Where’s the Money?

If you’ve ever discussed fundraising with your board—or any nonprofit board—you’ve probably heard the following phrases: “The economy’s not good, people aren’t giving,” or “I don’t know anyone with money.” These are perhaps the two most pervasive and persistent misconceptions about fundraising. The data presented in this exercise help to debunk these and several other myths.

Why Do This Exercise?
To reduce resistance to fundraising based on inaccurate information

Use This Exercise When
Your board and volunteers lack a basic understanding of philanthropy

Time Required
20 minutes

Audience
Anyone involved with your fundraising campaign: some combination of board, staff, and volunteers

Setting
A space large enough to accommodate several small groups of three to five each

Materials
• Flip chart paper and markers
• Quiz form (page 39)

FACILITATING THE EXERCISE

This activity is structured as a quiz that participants discuss and complete in small groups. You’ll need to photocopy the quiz (see page 39) in advance. The answers appear below.

1. Ask your colleagues to gather in groups of three to five to work on the quiz together.

2. Hand out copies of the quiz and give participants no more than ten minutes to discuss and complete it.

3. Reconvene the entire group and review each question, giving the correct answers.

4. Once you’ve reviewed all the answers, help the group draw conclusions. Use the following debriefing questions:
• What surprised you?
• What are the implications for our fundraising strategy? Do we need to think differently?

Emphasize that in fundraising, like many areas of life, we have a tendency to project our feelings and experiences onto others, even though our assumptions may not be accurate. For example, “I give money to my church and two others organizations; therefore, everyone else focuses their giving on a small number of nonprofits.” In fact, most donors support a range of organizations, as noted in the quiz.

There are times when what we think we know is actually wrong. When it comes to fundraising, if the data trump personal experience, then we have to respect the data.

For example, your colleagues may perceive fundraising as competitive. When you show them that a typical household contributes to five to ten nonprofits per year, they may see it as less competitive, since most people who donate tend to spread their money around pretty broadly.

Answers appear below.

1. In a typical recent year, how much money did U.S. nonprofits raise from private philanthropy?
   a) $100 billion
   b) $200 billion
   c) $300 billion—the total varies somewhat year to year, but this is a good estimate
   d) $400 billion

2. Here are the four sources of private philanthropy. What percentage of total giving comes from each category? The total adds up to 100%.
   a) Foundations 15%
   b) Corporations 6%
   c) Individuals 72%
   d) Bequests 7%

3. Which nonprofit community raises the most money from private sources?
   a) Colleges and universities
   b) Health care
   c) Religious organizations receive about 32% of charitable giving
   d) Arts
   e) Social services/human services
4. How much do U.S. nonprofits receive from all sources: private giving, government funding, and fees and other earned income?
   a) $800 million
   b) $1 trillion
   c) $1.2 trillion
   d) **$1.5 trillion**—this amount equals roughly 10 percent of the U.S. economy

5. What percentage of American households donate to nonprofit organizations?
   a) 60%
   b) **70%**—some sources say 80%, so that would also be an acceptable answer
   c) 80%
   d) 90%

6. The typical American household supports how many charitable organizations per year?
   a) 1-2
   b) 3-4
   c) **5-10**
   d) More than 10

7. How much is median household giving per year?
   a) Less than $500
   b) $500-$1,000
   c) **$1,000-$2,000**
   d) More than $2,000

8. Which demographic group gives away the most money as a percentage of household income?
   a) **The poor**
   b) Middle income
   c) The wealthy

**Sources:** Giving USA; National Center for Charitable Statistics; Nonprofit Quarterly; Grassroots Fundraising Journal

**TRAINING TIP** When sharing the correct answers, use a little showmanship. For example, you can write the answers on a flip chart page in advance and fold the page in half, taping the bottom edge of the paper to the top of the easel. Then slide the edge down, revealing one answer at a time.
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FUNDRAISING QUIZ

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   b) $200 billion
   c) $300 billion
   d) $400 billion

2. Here are the four sources of private philanthropy. What percentage of giving comes from each category? The total adds up to 100%.
   a) Foundations
   b) Corporations
   c) Individuals
   d) Bequests

3. Which nonprofit community raises the most money from private sources?
   a) Colleges and universities
   b) Health care
   c) Religious organizations
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