Entrepreneurial Approaches to Donor Development
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Entrepreneurial Approaches to Donor Development

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Today’s Program

Welcome & Orientation
Community Development Philanthropy Introduced
Market Opportunity Analysis Illustrated
A Story from Lorain County, Ohio
Questions & Discussion
How the Center Can Help Foundations
This Session will help you...

- **Understand the potential of data** to re-energize funds of interest, guide communication plans, and support strategic outreach.

- **Question previous assumptions** about giving capacity in your region; and

- **Reorient your “prospecting” efforts** away from static lists of past donors and toward newly-defined philanthropic cohorts in your community.
Community Development Philanthropy...

... is the intentional marriage of community economic development with community philanthropy.
Empowering research together with effective community engagement to advance community-driven strategies for prosperity.
Projects in Over 1,300 Counties
Deeper Understanding of Your Community

Market Opportunity Analysis

Discovery of Your Potential Donors
Additional analysis can help foundations better understand their own philanthropic landscape including potential non-profit strategic partners.

**History**

- Test projects in Indiana and Missouri
- Up-coming projects in Florida and Michigan
- Most recent project in Lorain County, Ohio
Donor Opportunity Analysis: An Illustration from Lorain County, Ohio

Donor Opportunity Analysis is all about better understanding where you have under-developed donor opportunity that can shape and guide smart donor development efforts.
## Lorain County Ohio Profiled

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median age</td>
<td>40.1</td>
</tr>
<tr>
<td>65+ Population</td>
<td>14.5%</td>
</tr>
<tr>
<td>% White</td>
<td>87.6%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>21.2%</td>
</tr>
<tr>
<td>Median Income</td>
<td>$52,000</td>
</tr>
<tr>
<td>Median Housing Value</td>
<td>$144,000</td>
</tr>
<tr>
<td>Median Net Worth</td>
<td>$87,000</td>
</tr>
<tr>
<td>Average Net Worth</td>
<td>$445,000</td>
</tr>
</tbody>
</table>
Communities Defined

Lorain County is a Collection of Communities

Census Tracts Units

1. Census tracts allow data to be updated on a regular basis.

2. Ideally contain 4,000 people and about 1,600 housing units.

3. There are 73 census tracts (Communities).
1. Analyze “consistency-donors” – those who have given 15 or more gifts to funds at the Foundation

2. Identify “high-capacity households” by neighborhood

3. Cross reference primary data with secondary data to identify existing gaps
“Consistency-Donors” Defined

**Definition:** those who have given 15 or more gifts to funds at the Foundation.

The Foundation has **299** “consistency donors”.

They have gifted **$10.5 million** since 1985.

Average gift per donor is **$35,000**.
High Capacity Donors Defined

1. Number of households with at least $500,000 in net worth,

2. Number of households with a minimum of $200,000 in disposable income and 

3. Average net worth of households between 65 and 74 years old.
High Capacity Communities

This analysis tool allows foundations to identify specific communities within their service area with high “donor” capacity households.

And cross reference these communities where the foundation Has a footprint.
Avon Lake
(Census Tract: 97400)
## Comparison of Lorain County and Avon Lake

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Lorain County</th>
<th>Avon Lake (Census Tract: 97400)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median age</td>
<td>40.1</td>
<td>40.2</td>
</tr>
<tr>
<td>% of 65+</td>
<td>14.5%</td>
<td>12.6%</td>
</tr>
<tr>
<td>% White</td>
<td>87.6%</td>
<td>98.4%</td>
</tr>
<tr>
<td>% w/ Bachelor’s Degree</td>
<td>21.2%</td>
<td>57.1%</td>
</tr>
<tr>
<td>% of Management Jobs</td>
<td>32.%</td>
<td>56.1%</td>
</tr>
<tr>
<td>% of Finance/Professional</td>
<td>14.5%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Median Income</td>
<td>$52,000</td>
<td>$103,500</td>
</tr>
<tr>
<td>Housing development</td>
<td>Prior to 1980</td>
<td>After 1980</td>
</tr>
<tr>
<td>Median housing value</td>
<td>$144,000</td>
<td>$267,000</td>
</tr>
<tr>
<td>Median net worth</td>
<td>$87,000</td>
<td>$427,000</td>
</tr>
<tr>
<td>Average net worth</td>
<td>$445,000</td>
<td>$1,200,000</td>
</tr>
</tbody>
</table>
2012 Community Wealth Distribution

- No wealth (Less than $15,000)
- Low wealth ($15-$100K)
- Moderate wealth ($100K-$500K)
- High wealth ($500K and above)

Lorain County Avon Lake
# Community Household Types

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
<th>Newest &amp; Youngest</th>
<th>Median Age</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boomburbs</td>
<td>(34%)</td>
<td>Median Age 36.1 Years</td>
<td>$104,395</td>
<td></td>
</tr>
<tr>
<td>Suburban Splendor</td>
<td>(45%)</td>
<td>Median Age 43.1 Years</td>
<td>$115,396</td>
<td></td>
</tr>
<tr>
<td>Exurbanites</td>
<td>(21%)</td>
<td>Median Age 46.2 Years</td>
<td>$82,074</td>
<td></td>
</tr>
</tbody>
</table>
Implications of this Research

3 Current Donors
1,749 Potential High Capacity Donors
Board, Staff and Advisor Connections

$4.4 Billion in Wealth

5% Giveback = $220 Million

Targeted Community Donor Development Program
Donor Development Program

Donor Characteristics

Asset Types

Likely Motivations

Messaging & Messages

Communication Pathways

With this level of detail, we can be very targeted in our outreach & development
uses in Learning, Doing & Thinking

• Current Donors
• Potential Donors
• Ambassadors
uses in **Learning, Doing & Thinking**

- Current Donors
- Potential Donors
- Ambassadors
uses in Learning, **Doing** & Thinking

- Sponsorships
- Marketing
- Partnerships
some early uses in Learning, Doing & Thinking

- Grantmaking
- Strategic Planning/Thinking
Donnell Mersereau
Owner, Donnell LLC
Questions and Discussion

To ask a question (or share an insight)...

- Type your question into the Chat Box,
- Unmute your line!

To **un-mute**, press the star key (*) and 7.

To **mute**, press the star key (*) and 6.
Other Ways the Center Can Help...

• Other Empowering Research
  – Transfer of Wealth
  – TOW Book, Study Guide & Communication Resources
  – Scenarios
  – Generational Analysis

• Community Engagement

• Wealth Creation Strategies
Thank you for attending!

OTHER UPCOMING EVENTS:

- **JAN 9**
  - Fast Pitch – Funding with Innovation (Webinar)

- **JAN 17**
  - Staying Legal with Donor Advised Funds & Scholarships (Webinar)

- **JAN 22**
  - Financial Literacy for Grantmakers (Cleveland)
Philanthropy Forward '15
September 16-18, 2015
The Westin Cincinnati Hotel
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