
Capital Campaigns...

Bricks, mortar & more...using capital campaigns to reposition your non-profit

The Leukemia & Lymphoma Society (LLS)

Jane F. Karlin

Vice President

Mission Advancement

Our Mission

Cure leukemia, lymphoma, Hodgkin's disease & myeloma and improve the quality of life of patients & their families

LLS in Brief

- World's largest voluntary health organization funding blood cancer research, patient services & advocacy
 - FY09: \$275mm committed to 388 investigators in the U.S., Canada & 14 other nations
 - FY09: Estimated \$7.5 mm to 21,000 patients to support treatment costs
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FY08 Revenue

- \$277.1 mm total revenue
 - \$261.9 mm net contributions
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LLS Fund Raising Today

- FY08 Priority Campaigns: \$176.9mm net revenue
 - Team in Training
 - Light the Night
 - School & Youth
 - Other Events
 - High volume, high cost, transactional
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LLS Fund Raising Today

- FY08 Donor Development: \$21.1 mm net revenue
 - Individuals (*excluding planned giving, bequests & direct response*)
 - Foundations
 - Corporations (*Excluding sponsorships & pharmaceuticals*)
 - Low volume, low cost, relationship-based
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LLS Fund Raising Tomorrow

- North Star 2015 Vision...Strategic Plan 2008 – 2011
 - A Catalyst for change & a Paradigm Shift
 - Importance of Therapy Acceleration (TA)
 - Need for dedicated funds for TA
 - Importance of diversifying revenue streams
 - Advantage of low cost, relationship-based fund raising
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LLS Fund Raising Tomorrow

- Launch a capital campaign
 - Therapy Acceleration – Yes
 - Current Research - Maybe



Lessons Learned: Global View

- Don't underestimate the difficulty of launching a first campaign
 - Capital campaigns are unique & each has its own challenges
 - A sterling reputation, demonstrated need, & passion are no substitute for tried & true principles of campaign readiness
 - “We're different” so rarely applies, especially in today's economy
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Lessons Learned: Global View

- Non-profits with first-time or sporadic capital campaigns need advice sooner rather than later
 - Minimizing missteps early on saves resources later



Lessons Learned: Global View

- Assess Board capacity for “giving & getting” early in the planning process
 - Board leadership is critically important in capital campaigns
 - Assess leadership volunteers’ capacity for “giving & getting” early in the planning process
 - The Board alone cannot do all the work
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Lessons Learned: Global View

- Know your numbers
 - Numbers tell important stories
 - Be analytical
 - Don't guess when it comes to fund raising history or future need
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Lessons Learned: LLS Specific

- Fundraising Counsel did a market study for a capital campaign dedicated to Therapy Acceleration
 - The study also tested whether to include ongoing research activity
 - We learned that we were not ready to launch a campaign
 - And we received constructive advice
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Action Flowing from the Study

- Develop the National Board & chapter-based Boards with members better positioned to “give & get”
 - This is the most challenging recommendation for an organization where leaders have ascended to the National Board via chapter involvement & passion for the cause
 - Awareness & sights are raised, but Board development takes time
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Action Flowing from the Study

- *The Giving Circle*, a national stewardship and recognition program has been launched to supplement local chapter work
 - A researcher has been trained to strengthen prospect research
 - A new database system is being designed
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Action Flowing from the Study

- Relationships are being built with current and prospective major donors
 - Recognize that relationship-based fund raising takes more time than transactional fund raising
 - Recognize that this is a cultural transformation for staff & volunteers
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Action Flowing from the Study

- Strengthening the case for support
 - Stories of Therapy Acceleration successes are available
 - Examples capture donor interest & enforce project credibility
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Lessons Learned

- Vision statements & strategic plans are powerful catalysts, even when their initial assumptions merit re-examination
 - Preparing for a capital campaign & practicing on mini-campaigns were our realistic next steps in attaining our North Star 2015 Vision & Strategic Plan: 2008 - 2011
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Trinity School – 300 & Beyond

Myles Amend

Director

Development & Alumni Relations

History

- Trinity founded in 1709
 - Development office established 270 years later
 - First capital campaign launched in 1992
 - Raised \$20mm
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Fund Raising Background

- 1991:
 - Annual Fund: \$600,000
 - Endowment: \$6 mm
 - 2001:
 - \$1.6 mm
 - \$23.8 mm
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300th “non-Campaign” Background

- By 2003
 - Annual Fund \$2.1 mm
 - Endowment \$24mm
 - Both felt “stuck”
 - Faculty salaries were lower than NYC peers
 - Planning for tercentennial began
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The “non-Campaign”

- Counsel & feasibility study
 - Call it a “major gifts initiative”
 - In 2004, we set out to
 - Raise \$300mm by the 300th Anniversary
 - Double the annual fund by the Anniversary
 - No campaign announcement
 - No glossy materials
 - At every step, transparent communication
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Strategies

- No endowment ask at less than \$250k
 - Concentrate on million dollar prospects
 - Increase annual fund recognition categories
 - +50% in parent annual fund participation
 - +100% in alumni annual fund participation
 - Personally ask every parent & alum for increased annual gifts
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Milestones

■ September 2007

- Headmaster announces 6/09 retirement
- \$3 mm honorary fund established
- New endowment goal of \$33 mm set

■ April, 2008

- \$27.6 mm for endowment from 86 donors
 - Annual fund at \$3.75mm
 - \$40 mm campaign announced
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What can happen along the Way?

- Your lead campaign counsel could die
(Ours did!)
 - Your Headmaster (CEO) could die
(Ours did!)
 - The economy could tank
(Ours did!)
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And what do you do?

- Drink heavily?
 - Fold your tent & end the effort?
 - Take a deep breath & proceed with all the energy & good grace you can muster?
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300th Campaign Results

- New endowment gifts/pledges: _____
 - 2009 annual fund gifts: _____
 - Campaign total (\$40mm goal): _____
 - Total raised over the life of the “non-Campaign:” _____
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Lessons Learned

Bob Pierpont
Consultant

Capital Campaigns – Lessons Learned

- It is an honor to be with you to share some of what Marilyn Hoyt & I learned in the New York Hall of Science Capital Campaign – lessons that remain fundamental to successful capital campaigning today in the current tough environment
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Campaign Benchmarks

- 90% of the funds come from 10% of donors
 - Quiet campaign to raise 50% - 60% of the goal prior to ribbon cutting/announcement
 - Objectives reflect the interests of each donor segment
 - Campaign budget reflects true costs
 - Campaign designed to engage & involve volunteers
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Benchmarks for Bad Times

- Build a phased plan
 - Could phase from the outset
 - Could have a fallback plan with phasing
 - Think twice before spending money that's not yet received
 - Pledge default rates go up in bad times
 - Increased capital costs follow completion of the project, so want to avoid the additional costs of debt service
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Benchmarks for Bad Times

- Control the Project
 - Recruit a topnotch contracting professional to negotiate the design & build sides of the project
 - Recruit an experienced construction professional to sit in on the weekly meetings with the architect, contractor & subs
 - Expect the campaign to take longer than 3 years
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First Campaigns

- Feasibility Study – Crucial to first campaigns
- More intensive planning
- More prospect research
- More cultivation
- More involved a enlightened leadership needed at all levels

There is precious little room for error on a maiden voyage

Multiple Sources of Funding

	Building	Equipment	Endowment	Special Projects	Operations
Government					
Debt					
Foundations					
Corporations					
Individuals					
Totals					

Campaign Timing

- Campaigns will be tough through this time
 - Foundations & corporations don't come back until 2010-2011
 - Individuals who have not given before will likely not give now or given once, below capacity & then again, closer to capacity, at campaign's end
 - State earmarks tough in 2009, maybe '10
 - Federal earmarks may not be back to historic levels until 2010 – '11
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Campaign Timing - Positives

- But all clouds have silver linings
 - Gifts from the “family” are possible now
 - Consider 5 year pledges
 - Trustees – “more than expected”
 - Staff – “more than expected”
 - Members – a quiet campaign to encourage other donors (& then one more special ask at the end)
 - Good research on hidden “family,” past users
 - Extra credit for wins now – leverage outside giving
 - Think early on about naming structure & policies
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Teamwork Wins

- Major Gift Officers' roles may change in capital campaigns
 - Volunteer leadership is still vital in securing top gifts needed for success
 - Effective volunteers need effective staff support
 - Engaging volunteers from the start can be powerful! Done well, they own the campaign.
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The Dream Team

- Highly skilled staff
 - An articulate CEO
 - Committed volunteers
 - Examples:
 - New York Hall of Science
 - Hebrew Senior Life
 - Wilshire Boulevard Temple
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What Still Works!

- Site visits
- Meeting the beneficiaries
- Personal appeals
- Poignant stories

Facts tell. Stories sell!

Reminder – Don't overlook a National Funder!

- Kresge Foundation
 - The New York Hall of Science Campaign did well with Kresge. The CEO & the Campaign Chair visited & were inspired.
 - The Kresge Challenge grant worked its magic. \$92 mm was raised against a \$68mm goal.
 - But check the website for your campaign. Capital commitment remains & giving rationale is changing
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Questions? Comments!

- What has been your recent experience?
- Is your campaign “dead in the water?”
- If not, what are you doing to stay afloat?

Please share your own situation with us. We are all senior colleagues here to learn from each other.

Thank you!
