

STAYING FOCUSED DURING ECONOMIC UNCERTAINTY

With economic turmoil making headlines day after day, many leaders of nonprofit organizations are wondering how they can prepare their fundraising programs for the months ahead.

Now – more than ever – is the time for nonprofits to stay focused on mission, communicate with their key stakeholders and engage in contingency planning, Campbell & Company CEO Edith Falk says.

“We can’t ignore the fact that the landscape is changing, at least for a period of time, so we need to prepare ourselves and our organizations for this,” Falk says. “Remember the reasons why your donors support you, and stress the importance of working together to accomplish these goals. Your staff and your volunteers will pick up on your state of mind, so it’s important to stay positive and stay focused.”

Falk and three fundraising professionals from across the country discussed how to maximize fundraising opportunities in the upcoming months during Campbell & Company’s Oct. 14 webinar, “Fundraising in an Uncertain Economy.”

Falk noted that many nonprofits today are facing higher demand for services at the same time as possible declines in funding from multiple sources, including earned revenue, government funding, income from endowment and contributions.

However, history does provide reassuring context for today’s situation. Data from the Giving USA Foundation shows that total giving has increased in current dollars every year but one since recording began in 1967. Even in the *worst* recession years – 1970, 1974, 1980 and 2001 – giving, measured in inflation-adjusted dollars, declined an average of only 2.7%. Between 2000 and 2006, 49% to 59% of charities saw growth in giving every year.

Nonprofit organizations all experience fluctuations in philanthropic revenue in different ways, depending upon geography, the type of institution and the strength of the existing major gift program, Falk noted.

Some have been dealing with the impact since early in the year. Webinar panelist Linda Mathes, CEO of the American Red Cross of the National Capital Area in Fairfax, VA, said they forecasted a shortfall this year

and reduced or eliminated services that weren't core to their mission. The Red Cross is focusing on individual and major giving and engaging Board members more actively in the fundraising process, Mathes said. The major gala also has been delayed, and the organization instead plans to hold lower-cost, mission-related events in the spring.

When asked where smaller nonprofit organizations should focus their attention in the current economic climate, panelists emphasized the importance of communicating with donors and other funders and shifting resources to the most productive fundraising strategies.

"The mantra I consistently have taken is dial down the number of special events," said Greg Cameron, Executive Vice President and Chief Development Officer at WTTW11 in Chicago. "My advice would be really focus on those 10 to 20, 10 to 50 [major gift] individuals and get out there and have conversations with them and engage them in an even deeper commitment to the mission."

Don't abandon discussions with donors who are experiencing financial difficulty, Falk said. She notes that many nonprofit organizations depend on year-end fundraising for as much as 50% of the annual goal, so it's important to know how major donors have been affected financially. Present them with flexible giving opportunities, such as paying an annual fund pledge in installments or reconfiguring a pledge payment period. Organizations also can remind donors who are 70 ½ or older that they can use IRAs to fund contributions, she says.

In communications, always focus on the impact of your organization, panelists said.

"Your messaging needs to talk about the strengths of your institution, not how terrible it is going to be if the economy continues to tank," said Catherine Nardone, The Nature Conservancy's Director of Philanthropy for California in San Francisco. "It is true that donors want to give to a winning organization."

Other important steps recommended in the webinar included:

- Look for other opportunities for volunteer involvement in fundraising
- Cross-train your staff to prepare for the possibility of a hiring freeze
- Anticipate how you will address likely budget cuts
- Identify opportunities for collaboration with other nonprofit organizations, including approaching donors for joint funding or merging back-office operations

Organizations also can view this time as an opportunity to look at the fundraising basics again, Nardone said. "Are you doing institutional major gifts and annual giving really, really well?" she said. "If you're thinking about rolling out some fancy new program or publication, it might not be the time to do that. It's probably better to make sure that you really have the basics covered."