Funding Strategies for Uncertain Times:
Practical Guidance for Nonprofits

Wednesday, April 9, 2025
2:00 – 3:00PM ET

The Bridgespan Group
Collaborating to accelerate social impact

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About The Bridgespan Group

The Bridgespan Group is a global nonprofit organization that collaborates with mission-driven leaders, organizations, and philanthropists, to make the world more equitable and just.

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Friendly reminders

After today's webinar, we'll send you:

- Webinar recording and slides
- Links to all the resources we mention today

Use Q&A feature
to submit your questions throughout the webinar

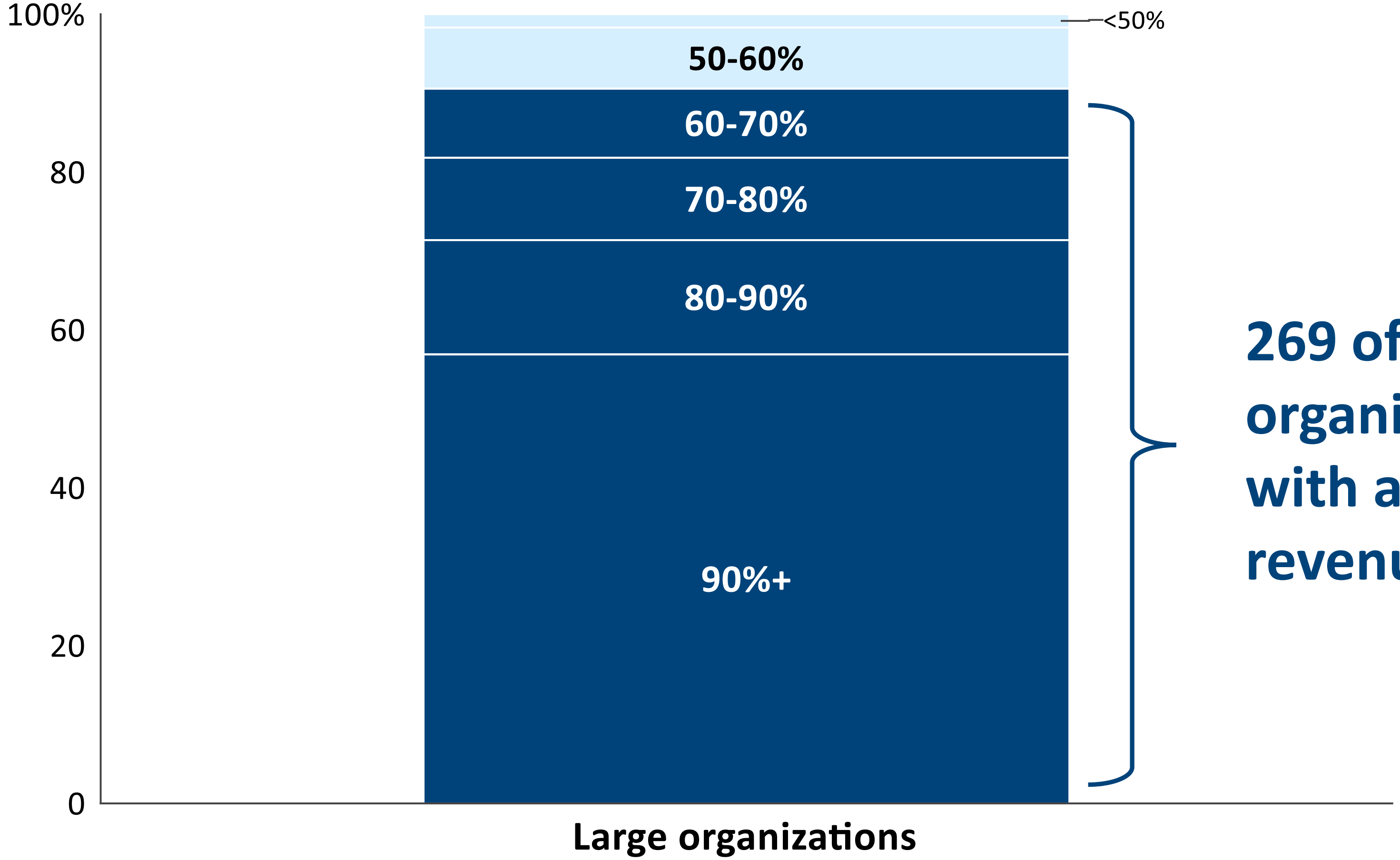
Please complete the post-webinar survey

We value your feedback!

Six types of revenue sources

- GOVERNMENT
- PHILANTHROPY
- PROGRAM SERVICE FEES
- SMALL GIFTS FROM INDIVIDUALS
- CORPORATE
- INVESTMENT INCOME

Ninety percent of organizations rely on one dominant category for the bulk of their revenue



269 of 297 total organizations with a dominant revenue category

Organizations that are highly successful at raising a given category of revenue typically develop expertise in how to bring in that revenue

	Governments	Program Service Fees	Corporations	High-Net-Worth Individuals	Foundations	Small Gifts (<$10K) from Individuals
Common Funder Motivations	• Provide essential services to constituents • Federal funders often prefer project replicability and third-party evaluations • State and local funders often look for evidence of community support	• Demand for a product or service • Unmet needs • In some cases, customers' payments for a service come from a third party such as Medicaid	• Create ties between the corporation's brand and a meaningful social cause • Motivate employees with volunteering and gift matching	• Build individual and/or family legacy • Find meaning and joy in deploying wealth to worthy causes • Invest in a personal interest or passion • Maximize tax benefits	• Invest in sectors and geographies that align with the foundation's mission and strategy • Achieve something distinctive over an extended timeline	• Contribute to a well-known cause, often in response to social media engagement or mail campaigns • Respond to urgent needs, such as a natural disaster • Maximize tax benefits
Assets and Capabilities	• Lobbying / government relations • Technical grant writing on RFPs and proposals • Contracting • Compliance and reporting	• Customer insights • Product development • Pricing • Marketing and sales capacity • Billing and payment infrastructure	• Board members with corporate connections • Branding, marketing, and communications • Employee volunteer opportunities	• Connections to wealthy individuals • Board of directors committed to fundraising and willing to make introductions • Major gift stewardship and solicitation	• Technical grant writing • Connections to program officers at foundations • Monitoring, evaluation, and reporting	• Strong brand awareness and widespread appeal • Marketing, digital advertisements, and mail campaigns • Payment infrastructure

How can we contextualize the research finding in today's funding climate?

INSIGHTS	QUESTIONS TO CONSIDER
While the large organizations we studied were often concentrated on a primary revenue category (their "major"), most were **diversified WITHIN that revenue category.**	**Are there ways to identify new funding opportunities within a revenue category where your organization is already finding success?**
Many of the large organizations we profiled had a **meaningful secondary revenue category** (their "minor"), which accounted for 20-30% of total revenue. The most common secondary source was philanthropy.	**Does your organization have an emerging revenue category that could grow to 20-30% of total revenue over time?**
Organizations succeeded at raising revenue from their "major" and "minor" categories by **building dedicated capabilities and infrastructure.**	**How can your organization invest in getting better at raising revenue from your "major" and "minor" categories?**

Guest speakers

CJ Orr
Chief Executive Officer
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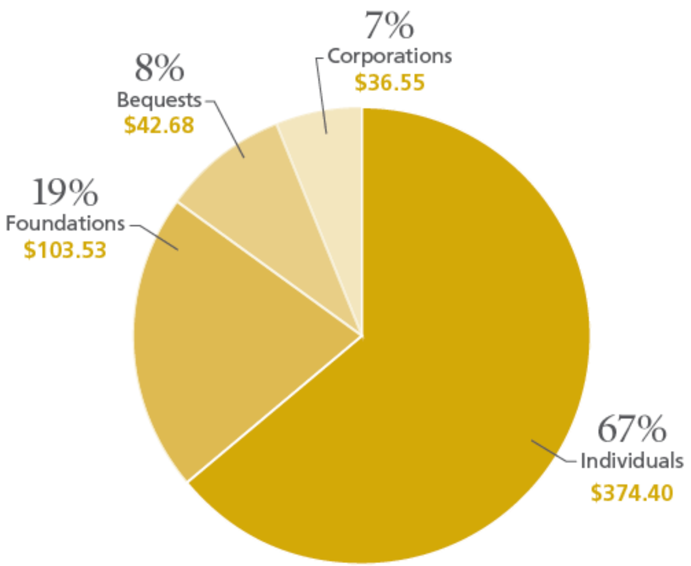
Mithra Irani Ramaley
Chief Development Officer
City Year

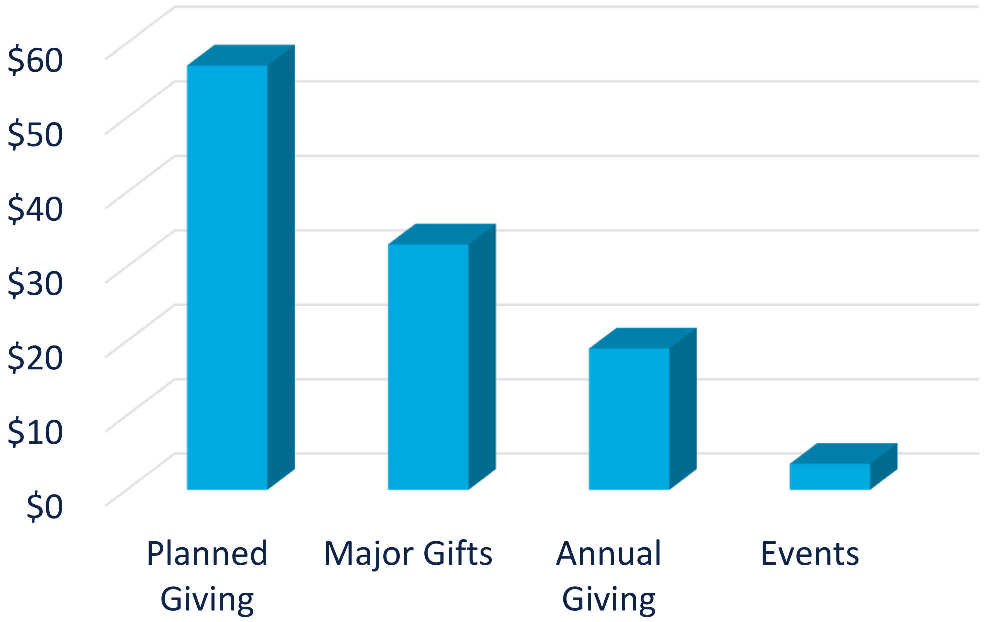
Philanthropy: A strategic and timely revenue stream

Why more organizations are turning to philanthropy – and why Major Gifts stand out

2023 contributions: $557.16 billion by source of contributions (in billions for dollars – all figures are rounded)



Return on $1 investment in development programs



Philanthropy—especially Major Gifts—offers strong potential for organizations looking to diversify and deepen revenue during uncertain times.

ORR GROUP
Where Nonprofits Grow

Sources: Giving USA & Orr Group

Major Gifts: High-return, high-value philanthropy

Making the case for strategic investment in Major Gifts

Major Gifts offer one of the highest returns of any fundraising activity

Gifts that are large and meaningful for your organization—not defined by a fixed dollar amount, but rather by impact.

A focused Major Gifts effort enables you to:

- Engage deeply with your most committed supporters
- Unlock transformative gifts to fund key priorities
- Build a sustainable pipeline of high-capacity donors

Without a Major Gifts strategy, organizations risk:

- Missing out on significant revenue
- Failing to steward long-term donor relationships
- Falling short on big-vision funding needs

bitly

"Major Gift Fundraising Made Simple: Your Guide to Building a High-Impact Program"

Major Gifts aren't just about big checks—they're about building big, lasting relationships

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From vision to execution: Your major gifts roadmap

What it takes to build and sustain a high-impact program

Getting Started:

- Define your case, clean your data, engage your board, and assess your internal infrastructure
- Use strategy + data to identify promising prospects

Implementation Workflow:

1. Prospect Identification
2. Qualification
3. Strategy Development
4. Outreach & Cultivation
5. Solicitation
6. Stewardship
7. Rinse and Repeat

Strengthening Your Program:

- Leverage tech like Kindsight, Windfall, Gravyty, Version2.ai
- Add a Moves Management Advisor to drive progress
- Package initiatives into mini-campaigns
- Expand gift types: DAFs, Crypto, Planned Gifts
- Enhance board engagement and digital touchpoints

It takes infrastructure, intention, and iteration—but a strong Major Gifts program will pay dividends for years.

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City Year raises **$78M** a year in philanthropy.

How are they doing that and what are they hearing from donors now?

City Year's model is multi-impact and cost effective

Evidence of Impact

Helping Students Succeed in K-12 Education

- **Improved School Performance:** Schools partnering with City Year are 2-3x more likely to improve English and math and more likely to reduce chronic absenteeism.
- **Students Furthest From Opportunity Benefit the Most:** More time with City Year Student Success Coaches leads to greater social, emotional, and academic gains—especially for those furthest behind.
- **Increased Graduation Rates:** Schools that partner with City Year experience higher graduation rates; the longer a school partners with City Year, the greater the improvement.

Developing Young Leaders for Successful Careers

- **Pipeline of New Teachers:** 6,000 alumni teachers are more diverse, retained longer, and teach where the need is greatest:
  - 2X as many teachers of color and 5X as many Black male teachers as the national average
  - 86% teach 3+ years compared to less than 50% nationally
  - Nearly 50% are teaching in the nation's highest-need districts
- **Higher College Completion Rates:** 76% within four years vs. national average of 61% in eight years.
- **Propelling Careers:** 86% of alums say City Year prepared them for their careers; employers such as Deloitte have formal programs to recruit City Year alums.

Return on Investment

78%
More cost effective for schools to partner with City Year than single-point providers

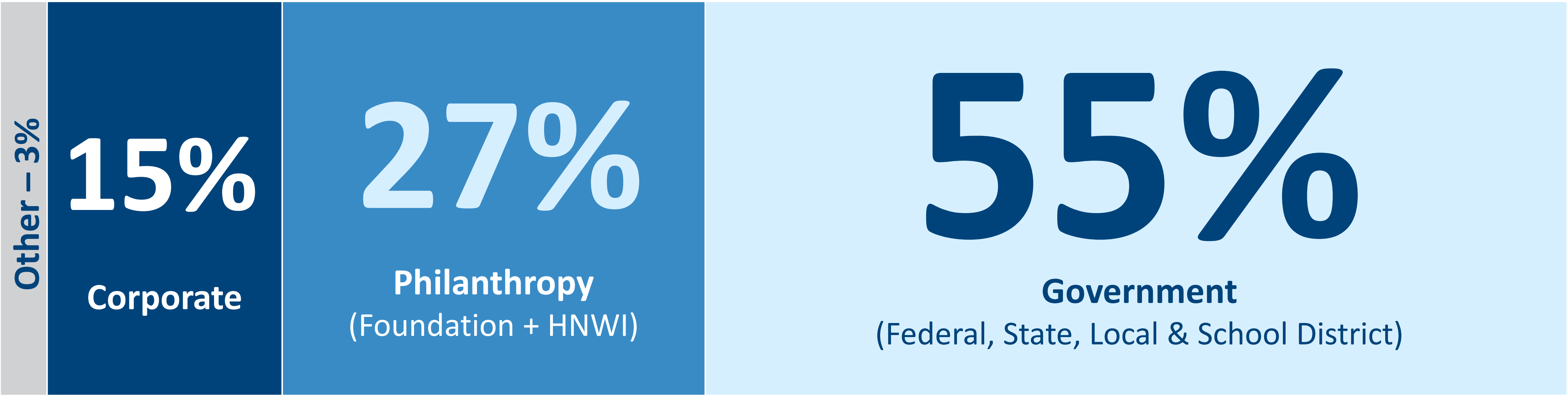
$25k
Average savings in replacement costs because City Year alum teachers stay longer.

1:$292k
Each student who graduates **generates $292,000 in societal benefits**.

86%
Increase in student's **earning potential** when they graduate high school.

$1=$17
Every $1 in federal taxes invested in AmeriCorps **returns $17 to society**.

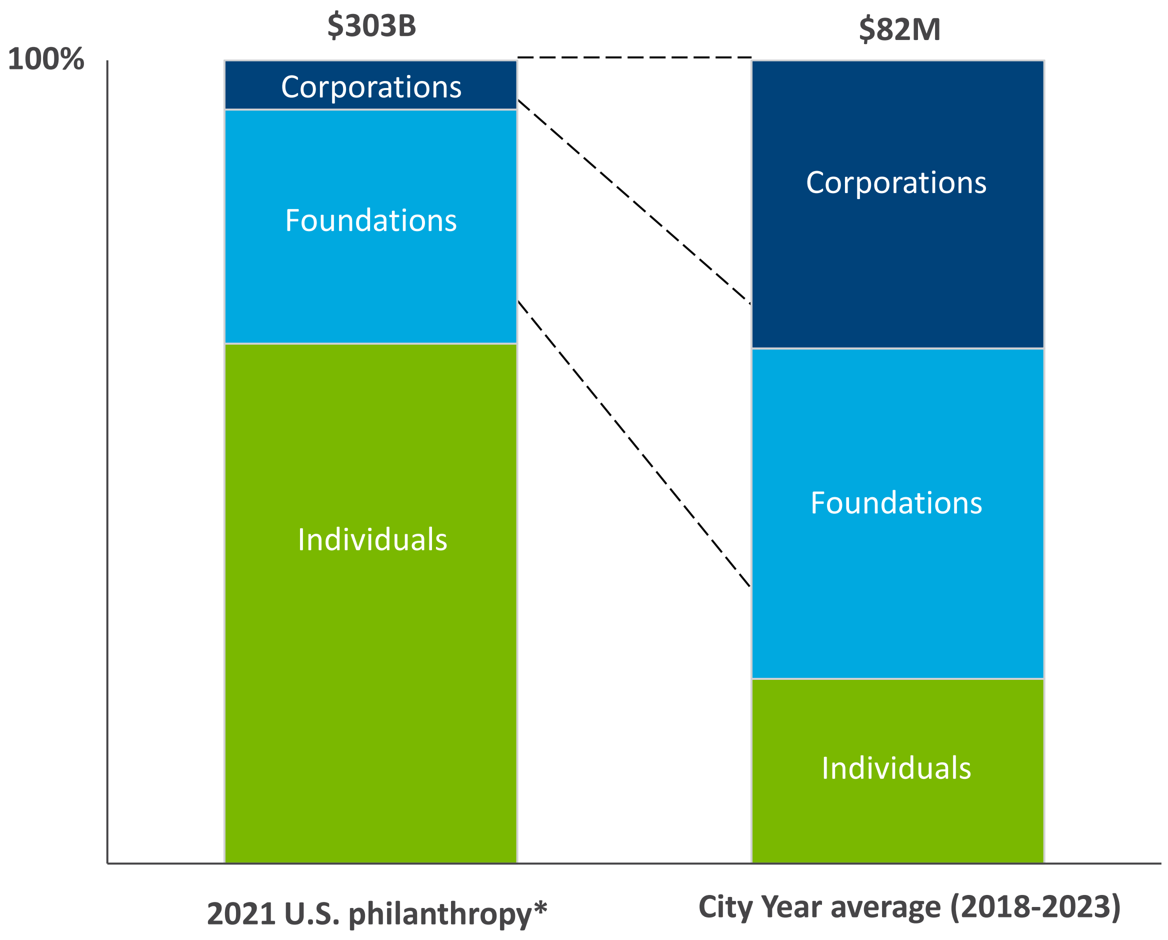
City Year's funding model is anchored in government funding and private revenue



*City Year affiliates in the UK (London, Birmingham, and Manchester) and South Africa (Johannesburg) are separately incorporated and not included in City Year, Inc.'s financials. **After budget was complete, City Year received an additional $2M in state funding not reflected in the financials above.

Within private revenue, City Year outperforms in fundraising from Corporations; Individual giving likely represents the biggest opportunity

City Year outperforms fundraising from Corporations



Why City Year is focusing on Individual Giving

UNTAPPED POTENTIAL: Individual giving is one of the largest sources of philanthropy in the US, while at City Year it accounts for just under 10%, leaving a significant opportunity to grow in this space.

DIVERSIFICATION OF REVENUE: Expanding individual giving strengthens financial resilience and reduces dependence on institutional funding.

SCALABILITY AND SUSTAINABILITY: Unlike one-time grants, individual giving—especially through major donor programs like Red Jacket Society—can grow year over year and build long-term sustainability.

MISSION ALIGNMENT: Individuals who give to City Year are often deeply aligned on mission and values. They are more likely to become long-term champions, advocates, and connectors in their communities.

Sources: GivingUSA 2022, "Where did the generosity come from?"; Room40 Group, The Map of Opportunity, p. 14.
*40% of Individual giving is directed to religious institutions. This adjustment is applied to the GivingUSA total for Individual giving. The remaining religious contributions are assumed to be equally split between Corporations and Foundations and subtracted from those respective categories.
**CY Corporate Fundraising captures 0.16% of total corporate philanthropy, 0.04% of foundation philanthropy and 0.01% of individual philanthropy.

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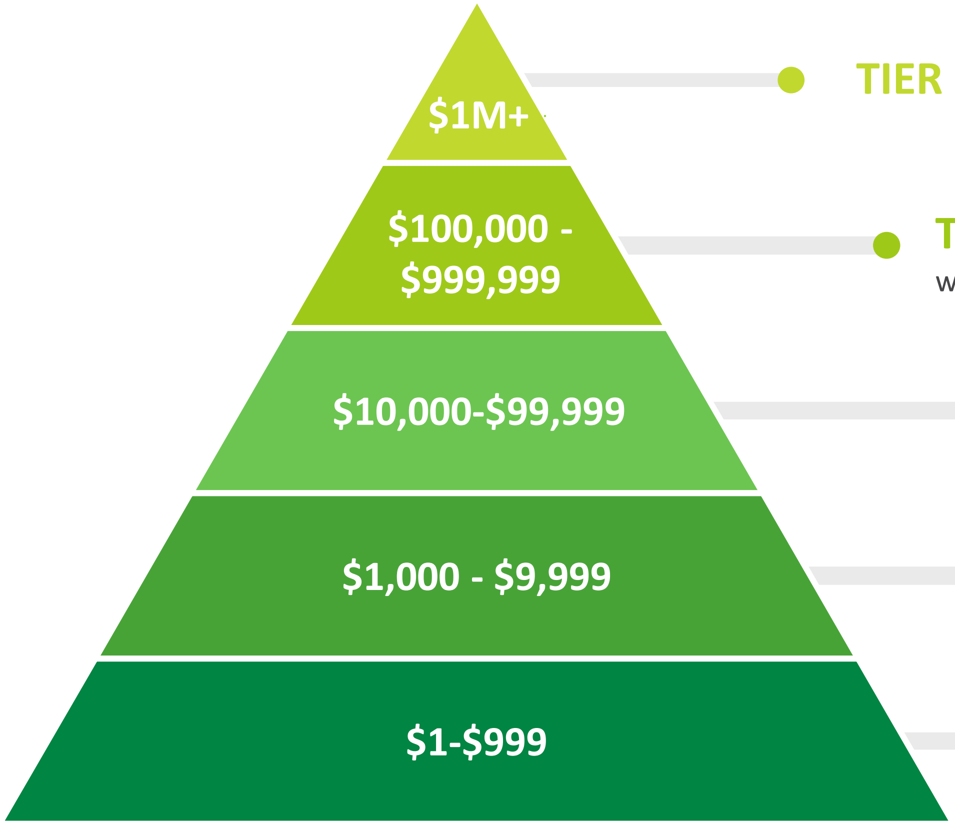
How City Year organizes its work with donor tiers



TIER 1. **Principal Gift level donors** managed in portfolio by national fundraiser with C-suite stewardship.

TIER 2. **Major Gift level donors** managed in portfolio by senior most site fundraisers in collaboration with national fundraising team. Stewarded as most exclusive members of Red Jacket Society.

TIER 3. **Leadership level donors** managed in portfolios by local fundraisers. Stewarded as members of City Year's premier individual giving network – the Red Jacket Society.

TIER 4. **Mid-level donors** also targeted by digital campaigns, appeals, direct mail, and matching gifts from companies. Managed in a portfolio by local fundraisers.

TIER 5. **Small dollar donors** targeted by annual fund strategies through digital campaigns, appeals, and direct mail.

The Power and Promise of the Red Jacket Society (RJS)

RED JACKET SOCIETY

CITY YEAR

ELEVATING LEADERSHIP GIVING: RJS is City Year's recognition society for leadership donors who contribute $10,000+ annually. It sets the standard for individual giving across our sites. There are four distinct giving levels within the Red Jacket Society (Bronze, Silver, Gold, Platinum) funding progressively higher levels of impact and increased donor benefits.

MULTI-YEAR EMPHASIS: RJS focuses on three-year commitments to increase sustainability and consistency year over year.

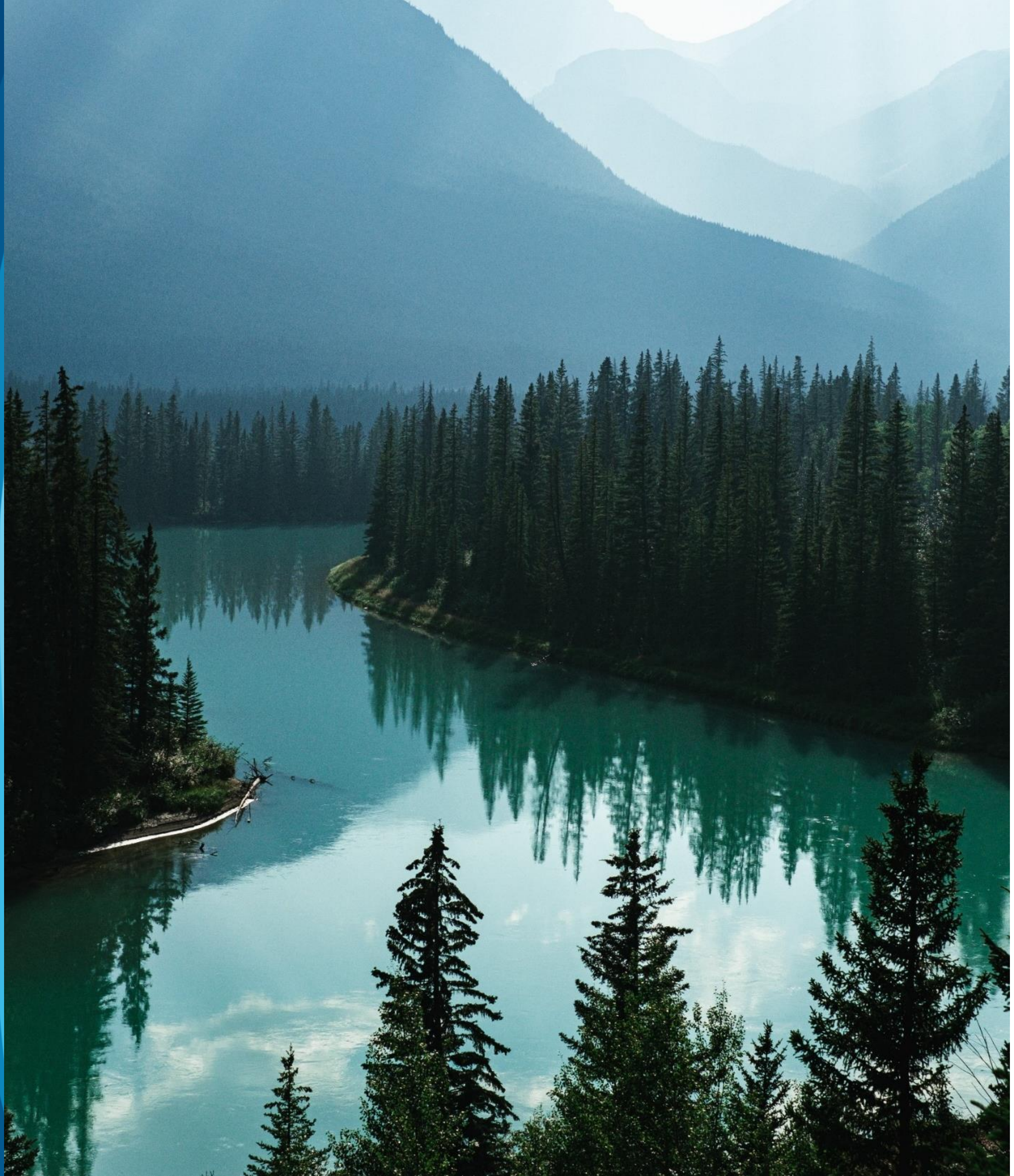
CATALYZING DEEPER ENGAGEMENT: RJS members are invited into a deeper relationship with City Year through exclusive events, behind-the-scenes access, and opportunities to connect with AmeriCorps members, alumni, and leadership.

DRIVING IMPACT: RJS contributions support our in-school service to students as well as recruitment, training, and development of AmeriCorps members. Supporting and sponsoring our AmeriCorps members is at the heart of RJS – creating meaningful connections between the Corps members and donors.

MORE THAN A DONATION: RJS members often describe their involvement as "transformational," not just transactional. They feel part of something bigger than themselves. They care deeply about impact and love the community of champions the RJS network connects them to locally and nationally. This community plays a key role in advocating for our double bottom line (kids and Corps members) helping City Year reach new supporters.

PEER INFLUENCE: With over 200 members across the country, RJS is not just a giving society—it's a movement . A growing, engaged RJS community helps normalize and inspire giving at higher levels—especially when peers share their own stories and motivations.

LEADERSHIP: Every site has a local Red Jacket Society volunteer chair focused on growing membership and multi-year gifts. Nationally, City Year has RJS co-chairs and is building an Executive Committee.



Looking ahead

STRATEGIC PRIORITY: Over the next several years, City Year is committed to significantly expanding individual giving—with Red Jacket Society at the heart of that strategy. Over the next five years, we hope to increase our total private revenue, with individual giving increasing from 10% to closer to 25%.

LOCAL EMPOWERMENT: Every site plays a critical role in identifying, cultivating, and stewarding individual donors who can grow into leadership donors

SHARED SUCCESS: By investing in relationships and prioritizing individual engagement, we are not only raising vital funds—we are building a national community committed to lasting change in our schools and society

Summary of key points

Three questions to consider

1. Are there ways to identify new funding opportunities within a revenue category where your organization is already finding success?

2. Does your organization have an emerging revenue category that could grow to 20-30% of total revenue over time?

3. How can your organization invest in getting better at raising revenue from your “major” and “minor” categories?

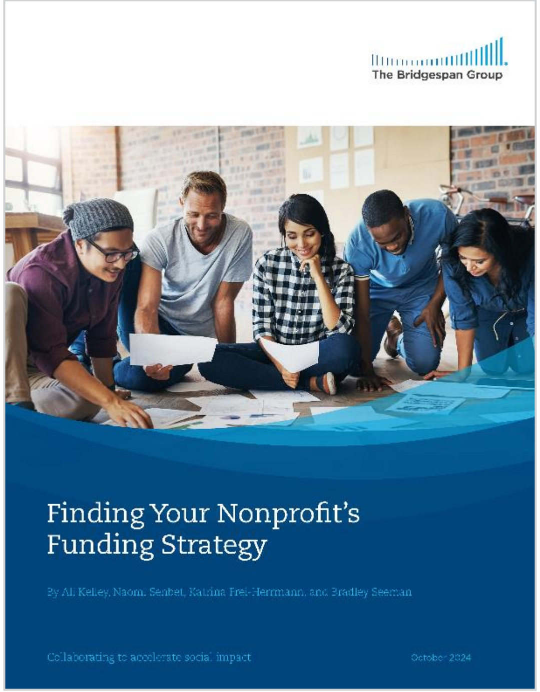
Approaches to developing a major gift’s program

Define your case, clean your data, engage your board, and assess your internal infrastructure.

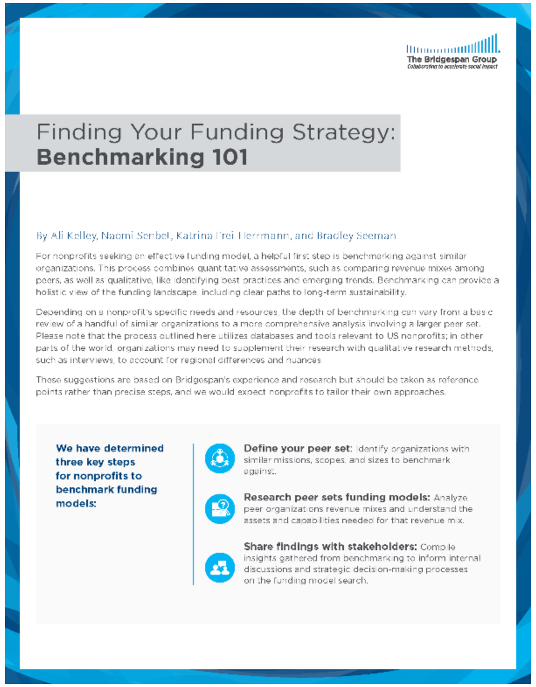
Use strategy and data to identify promising prospects.

Define donor tiers and develop plans for how to steward relationships at each level. For donors at the highest level, explore strategies to build giving opportunities that are “transformational” not transactional, connected to meaningful elements of your organization’s mission and program, and that normalize / inspire giving at higher levels.

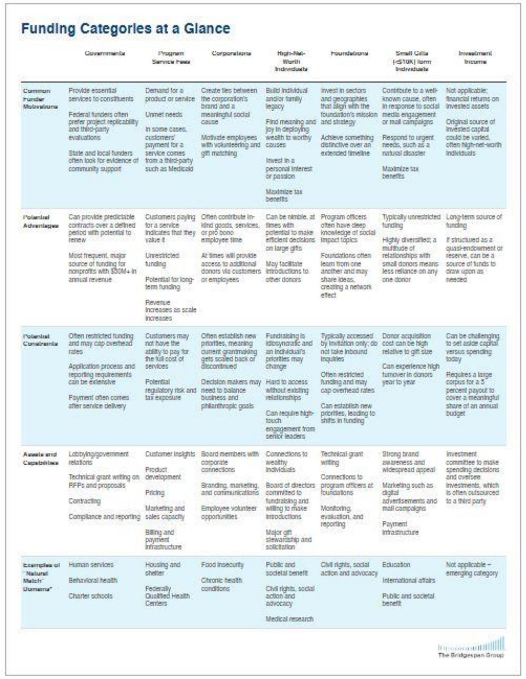
Nonprofit Funding Strategy Resources



[Finding Your Nonprofit's Funding Strategy](#)



[Finding Your Funding Strategy: Benchmarking 101](#)



[Funding Categories At-A-Glance](#)

[A New Look at How US Nonprofits Get Really Big](#)

Sharing research, insights, and practical tools is core to our theory of change

Over the last 20 years, The Bridgespan Group has become a leading producer of high-quality, social-sector content.

200+	**1,000+**
Major articles & reports	Short pieces & tools

Learn more about Bridgespan's cohort services for nonprofit leadership teams

Bridgespan's Leadership Accelerator

Bridgespan's Leadership Accelerator program offers four self-paced programs for leadership teams interested in addressing a specific strategy or management challenge. Programs range from 10-18 weeks in length.

www.bspan.org/BLA

Achieving Strategic Clarity

Get clarity on your organization's impact goals and programs

Creating an Adaptive Plan

Create a dynamic plan to navigate uncertainty with confidence

Strengthening the Executive Team

Unlock your team's full potential

Investing in Future Leaders

Create a strategic and equitable approach for developing your talent

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