Nsight from NCDS

National Community Development Services

Ideas and wisdom from the professionals at NCDS.

Raising Money vs. Raising Enough Money

Since we first began raising money for chambers of commerce and economic development organizations almost 40 years ago, what we call the **multi-year strategic initiative approach** to funding community and economic development has become an accepted practice for communities and organizations of all types and sizes. The concept has become generically referred to by some as "superfund," or "capital campaign" with a proliferation of consultants offering fundraising services to the industry. While we applaud the widespread acknowledgement of the effectiveness of this approach, we regret that it has become seen by some as just one more way to supplement an organization's revenue. These organizations can almost always raise *some* money, thanks to reputation, board influence, and the reluctance of anyone to say "no" to them. They may even be able to claim "victory," having set the fundraising bar low and intending to simply raise as much money as they can, and then figure out how to spend it. But rarely will they raise *enough* money to enhance their relevance, impact, and value to their constituency.

Here are three keys to raising *enough* money (and avoiding the consequences of just raising *some* money):

1. **Present a solid plan**

A well-conceived plan that addresses community threats or opportunities sends the message that you're not raising money for "business as usual" or to simply fund the organization. Moreover, projected budgets should allow you to "trace every dollar" to a specific element of the plan (staff, programs, marketing, etc.). Careful refinement of the plan to ensure alignment with the needs of your top stakeholders is also a good idea.

2. **Commitment to fully fund it**

Ownership and buy in from top leaders and potential investors is critical. It can usually be secured through the above mentioned refinement process, and is manifested by their enthusiasm for the plan's <u>full implementation</u> – which will require <u>full funding</u>. Their commitment will elevate their sights to requisite levels of financial support, and establish the tone for all other investors. Without this commitment, you'll likely get a lot of "token" pledges, which won't be *enough.*

3. **Execute, engage, and inform**

By definition, bold aggressive plans will require several years to fully implement (hence our preferred term of multi-year strategic initiative), and should be funded by multi-year pledges that match the implementation period. Once those pledges are secured, execution of the plan must be your top priority. You need to deliver what was sold. We also recommend you find ways to meaningfully engage investors in the program delivery to maintain their sense of ownership. Finally, always keep your investors (and community) informed regarding progress, impacts, and even setbacks. Emphasis on these things has allowed our clients to collect almost 97% of pledge commitments, on average. And if you don't raise enough to begin with, you won't be able to execute (or engage and inform), resulting in a far lower collection rate.