

Connected Giving

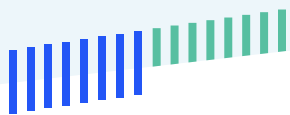
ALABAMA BAPTIST
CHILDREN'S HOMES

The Power of a Story

+ Year-End
Fundraising
is Done –
Now What?

iDonate.

JANUARY 2022



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Would you like to be featured in an upcoming issue of Connected Giving?

We'd love to hear your story!



Email us at cgmagazine@idonate.com.

COMMON THREAD: A LEGACY OF SERVICE

W

elcome to another edition of Connected Giving. We love showcasing the incredible work of our customers and we're excited about the response this magazine continues to receive. I am particularly excited about writing the introduction to this issue, as it's personal to me.

In 1976, my grandfather, former Oklahoma Governor Raymond Gary, and my grandmother Emma, gave 37 acres of land and \$200,000 in initial funding to build the Baptist Children's Home in Madill, Oklahoma. Of all the things my grandfather accomplished, he was probably most proud of this. When I visited his ranch in the summertime, he would always take me by the home to see the team and meet some of the young kids who were being cared for. I witnessed the respect and encouragement he shared. He became an inspiration, both to me and to those kids, about what we could achieve. His gift was a calling of service to others, and he loved to practice it at the home.

Alabama Baptist Children's Homes (ABCH), like the home established by my grandparents, provides an incredibly important service in our society.



A white handwritten signature of Ray Gary on a dark blue background.

Ray Gary
CEO, iDonate

According to their website, **there are approximately 6,000 children in foster care in Alabama alone**, and ABCH provides essential services to more than 400 of those children.

What I love about their model is that it's not just a shelter. They care holistically for the children — from foster care, to help with college, counseling, family care, and more. As scripture says, every child is "fearfully and wonderfully made." Without organizations like ABCH, these children might never understand the love, support, and hope they so deserve.

I am also honored to say that the Chief Development Officer of Alabama Baptist Children's Homes, Todd McMichen, is more than just a customer; he is a friend. Todd has built his career in developing leaders while serving in multiple ministerial roles. He is passionate about his work and pours himself into the cause and mission. We are proud to serve Todd and his team and the great work they do, and we're thrilled to showcase their success in this issue.

The Power of a Story

Sometimes all it takes is a simple message




Alabama Baptist
CHILDREN'S HOMES
& Family Ministries

Hearing stories of a nonprofit's success is a key step in the process of moving a potential donor to an engaged donor. The donors may already know what your intended mission is, but they also want to know what you are doing to fulfill that mission. Aside from being trustworthy with finances, what are you doing to change the lives of everyone around you, and how are you making your community a better place to live?

For Alabama Baptist Children's Homes, these are stories that they have been telling for 130 years. Alabama Baptist Children's Homes (ABCH), headquartered in Birmingham, serves the children and families of Alabama by providing the necessary care, shelter, and love they desperately need.

These are children and families who, for a variety of reasons, need a safe place to live, and may be otherwise neglected in their current environment. Their own backstories are often tragic and hard to comprehend, but those aren't the stories that ABCH wishes to focus on. They want the calls for help these individuals have, to instead turn into testaments of hope.

A man with a beard, wearing a black vest over a light-colored long-sleeved shirt and jeans, is holding a young girl in his arms. The girl is wearing a green polka-dot shirt, denim overalls, and blue rubber boots. They are standing in a grassy field with a blurred background of trees and a building.

“Many kids in foster care come to us at the worst day of their life,” Todd McMichen, chief development officer said. “But by Day 2, it becomes the best season of their life. We want to make sure our donors know what their donation did – we want to show them the impact of what we are doing.”



Todd McMichen,
Chief Development Officer
for Alabama Baptist
Children's Homes



Humble Beginnings to Serve a **Greater Need**

Beginning in 1891 under the leadership of Rev. John Stewart, ABCH was chartered and soon started as a home for orphans and widows in Evergreen, a small town in southern Alabama. Through continued support from the Alabama Baptists, the ministry continued to expand in later years throughout the state, ultimately serving a variety of needs including care for mothers and their children, students going to college, and counseling programs.

Today, the primary service that ABCH provides is foster care, and it is currently the largest faith-based foster care agency in the state. There are over 6,000 foster children in Alabama, and in 2021, ABCH took over 600 children into their care, the most they have ever done – only the Alabama Department of Human Resources will care for more children per year.



Any child that is placed into the care of ABCH receives housing, medical care and counseling (if needed), food and clothing, school supplies, and transportation to and from school activities. The primary goal of foster care is to give children a temporary home with the intention of reuniting them with their biological family.

In 2020, ABCH successfully reunited 130 children with their families, and saw 35 children adopted into forever homes.


Providing homes and addressing children's basic needs is ABCH's largest expense by far – over 30% of ABCH's expenses go toward their foster care service. Other services such as their campus homes and counseling programs make up over 20% each of their costs.

But with help from individual donations, churches, grants, and gifts from small businesses, these types of fundraising total the \$7.3 million they received in 2020, an amount that has gone up 70% since 2011. The largest of all fundraising income, individual donations, has gone up considerably as well. In 2011, ABCH saw just over \$1.2 million come in from individual donations. In 2020, that number grew to \$3.3 million.

Much of the reason for this increase has been the continued push ABCH makes in their community and digitally. ABCH employs several full-time development officers that speak at local churches and businesses while also sending out e-mail and social media campaigns throughout the year. Events such as Aim for Hope, a clay shooting event, and Trees for Hope, an event where attendees can buy their own Christmas tree by bidding on fully decorated trees put together by local businesses, all play a major role in raising the necessary funds.

This type of groundwork has especially paid off digitally within the last five years, when ABCH has seen the largest growth. In 2016, 4.6% of ABCH's revenue came from digital fundraising. By 2020, that amount reached to 11.6%.

This growth was notably seen on Giving Tuesday. In 2016, 300 donors gave \$185,000. In 2020, 707 donors broke ABCH's goal of \$650,000.



“Our events serve a purpose of introducing us to a business as well as to many new potential donors,” McMichen said. “We have very dedicated churches that are loyal givers to us, and the number of individuals who give is growing dramatically. These individuals are typically members of partnering churches. It’s really not just revenue that is going up, but it’s that donors are understanding our mission and staying engaged.”

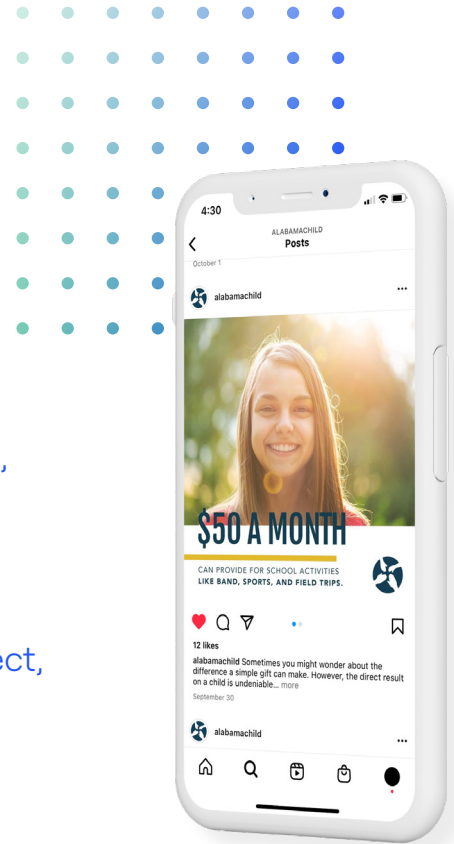
The Donor Journey

Cultivating ABCH's relationships with its donors, churches, and businesses across Alabama, further strengthens their calling of ministry. ABCH was founded on and has flourished under the guidance of their Christian faith. It is this faithfulness that encompasses their mission to "protect, nurture, and restore children and families through Christ-centered services."

That central focus is all a part of what McMichen calls the "donor journey." It is a three-stage process of getting an individual to go from awareness, to interested, to engaged. At each step of the journey, it is about telling a story, one that speaks to the successes of the organization and how far it has come, to seeing the lives of children and families changed forever.

"It's really important for us to tell the donor what their donation did," McMichen said. "The most important thing is that we leave every conversation getting to have the next conversation. We have seen more people wanting to participate and give because of the impact of the organization."

Of course, not asking for too much right away is important. Sometimes, simply asking for baby items like diapers and wipes on social media is all it takes to move people through the awareness stage. At that point, it is then all about keeping the donor interested and engaged, which is where telling the stories through social media has become an important tool.





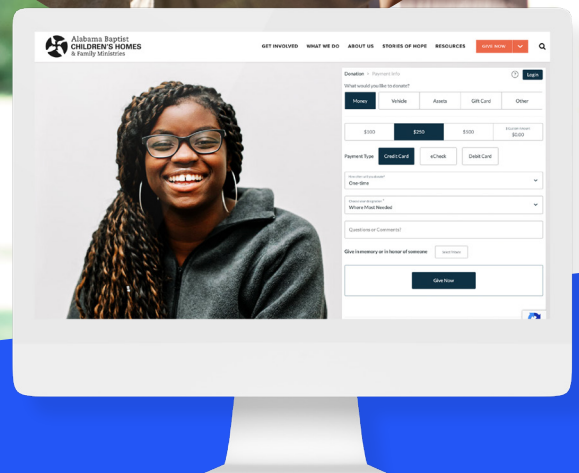
“We will flood social media through Facebook and Instagram, and we’ve done a good job of getting a very high percentage of younger donors to participate across the board,” McMichen said. “Every donor has a day when they became aware and another day when they make their first gift. Their first gift isn’t usually their largest gift, so we just have to remember where everybody starts.”

On social media and online, ABCH calls these “Stories of Hope.” These are stories like that of the Leonardy family, who recently announced the official adoption of three young children into their family. Brothers “Nick”* and “Andrew”* who, despite a turbulent upbringing, have both performed well in school and also played on their school football team. Or the Norris family, who have been ABCH foster parents since 2015, and fostered 13 children in that time.

There are numerous other stories that all hold the similar message of hope. They are meant to inspire and continue to deliver the message of ABCH’s mission. At 130 years old, thousands of stories have already been told of the thousands of children and their family members that have seen their lives changed because of the services that ABCH provides. In the next decade, ABCH hopes to see many more.

“We are 10 years out from our 140th anniversary as an organization, so in terms of our projected growth, we want to be providing care for more than 1,000 kids yearly in foster care in 10 years,” McMichen said. “We want to craft the right message to the right person at the right time so they are ready to take their next step in giving.”

**Names were changed for privacy purposes*



Clear & Proactive

Connected Giving orgs are transparent about the good they're doing and proactively answer questions before they are asked, engendering donor trust.

What is Transparency?

Donors are asking questions about the impact their donations are having. How much impact will my dollar have? How does the nonprofit operate? *(Fidelity Charitable)*

Nonprofits have an obligation to be both accountable and transparent.

ACCOUNTABILITY

Accountability is an obligation or willingness by a charity to explain its actions to its stakeholders.

(Charity Navigator)

TRANSPARENCY

Transparency is an obligation or willingness by a charity to publish and make available critical data about the organization to the donor population. *(Charity Navigator)*

The Impact of Transparency

People trust brands they recognize and know. Trust plays a key role in the purchasing decisions people make and the decision to share with their friends.



Globally, **64% of nonprofits** have seen an increase in demand for transparent funding over the past five years.

(Salesforce Nonprofits 2020)



Over 50% of a charity campaign's donation volume is the direct result of social sharing from donor and visitor shares. *(Philanthropy Journal)*



Affluent donors give **82% more** when fundraising messages focus on their personal agency and give a sense of control. *(Plos One)*



The use of blockchain and cryptocurrencies is boosting transparency and trust in the nonprofit sector; the number of organizations that accept cryptocurrency donations has **increased by 100%** in the past year. *(Yahoo Finance)*



56% say they are most likely to give repeatedly to an organization if they receive regular communication about the work the organization is doing and the impact that their donation is making.

(Nonprofit Tech for Good)



45% say NPOs should email updates quarterly. *(Nonprofit Tech for Good)*

Transparency in Action:

charity: water provides their donors with information up front that reinforces the good they are doing. As a result, the donor never has to guess where their money is used and they automatically feel involved in a larger story.

- **Photos and GPS map** to show where the well was built
- Number of **projects funded**
- **Financials are available** for donors to see
- Private donors cover the operating costs so **100% of all donated money** goes to fund water projects



Start with the donor, not the database.



When asked why he robs banks, Willie Sutton said, "Because that is where the money is."

The future of giving starts with connecting your fundraising strategies where it matters most—within the systems that are donor-facing.

Fundraising value isn't sitting in the database in your back office, it's sitting out in the marketplace with your donors. Your key to building a successful growth strategy in today's digital world is tapping into the source. You do this by centering every organizational decision on how well it embraces today's digital donors.

Connected Giving is a strategy that puts your organization on the fundraising offense and creates a proactive defense in retention. The catalyst is a simple-to-execute premise that fundraisers, marketers, and digital leaders can all rally around.

Focusing on your donors may seem obvious, but in fact, it's not in practice. The trap that many nonprofits fall into is working inside-out versus outside-in. They start by prioritizing database development to target new donor acquisition, peppered with campaigns and asks that are often disconnected and inconsistent. The results frustrate everyone, and result in declining conversion and retention rates.

Today's leading digital fundraisers do the opposite. They focus on attracting, engaging, converting, and retaining more **digital donors**. Great businesses have learned that it is only when you build your operation to serve customers first are you really ready to grow. Digital donating provides the edge in superior buying, in service experiences, and in connectivity. A digital donor-first mentality provides the catalyst to connect giving.

By focusing on building every aspect of a nonprofit to put the needs of the donor first, organizations are **connected** to how donors discover, evaluate, give, and advocate for their cause.

START

building a Connected Giving strategy that puts digital donors at the center of your growth strategy. It will turn your fundraising from push to pull.



Do Finance Right



Written by Jared Crewse,
Chief Financial Officer, iDonate

Beyond your mission statement and the events you hold in your community, **finance is the hidden part of every nonprofit.** It's the component that not many people see, but it's the vital, required layer to keep your organization moving forward.

No one likes tedious administrative tasks. Yet, they need to be done and there are bills that need to be paid. But to make the road ahead easier, it's best to take the time to review your current structure now and list out improvements that can be made. **Keep these three financial tips in mind to make sure you and your nonprofit are in the best position.**

Future you will appreciate it.

1 Cashflow Forecasting

If you envision potential for growth, building a cashflow forecast is a good way to see where you could stand in the months ahead. This comes with advantages like making easier debt payments and visualizing a predictable growth strategy. **To execute, model the organization's cash inflows and outflows for the upcoming year.** Use your current income statements and balance sheets, and combine with future expenses and revenue like wages, rent, incoming donor receipts, and investments to evaluate whether your fundraising can support all the tactical and strategic things you want to achieve.

If there are months of operating resources below thresholds, start working on alternate sources of capital like creating new donor initiatives or an operating line of credit.

2 Governance Review

Have your board of directors review your governance structure entering the year. Evaluate who is leading each committee and the board as a whole. Do the leaders in these positions on the board maximize the impact to the organization with their skillset, or does the board need to add a new or upgraded skillset to accomplish its objectives and fulfill its fiduciary responsibility?

This is where the vision for growth truly begins.

The board is a highly visible aspect of your organization, and their leadership will say a lot about where you want your nonprofit to go.

3 Technology Check

Take a look at your technology. Is your website easily navigable and optimized for mobile? Is your payment process secure? **When your donors go online to make a donation, they trust that they can find the information they need, and their information is protected.** Ensuring all your systems and processes are secure allows you to build further trust from your donors.

If you have limited resources, you could consult an independent third party to assist with your evaluation. In house, look for solutions and technology with strong control certifications such as SOC 2 Type 2, regular penetration testing, and reputable and secure payment processing.

Year-End Fundraising



Written by Michael Baker
Senior Director of Client Services,
iDonate

The preparation and execution of year-end fundraising efforts can be exhausting. Direct mail, email, social media campaigns, events, etc. — each tactic was important and was hopefully successful. Now that the calendar has turned to January, the tendency I have seen is that fundraisers want to take a break.

The rationale is that your donors gave so much at year-end they likely aren't going to give again in January and they are probably tired of hearing from you anyway. The term “donor fatigue” has probably been used in your office this month. I say that because I have been in your shoes and I have used the term myself.

I want to challenge that idea, though. Rather than pulling back on donor communication and assuming that giving will be down in January, I want to challenge you to lean into donor communications this month. January and February present a huge opportunity for your organization to fully connect donor gifts with your mission on a greater level.

The collective data from iDonate's clients in 2021 illustrates my point. More donations and revenue were processed in December than any other month, followed by November—just as many would assume. The third best month across our platform was, you guessed it, January. This finding totally flies in the face of the logic that so many fundraisers use as an excuse to reduce communication in January.



is Done — Now What?

To make the most of your donor communications in the months of 2022, we recommend the following approach:

Thank Your Donors

The highest priority is for you to show your donors how much you appreciate them. Saying thank you well is vital to developing long-term donor relationships. Don't simply thank donors for giving, be sure to connect their gifts to impact. Thank them for changing lives.

FOR EXAMPLE:

Thank you for feeding children last year with the Child Hunger Fund. Because of donors like you, thousands of children had full stomachs and experienced full joy — many for the first time. Your generosity changed lives.

Show Impact

Throughout January you should communicate to donors the impact that their giving had in the previous year. Remember, your donors give because they care about the outcome and you need to show them that their gifts produced the change they hoped to create. Use imagery on your website, in emails, and in social posts that connects donors to the work that their gifts accomplished. Provide data to show the impact as well. Infographics that display the various aspects of your work allow donors to quickly see the way their gifts were used to create change in the world.

Many organizations will produce an annual report this time of year. Unfortunately, many spend too much time focused on graphs and stats about the amount of money raised and how it was spent. Those are important details for some donors but they shouldn't be the focus of an annual report. Instead, I encourage you to produce an **impact report**—a piece that communicates the impact that your donors had. Stats about the number of people reached are great but your donors crave personal connection. Individual stories about lives will be most effective.

Cast Vision

Cast a vision for the upcoming year and invite your donors to be part of it. Your donors give because they believe in your mission. January is the time to remind them of that mission, cast a vision for how you will accomplish that mission this year, and then ask them to give in support of that mission.

These three areas should be the focus of your early 2022 donor communications. When executed well, your donors will feel valued by your organization, they will understand the impact their past giving has had, and they'll be excited about an opportunity for even greater impact in the coming year.

The Secrets of



Phil Myers is the General Partner of PerformanceEdge Partners and a board member at iDonate. He has more than 40 years of experience in the tech sector creating, launching, and leading tech companies that introduced breakthrough innovations. With nine successful exits and four IPOs, he is an expert in technology transformations.

Make Digital a Centerpiece of Your 2022 Plan

Digital is driving transformations in which we connect, transact, and build communities in virtually every sector of business. The simple fact is that cultural norms have evolved to the point where the way to a buyer's (or donor's) heart is no longer through personal persuasion, but through digital connections that provide valuable information exchanges and sustainable customer service advantages.

Consider the style of how today's leaders interact with you—Amazon, Apple, Netflix, Peloton, and others. They don't just use digital; they leverage it in every aspect of the customer experience. They are unique in their industries and they succeed because of it.

Yet, surprisingly, the nonprofit sector has been particularly slow to adopt digital. While in most industries digital dominates, in the nonprofit sector it accounts for only 13% of donation revenue.

Looking more closely at this, I've noticed that it's not due to a desire by nonprofit leaders to not take advantage of it, but more because most leaders are pragmatists looking for a roadmap to follow.

The Secrets to Success in Digital Transformation

Turns out, you can access the roadmap by following the lead of other sectors. At the core of the roadmap are "four secrets" they all use to successfully navigate major technology transformation.

1. Turn your people into digital zealots.

Digital leaders make an organization-wide commitment to the shift, with executives fully on board and leading the charge. They sprinkle new additions to the staff with experts who recruit, hire, train, motivate, and manage teams to embrace digital. **They transform donor experiences from limited hard asks for support into frequent, even daily interactions that inform donors on the impact and value of their cause.** This can only happen when all oars are fully in the digital waters rowing in the same direction.



Digital Leaders

2. Build your strategy to be market driven.

Digital leaders know the difference between success and failure is outside, not inside, so they align their strategies accordingly; focusing on the donors and not their databases. One is a real, live, breathing advocate. The other is likely 50% out of date with names and email addresses. Digital leaders' strategies are, simply stated to be known and loved by the communities they attract. They live in them digitally and raise money through distributed networks of supporters. **The best causes are the ones that have viral and social support.** A digital strategy that cultivates this idea wins.

3. Tune your execution to make it a real-time engine.

Digital leaders create new processes and standards that operate continuously, not periodically. **They use modern systems that enable dynamic, personalized interactions with the audiences they seek to cultivate as donors,** and they are consistent in tying programs to a single, persuasive statement of value about their cause. Most importantly, they operate in real time. When opportunities (good or bad) emerge, they step up the same day, turning out communications that keep their organizations first and foremost in the minds of their supporters.

4. Finance your transformation for the long term.

Digital leaders don't make finance an afterthought. **They attack it with vigor and build plans to fund a long-term roadmap to transformation.** Think years, not months. The No. 1 pitfall of nonprofits in general, and certainly in transformations of the magnitude of digital, is to have too short a window to implement a change successfully. Part of making an organization-wide commitment to the shift is making sure your operating plan has the resources to make it through the many dips and chasms that occur. More than one year is the right horizon. No more, no less.

People. Strategy. Execution. Financing. These are your four pillars of success.

Follow the Leaders to Get Started

Of course, the big question in all of this is "how do you do all that?" and "is it worth it?"

This is where we let the secret roadmap stop and let the leaders speak. Each issue of this magazine is full of examples that showcase nonprofit leaders killing it in their digital transformations, cultivating relationships with donors and turbo-charging growth rates of 30% or more a year in donations.

Read each issue closely and you'll learn how Campus Outreach moved from 20% to 80%

digital giving in three years, how Midwest Food Bank boosted its digital giving to over 60% in 2021, how ZOE International has seen a 20% growth in recurring revenue since the fall of 2020, and this month, how Alabama Baptist Children's Homes increased its revenue by nearly 80% in the past 10 years.

They know the secrets, and they've put them to work in their nonprofits with great impact.

Digital Fundraising Checklist

Is your organization equipped to serve the modern donor? Review our simple fundraising checklist below to evaluate your readiness:

- 1 Is your website mobile-optimized?
- 2 Does your website allow for email signup?
- 3 Do you nurture those who sign up for email from you?
- 4 Are your emails varied in content—appeal vs. educational?
- 5 Are your emails personalized?
- 6 Do you provide a compelling rationale for giving?
- 7 Is your giving page on the same domain as the rest of your website?
- 8 Do you provide suggested gift amounts?
- 9 Do you deploy other digital marketing tactics, such as Google Ads?
- 10 Is your organization active on social media?



Ready to take your online fundraising efforts to the next level?
Learn more at idonate.com/enablegenerosity.