



“Review, reaction, action”

Fundraising from People:

The Experience of the National Trust

1. Brief overview of the National Trust
2. Fundraising in the National Trust
3. Fundraising from People





Brief overview of the National Trust ...

The National Trust:

- Was Set up in 1895 by 3 Victorian socialists and established by Act of Parliament;
- Had 110 members in 1895. Membership did not exceed 500,000 till 1971 and 1m till 1981 (3.8m today);
- Is a registered charity;
- Totally independent of Government and receives no core funding towards its running costs.



Income 2009/10

- Membership subs	-	30.8%;
- Enterprises	-	13.5%;
- Legacies	-	12.4%;
- Catering	-	9.2%;
- Rents	-	8.2%;
- Investment income	-	6.2%
- Grants	-	6.0%;
- Admission fees	-	4.5%;
- Appeals and Gifts	-	2.7%;
- Other property income	-	2.2%;
- Hotel income	-	2.0%;
- Holiday cottages	-	1.9%;
- Other income	-	0.4%



In other words...

- **94%** of our income is directly or indirectly from 'People'
- Fundraising costs represent less than 0.75% of all income;
- The NT is totally reliant on the financial support of its supporters and stakeholders;



Raising the 94%: Some General Principles

The Pareto principle applies:

- Excluding membership subs, 80% of our fundraising income is from 20% of our supporters;
- So KNOW YOUR 20%;
- Generally, people support causes, not organisations;
- So base your fundraising on the needs of your cause, not on the needs of your organisation;
- ‘Thank and bank’: grow loyalty



Raising the 94%: Some General Principles

- People respond to people: promote your person stories;
- People are your ambassadors: ask your keen supporters/service users to speak to their contacts/friends about joining/supporting your cause;
- Know your market and your competitors;
- Know your fundraising costs, margins and returns;
- People can be fickle: today's fundraising cash cow is potentially tomorrow's dead horse. Don't flog dead horses...move on



Raising the 94%: Membership

To be effective, membership requires:

- A clearly defined package of benefits unique to your organisation – what is your Unique Selling Point?;
- Clear cause marketing and promotion;
- Ease of joining vs difficulty in leaving (e.g., average direct debit ‘life’ of 16 years);
- Flexible, yet easy to understand membership levels;
- Slick and efficient integrated software e.g., Customer Relationship Management software;
- Membership may not grow fast – linked to brand perception



Raising the 94%: Legacies

Legacies can be a very cost effective, if unpredictable, source of income

- 80% of bequests to the Trust are for gifts of £5,000 or less, many are for less than £500;
- The vast majority of legators are ‘known to the Trust’, that is, they had been members/supporters during their lifetimes;
- Don’t be afraid to ask. Most people who do not leave a gift to a charity in a will were simply never asked to
- Promote your legacy induced success stories, that is, “without the thoughtful gift from Mrs X in her will we could not have...”



Raising the 94%: Major Gifts and Donors

This can be a lucrative source of income and a powerful way to raise funds for your cause and to develop lasting relationships with supports.

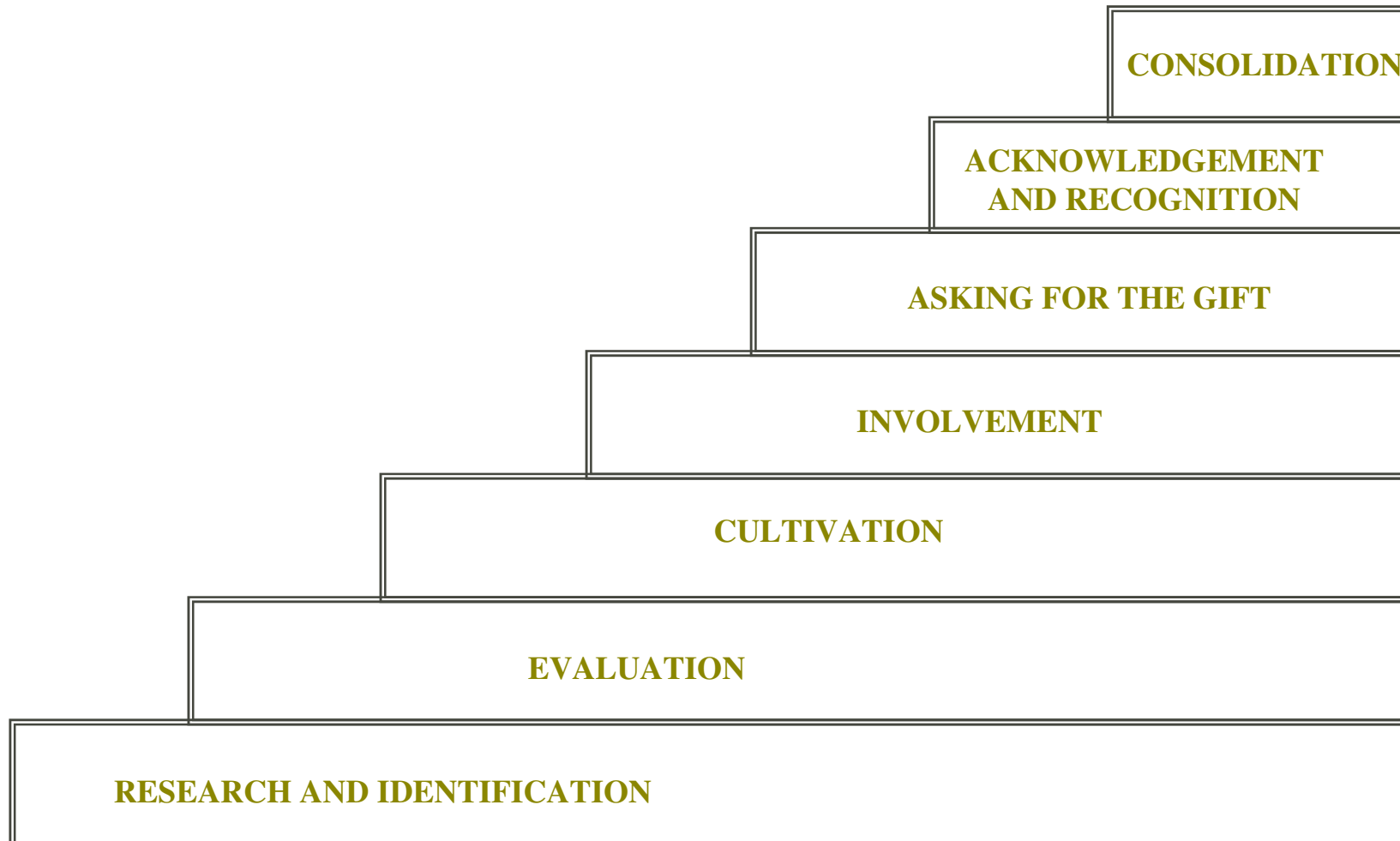
- Research, research, research to find your 20% (with the potential to raise 80%);
- Free resources: newspapers, company reports, rich lists, house price indexes;
- Paid services: wealth screening, bought in lists;
- Think of ways to engage 'cultivate' your major donors: behind the scenes tours, special one-to-one visits, golf days; fundraising dinners etc;





Raising the 94%: Major Gifts and Donors

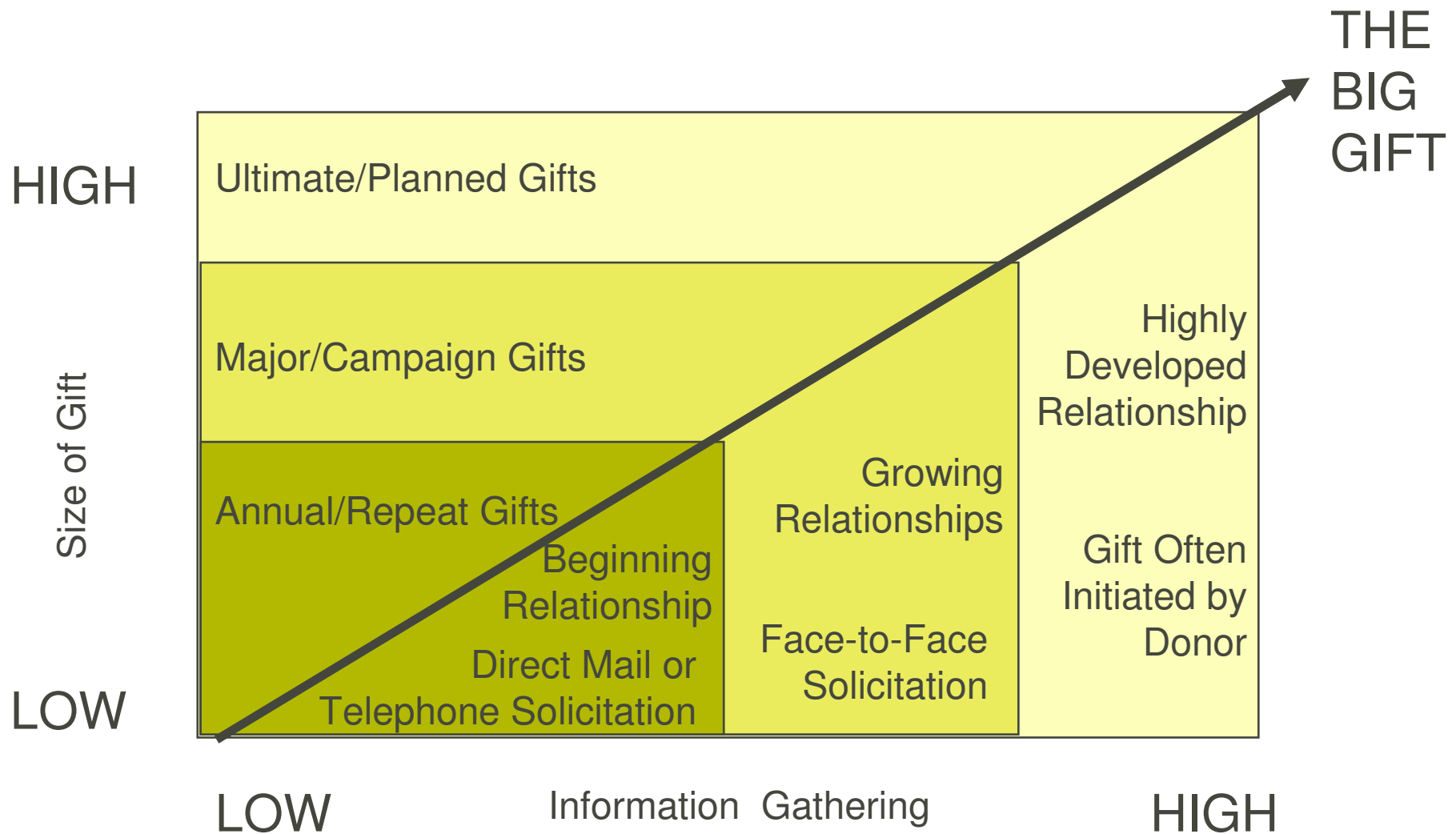
KEY STEPS IN RELATIONSHIP BUILDING WITH DONORS





Raising the 94%: Major Gifts and Donors

GIVING IS BUILT ON RELATIONSHIPS





Raising the 94%: New vs. Old

To chugg or not to chugg, that is the question...

- 'Chugging' (Face to face) is cost effective and good at recruiting new and typically young supporters, but statistically about 1/3rd will cancel their direct debits after the 1st year;
- Traditional raffles and lotteries can be cost effective: NT raffle raises £1m and is managed by 1 member of staff;
- Digital/ new media fundraising has a very low cost and potential high return, e.g., Cumbria floods in November 2009 – 1 email to 400,000 members raised £40,000 during the first weekend;
- Telephone fundraising – good for reactivating 'warm' contacts, less effective for 'cold' contacts in our experience



National
Trust

Lake District storms update

Dear [redacted]

Forgive me for another email so soon after the last one, but many of you have been asking how things are getting on in the Lakes, so I thought I would drop you one last update.

After a hectic couple of weeks, we're now able to draw breath, moving on from the "emergency" phase to the "clear up" and beginning to plan for the future. The emerging picture is one of heavily localised damage, especially in places such as Ullswater, Buttermere and Coniston.



A flooded bridge near Coniston.

- Amazing amounts of gravel and stone have been washed onto fields, paths and tracks, while many walls and fences have been swept away.
- Numerous bridges have been damaged and many paths have disappeared.
- Over 20 houses and farms have suffered substantial damage and many others have been affected to one degree or another.
- We have re-housed a number of tenants and will continue to help others where we can.
- To date, we've identified over £300,000 of work needed in the countryside that's not covered by insurance.

On the up side, there's a strong determination amongst communities across the Lakes to get things back on track and we're committed to playing our part in that. With the help of passionate volunteers, our wardens are now working on this mammoth task – clearing debris from the head of Coniston or flooded buildings, diverting becks away from buildings and back to their original course and rebuilding paths, bridges and walls. And we're planning for the longer term, to look at what we must do to cope with and adapt to such events and the likely impacts of a changing climate.

We're immensely grateful for all the support that we have received. Although the immediate crisis has passed, there's no doubt we'll be dealing with the aftermath of the floods for many months to come. Any help that you can give, whether it's continuing to visit the Lakes and supporting the local communities, [volunteering your help](#) or [donating to the Lake District Flood Appeal](#), will be very much appreciated. We will continue to update the North West pages on the website with the latest videos and news.

Once again, many thanks for your help, kind words and support.

John Darlington
Assistant Director, Operations (North West)



Raising the 94%: Investments

NT's investment income stems from past gifts of stocks and shares and from investing surpluses.

Investment income can provide long-term stable unrestricted funding.

Our investment income has remained stable despite a 25% reduction in the value of our stocks and shares in recent years.



Raising the 94%: Appeals

Direct mail does work, although expect a low response rate – 2% on average is very good.

Text of the appeal has to be carefully worded and ‘packaged’ – base it on your person stories.

Target your direct mail according to the known interests of your intended audience.

A typical NT appeal will cost £100,000 in agency and design fees for an expected net return of £300,000.

Examples of good appeals: Wembury Point – target £300,000. Actual £1.3m net; and Seaton Deleval Hall – target £250,000. Actual £2.0m; Neptune appeal (ongoing) - £45m since 1965;



Raising the 94%: Commercial Activities

Product and service marketing is an effective way to grow income and to engage with supporters.

Start simple and expand - the first items the NT sold were tea-towels in 1925.

Know your audience and market goods and services accordingly.

Know your costs and monitor these carefully.

In 2008, the Trust was gifted a small chain of hotels all located in historic buildings.



Raising the 94%: Challenges

Planned approach – know your public and potential supporters: use segmentation tools to assess why people may want to give to your organisation;

The dangers of ‘silo’ thinking – integrate all your databases so get a comprehensive picture of who is giving to your cause, how often and for how much, for example, link your membership database with your accounts system, use of Raisers Edge or similar to record contacts with major donors;

Establish protocols and systems for receiving gifts, for example, large cheque for Snowdon Appeal was unacknowledged for months.

Remember to ‘thank and bank’



Thank You





Presentation by:

Phil Lakin MInstF(Cert),
European Grants Manager,
The National Trust,
East Midlands Regional Office,
Clumber Park,
Worksop. Notts. S80 3BE

E: phil.lakin@nationaltrust.org.uk.

T: (+44) (0)1909 511044

M: 07787 321 922

