The PayPal Official Insider Guide to ONLINE FUNDRAISING

Raise money for your cause

Jon Ann Lindsey
Raise Money for Your Cause
For Charley, Judy, Eve, Pam, and future author Tru, with much love and gratitude for your endless support.

And to canine do-gooders Prana and Chi and their gracious people, Holly and Eric.

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Foreword

If you’ve ever spent time working for a good cause, you know that fundraising is an essential part of accomplishing your greater purpose. It doesn’t matter if you’re taking up a collection for a friend in need, helping a neighbor run for city council, or starting your own 501(c)(3) charity: raising funds effectively can be the difference between mere noble intentions, and realizing a better day for those you’re working so hard to help.

For many budding social entrepreneurs, this discovery can be a cause for concern. No matter how committed you are to the cause, asking someone to donate can seem daunting: What if I’m not good at it? What if they don’t like our mission? What if they say no?

Fortunately, there has never been a better time to be a brand-new fundraiser. Digital fundraising—using online, mobile, and social tools to raise donations—is the nonprofit sector’s fastest-growing channel. Dive in, and you’ll find a wide range of ready-to-use digital tools that marry generations of lessons learned with powerful data- and technology-driven solutions. You can go from great idea to dollars collected in just minutes, and you don’t need to be a professional to do it.

PayPal is an integral part of that digital fundraising universe. Each year, hundreds of thousands of nonprofits around the world rely on us to process billions of dollars. We power payments for leading fundraising solution providers, and our Donate button is often the starting point for anyone who needs a safe and easy way to collect donations.

PayPal is proud to be trusted by so many good causes. As we define the future of payments, we’re mindful that money isn’t just used to buy things: it’s also a way to address the issues that matter most to us. PayPal is committed to the success of fundraisers, and to the idea that it should be easy for anyone to give to any cause, anytime, anywhere, any way.

—Clam Lorenz
Nonprofit Engagement
PayPal
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Introduction

So you have a mission and the passion to reach it. What do you do next?

There are many reasons why people or organizations collect donations, such as

- To help a friend with medical bills
- To support school projects
- To fund research to solve a world problem
- To help a local arts group produce its next show

The needs are almost endless, but there are some commonalities that stretch across most types of fundraising. In the chapters ahead, you will find important insights on what you need to know before you embark on your next campaign. Whether you are an individual, a small organization, or a large nonprofit, we offer many tips on how to gain wider reach and support. We also highlight important industry trends and navigate the new online fundraising technology, which can help you meet your goals.

First, you need to know what kind of people donate and what motivates them. Having a deeper understanding of donor motivations and demographic patterns will help you plan a strategy that yields better results. We give you a tour of the fundraising landscape, which will help you figure out where to put your resources.

Another important aspect of any type of fundraising is to consider the ethical, legal, and tax implications. While this book cannot replace professional guidance, it does provide an overview of these topics to assist you in your planning.

Then there is storytelling. Modern media technology has brought this old tradition to new heights. In this guide, you’ll discover how to communicate your mission. There are many simple techniques you can use to make your story resonate with your existing supporters, and to win over new
ones. We also point you to solutions that can help you create unique campaigns, as well as track and manage the support you’ll gain from them.

Social media, crowdfunding, multichannel—buzzwords everywhere! But what do they really mean? Don’t panic. These terms all refer to vehicles that make reaching out to donors more effective. Today, people can connect in more fun, innovative ways than ever before. The “social” topic is crucial, so this guide covers the basics; in addition, we offer a companion book, *The PayPal Official Insider Guide to Social Media*, which examines the topic in more depth.

Mobile, mobile, mobile! If you are on the run like most of us, and need mobile fundraising solutions, jump ahead to Chapter 8, where we share must-haves and new tools like “responsive design,” text-to-give, and mobile pledging. After reading this chapter, you will be able to go full speed ahead with a mobile strategy.

Just in the past several years, advances in technology have created tremendous shifts in how we lead our lives. Society is at a pivotal point in time where people are reaching out and engaging with each other in new and exciting ways. At PayPal, we work with many different kinds of customers and partners doing incredible, innovative things with fundraising. We put together this book to share our knowledge. We hope it helps you reach higher ground in your mission.

—Tanya Urschel
PayPal Nonprofit Engagement
A Wealth of Fundraising Options
The innovators in online fundraising are an ambitious lot, always introducing new tools and websites to help nonprofits achieve their goals. They’re so good at it that you might think you’re leaving money on the table if you don’t pursue every avenue that pops up. But that’s not practical. One way to set priorities is to consider who or what you’re raising money for (a person? sports team? charity?) and choose the websites and services that fit your scenario. We’ll go through some of those options here.
Getting to Know the Online Neighborhoods

There are dozens, if not hundreds, of websites that cater to U.S. fundraisers by processing payments and perhaps providing research and advice, event planning resources, and marketing assistance. Many of them process donations only for registered 501(c)(3) organizations—the schools, churches, and welfare nonprofits that come to mind when we think of tax-exempt charities.

Other giving websites have no such restrictions, and make it dead simple to raise money not only for charities and people in need, but also for weddings, vacations, tattoos, removal of tattoos, and anything else people hit up their friends to pay for.

Nonprofits and individuals can establish or expand their online presence in a number of ways. These categories aren’t neat and tidy, and some of the terminology is still in flux, but here’s a rough breakdown of the online venues where nonprofits can set up shop:

• Their own website, where supporters can give through donation pages and buttons.

• Social giving websites such as FundRazr, Indiegogo, Crowdrise, and GoFundMe, also called peer-to-peer or crowdfunding sites. Nonprofits can set up campaigns on these websites, but the emphasis for some is on empowering the individual fundraiser. Anyone can quickly create a page for a cause and use social media to invite friends to contribute. (We’ll take an in-depth look at social fundraising in Chapter 9.)

• Charity portals, such as Charity Navigator and GuideStar, which list and evaluate thousands of public charities. Visitors can research organizations and donate through the portals.

• Facebook, Twitter, LinkedIn, and other social media websites. This is where fundraising is getting interesting and experimental, if not reliably lucrative (yet). Organizations can set up their own Facebook page and Twitter account to communicate with supporters—nothing new there—and their supporters can add apps and widgets (Causes, FundRazr) to their personal pages on behalf of their favorite charities.
In another twist, HelpAttack! lets social media lovers pledge a small amount to a charity each time they tweet or update their Facebook status, or add a pin on Pinterest.

**Success Begins at Home**

Whew! There’s a lot to “Like” out there, as they say on Facebook. But keeping a website, Facebook, Twitter, or other media channel lively and up-to-date could be more than a small operation can take on. If you have to pick and choose, where should you focus your efforts?

Turns out that’s an easy one: Your top priority has to be your own website. It really doesn’t matter what you’re raising money for: yourself, a friend, a team, a charity, an event—your website is your most valuable tool. So make sure it tells donors what they want to know (more on that below) before you turn your attention to composing pearls of wisdom in 140 characters or less.

Why’s that? Because a majority of online donations come through charities’ own websites. Network for Good, which processes donations and provides other services for nonprofits, follows the money that flows in to the more than 20,000 charities that use its platform. It consistently finds that 60 percent or more of the donations it handles come through charity websites, as shown in Figure 4.1, followed by charity portals and social websites.

Social media, on the other hand, is still in its infancy as a fundraising tool, although there have been some notable successes. The ShareCraft 2012—Save the Children Challenge FundRazr campaign has raised more than $1 million on Facebook for children in the Horn of Africa. Still, fewer than 1 percent of nonprofits have raised more than $100,000 using social media, according to the 2011 Nonprofit Social Network Benchmark Report by NTEN, Common Knowledge, and Blackbaud. The real value in social media so far has been in building relationships and creating awareness about causes.

**TIP:** Don’t use commercial Web-based email for your nonprofit business, suggests nonprofit coach Sandy Rees: “Your email needs to have your website domain address. Otherwise, you look a little fly-by-night.”
How to Show You’re on the Ball

Another reason to lavish your website with love and care is that pretty much anyone who’s half thinking about contributing money (or time, for that matter) to your organization is going to head straight to your homepage to do some research. Visitors will want to see signs that your group is trustworthy and well-run. If it’s July and your homepage is all about last year’s Thanksgiving coat drive, people might wonder if you’re even around anymore. Not exactly confidence-inspiring.

Also, put yourself in your visitors’ shoes. Ask yourself why people come to your website. What do they want to read or learn about? That’s quite a different approach than just providing information you want them to know.

Here are some must-haves for an effective nonprofit website:

- Up-to-date content that instantly conveys what your organization does. Visitors don’t want to plod through jargon or academic text. Make it easy to understand, and let your organization’s personality come through!

- A moving story with a dramatic photo of someone you’ve helped. This should be the centerpiece that draws people in and lets them feel

Figure 4.1 Dollars donated through charity websites increased 10 percent over 2010 and accounted for more than half of all donations through Network for Good in 2011.
the impact of what you do (Figure 4.2). Remember what we said in Chapter 3: Giving is emotional. (See the sidebar for some storytelling pointers.)

- Your address and phone number on every page, and complete contact info for your staff.

- A big, easy-to-find Donate button, ideally on the same spot on every page of your website. Tell visitors the difference their donation will make (“$25 will buy a nutritious lunch for 33 children.”)

- An automated thank-you email to confirm donations.

- An address and downloadable donation form for people who prefer to give by mail.

- Clear information about where donations go—specific programs, people, or activities.

- Testimonials and ratings, such as from GuideStar and Charity Navigator.

- Information about how to get involved other than by donating. Can visitors volunteer? Make a gift? Conduct a drive? Attend an event?

Figure 4.2 A photo that elicits an emotional reaction is a powerful tool for connecting with your website visitors. Credit: Liana Aghajanian/CC-BY-SA-3.0
• Links to your Twitter, Facebook, and other social media pages.

• A list of your board members.

**TIP:** If you haven’t built your website yet and don’t know where to start, check out some of the top open-source content management systems such as WordPress, Joomla, Plone, and Drupal, which are used by many nonprofits. For comparisons of these systems, go to Idealware at www.idealware.com.

After you’ve whipped your homepage into supporter-worthy shape, it’s also worth your while to spend a little time on your donation page. According to Network for Good, its charity customers received significantly more donations and higher gifts when they put their own branding on their donation form, rather than using a generic form with Network for Good’s branding (Figure 4.3).

![Figure 4.3](https://example.com/image.png)

*Figure 4.3 In 2011, Network for Good saw a 4 percent increase in average gift size for charities with a branded donation page, versus a 2 percent increase for those with a generic page. Source: Network for Good*

By now you should sense the importance of your website, and realize that keeping it fresh is a priority. Your Facebook and Twitter pages will take some tending too, so you’ll need to decide if you have the resources to do them right. If you want to maximize your nonprofit presence on the Web, go to Chapter 9 for more on social media fundraising.
**Industry INSIDER**

**The Power of Storytelling**

When you’re trying to raise money, you want to highlight the impact of your organization, and the most powerful way to do that is through storytelling. Tell your story in a way that captures the heart and the emotion of the potential giver. Photos are important!

At its most basic, a compelling story that gains attention can be told in seven steps, including the following ideas. You don’t have to use these exact words, of course, but try to include all of the elements in sequence.

1. Once upon a time ... (Starts the story off, introduces the hero.)
2. And every day ... (Sets up how life was before the incident.)
3. Until one day ... (Begins the action of the story with the inciting incident and the goal.)
4. And because of this ... (Introduces the barrier[s] the hero faces.)
5. And because of this ... (Longer stories may have more than one.)
6. Until finally ... (The resolution.)
7. And ever since that day ... (Closing; what this means for the hero.)

For example, consider this fundraising “story:”

1. Mary seems to have it all. She lives with her husband and two children in a custom Mediterranean home in a close-knit neighborhood.
2. As a local grade-school teacher, Mary is well-known and liked throughout her town.
3. However, Mary and her husband have been increasingly living beyond their financial means, while trying to afford extensive medical care for their five-year-old daughter’s chronic illness.
4. Their money troubles have just become critical this month as Mary’s husband has experienced a job layoff.
5. And to further complicate money matters, their daughter’s medical condition has taken a turn for the worse.
6. Mary has asked her worship community for emotional support, and she has received their generous help with everyday tasks like preparing meals and providing rides to the hospital.
7. Mary is very thankful for this immediate help, of course, but now she needs broader financial support from her community. That’s why we’ve established our “Get Well, Amanda” charity fund in her daughter’s name. Will you please help with a donation, too?
Online Fundraising Websites for Nonprofits and Donors

Following are just some of the top social sites for online fundraising. Generally speaking, they’re set up so individuals and organizations can create fundraising pages and easily get the word out to their networks to reach more potential supporters. Fees and services may change, so check the websites for current information.

**Causes**

www.causes.com

GuideStar-verified 501(c)(3) nonprofits can collect donations through Causes. Users can create or join a cause to support an issue or nonprofit, and mobilize their networks to donate, recruit, and share to support the cause. Campaigns on Causes are automatically integrated with Facebook.

**Fees:** 4.75 percent transaction fee

**CauseVox**

www.causevox.com

CauseVox is an online fundraising company that serves small- to medium-size nonprofits. Its platform helps nonprofits create customized fundraising websites for campaigns as well as for personal and team fundraising. Instead of sending donors to another site for processing, CauseVox fundraising takes place on the nonprofit’s own site.

**Fees:** No monthly fees until your organization raises $3,000; thereafter, $39 per month plus transaction fees of 7.5 percent to 8 percent plus 60 cents, depending on payment choice.

**Crowdrise**

www.crowdrise.com

Crowdrise combines online fundraising, crowdsourcing, social networking, contests, and more. Nonprofits can turn donors, supporters, and volunteers into fundraisers by asking them to create their own free fundraising
pages on Crowdrise. Supporters can use their personal fundraising page to raise money from their friends and family.

**Fees:** For basic account, 5 percent plus $1 for donations under $25 and $2.50 for donations over $25; for featured account, $49 per month plus 4.95 percent Crowdrise fee and $1 transaction fee.

**Donate Now/Network for Good**

[www.networkforgood.org](http://www.networkforgood.org)

Network for Good helps nonprofits raise money on their own websites and on social networks with free and low-cost fundraising tools. It also enables giving to any charity registered in the United States at [www.networkforgood.org](http://www.networkforgood.org), through fundraising widgets on social networks, and via partners’ websites. Network for Good processes payments for thousands of nonprofit organizations.

**Fees:** For DonateNow Lite, 5 percent transaction fee; for standard Donate Now, $199 for setup, plus $49.95 per month and 3 percent transaction fee.

**DonorsChoose**

[www.donorschoose.org](http://www.donorschoose.org)

DonorsChoose.org is an online charity that makes it easy for anyone to help students in need. Public school teachers post requests, and individuals can give directly to the ones that inspire them. To date, 225,000 public and charter school teachers have used DonorsChoose.org to secure $111 million in books, art supplies, technology, and other resources that their students need to learn.

**Fees:** Shipping, fulfillment cost, and credit-card processing are added to the project cost. An optional 15 percent donation to DonorsChoose.org is suggested to donors at checkout.
FirstGiving
www.firstgiving.org

FirstGiving empowers individuals to raise money online for thousands of causes and helps 501(c)(3) nonprofit organizations plan, execute, and measure successful online fundraising campaigns. FirstGiving provides tools for charity fundraising events and grassroots fundraising campaigns and securely processes online donations.

**Fees:** 7.5 percent transaction fee

Fundly
www.fundly.com

Fundly is a social fundraising platform for individuals and organizations raising funds for nonprofits, charities, politics, schools, clubs, teams, groups, and others. It is designed to make it easy to fundraise via websites such as Facebook and Twitter. Supporters can reach out to their connections with branded tools, including email and social networking.

**Fees:** 4.9 percent transaction fee for individuals and organizations that raise less than $25,000 per month

Fundraise.com
www.fundraise.com

Fundraise.com allows anyone, or any organization, to create and manage all of their online fundraising activity. The platform provides an iPhone app, mobile-optimized website, Facebook and Twitter sharing, widgets, and a traditional website. Causes can be institutional, organizational, educational, political, personal, or faith-based.

**Fees:** 7.5 percent transaction fee

FundRazr
www.fundrazr.com

FundRazr is a social fundraising app for individuals, groups, nonprofits, and political causes. FundRazr includes the ability to share through
Facebook, social networks, email contacts, and websites or blogs to promote and collect money for causes.

**Fees:** 4.9 percent plus 30 cents per transaction

**Givezooks!**

www.givezooks.com

Nonprofit organizations can create custom campaigns, wish lists, grassroots fundraisers, and events online, expand donor outreach via social networking (Facebook and Twitter) and Internet marketing, and increase funds raised. To promote a campaign online, you can create custom landing pages and embeddable widgets to allow supporters and donors to help you spread the word by embedding them on their own pages.

**Fees:** Subscription fees start at $129 per month.

**GoFundMe**

www.gofundme.com

GoFundMe is a do-it-yourself online fundraising service with easy-to-use donation websites for weddings, graduations, accidents, illnesses, nonprofits, and charities.

**Fees:** For PayPal, 5 percent transaction fee plus processing fee of 2.9 percent plus 30 cents; for WePay, 3.5 percent plus 50 cents.

**Help Attack!**

www.helpattack.com

Using either Twitter or Facebook, donors make a monetary pledge to their favorite cause, giving with each action they take on their preferred social network over 30 days. For example, a donor can pledge 10 cents per tweet or Facebook update. After 30 days, pledges are calculated and donations are sent to the nonprofit of the donor’s choice.

**Fees:** 8.5 percent transaction fee
Indiegogo
www.indiegogo.com

Indiegogo was launched in 2008 to provide any idea (creative, cause, or entrepreneurial) with the tools and process to raise money and offer perks. Social media integration, direct email, and announcement features make it easy to spread the word, raise awareness, and increase funding.

**Fees:** 4 percent fee if a funding goal is met; 9 percent if not; credit card fees are approximately 3 percent.

JustGive
www.justgive.org

Through JustGive, donors can give to nonprofit organizations through direct and memorial donations, charity gift cards, charity wedding registries, gift collections, and fundraising registries. Nonprofits can get a Donate Now button for their website, promote their fundraisers on Facebook and Twitter, create email campaigns, and track donations.

**Fees:** 4.5 percent transaction fee

Pay It Square
www.payitsquare.com

Fundraisers can create a customized page, promote their fundraiser, and collect donations online, including on Facebook. Organizers can easily track pledges and offline contributions as well.

**Fees:** 99-cent transaction fee plus PayPal fees; for a credit-card payment, 2.9 percent plus 30 cents.

Razoo
www.razoo.com

Razoo allows you to create team fundraising pages as well as pages at the organizational level. You can accept donations on your own website using an embeddable widget that donors can also use to embed on their own
sites with a click. It also offers template-driven event pages you can use for individual fundraising events.

**Fees:** 2.9 percent transaction fee

**StayClassy**

www.stayclassy.org

StayClassy is a software platform for small- and medium-size nonprofits. It offers event management for any type of event, the ability to accept online donations, reporting and analytics, and individual and team fundraising pages.

**Fees:** Monthly fees start at $49 plus transaction fee and credit card fee.

**Helping Hand**

Some points to remember about the multitude of options available for online fundraising:

- Nonprofits can have an online presence on their own website, social giving websites, charity portals, and social media websites.

- Nonprofits should make their website a top priority, because that’s where most online donations come from.

- The most effective element of a nonprofit website is a story (with photos) of someone they’ve helped.

Up next in Chapter 5, we’ll share the “101” of online fundraising operations.
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