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Fundraising Lessons for the Poverty-Alleviation Movement

Over the course of many engagements with clients around the country, Richner & Richner has observed commonalities among organizations focused on improving the lives of people living in poverty.

Key Findings

- Organizations with poverty alleviation as central to their missions are attractive to and stand to engage the world's most willing and able philanthropists.
- Organizations with small operating budgets have been able to secure large gifts when they can demonstrate the ability to absorb the funds and quickly put them to use.
- As these organizations grow, they need to educate their long-time donors that a shift in focus from grassroots fundraising to "grass tops" fundraising does not represent a betrayal, but is rather another means for donors to express their gratitude for the mission. Contrary to perception, large gifts and the people who can give them are not inherently evil.
- Geographic dispersion makes for too few opportunities to physically sit across the table with prospective major donors. Organizations need to think strategically about every interaction with these donors, make every visit count, and strive to make the visits more frequent.

Further Observations about the Movement

- The movement has broad appeal, regardless of political views.
- The eradication of poverty is theoretically possible, which is exciting to donors.

- The problem of poverty is vast in its implications and manifestations, allowing organizations to ask donors for correspondingly large gifts.
- Wealthy individuals, corporations, and foundations are all very willing to support organizations that demonstrate impact and show measurable results.
- Relationships with overseas partner organizations serve as an “insurance policy” for donors.
- Organizations that supply technical consulting services to partner organizations have helped stimulate major support and investment from philanthropists.
- The level of passion, commitment, and donor loyalty among supporters is extremely high.
- Competition among similar organizations is heating up, motivated in part by the leadership of Gates and Buffet in this area.

Characteristics of Likely Donors

- Social venture capitalists and entrepreneurs tend to be interested in poverty-alleviation.
- These likely donors have an independent, revolutionary spirit.
- They seem resistant to traditional fundraising approaches, and are less susceptible to peer pressure (with regard to solicitations).
- Donors want quality controls over how the funds are distributed.
- Donors have no tepid feelings about the mission; they feel strongly and have an evangelical quality to interactions centered on the organization.
- Endowments and endowment funds do not seem to be as attractive to these donors.
- These donors seem to need less recognition and stewardship than is seen by other types of charitable organizations.

Best Approach to these Donors

- Be flexible in creating funding options, and know that they will often desire a high level of control over the dispersion of funds.
- Be very willing to show the mission in action, and to show measurable results.
- Chaperone prospective donors to work sites, as a highly-effective cultivation approach.
- Quantify what it will take to achieve the mission.
- Be bold and assertive in asking for gifts.