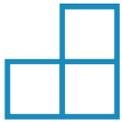


CASE STUDY

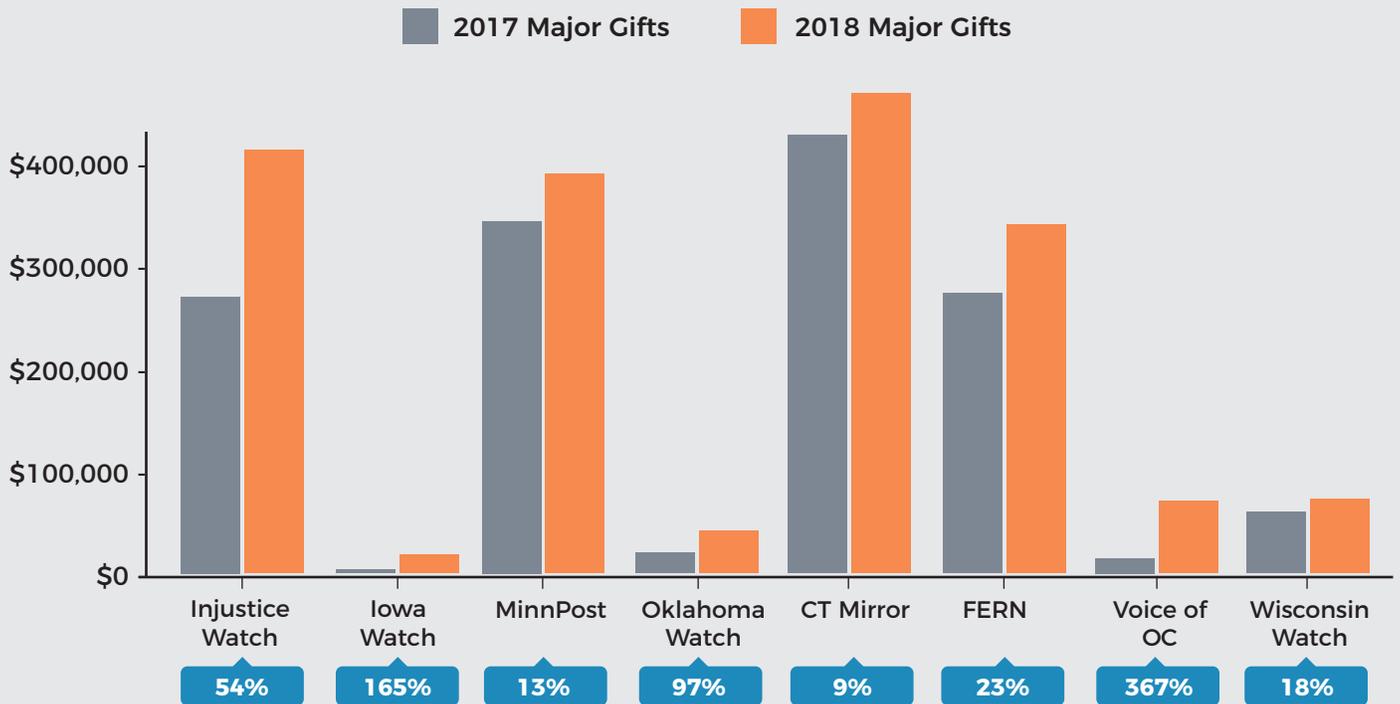


**Institute for
Nonprofit News**

**Major Gifts Coaching:
Modest Investments
Generate Major Returns**



All Newsroom Participants Reported an Increase in Year-Over-Year Major Gifts Revenue



Even modest fundraising investments by young nonprofit newsrooms can generate significant major donations to support their journalism, given the right tools and training.

This is a key learning for the nonprofit news field, because in 2018 individuals contributed nearly 70 percent of U.S. nonprofits' charitable donations, according to GivingUSA. And most of that came from major gifts. For nonprofit newsrooms, individuals provide only about 40 percent of donations. The Institute for Nonprofit News decided to test how to meaningfully increase the share of major donor revenue for the fast-growing field. With support from the Park Foundation, INN

launched a pilot, the Major Gifts Coaching Program, with 10 nonprofit newsrooms. The results exceeded expectations.. All participating organizations achieved increased major donor funding, ranging from 9 percent to 367 percent increases.

The pilot suggests that with focused, short-term training and the right tools, nonprofits can dramatically improve their fundraising results. This case study describes the pilot, the pilot cohort's experiences and recommendations for other nonprofits seeking to build revenue.



The Challenge:

Increase major donor gifts to nonprofit newsrooms with training, tools and donor program development practices. Reliable funding ensures nonprofit newsrooms provide communities with reliable news sources into the future and citizens can count on independent investigative reporting to watch out for their interests.

The Goal:

Each participating organization would develop skills, build a major donor program and raise at least \$10,000 in net new revenue by the end of the year.

The Program:

- Build skills via coaching from a specialist in donor development
- Establish messaging on each organization's mission and needs
- Learn to use fundraising tools to understand their donor pool
- Determine the 'ask'
- Build a donor engagement tool
- Design a major donor stewardship plan

The Result:

The eight newsrooms that completed the program raised more than \$1.7 million in net new revenue. The results were so good that INN launched a second round of training.

Recommendations for Nonprofit Newsrooms:

- 1) Develop a major donor plan as part of start-up efforts
- 2) Make major gifts efforts a part of on-going day-to-day operations and dedicate some leadership time to major gifts throughout the early years
- 3) Use wealth screening resources such as DonorSearch to identify the potential major donor pool from existing individual donors and to understand a potential donor's giving capacity and areas of interest
- 4) Develop a portfolio of projects and needs donors can support, from supporting a specific beat or area of coverage (i.e., statehouse), a reporting project or tools, to organizational infrastructure or resources
- 5) Develop a major donor stewardship plan to build on-going relationships with donors
- 6) Develop a strategy to convert one-time donors into on-going commitments with three- to five-year funding commitments
- 7) Build fundraising targets into the nonprofit annual planning cycle
- 8) Consider using outside coaches to develop major gifts skills and to help set up systems to build significant revenue, even before the organization can support a full-time development director



Disrupting Conventional Wisdom

Conventional wisdom holds that nonprofits need to invest several years of work and employ a full-time development director to realize meaningful revenue from major gift fundraising.

But nonprofit newsrooms are young, most less than 10 years old. And the field is new to philanthropy. Many of these news nonprofits do not have full-time development staff. Unsurprisingly, the individual donor revenue for news nonprofits, while growing, is generally less than 40 percent across the field, and often much lower.

In the INN Major Gifts Coaching pilot, eight newsrooms completed the program and reported raising more than \$1.7 million in net new revenue in just over a year to support their journalistic missions.

The findings suggest that news organizations should start setting up major gift development efforts as soon as they launch and dedicate some leadership time to major gifts throughout their early years. They also suggest that outside coaches can help set up systems and build significant revenue, even before they have full-time development directors.

“The curiosity and persistence that journalists bring to their investigative work are exactly the skills required for major gift work. What is missing are the tools and training that journalists need in order to have the confidence to go talk with their donors — and ask for a gift,” said Diane Remin of Majorgifts.org, who led the major gifts coaching program for INN.

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Diane Remin
Program coach

Why Major Gifts. Why Now.

Individual donor support for and awareness of public service journalism is growing. NewsMatch, a national, matching-gift campaign that promotes end-of-year giving among individual donors to nonprofit newsrooms, began in 2016. Each year's campaign has surpassed the previous year's results. The NewsMatch campaign, in addition to raising donations, helps newsrooms build an individual donor database. As part of the pilot, the cohort used those databases in their work with Remin.

It is a key issue, because major gifts are a critical potential revenue stream for news nonprofits, particularly those focused on investigative journalism. The time, risk, and resources these organizations dedicate to their reporting relies on flexible, reliable and sustainable major gift donations.

The newsrooms that participated in INN's Major Gifts Coaching Program understood the importance



of having a major gifts program. “If a nonprofit newsroom is not prioritizing major gifts, it will not last long,” said Tom Laskawy, Food & Environment Reporting Network Publisher and Executive Director.

The Program

With the Park Foundation’s support, INN’s experiment was to hire an experienced major gifts coach to work over nine months with 10 INN member newsrooms as a small group. INN believed a collaborative fundraising effort would be possible given the community culture of INN.

In spring 2018, Remin, a specialist in donor development for small and mid-size nonprofits, began working with the 10 newsrooms. Two national and eight regional/local news organizations signed up. Each invested the time of two people and \$3,000.

Remin taught cohort members how to craft and convey their newsroom’s story and funding priorities, to analyze and understand their donor pool, to determine and make the ask, and to design a major donor stewardship plan. The program included group videoconference sessions and one-on-one conversations with Remin. The group met for in-person training—including role-playing exercises—in conjunction with INN Days, the annual spring meeting of nonprofit news leaders.

The goal was to have each newsroom establish the messaging, wealth screening and outreach fundamentals they would need to launch a program, and then generate \$10,000 in net new revenue by the end of their first year—or at least \$100,000 across the cohort. Each news outlet would be set up at the end of the year to continue its own program in subsequent years and continue generating new revenue.

“If a nonprofit newsroom is not prioritizing major gifts, it will not last long.”

Tom Laskawy

Food & Environment Reporting Network
Publisher and Executive Director

The Results

The initial \$70,000 investment (\$40,000 from the Park Foundation and \$30,000 from participants) generated more than \$1.7 million in net new revenue for eight newsrooms¹. This included \$492,000 in confirmed gifts during the latter half of 2018 and another \$1.25 million in pledged or confirmed gifts between January and May 2019.

Seven of the eight newsrooms said the most valuable outcome of the coaching was learning to transfer skills from journalism to fundraising. “[The program] was, I thought, very fitting, because at one point it became very explicit that these skills are in some ways very similar to doing journalism. As that was impressed upon the cohort, that helped make a shift: It helped give people a mindset where they felt more confident and realized, “Yes, I do have the skills to do this,” said MinnPost Development Director Tanner Curl. “For us, [the key] was taking those skills and professionalizing them.”

The training’s impact went beyond major gifts program development. Newsrooms report using techniques from the coaching to earn gifts from

¹Eight completed the course successfully. One left the program because of staff turnover and another due to a planned merger with a public media station.



small individual donors, during meetings with foundation program officers, and while soliciting corporate sponsorships.

Newsrooms Identified the Following Tools and Techniques as Most Useful:

- Wealth screening (DonorSearch)
- Donor profiles (understanding donor capacity and how much to ask for from each donor)
- Donor engagement tool
- Donor meeting framework
- Process for prioritizing three potential funding opportunities

The donor engagement tool is a visual framework to help present an organization’s story, their case for support, in a way that engages donors during an in-person visit. The tool was created by ForImpact/The Suddes Group.

Newsroom	2018 Major Gifts Attributed to Coaching	2019 Major Gifts Committed or Given Jan-May 2019
Injustice Watch	\$225,000	\$320,000
IowaWatch	\$6,000	\$0
MinnPost	\$28,500	\$195,000
Oklahoma Watch	\$15,500	\$5,000
The Connecticut Mirror	\$40,000	\$450,000
The Food & Environment Reporting Network	\$122,000	\$180,000
Voice of OC	\$55,000	\$0
Wisconsin Watch	\$0*	\$103,000
Total	\$492,000	\$1,253,000

*Wisconsin Watch does not attribute any 2018 revenue to the program but does credit the training for \$109,000 committed in major gifts for 2019 and beyond.



The Major Findings

- Even small investments in major donor programs can reap major results - the cohort of eight nonprofits achieved increases in major donor revenue that ranged between 9 percent and 367 percent and raised \$1.7 million in net new revenue.
- Nonprofits should make major donor giving programs part of their start-up planning. While the conventional wisdom is that nonprofits should wait to become established before beginning major donor programs, the pilot made clear this work needs to begin at start-up.
- While leaders of emerging nonprofit newsrooms face the time-and-priority challenges of any start-up, it's vital that major donor planning be part of start-up strategies. Leaders need to allocate time for consistent weekly and monthly donor outreach.
- Simple tools can dramatically improve results, by giving nonprofits information about potential donors' capacity to give and interests.
- Nonprofit newsrooms need to develop clear, concise messaging to donors describing the nonprofit news organization's mission and needs.
- With the right messaging and focus, nonprofits can transition existing small donors to major, sustaining long-term commitments.
- Nonprofit newsrooms need to identify clear projects to match to donor interests.
- Role-playing conversations between nonprofit leaders and potential donors is a surprisingly effective preparatory tool.

Due to the inaugural cohort's overwhelming success, the Park Foundation has renewed its support for the coaching program, and a 2019 cohort is under way. In the following section, the eight newsroom participants share their successes and take-aways.



The Stories Behind the Program's Success

Injustice Watch — \$225,000

Wealth Screening Tools Focus Fundraising Pitches

Injustice Watch had an established major gifts program. In 2018, major gifts comprised 55 percent of its revenue. Its goal for participating was to focus staff thinking on sustainability and how to pitch their existing donors on becoming part of the newsroom's long-term success.

The wealth screening² and subsequent donor profiles helped Injustice Watch better understand which donors in their existing donor pool had additional capacity to give. This led to three multi-year gifts from existing donors: One donor jumped from \$25,000 to pledging \$100,000 per year for three years; another donor, who gave inconsistently over several years, committed to \$150,000 per year for three years; the third donated \$20,000 in the past and decided to donate the same per year for three years.

In addition to the program tools and techniques, Injustice Watch Development Director Amanda Miley cited confidence-building as the main reason for their success. The success is on-going—InjusticeWatch has \$320,000 in major gifts pledged for 2019.

IowaWatch — \$6,000

Developing a Portfolio of Funding Opportunities

IowaWatch joined the program and adeptly pivoted when, during the program, a foundation funder offered IowaWatch a large match specifically tied to other foundation grants. This meant that IowaWatch needed to switch its focus from

individual gifts to new grants, but the training still worked. IowaWatch Executive Director and Editor Lyle Muller was able to use the techniques he learned during the program to support the newsroom's grant fundraising efforts as well as its NewsMatch campaign.

IowaWatch still raised \$6,000 in new major gifts that it attributes to the program. One of Remin's coaching techniques required newsrooms to identify three potential funding opportunities that they could use during meetings and pitches with prospective donors. That preparation helped turn a chance meeting into a fundraising opportunity when a former intern from Muller's previous job came by his IowaWatch office to visit and reconnect. It quickly became clear to Muller that his former intern was also interested in IowaWatch, so he shared with her the newsroom's three funding priorities. She made a significant donation and indicated she plans to continue to support the newsroom in the future.

MinnPost — \$28,500

Developing a Strategy Beyond Founding Benefactors

MinnPost was initially financed through major gifts from three couples, including the founder. Through the founder's circle of friends, it developed individual giving at scale early in its 10-year history. However, the founder retired and MinnPost opted to join the program because it felt it needed to develop a new program and set of relationships around the current generation of MinnPost leadership. INN's major gift program gave

²DonorSearch is the wealth screening tool that was used throughout the coaching program.



MinnPost the tools to relaunch its core funding operation, said Development Director Tanner Curl. While MinnPost also relies on grant funding, it finds major gifts more important to its long-term sustainability because they tend to be general support funds rather than prescriptive grants. Individual donors also tend to offer longer-term support.

MinnPost raised \$28,500 in net new revenue from new and existing major donors and identified 20 new major gifts prospects. Because of the positive returns they saw in 2018 from the coaching, they've launched an aggressive 2019 campaign. MinnPost has secured \$195,000 in actual donations or pledges for 2019, and prospected an additional \$290,000.

MinnPost's CEO Andrew Wallmeyer shared the following example: "We had a donor who had supported MinnPost with a couple of gifts totaling \$600 between them, and had reached out to solicit our advice on how arts organizations (an area of nonprofit focus for him) should be thinking about promoting their offerings in the digital media age. Our wealth screen showed him to have significant giving capacity, and he quickly rose to the top of the prospect list we developed with [Remin]'s help. I reached out to set up a meeting with him. After discussing with [Remin], we decided to ask for a three-year gift of \$5,000 per year, in support of our arts coverage. The lunch was very enjoyable, the conversation came easily, and when the time came, so did the commitment. Without the support and coaching I had received through this program, it's unlikely I would've confidently asked for so much, or moved as quickly through the earlier stages of the giving conversation."

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Andrew Wallmeyer
MinnPost CEO

Oklahoma Watch — \$15,500

Transitioning Existing Donors into Major Donors

Oklahoma Watch Chief Operation Officer Dena Drabek noted that, "It's intimidating to make these calls. Having the training and tools in hand makes you confident. Getting the gift makes you more confident. [The] tips and tools help you just start the process."

The donor engagement tool — the process of designing it as well as using the tool during donor meetings — was instrumental in securing several major gifts. The Oklahoma Watch team was able to move three existing donors to a higher giving level after completing the coaching: One from \$1,000 to \$5,000 per year for two years; another from \$1,000 to \$10,000; and the last from \$2,500 to \$5,000.

The Connecticut Mirror — \$40,000

Matching Funding Opportunities to Potential Donor Interests

The Connecticut Mirror benefited from Remin's

²The donor engagement tool is a visual framework to help present an organization's story (case for support) in a way that engages donors during an in-person visit. The tool was created by ForImpact/The Suddes Group.



coaching technique of identifying three potential funding opportunities to use during meetings and pitches with prospective donors. CT Mirror CEO and Publisher Bruce Putterman adopted this method and credits it, as well as thoroughly researching prospects prior to a meeting, as key techniques that helped him secure \$40,000 in net new revenue from three existing donors. To prepare for a donor meeting, Putterman brought with him the newsroom's three potential funding opportunities. Having researched the donor ahead of the meeting, he knew which of the three opportunities to focus on, and left the meeting with a donation toward that priority.

The Food & Environment Reporting Network (FERN) — \$122,000

Creating a Framework to Increase Donor Giving

FERN attributes \$122,000 of its 2018 major gifts to the coaching program, and already has booked \$180,000 in major giving for 2019. FERN Publisher and Executive Director Tom Laskawy reported that the training “gave us a set of techniques and a framework for identifying, cultivating and incentivizing major donors to significantly increase their giving. It also clearly identified several key psychological trends and techniques essential for donation approaches and asks.”

Laskawy said several of the techniques he learned are now a permanent part of his approach with major donors. For example, he met with a prospective donor he's had a professional relationship with for years. He knew she had significant capacity to give, but was a little skeptical about doing so. He used his donor engagement tool to add structure to his most recent meeting with this donor and turned a \$1,000 donation into a \$40,000 gift.

Voice of OC — \$55,000

Learning to Develop Messaging and Sticking to the Plan

New to major gifts fundraising, Voice of OC Development Director Meg Waters said confidence-building was the most transformational part of the coaching program. This confidence allowed her to secure her first new major donor. She felt thoroughly prepared prior to her meeting. She had an understanding of the prospective donor's giving history, stuck to Remin's recommended talking points, including the newsroom's vision and mission, and left lunch with a \$50,000 donation, the organization's first of anywhere near this size.

Wisconsin Watch — \$0

Building and Using the Donor Engagement Tool

Wisconsin Watch did not attribute any 2018 revenue to the program but does credit the training for \$109,000 committed in major gifts for 2019 and beyond. The Wisconsin Watch team used DonorSearch to assess its existing donor pool and then met with Remin to set appropriate ask amounts. Role-playing built confidence and the donor engagement tool was “incredibly helpful” during donor meetings.

Wisconsin Watch Executive Director Andy Hall and Senior Strategic Adviser Barbara Johnson brought the donor engagement tool to meetings with donors and potential donors. One couple commented that they really enjoyed the presentation, pledged to donate at a higher giving level for three years, and made Wisconsin Watch a beneficiary on a \$30,000 IRA account. Another couple who had not previously donated pledged at least \$45,000 over the next six years, and an additional first-time donor directed a \$25,000 gift for Wisconsin Watch through her family foundation.



This case study was completed by INN consultant Lindsey Melki based on financial reporting from and interviews with each of the eight organizations that completed the training. It also incorporates 2019 debriefs with trainer Remin by INN executive director Sue Cross and chief knowledge officer Fran Scarlett, who designed the program with Remin.

About INN:

The Institute for Nonprofit News (INN) is a growing national network of more than 240 nonprofit news organizations dedicated to providing investigative and public service reporting. INN was founded in 2009 to foster a new collective of newsrooms serving the public interest. Today it functions as an innovation network, helping members develop new ways to support journalism and engage communities, providing business, technology and leadership support and a framework for collaboration. INN's work helps newsrooms bring investigative and civic news to more people, hold the powerful accountable and strengthen democracy.