



Capital Campaigns – *High Impact Philanthropy*

Differences between a capital campaign and an annual campaign. Capital campaigns were originally multi-year efforts to raise funds for specific physical capital improvement projects such as a building. The term has come to mean any multi-year fundraising effort for specific well-defined goals. In contrast, an annual campaign raises funds for current (and typically unrestricted) operating expenses. Both capital and annual campaigns involve specific accounting practices.

The largest “cornerstone” gifts to capital campaigns often – but by no means always – are the result of personal relationships nurtured over time and on trust and motivated by shared priorities.

In capital campaigns, donors are asked to give from both their assets and their income. They are asked for “stretch” gifts, not easy or ordinary ones. Gifts are often pledges paid over multiple years (sometimes even beyond the life of the campaign). For more on large capital or “stretch” gifts see: <http://philanthropynewsdigest.org/news/so-called-stretch-gifts-growing-in-popularity>. Various methodologies can be used for determining an individual’s giving capacity and inclination. See: http://www.apragny.org/calendar/events_0708/docs/071106_apravs_bw3.pdf Page 18. Good prospect research (which accurately assesses prospects’ capacity, inclination, and priority interests) can make or break a capital campaign.

The types of capital campaigns.

- **Comprehensive campaigns:** More typical of universities and colleges, all types of giving count in the totals, including annual giving, planned giving, as well as gifts for facilities, current use programs, and endowment. They usually last 5 – 7 years (or longer) with a 2 – 3 year “quiet phase,” followed by a public phase. They are often linked to institutional strategic plans and address important priorities that have the potential to advance the institution significantly.
- **Single-priority campaigns.** More typical of independent or boarding schools and cultural institutions, these efforts usually focus on endowment OR facilities OR financial aid, etc. They usually last 2 – 5 years, and may rely on a few key donors and not include a highly-public phase.

The stages of a capital campaign. A capital campaign used to be a once-in-a-lifetime event, but many development efforts now run in a continuous cycle. There is a planning stage, a quiet fundraising stage, a public fundraising stage, and a quiescent time before the next capital campaign begins.

The planning phase is essential to a successful campaign. It occurs before the campaign is even launched.

- **Commission a Feasibility Study,** to determine (a) inclination and capacity of identified constituency to give to the institution and (b) the appropriate monetary goal considering results of study.
- **Recruit and train a professional staff** with the expertise needed to reach goal(s). Equip them with high-quality in-depth prospect research and an accurate, flexible, and responsive database.
- **Determine campaign priorities.** Make sure these are linked to the institution’s mission and resonate with the constituency.
- **Solidify campaign leadership.** Senior staff should commit to stay in their positions until end of campaign; key volunteer leadership should be identified and recruited.

For a discussion of the campaign stages written as a workbook, see <http://www.grassrootsfundraising.org/wp-content/uploads/2011/08/Conquer-Capital-Campaigns-Wkbk.pdf>. See also: www.capitalcampaigns.com.

- 25 years ago, typically 80% of the money was contributed by 20% of the donors; today it is closer to 95/5.
- A campaign is typically not made public until 35 – 50% of the goal has been achieved.
- The amount contributed by the Board depends on the size and constituency of the Board and the Campaign goals; it can range from 10 – 50%.

Some hints to running a successful campaign: focus on the critical few who can make large leadership commitments, but provide opportunities for the faithful rank and file to play a role; frame your need in terms of community benefits, train volunteers to close gifts, and have the courage to stand behind a dollar goal and a deadline.

<https://www.guidestar.org/Articles.aspx?path=/rxa/news/articles/2012/five-capital-campaign-secrets.aspx>.

Engaging the volunteers and non-professionals. Most successful campaigns actively involve the organization’s CEO and governing Board – even when they are volunteers. For some organizations a key function of such boards is fundraising. Some ways to get their enthusiastic buy-in: deal directly with their distaste for fundraising, explain that it is not about the money (it’s about changing lives), empower them to seek friends not donors, focus on the important jobs not involving “the ask” such as creating new friends, involving current ones, and thanking donors: <http://www.gailperry.com/board-training/get-your-board-members-fired-up-and-in-action-for-the-cause-articles/four-steps-to-take-board-members-from-fear-of-fundraising-to-enthusiasm>. Use these tips for campaign committees, too.