

# FUNDRAISING OPPORTUNITIES IN A CHANGING ECONOMIC CLIMATE:

## Strategies for Short-Term and Long-Term Dividends

There is no denying the news. The stock market is on a daily roller coaster ride of highs and lows. Companies are in need of multi-billion dollar bail-outs. Predictions about recession and its impact on everyone's personal finances are fueling concerns across the spectrum of American society. Nonprofit organizations that rely heavily on the generosity of their donors are uncertain about how to navigate these uncharted waters. Attached is a list of twelve strategies you can employ right now to keep your fundraising goals on track.

The reality of what is happening economically must be acknowledged. The current financial pain is real for many. In some minds, the economy looms as a major obstacle to securing charitable donations. But the history of philanthropy during the past 40+ years and fundraising principles tell us that this crisis can present a seminal opportunity.

Now is the time to move forward with determination and optimism. Keep your long-term goals in sight, but implement strategies in the short-term that strengthen ties and deepen relationships with your donors. If belief in your mission is strong, a "yes" to a request for financial support will eventually be the only possible answer a donor can give. Those who seize the opportunities presented by today's challenges will emerge stronger and better in the future.

But first, let's view some historical facts to help put the situation in perspective.



(Source: Giving USA 2008 Report)

- Since 1967, philanthropic giving has increased steadily, although at a slower pace during economic downturns
- During the (last) worst decline in the stock market (in 2002 when the Dow Jones Average decreased 17% and the S&P 500 Index dropped 23%), philanthropy increased by 1%.
- In the financial crash of 1987 (to which this economic crisis is being compared) philanthropic giving declined only -1.30% that year; 365 days later total philanthropic giving was up 7.10%

Next, let's look at the responses we see among Graham-Pelton's clients, who cover all sectors of the nonprofit world – from higher education, independent schools, and healthcare, to religious and cultural organizations, social service agencies, environmental groups, and professional associations.

Graham-Pelton clients actively engaged in campaigning are moving forward with their campaign plans. Despite the economic challenges, their missions remain critical. Leaders are reaffirming their commitments to achieving their goals. Employing empathetic and flexible approaches, donor visits and solicitations continue to be made. And constituents are responding with unprecedented, pace-setting gifts. In addition, Graham-Pelton Consulting continues to receive requests for service at an increased rate.

Finally, how can your organization respond in a positive way? Employ the following strategies to keep your fundraising goals on track in both the short-term and long-term.

## 1. VIEW THE SITUATION AS AN OPPORTUNITY, NOT AN OBSTACLE

You cannot control the economy, but you can decide how you and your organization react to the situation. When speaking with donors or prospects, acknowledge that these are challenging times, but be positive and confident. Be a good listener, but know and share the historical philanthropic trends during the past 40+ years to put any uncertainty into perspective. Empathize with personal concerns.

- Send a personalized stewardship thank you message (non solicitation) to your donors.
- Write a letter to your local newspaper editorial page, or pitch a story to your local media highlighting the value of your organization to the community.

## 2. GET YOUR BOARD ON BOARD

Strong leadership is always important, but it is critical in uncertain times. Board members must lead by example, making your organization a high personal philanthropic priority. The Board must view this as their fiduciary responsibility and must know all the facts. Enlist their help when talking with others. Clear, confident, consistent communication from your organization's leadership, both internally and externally, will send a positive message and reassure donors, prospects and staff.

- Provide suggested remarks/report for your Chair to read at the next Board meeting and/or upcoming Committee meetings.
- Send a special update from the organization's leader to the current and former Board members.

## 3. KEEP THOSE YOU KNOW CLOSE

Now is the time to increase personal contact with your donors. Make visits and phone calls a top priority. Brief constituents about the relevance of your mission in quantifiable terms. Seek their advice. Focus on your mission and vision and make a clear case for why you need their continued support.

- Call your top 20 donors. Prepare talking points for phone calls from the Board or your Organization's Leader.
- Ask your staff and Board to write personal notes to volunteers and top donors.

#### 4. GET TO KNOW THOSE WHO ARE NOT YET CLOSE

Look at your database with a different perspective to uncover hidden potential—who could be a significant financial partner in the near term? In the long term?

- Schedule and increase the number of personal meetings with donors and prospects you do not know well to determine capacity, inclination, and motivation to support your organization.
- Conduct electronic prospect wealth screening and implement a strategy for top-rated prospects.

#### 5. CREATE FACT-BASED PLANS

Build your case for support so that it answers the questions “Why Us? Why Now?” Emphasize the impact donors can have—if donors have a personal stake in what you do, they will be more likely to remain committed. Remember that there are many other nonprofits vying for the attention of your donors, especially now.

- Review your case for support with a fresh eye.
- Ask for feedback from your Board and close donors.

#### 6. RAISE ORGANIZATION AWARENESS AND PUBLIC PROFILE

Increase communications to all constituents to help them:

- » Know your organization
  - » Understand your organization’s impact
  - » Believe their involvement and investment will achieve a shared mission and vision
  - » Make the decision to give when the time is right.
- Use radio, TV, print media, and electronic media. Feature a testimonial from a key Board member or donor on the importance of giving. Include statements of clients who have benefitted from philanthropic support.
  - Create and pitch special activities for National Philanthropy Day and upcoming holidays.

## 7. THINK CREATIVELY AND BE FLEXIBLE

This is not the time for a generic approach—customization for individual donors is more important than ever. Be creative in adapting strategies to suit donors' potentially altered circumstances. Work with your donors to adjust how they give, when they give, and for how long.

- Be prepared to discuss/provide information about flexible pledge payments, gifts combining cash/securities/planned gifts, etc.
- Be creative in suggesting challenge gifts from select donors.

## 8. VALUE THE DONOR, NOT THE DONATION

Strengthen donor stewardship and donor relations activity to let current donors know that it's not just their checkbooks that matter. Recognize and reward donor loyalty.

- Say thank you, and reinforce just how much they mean to your organization.
- Have staff or others not usually involved in acknowledgements get involved in calling, writing notes, or attending a thank you event.

## 9. LET THE DONOR DECIDE

Don't assume you know how donors will respond in this economy. Your mission is just as important now as it has always been. To suspend or delay a campaign suggests that the project and need you are raising money for may not really be that urgent. Emphasize how you have continued to implement your mission during this critical time and the recent impact you have made. Stress and articulate how much greater your impact could be with more resources.

- Convene your major gift/campaign committee to discuss climate and imperative to keep raising funds...share this information.
- Make prospects and the community aware of recent large gifts received by the institution.

## 10. KEEP THE DOOR OPEN

Focus on building the relationships over time that will make a “yes” the only possible response. Other organizations will talk with and involve your donors if you don’t.

- Reach out in a personal way.
- Advocate for your mission everyday and share the stories of those for whom you are making a life changing difference.

## 11. CONTINUE TO ASK

The number one reason donors give is because they were asked. To quote hockey legend Wayne Gretzky, “You miss 100% of the shots you don’t take.” Your organization is doing vital work and is worthy of support. Keep asking and never apologize when requesting a donor’s financial commitment.

- Maintain your solicitation schedule.
- Conduct your feasibility study.

## 12. TAKE A HARD LOOK WITHIN

Assess how efficient you are. A changing economy can spark new ideas and better ways of working that ultimately improve your organization.

- Evaluate revenue streams and consider alternative sources of funding.
- Consider a development audit/assessment.

These are challenging times, but people’s passions remain strong regardless of the economy. There are always opportunities to be found. Graham-Pelton’s goal is to help you find the opportunities.