

Types of Fundraising

Choosing your fundraising methods

When starting to fundraise it can be tempting to try out lots of different types of fundraising techniques to see what works. However, this can be a waste of your time and resources. It's better to select your fundraising methods strategically, based on your group's aims, skills and capacity. The methods you choose will also ideally be sustainable – you'll be able to 'rinse and repeat' and keep bringing income in for your group. Ideally, you should also choose a mix of methods, some that will bring money in quickly and others over the longer-term. Each group's circumstances are unique, so make some time to select the methods that are the best fit for you.

| Funding | Type of income | Time | Return | Sustainability |
|--|--|---|---|--|
| Grants: Traditionally the main source of income for groups and charities, grant funding is still a popular way of raising funds. | <ul style="list-style-type: none"> Mainly offers restricted income Usually project funding | <ul style="list-style-type: none"> Time to identify appropriate funding Time to gather evidence and information Time to consult with beneficiaries or Trustees Time to write application form Time to wait! | <ul style="list-style-type: none"> Higher competition for funds means lower success rate Good return when successful and can fund short or long term work | <ul style="list-style-type: none"> While many funders will fund over 2 or 3 years, some will only fund one off projects or events. It is risky for a group to rely on their income coming from just one funder |
| Donations: If you have supporters, you have potential donors! | <ul style="list-style-type: none"> Unrestricted funding | <ul style="list-style-type: none"> Take time to plan, there needs to be a clear donation process and reason for folk to donate Time is needed to build and maintain relationships Time is needed for ongoing communication with Donors | <ul style="list-style-type: none"> Small donations all add up and can be used as unrestricted funds. Engaging high net worth individual as donors can bring great rewards for groups | <ul style="list-style-type: none"> Can be a sustainable source of income Groups need to have dedicated individuals who maintain relationships with donors. |
| Crowd Funding: An online fundraising campaign used to raise funds from individuals. | <ul style="list-style-type: none"> Restricted income if the crowd funding campaign is project based, unrestricted if it's not | <ul style="list-style-type: none"> Quick to set up Promotion can be time consuming Evidence shows that campaigns that are time limited are more likely to hit target than ongoing campaigns | <ul style="list-style-type: none"> Encourages community engagement Some crowd funding platforms let you keep the money even if the target is not reached | <ul style="list-style-type: none"> Events usually take place as a one-off source of fundraising |
| Membership: Friends Of, or Membership schemes can generate income and engage supporters and service users alike. | <ul style="list-style-type: none"> Unrestricted income | <ul style="list-style-type: none"> Time to build relationships Time to maintain relationships Time to source and deliver rewards/benefits Time to communicate | <ul style="list-style-type: none"> Membership fees are unlikely to bring in large swathes of income, unless you are a large organisation, but it does bring in unrestricted funding and gives Members a sense of ownership | <ul style="list-style-type: none"> Sustainable if a strong membership is developed and maintained |
| Events: One off or regular events are a great way to raise funds and engage communities. Just don't spend more than you make! | <ul style="list-style-type: none"> Unrestricted income, unless you state that you are fundraising for a specific project or element of work | <ul style="list-style-type: none"> Time consuming to organise Time to publicise and sell tickets Time for hosting and the inevitable on-the-day peace keeping and problem solving | <ul style="list-style-type: none"> It is important to provide lots of opportunities for attendees to donate once there, not just entry fees. People usually donate more or make further purchases when they are at an event | <ul style="list-style-type: none"> Usually one off's but regular events can boost unrestricted funds in a sustainable way |
| Sponsorship: Building a successful sponsor partnerships brings benefits to both the business and your group | <ul style="list-style-type: none"> Unrestricted income, unless sponsorship is sought for specific project or event | <ul style="list-style-type: none"> Building relationship with corporate bodies is labour intensive Dedicated time needs to be set aside to build, maintain and sustain relationships with sponsors | <ul style="list-style-type: none"> The rewards of having a good relationship with a business/corporate sponsor can be great Snowball effect – having a good sponsor can encourage other businesses to get involved | <ul style="list-style-type: none"> Sustainable depending on the nature of the sponsorship – sometimes it can be a one-off event Think about what else you can get sponsors involved in and how they can encourage others |
| Trading: Selling your products, services and expertise | <ul style="list-style-type: none"> Unrestricted income | <ul style="list-style-type: none"> Time to create what you are selling e.g. training, product, consultancy Time to publicise the service or product Time to sell/deliver it | <ul style="list-style-type: none"> Groups can benefit hugely from trading. It brings in unrestricted funding and adds to a healthy diverse income | <ul style="list-style-type: none"> Yes |