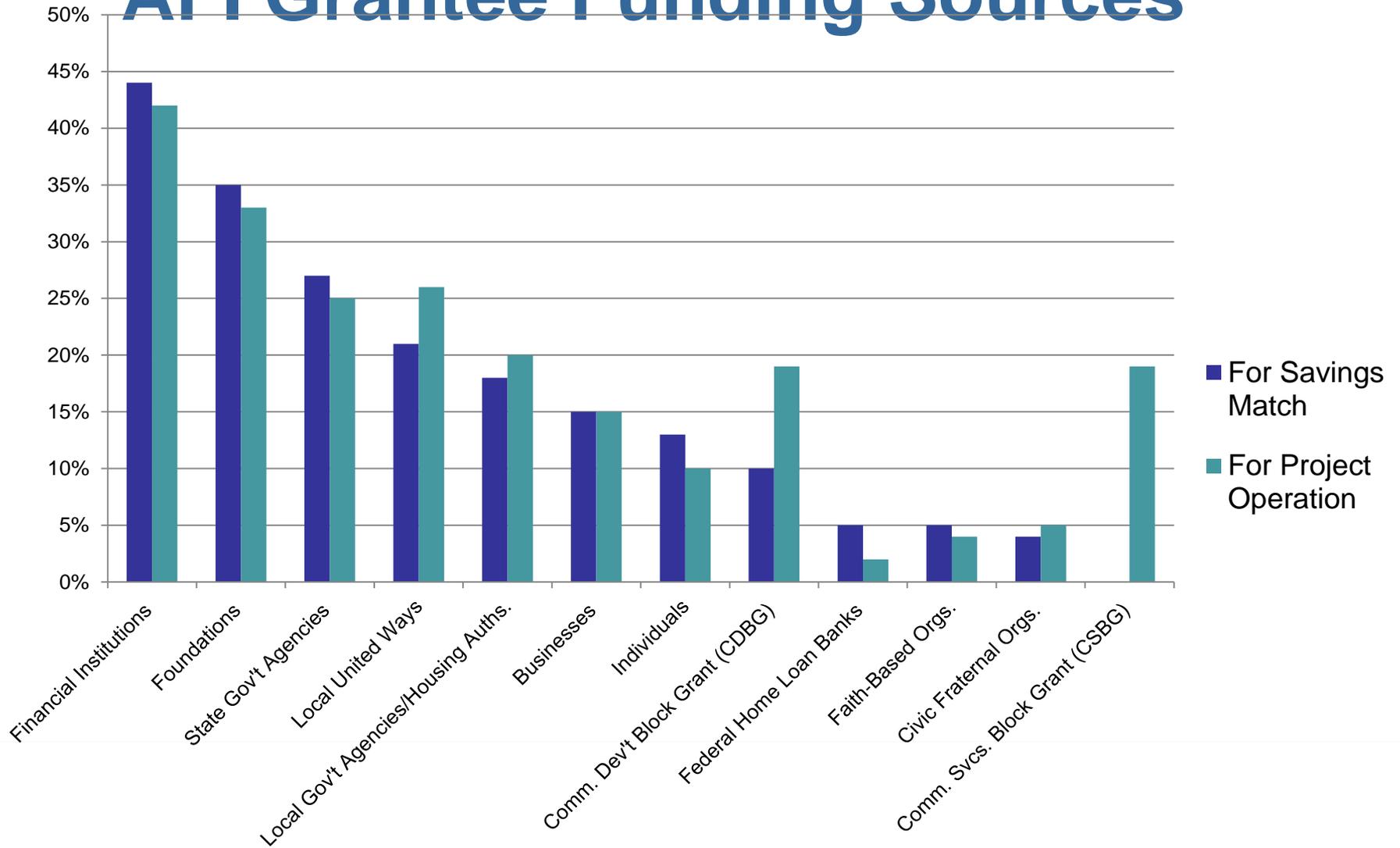
- Federal Assets for Independence grants require a 1:1 non-federal match
- Match funds must be used for the same purposes as the federal funds
 - At least 85% to match IDA participants' savings
 - Up to 15% for project operations:
 - 2% for data collection
 - 5.5% for financial education
 - 7.5% for other operational expenses
- Commitment of non-federal funds must be included in the grant application

Common Funding Sources

- Public:
 - State, tribal, city and county governments
 - Housing authorities
 - Community Development Block Grant (CDBG) funds
 - ...and more!
 - Visit www.idaresources.org for on-demand access to our webinar on **State & Local Funding Sources**
- Private:
 - Foundations
 - Individual donors
 - Corporations / businesses
 - Financial institutions



AFI Grantee Funding Sources





A Wealth of Information...

- AFI Resource Center website: www.idaresources.org
- Templates, tips, messaging, strategy, and more
 - Building Your Fundraising Strategy
 - Cultivating Funders
 - Tips for Energizing Board Members
 - General Suggestions, Tools & Resources

**What is your general approach
to fundraising for
IDA programs?**

The Basics

- Raising matching funds = using resources available locally
- *Program Funding is to Match Funding as Match Funding is to Operating Funds*
- An idea that resonates: Everyone likes the idea when they hear it
- The challenge: Overcoming the per-client price

Seek program funding from grants – use everything else for match

- Foundations and corporations
 - Family foundations: Seek general operating grants
 - Community foundations: Write match into budgets
- Individuals
 - Challenge campaigns: Holiday campaign
 - Events: Asset Awards and Welcome Home Breakfast
 - Giving Circle: Real Estate Auxiliary

Coordinated Fundraising and Communications Strategy

- Storytelling:
 - We put our Savers front and center in fundraising materials, and disseminate stories through a coordinated traditional and social media strategy
- Emphasis on impact, not ideas

Staff Capacity Investments

- Development Team: 4 full-time staff
- Communications Team: 2 full-time staff

Experimentation

- Online fundraising
- Messaging control groups



How have you identified and targeted prospective donors to your AFI program?

Prospecting Tips

- Do your homework: Who else is being funded?
- Seek prospects outside of “economic development” funders
- Break accountholders up into smaller groups
 - By asset
 - By specific population
 - By geography

A Variety of Approaches

- Local foundations
 - Family foundations
 - Community foundations
- Corporate philanthropy
 - Where do they want the visibility?
 - What is their niche?
- Who is already giving?
 - Increasing the amount being given
 - Turning program donors into match donors

Foundations and Corporations

- Cultivate foundation program officers as if they were individual donors:
 - Don't waste time, energy, and resources putting together a grant proposal if you haven't warmed up your program officer first
 - Get the invite to apply
- Do your grant research to learn:
 - What's available
 - What they fund
 - Who they fund
 - Find a connection to the program officer
 - Foundation Center is a great resource!

Foundations and Corporations

- Introductory meeting – Bring along your biggest cheerleader, or the person who made the connection (CEO, Program Director, Board member, etc).
- Banks are natural partners with IDA programs due to Community Reinvestment Act requirements.
- All this sounds basic, but it works...
 - EARN has 80%+ success rate on grants applied to over the last 4 years.
 - Grant revenue increased from \$2.8m to over \$4m over the same timeframe.

Individual Donors

- Events:
 - Put our Savers front and center, typically one Saver per event.
 - Focus on individual transformation, not lofty ideals.
- Friendraisers:
 - Ask Board members, donors to hold a cocktail party with friends to get potential donors in the room. Short but informative program.
 - Follow up with info and invite to larger events.
- Donor Circles:
 - Cater to specific groups, add tangible value
 - Center circles around giving levels and/or asset goals.
 - Example: Real Estate Auxiliary (\$250-\$2,000/year)

**What messages have you
successfully used
to approach donors?**

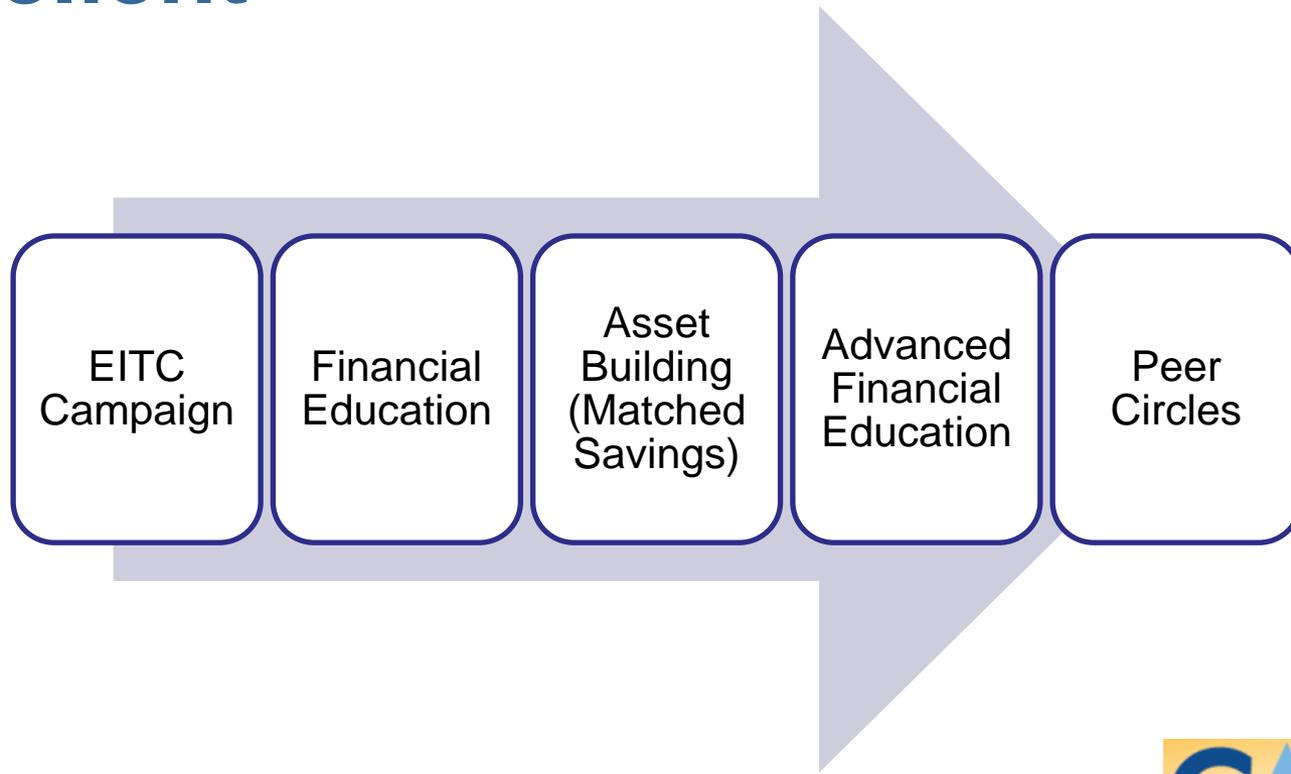
Results Trump Theory

- Your clients are your best assets. Turn them into ambassadors by telling their stories.
- IDA programs point to tangible results: Share them!
 - Example: So far, EARN's Savers have launched 549 microenterprises, invested in 845 college educations, and sustainably purchased 152 homes. A recent qualitative study by the EARN Research Institute found that 83% of our Alumni continued to save, even without matched incentives, after program completion.
- Resource: www.earn.org/about/success_stories/

Market to donors the same way you attract clients: Stress the match.

- Donor \$ + Saver \$ + Government \$ = 3x the investment in small business, education or homeownership.
- We typically create a challenge pool from foundations for our campaigns twice a year.
 - People like to donate to causes that others donate to
 - “Expiration date” expedites the urgency to give
 - Example: 2006 Holiday Campaign was the first year we used saver stories and match language
 - Increased donations from \$4K in 2005 to \$56K in 2006 using same mailing list
 - Experienced 10x increase in number of gifts

Describe the full “life-cycle” of the client



Messaging Strategies

- For corporate funders, note the institutional benefits
 - Leverage of the investment to the community: *IDAs as a solid 2.6x (on a 3:1 match) on impact dollars*
 - Local economic growth
 - Reduction in public expenses as clients become self-sufficient
- Read up on “impact” or “tactical” philanthropy: a growing trend

Messaging Strategies

- For private philanthropy, describe the impact on the client level
- Always have a specific story that matches the interest of the funder, such as:
 - A mother raising her family with the stability of owning her own home
 - Increased civic participation of homeowners
 - Increasing minority entrepreneurship
 - Giving someone the skills they need to get a career rather than a job

How have you tailored your fundraising strategies to the down economy?

Get Specific – and Work Together

- Focus on specific match fund uses
 - Specific populations: limited English proficiency, children aging out of foster care, returning citizens
 - Specific locations (Ward 8 in DC)
- Partner with other community-based groups or asset-building organizations
 - Close ties with schools for education funds
 - Close ties with job training programs

Embrace It

- The economic downturn is highlighting the need for programs that create tangible, transformative results.
- IDAs are designed, and proven, to create systemic change. You have the perfect product to sell.

Expand Your Fundraising Reach

- **Foundation prospects:**
 - You're not limited to applying only for “asset building” or “community development” grants.
 - Example: Educational funding is a natural fit for college savers.
- **Individual donors:**
 - Find out what your donors value most, and cater your asks to those values.
 - Example: Market small business savers to entrepreneurs.



The Floor is Open: Your Questions for the Speakers



A Wealth of Information...

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Contact Information

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visit www.idaresources.org.

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dthompson@caab.org
- **Leigh Tivol**
AFI Resource Center
leigh.tivol@idaresources.org

Upcoming “Tools for Success” Webinars

- **Applying Behavioral Economics Principles for IDA Programs**
February 29, 2012
- Visit www1.gotomeeting.com/register/416826369 to register