

FUNDRAISING & PHILANTHROPY ASIA

Annual State of the
Fundraising Nation Edition

Insight, analysis and inspiration for nonprofit executives and leaders

Issue 35 | December 2011/January 2012 | ISSN 1832-2409

www.fpmagazine.com.au | \$16.50 (GST inc)

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Asia

Fundraising's 'Passage to India'

India is home to 18% of the world's 6.7 billion people and its economy has boomed with fast gross domestic product growth and strong domestic consumption. As its people develop the capacity to respond to new fundraising methodologies, **Usha Menon** investigates how international non-government organisations are fundraising in India.

Substantial economic growth over the last two decades in India has resulted in a thriving middle and upper class. By 2015, India is projected to have 53.3 million middle-class households, translating into 267 million people in this category. International non-government organisations (INGOs) have recognised this opportunity to fundraise and are establishing themselves in the Indian market. During the last 12 months, I completed a study of eight INGOs to discover how they're conducting fundraising in this burgeoning market.

Nature of Indian fundraising

The main objective of domestic fundraising being conducted by INGOs in India is to raise unrestricted income. Mass-marketing methodologies like face-to-face, telemarketing and direct mail are used by all eight INGOs studied. The investments made by their international office, to develop the local fundraising structure (in-house and/or outsourced), is focused on this strategy.

Only three of the eight INGOs have a corporate donor development program, the rest focus on F2F, telemarketing and, to a small extent, direct mail. These mass-marketing techniques represent between 50-90% of local income for seven of the organisations.

While one organisation depends mostly on one-off donations of around 1,000 Indian Rupees (AUD\$20.53), others have regular donors, giving in the range of INR100-500 per month (AUD\$2.05-\$10.26). On average, the organisations surveyed have an overall individual donor retention rate of 25%.

Currently, there's no major gift fundraising tak-

ing place at these organisations. While it's not a focus at this time, major gift fundraising will likely become a key income source in coming years, once the relationships with a pool of high-net-worth individuals is developed.

Face-to-face, telemarketing evolving

All but two of the organisations outsource their face-to-face and telemarketing activity currently, but this has started to shift in-house. All eight originally used the outsourced model, however, one is now recruiting donors through a 250-strong in house face-to-face team while another is in the

without informing the clients. A lack of regulation around data ownership makes this scenario possible, and is obviously a deterrent for INGOs.

Grants not a fundraiser's concern

The ratio of restricted grant income to unrestricted income is consistent across the INGOs studied. In most cases, local grants and restricted income from government and institutions equalled less than 10% of total fundraising revenue. This differs drastically from the 'traditional' profile of fundraising by NGOs, where grant income makes up the bulk of the income sources to-date.

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process of reducing their dependency on external agencies and has invested heavily in developing their in-house staff since 2009.

There's a few driving factors behind the shift to internal teams, including a lack of professional agencies in the fundraising sector which are able to successfully recruit regular donors. Cost is also a factor, with external providers charging double the cost of running an in-house team.

The big motivator, however, is ethical issues. Instances of misrepresentation and spinning a fast story are a problem, but there's also shocking examples of agencies shifting donors from one NGO to another as soon as they get new business,

In most cases, grant income raising isn't the local fundraising department's responsibility. Instead, it's handled by the 'program' staff, who manage grants together with staff at their international office. Local fundraising staff focus mainly on raising unrestricted income from individuals through mass-marketing and corporate donations/sponsorships and special events, where relevant.

Location, location, location

All but one of the organisations studied have their Indian office based in the New Delhi area. Most organisations identified New Delhi and Mumbai as the cities giving the best returns, however Delhi is

likely influenced by the attention it receives, being at the doorstep of the fundraising team's headquarters. One organisation also identified Bangalore and Hyderabad as their best markets.

Resourcing fundraising in India

Local fundraising at most of the INGOs studied commenced with an investment between INR3-50 million (AUD\$62,000-\$1.02 million) from their international office's fundraising investment fund. Their recurrent annual fundraising expenditure is at an average level of 25% of funds raised locally.


Interestingly, only one organisation counts grant income towards their total India fundraising income. Most of the others INGOs studied did not include international office-sourced grant income towards their India fundraising numbers, as the domestic fundraising unit isn't responsible for sourcing this income.

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The international office is playing a crucial role in building fundraising capacity, with the INGOs studied indicating the following interactions with their respective headquarters:

- 'Skills share' sessions, which included workshops, discussion and exchanges in developing the tools needed to be better fundraisers and communicators.
- In-house conferences, where subject matter experts on fundraising talk about best practices in the fundraising profession and look at future trends which will affect fundraising.
- Consultants to coach and advise Indian fundraising teams.
- Exposure trips to countries with advanced fundraising experience.
- Visits by international office experts in specific methodologies.
- Internships for Indian staff with advanced fundraising affiliates.
- Regular e-mails, calls and handholding by international office fundraising staff.

Five key insights into Indian fundraising at eight INGOs:

1. Raising unrestricted income is the main focus of all fundraising efforts in India.
2. As a result, the focus is on mass marketing methodologies.
3. Major donor fundraising is conspicuous by its absence from the fundraising mix.
4. Efforts to raise grants-based (restricted) income are not considered part of the fundraising department's responsibility.
5. Investment to develop domestic fundraising capabilities in India is entirely funded by the respective INGO's headquarters. 



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