

The Future of Fundraising

Technology is changing so fast it has become almost impossible to keep up. Every year something new hits the market; whether it's the coolest gadget or the next version of a critical software application, nonprofits are not immune to the changing societal landscape. Technology has fundamentally altered the way people interact, and nonprofit organizations need to adapt to the changing conversation in order to maintain and advance fundraising efforts.

Nonprofits should look at both their messages and the mediums they use to convey them to determine the viability of their fundraising efforts for the future. Below are some suggestions to help nonprofits adjust and update their fundraising efforts to join today's technology-driven conversation and create fundraising strategies that will be as useful in the years to come as they are today.

1. **Multi-channel fundraising:** Constituents today get information from a variety of sources. Some may read the local paper in the morning, check the Web site of a national news organization during the day, and watch television news in the evening. In essence, they can get the same information from three different sources, but they can also get significantly different information from each channel. Other constituents may get daily headlines sent via text and never check the Web.

The point is that each person has his or her preferences on how he or she would like to receive information and what information he or she would like to see. No matter which way or how many times the message is delivered to a single constituent, the main message must be the same. Just because the message is the same, however, doesn't mean that the same call to action should be used. In fact, the "ask" amount or call to action should be different depending on the medium.

A single call to action may not be appropriate for every channel. For example, a text message may not be the most appropriate way to ask for a donation, but it might be a really good way for someone to sign up for a volunteer opportunity. Constituents can simply reply "yes" if they are available to volunteer. Nonprofits may find that e-mail appeals are a more effective method to ask for donations. Therefore, nonprofits will need to learn what works for each medium and adjust their communications accordingly.

2. **Social media:** Social media is more than social networking. It encompasses all on-line tools designed to share content, including social networking, blogs, and wikis, to name a few. Social media, enabled by Web 2.0 technology, has created a global conversation between organizations and their constituents. These new communication mediums do not displace the traditional methods that have worked for years but rather add to the pool of communication choices.

The bottom line is that constituents are using these methods, and some may

actually prefer social media over traditional communication mediums. In order to ensure future fundraising success, nonprofits need to join the on-line conversation—in some form—and incorporate social media into their overall fundraising strategies.

3. **Segmentation:** Segmenting a contacts database is one of the easiest and most important components of ensuring an organization's fundraising future. Segmenting helps eliminate some of the confusion that arises with multiple communication channel choices.

Because technology opens the door to new prospects, it increases the number of contact records an organization stores. As the communication between a nonprofit and its constituents increases in both frequency and channels used, the ability to segment the database accurately helps organizations make sense of the various communication methods and provides guidance to determine how to communicate most effectively with certain prospects, donors, volunteers, and supporters.

4. **Social accountability:** Most nonprofits know they need to demonstrate financial accountability to their board of directors, but many forget to expand accountability—including how specific gifts are used—to donors and constituents. After numerous stories about financial mishandlings at nonprofits appeared in mainstream media, the demand for social accountability grew rapidly.

Constituents want to know where their donations went, how they were used, and what impact they made. For fundraisers, accountability has become a primary component of the organization's message. It is this message that keeps existing donors and encourages one-time supporters to become consistent, lifelong contributors. Nonprofits are able to build the trust that is the foundation of long-lasting relationships by being open and forthcoming.

The future can be a scary topic but one that shouldn't be avoided. The younger generations are tech-savvy and demanding. They have grown up in the world of instant gratification and constant change, and they expect these characteristics of life to remain. They text, blog, and run their own Web sites. They initiate conversations and share their opinions. And they are future donors. In order to attract these prospects, nonprofits will need to prepare their fundraising future now.

John Murphy is vice president, professional services, for [Kintera®](#), Inc. Kintera provides software as a service to help organizations quickly and easily reach more people, raise more money, and run more efficiently. The Kintera technology platform features a social constituent relationship management (CRM) system, enabling donor management, e-mail and communications, Web sites, events, advocacy programs, wealth screening, and accounting.