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Mather Leigh Perspectives on Fundraising and the Downturned Economic

The recession has affected every industry and every country throughout the world. Credit and money markets have gone into deep stress. Companies are cutting costs to survive. Employee lay-offs and salary cuts are among the common practices being used to cut costs. Needless to say, these difficult times have affected the fundraising sector as well with the deepest impact being felt in the past year. The Chronicle of Philanthropy's annual survey shows an overall loss of [\\$29.1-billion](#) in the year 2008.

So what should fundraising organizations do? [The Chronicle of Philanthropy](#) has identified the following best strategies for fundraising during the continued downturn –

1. Don't treat fundraising as a financial transaction
2. Maintain closer relations with donors
3. Offer matching grants and leveraged opportunities to donors
4. Find methods to save money on fundraising
5. Seek alternatives to soliciting private donations; diversify
6. Collaborate to raise money
7. Scale back ambitious campaigns, but don't give up on them
8. Avoid emergency solicitations for solicitations
9. Shore up relations with grant makers

"Foundations are sometimes confused with individual donors in how their giving will respond to economic fluctuations. In fact, foundations – especially the larger, endowed grant makers- often engage in long-range planning to ensure that they can maintain relatively stable levels of support for their grantees, regardless of periodic dips in their assets." Even as some of the largest grantmakers such as The Ford Foundation or Kellogg

Linking Organizational Strategy with Sustainable Philanthropy

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Fundraising Success magazine identifies the following 5 strategies for non-profits in the recession:

Run a nonprofit like a for-profit business. Running a nonprofit is almost exactly like running a for-profit corporation. The executive has to hire, train, negotiate benefits, strategize, forecast economic trends, raise money, and prepare and balance budgets. The major difference is that a nonprofit must be 100 percent transparent, and every dollar is not only significant but also must be accounted for. The risks of failure for a nonprofit have much bigger consequences than reporting a slow quarter to shareholders — this is because the bottom line for many charitable organizations affects the quality of life for those they serve.

2. Treat your donors like gold. When the economy sours, individual donors might feel that they have fewer resources to give — especially wealthier benefactors who have large sums of money invested in the stock market. However, it's important to convey to current donors how much they are appreciated, reminding them that their philanthropic dollars go a long way. Loyal donors deserve personalized recognition at all times, but they should be honored even more so during times when it might be hard to give. Altruism and stewardship drive charity, and donors who are respectfully praised are more willing to continue their tradition of giving.

3. Be innovative. In order to entice donors to give money to your charity, especially during a recession, you must be willing to be flexible in how you spend contributions and think of creative ways to utilize dollars. For example, naming a hospital wing after a potential donor might make someone more inclined to give, compared to putting the money toward new hospital equipment. During a recession, people want to make sure their money is being used well and in a way that will be remembered — in other words, in order for people to reach into their pockets, the return has to be worth their investment. Don't be afraid to think of out-of-the-box ways to use gifts.

4. Diversify the overall fundraising program. It's not good business to put all of your financial hopes into one method of fundraising. The broader the range and the more

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creative your fundraising efforts, the more likely it is you'll receive donations. Some organizations have initiated a broad outreach program to educate and raise awareness of their cause, as well as diversified the overall fundraising program — a key component to building a lasting and robust nonprofit organization that can stand up to a recession.

Major Gifts Fundraising and the Economy

Major gifts are very important for every fundraising organization. A good major gift program can raise more money than any other fundraising program if carried out effectively. But how you raise major gifts in a recession is not status quo major gift fundraising. Too many organizations attempt to raise major gifts simply by pitching their particular cause to any donor of wealth and hoping that because they believe in the cause, the donor will too. Too little effort is spent on strategically defining priorities in this climate that are mission critical to the organization; priorities aligned to strategies which clearly lead to organizational impact and effectiveness to make a difference. It is this process which many organizations fail to focus on and ultimately fail to fundraise for. In a tough economy where donors are choosing more carefully where to put their more limited giving, non-mission critical fundraising priorities may be seen to be superfluous to a donor. Re-cast your case for support and ensure that your fundraising priorities are appropriately aligned to core organizational needs. Donors can be convinced when they see that the needs supported by their giving are central to an organization's effectiveness.

For donors who give major gifts, increased accountability in this climate is to be expected. Now is the time to focus on donor relations and increased efforts with donors to understand the importance and the impact of their donations. A renewed focus on raising trust and demonstrating impact will lead to more gifts in the long term.

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