

## What we're reading:

### Fundraising the SMART Way™

*The Alliance for Nonprofit Management's Terry McAdam Book Award Committee each year recognizes a new book that makes a substantial contribution to nonprofit management. The award is named in honor of the late Terry McAdam, who served on the board of the Nonprofit Management Association (which later became part of the Alliance) and as vice president of New York Community Trust. Victoria Thurlow, principal, Thurlow/Associates, has been honored to serve on the Book Award Committee in 2015.*

Fundraising the SMART Way™, by Ellen Bristol, was among the books nominated for the award this year and this month's newsletter focuses on two key takeaways from this book that we feel can benefit nonprofit organizations of all sizes:

1. Understanding your opportunity risk factor: As Bristol notes, dividing your annual fundraising goal by the number of hours allocated to fund development in your organization will allow you to identify your organization's "opportunity risk factor." Put simply, if you have a fundraising goal of \$3 million and your staff collectively spend 3,120 hours on direct fundraising activities, then your opportunity risk factor is \$962 per hour.

Quantifying your own shop's opportunity risk factor can have a very focusing impact! In particular, of course, knowing the average amount you need to raise per hour can help you better prioritize time between prospects with a low potential for engagement and those who are better qualified.

2. Creating a prospect scorecard: To determine how best to devote staff time and energy, a prospect scorecard can be a useful tool, as Bristol points out. Such a scorecard can take many forms. In her book, Bristol provides instructions and tools to create a particularly detailed version that includes information about:
  - Prospect capacity, net worth, history of involvement with your organization and more.
  - Strength of match between the prospect and your organization's value statements. (Bristol also provides information about creating value statements to inform this portion of the scorecard.)
  - Potential red flags. These might include a prospect's high level of commitment to other organizations, low historical philanthropic involvement, or other factors that might be expected to reduce their engagement with your cause.

In addition to identifying the strongest prospects for your organization, the process of developing scorecards for your top prospects further crystallizes thinking about how best to allocate your time!

**Cause for optimism:** First published in 1956, *Giving USA: The Annual Report on Philanthropy* is the longest-running, most comprehensive report on philanthropy in the United States. According to the June 2015 report, charitable giving rose 5.4 percent in 2014, to a record \$358.4 billion. This figure tops the amount given by individuals, corporations and foundations in 2007 — just prior to the recession. The good news is tempered to some degree by the realization that total giving dropped even more than originally thought, following the recession. In addition, some details of the report show we're not out of the woods yet. Individual giving, for example is still down from 2007, and an increase in corporate contributions was bolstered by the inclusion of in-kind support. Still, we're pleased to see a more positive trend in philanthropy! To learn more, visit [www.givingusareports.org](http://www.givingusareports.org).