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- Keeping your eyes on the pulse of the economy
- Discovering your opportunities during an economic downturn
- Finding success by building lasting relationships
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Chapter 1 Fundraising Continuously During Economic Fluctuations

Chances are you love eliminating obstacles and taking on new challenges. You probably also enjoy people, have a passion for your cause, have skills that help you communicate easily, are personable, and know how to focus on details while keeping the big picture in mind. In your heart of hearts, you also may have a never-say-die belief that good causes need good people to raise the funds that keep them going.

Congratulations! Raising funds resonates in your heart.

Fundraising may not be the easiest job you ever do in your life, but as you gain understanding and experience, you discover that it offers great intrinsic and lasting rewards. These rewards may be relationships with passionate and dedicated people; the achievement of goals for a cause you believe in; or the excitement of knowing your efforts are contributing to the common good by way of putting food on the table for those who are hungry, opening doors for those who need them, or cleaning up the environment for the next generation. All along the way, you have the chance to be a matchmaker of good works and good people — bringing together people who have a desire to help with an organization that needs them.

Even with all these inherent benefits, however, now isn't an easy time to be a fundraiser. If you've been in the role for any length of time, you've probably spent hours watching with a wary eye as the economy pitches and sways. You wonder whether donors will have anything left to give, watch your endowment drop, and cringe at the economic forecasts. After all, in almost every industry today — education, healthcare, social services, environmental protection, public service — you find giving numbers down, corporations tightening their purse strings, foundations offering fewer grants, and government dollars slowing to a trickle.

Although it's important to have your eyes open, to know what's happening in the world, and to discern how the current economic situation is impacting your organization, not everything is doom and gloom. As you see in the world around you, times of disequilibrium find their way back to balance. As the economy shifts and topples, you get the opportunity to look more closely at your foundation, your approach, your programs, your messaging, and your people. You now have the time to give a closer look to the areas you took for granted when times were good. How has your organization changed? What are your opportunities today? How can you work together with your staff and board more effectively — while improving your efficiency and cutting costs at the same time — so that when the numbers begin to rise again (and they will), you're ready to move even more effectively into the abundance?

This chapter offers practical in-the-trenches ideas for navigating through rough patches, capitalizing on your successes, and planting seeds now for some major blossoming in the months and years ahead.

Looking Ahead and Planning for Revenue Ups and Downs

Beginning in 2020, the world's economy was showing signs of record-breaking decline from the deadening grips of the COVID-19 pandemic. Unprepared nonprofit organizations had no choice but to lay off staff and close their doors to those in need of their services. A darkening cloud of economic doom became the demise of thousands of nonprofits. However, the Giving USA Foundation, a public service initiative of The Giving Institute, released a report stating that even in a year of unprecedented events and challenges, charitable giving exceeded $470 billion. How can this be explained? Why are donors even more charitable when the economy is strangling their savings and investments?

TECHNICAL STUFF

Early on, Giving USA predicted a bullish 2022. Individual giving was predicted to be strong because of the growing trends in the stock market. The temperature of philanthropy is highly correlated to the strength of the stock market. Flash back to 2021, when Giving Tuesday raised $2.7 billion — a 6 percent increase over 2020. Donors increased during the pandemic. So why did so many small- to mid-size nonprofits close their doors? A lack of preparedness on the part of their governing body.

When times are hard, giving doesn't necessarily decrease, as previously perceived. Giving levels in 2021 proved this to be true. While the struggle is real for nonprofits that depend on donations to keep their doors open, some donors have yet to be cultivated and asked to give for their charitable causes.

REMEMBER

It's important to balance the dismal facts and figures that accompany economic downturns with a larger sense of the ebb and flow of philanthropic work. Money may be tight right now, but the number of people who care about your cause isn't in short supply. Being able to tell your story in a positive way that clearly shows others how they can help is an important first step toward fulfilling your mission in any economy. With a little creativity, vision, collaboration, and passion, you may find that you can easily do more with less — while serving a greater number of people than you'd previously thought possible.

In the following sections, I outline some of the difficulties your organization may be facing and point you in the right direction for coping with them.

Creating a contingency plan for the continuation of services

Looking ahead and planning for revenue ups and downs is your primary role as a fundraiser. During the COVID-19 pandemic, nonprofit organizations that shuttered their doors didn't have a plan for continuing operations during unexpected and precarious times. Every time you start a job with a new nonprofit, it's critical to assess operational strengths and weaknesses. Why? Because the weaknesses must be brought to the governing board's attention so that they can be addressed expeditiously.

Here are some leading questions to ask of the senior management staff and the board members:

- If our building is uninhabitable because of weather, fire, or building code violations that result in it being condemned, where will we provide our services?

- If we can't meet with our clients in person due to national or state lockdown, natural disasters, a pandemic, or escalating violence, what plan is in place to move all services to virtual via the internet?
- What past and current donors will step up and support us for the continuation of services?
- Who are our untapped work and social connections that have the financial means to contribute to our organization?

REMEMBER

The best time to plan for continuation services and sustainability is when times are good: There's no crisis, money is flowing in as expected, and the economy looks stable. Frantically looking for funding amid an economic crisis is unforgivable hindsight. Think ahead, and plan ahead!

Preparing your board and staff for organizational survival

Nothing about the fundraising climate is ever business as usual. Giving happens in ups and downs. This basic fact reveals three stark revenue stream–planning realities that every fundraiser needs to recognize in times of economic challenge:

- **Reality 1:** When giving is down, you want to be prepared.
- **Reality 2:** When personal income is down, clients are most in need of services.
- **Reality 3:** When government expenditures are down, private sector funding increases.

As a fundraiser, these three realities add up to the realization that unless your organization hits it big with a major event, gets a huge grant you've been working on for a while, or suddenly discovers a sleigh full of major donors who are intact financially and ready and willing to give, your donations are likely to be lower than forecasted during an economic slump if you've been negligent in studying giving motivations and patterns. To top it all off, if you're an organization that relies less on people for donations and more on government support for your programs and services, you may find that your program has been reduced, underfunded, or even cut off from your source of state or federal funding.

To help you navigate these choppy waters, I've included information in Chapter 8 on how to connect with your donors in a variety of low-cost, high-impact ways. Chapter 11 helps you think through your approach for writing engaging, inspiring grant proposals, and all chapters in Part 4 focus on specific campaigns you can use to approach your donors in different ways.

READY FOR THE GOOD NEWS?

Are you ready for some good news? In his book *Democracy in America,* Alexis de Tocqueville wrote that people generally rise to the occasion they're presented. Most people have seen evidence of this phenomenon in their lives, whether it's a neighborhood rallying for a sick child, a community raising funds for an after-school program, or dramatic and personal humanitarian efforts like all those who came together to help the citizens of Ukraine.

On the one hand, you must face the facts and figures and deal with the dire predictions and circumstances that accompany down economies. But on the other hand, you have the history and culture of what countless people have done in the United States to combat bad times in the past. Somehow or other, when times are tough, individuals and organizations alike develop more compassion for those in need and for those causes that are important for society. Your organization can do the same today as you figure out how to do a better job of working with what you have — doing more with less.

All the hardship you're dealing with now offers you countless lessons to learn, and it may even result in a more efficient, focused, and streamlined organization. As you make your way over the many hurdles, you gather lots of wisdom from the experience. Plus — and this is icing on the cake — when things begin to get better, you have one heck of a good story to tell.

Coping with staff reductions and shrinking budgets

Watching contributions slip and investment values fall inevitably strikes a cold fear in the heart of every nonprofit leader and fundraising team. Sure, the idea of reducing programs and services is a difficult one. But the toughest calls of all for organizations founded on the idea of people helping people are the ones that impact the lives of the people you serve and the friends and colleagues you work with. Does a decision you feel you have to make to cope with the current economic state mean that staff won't get a raise this year? That some open positions will go unfilled? That layoffs are on the horizon?

In Chapter 5, I show you how to help your board tackle the tough decisions so you know what to plan for and what to expect. You may be surprised to find a little breathing room and discover that you can chart a course that's open and honest and that builds trust throughout the entire organization, even — and perhaps especially — in the midst of trying times.

TIP

You may not be able to give staff a raise this year, but you can offer other benefits to offset that loss. Depending on the way your organization is structured, you may be able to offer flex time, give an extra personal day, or change other perks that don't relate to an increase in the bottom line.

Finding partner organizations and revenue sources

Fundraising executives must be at the forefront of forging partnerships with agencies that are financially rock-solid, have been in operation for decades, and know the movers and shakers who can write a large contribution check with just a phone call. The world will always be in some type of recovery, whether it's a plethora of financial disasters, natural disasters, or war. Finding and maintaining positive relationships with economically stable partner organizations like banks, long-time municipal government agencies, stock brokerage firms, and more can turn out to be your organization's saving grace when revenues are down. Another term for these types of revenue sources is old money.

In Chapter 3, I offer a number of resources to help you steer your organization effectively using ethical principles in fundraising. In that chapter, you discover a number of organizations that are designed to uphold the best ideals in fundraising and are made up of people who work to guarantee that, troubled times or not, fundraising remains a noble endeavor.

Making Revenue-Producing Changes

Even though at times the challenges you face as a fundraiser may feel more like mountains than molehills, you cross all challenges the same way: one step at a time. Wherever your organization finds itself — in financial peril, in economic uncertainty, or with lower-than-expected donations and few prospects for grant funding — you can locate a path to more solid ground. Use the measures presented in the following sections to begin to restore a sense of stability.

Whittling down your mission

Your current situation presents opportunities to look more closely at the programs and services you offer and to get clear about your priorities and positions. You can fine-tune your case statement, revisit your mission and consider reducing a long-winded paragraph to a mere one sentence, engage your board to approve the slimmed-down mission statement, retool programs and services, and maybe bring in some great new volunteers who can provide valuable stakeholder insight.

REMEMBER

Let's revisit why you should whittle down your mission. At the beginning of a nonprofit's formation, passion and commitment from the founder(s) and the governing board are at their highest level. Often, the mission becomes a never-ending statement of what the nonprofit hopes to accomplish in the here and now. However, the here and now changes from minute to minute, day to day, and year to year. When something unexpected crushes every plan, it's time to retool the mission. A shortened mission statement can and should reduce the number of programs and services shaving away at scarce revenues, fine-tune your most-in-need target service population, and keep the doors open when others are closing.

In Chapters 4 through 6, I show you how to shine a light on your programs and services and reprioritize so that the programs that meet the biggest need in your community right now are the ones that gain your attention. By getting clear on your mission and exploring creative and innovative ways to deliver the programs and services that meet your goals, you streamline your efforts, which helps you do more of what works — and less of what doesn't.

Paring your services (or pairing up to provide them!)

By definition, focusing on some services means giving less attention and effort to others. How can you help your organization decide what to keep and what to drop? Chapter 5 offers an exercise to help you evaluate your options.

In some cases, you may be able to fulfill your mission by keeping all your programs and services alive through a creative partnership or merger. Today organizations are teaming up like never before to share costs, reduce overhead, and get more done. Find out more about teaming up with other organizations in Chapter 6.

REMEMBER

Collaboration isn't a new idea in nonprofit work, but many organizations still like to run their own shows when it comes to delivering programs and services. If you can team up with another organization to meet the needs of a greater number of people at a reduced cost, go for it. Besides helping you serve more people, working together with other organizations improves your overall image in the eyes of *grantors* (the organizations or foundations who offer grants to organizations like you), which can significantly boost your bottom line. After all, foundations like to see cooperative efforts on the grant proposals you submit. (Find out more about grants in Chapter 11.)

Nurturing the donor-organization relationship

In down economic times, it's more important than ever to know your donors. Research the giving patterns of your constituents, find out what life is like for your regular donors, stay in touch with your major givers, and use your messaging to reassure, inform, and invite donors to stay engaged with you. Check out Chapters 7 through 10 to discover everything you need to know about researching and cultivating your relationships with your donors.

Make sure that your messaging is empathetic and honest, but stay away from crying wolf too often. However, when the need is real, dramatizing a community crisis can be an effective way to gather new donors and encourage those who have given in the past to give again. For example, a food pantry discovered it was going to come up short in supply of its needs, so the board enlisted the support of the local mayor. This added support resulted in lots of free media and an uptake in giving.

WARNING

Crying wolf may work once in a while (especially when someone in your community is truly in dire need), but overusing dramatic urgency can leave your donors unimpressed. It's better to be straightforward, present the opportunities, and invite your donors to be part of your cause.

TIP

You can reduce the anxiety your staff and donors may be feeling for any number of reasons simply by being candid (although being candid does take a little courage). When you use candor with kindness to address the situation directly, people feel relief to know the straight story — even if it's not good news — and they usually feel they can trust what you're telling them.

Turning to cost-effective processes

In the middle of a thriving economic time, people tend to build on programs and services, layer new ideas over the tried-and-true, and take on expenses in a generally optimistic frame of mind. When money gets tight, people constrict that expansiveness and begin to look more closely at what they spend and why. This kind of close evaluation is really a good thing for your organization to do periodically, whether or not it accompanies financial hardship.

By scrutinizing the giving patterns and donation flow in your organization, you can get a sense of which campaigns during the year have worked in the past and make some estimation of what may work again. You can also find out more about the who, what, when, where, and how of special events and explore areas in your organization where you tend to spend a lot of your money (in four-color print pieces, for example). After you identify what processes you've been using to fulfill your organization's mission, you can look for ways to make those processes more cost-effective.

In Chapters 14 through 17, I show you how to build community, get your message out, increase the visibility of your brand, and build your online presence by using free or low-cost tools that reach an ever-widening audience for a fraction of the cost you're paying for print pieces.

In Chapter 19, I show you how to use another low-cost tool — webinars — to share your organization with potential donors. Webinars provide a great opportunity to reduce heavy travel expenses for everyone in your organization while making meetings more flexible and time-effective. For a low cost, you can host an online session with presentations, a whiteboard, video, and other programs, while your organization's leaders talk by phone.

Touting Your Successes and Building Supportive Relationships

It's been said that it's human nature to create — we create with our ideas, our thoughts, our words, and our actions. When you talk up your recent successes, no matter how small they might be, you inspire the people listening to think positively about your organization. When you're the voice of stability in a time of great change, you paint the possibility of better times in your listeners' minds. When you make a real effort to build relationships with your donors — simply to build the relationship, whether they choose to donate or not — your donors realize that you value more than their financial contribution, which makes a huge difference in the goodwill they feel for your organization and perhaps for you personally. One day that goodwill may convert to a dollar amount — or it may lead other potential donors to your door. The following sections discuss some key points to keep in mind as you promote your organization.

Telling your story well

Especially when daily news is filled with negativity, people love to hear a good story. Lucky for you, your organization likely gives you lots of positive stories to tell — people who have been helped by what you do, volunteers who love their work, improvements you've made, lives you've changed. Although these good things may happen against a backdrop of short-fall funding and delayed grants, share your successes out loud with your donors, your staff, and your public.

In Chapters 12 and 13, I show you how to tell the stories of the good things that are going on in your organization. I explain how to make a splash in print (through your annual report), take your stories online, and even post them in videos.

TIP

Whether you're a lone fundraiser in your organization or you work with a team or committee, prepare a weekly dashboard that shows what donations came in, what expenses went out, and what kind of progress you're making. This simple data serves as a quick-look guide to show your progress week by week; plus, it gets your whole team engaged in the effort of recognizing and talking about your organization's successes — big or small.

Engaging people who care

People who cared about your organization before the economic downturn still care about it today — they just may be less certain about their own abilities to give. You can help your donors recognize the many ways that they can give to your cause by staying in touch with them through email, phone calls, and the web — even during economic downturns. Stick with your normal pattern of communication, whatever that may be. Consistency is important in building donor relationships, and your donors will be paying careful attention to the way you navigate through this rocky time.

You can be creative about the ways in which you invite your donors to participate in your cause by increasing the number of giving options, spotlighting volunteering, offering matched-giving opportunities, or hosting low-cost, service-related events that enable donors to socialize and find out more about your organization. Chapter 8 shows you how to get to know your donors in a way that makes helping out your organization a natural next step.

Developing relationships with key businesses and funders

Corporate philanthropy takes a hit just like everything else in tumultuous economic times, but the corporate citizen also has a vested interest in doing good — both for tax reasons and for the general goodwill and morale of employees. Continuing to develop positive relationships with businesses in your area or industry is important, and continuing to talk with potential major givers is a given. Chapter 22 takes a closer look at corporate philanthropy, and Chapters 9 and 21 show you what you need to do to cultivate those important major givers and secure their gifts.

TIP

Meet as usual with your potential business sponsors and constituents — communicate, communicate, communicate. If you can find that perfect match — just the right fit for a particular corporate-giving program, for example — you may be surprised to discover how many people truly want to give, even though they feel limited in how much they can give right now. Over time, a $15-a-month donation may increase to five or ten times that amount.

Doing Your Best to Bring In the Dollars

TIP

Just because the numbers are down and people are forecasting difficult days doesn't mean you can't keep trying. During economically tough times, it's more important than ever to ramp up your fundraising energy, double your efforts, and stay in a positive frame of mind. Spending just as much time and energy as you always have in cultivating relationships, telling your story, looking for good fits, and managing your expenses effectively will pay off in the long run. Here are just a few of the ways you can make your hard work pay off in tough times:

- Reduce costs on your annual fund drive by replacing most or all of your print appeals with email.
- Improve your website and make it possible for donors to give online.
- Participate in community events to help keep your organization in the public eye.
- Be willing to partner with other organizations who have similar or complementary missions.
- Say thank you graciously — even if you're getting only a portion of what you'd hoped for.
- Come up with creative, low-cost special events that help people socialize while doing something good for your organization.
- Be willing to share your challenges with others and enlist their help in reaching your goals.

Chapters 14 through 17 show you how to reduce your print costs by moving many of your fundraising efforts online. These chapters also explain how to get listed in charity portals and work with online affinity groups. Chapter 19 is all about creating attention-getting special events (while keeping an eye on your budget).

Preparing Now for When Things Start Looking Up

As you can see, many of the challenges fundraisers face right now are really opportunities in disguise. A chance to streamline programs and processes. An opportunity to focus on what *really* matters. An invitation to take a look at the mission statement, goals, and objectives of your organization to see whether you need to update them, renovate them, or throw them out and rewrite them completely.

You can position your organization to be prepared for the good times that will return (sooner or later) by completing some of the tasks I present in the following sections. If you're still unsure about how your organization will face the challenges ahead, this section may provide the encouragement you need to forge ahead.

Laying the groundwork to take advantage of an economic recovery

What can you do now to get your organization ready to make the most of the good times when they return? Here are just a few ideas:

- Get your case statement in sterling shape (see Chapter 4).
- Take a look at your organizational chart and make sure your organization is set up to run efficiently.
- Build your donor relationships day by day (see Part 2).
- Make sure that your communications are clear, honest, and mission-driven (see Part 3).
- Figure out how to use social networking technologies to build community and goodwill (see Chapter 14).
- Consider partnering with another organization to share costs and increase visibility.
- Consider adding a contingency fund in next year's budget.
- Replace much of your print expenses by using email for letters and newsletters (see Chapter 15).
- Expand what you offer on your website, and provide more information for donors and readers (see Chapter 16).

- Build your brand and use it everywhere (see Chapter 17).
- Invite donor feedback to welcome your donors' engagement with your organization (and be sure to acknowledge and use the feedback you get).

REMEMBER

In Chapter 5, I invite you to plot the history of your organization. What you likely discover as you create your organization's timeline is that you or your predecessors have survived downturns before like the one you're in now. Your organization has indeed risen to difficult times in the past and overcome them, and ultimately, things did improve. What's more, the difficult times in the past and those you experience today give your organization the chance to witness the creativity, compassion, and collaboration that shows up when people face challenges together.

Moving forward with hope

Before I jump headfirst into the many fundraising approaches available to you, I take a look at two stories that offer slightly different approaches to fundraising in tough times. Consider what these two organizations did to survive the challenging trials that faced them, and then read the rest of this book to find out what you can do to help your own organization make the most of fundraising in both good times and bad.

Giving from a belief in abundance

A local church decided that churches aren't the only ones doing good work; lots of nonprofit organizations are, too. Even though the church was barely making it and living hand-to-mouth, after careful consideration and the belief that society is abundant, it decided to donate 10 percent of the collections it received each Sunday to a local nonprofit. To this day, this church has never missed a payroll and continues to donate 10 percent of its weekly donations to local nonprofit organizations.

REMEMBER

No matter what your mission may be or which constituency you serve, taking a good look at where your principles align — as individuals and as an organization — gives you the opportunity to see whether your actions align with your beliefs. Do you believe that your good work will ultimately be funded? Are you generous to other organizations with missions similar to your own, in terms of sharing community interest, expressing goodwill, and being willing to collaborate when possible? Examine your own attitudes about nonprofit work, and consider what kinds of belief statements your organization makes through its daily operating practices.

Creativity and the power of collaboration

In 1980, the United States was deep in an economic downturn. Everything was in double digits: inflation, unemployment, and interest rates. As the new state administration in Indiana sought creative ways to respond to the widespread challenges, it realized that helping communities develop their economic potential was a powerful way to plant good seeds during a time of struggle. In communities all over the state, the lieutenant governor and his staff gathered the nonprofit community (including faith-based organizations), the business community, and government representatives and presented a plan for a local economic development initiative that helped communities (1) identify the community's assets; (2) identify the people in the community who could be enlisted to help (volunteer leaders who get things done); and (3) identify funders who could contribute to the initiative. More than 165 local economic development corporations (LEDCs) were born during that difficult time. The inspired idea helped these communities to stop wringing their hands and begin to move forward by recognizing their assets, mobilizing their talent, and beginning to build for the future.

REMEMBER

When dire times call for creative measures, you can trust the fact that people rise to the creative challenge. In your organization, you may be fretting about many things, but one thing is certain: If you're inviting and listening to the input of people who care about your cause and are dedicated to your mission, new ideas will arise. And you'll know you have a winning idea when it includes the creative and collaborative effort of many people and brings the best to the table for both your organization and the people you serve.

Weathering the storm

As you know well, the fundraising landscape today is full of sand traps and snake pits and unseen twists and turns. Eventually, the way will feel easier and the path will look clearer, but when you encounter moments of challenge, you find the internal and external resources you need to accomplish your mission. People mobilize to help you. Opportunities pop up unexpectedly. New programs bring new donors. And the good work continues.

REMEMBER

It's your job as your organization's fundraiser to put all the ideas you get from your donors, your board, your volunteers, your staff, and yourself to work through fundraising approaches that honor your mission, respect your donors, tell your story, and invite dedication and commitment to your cause.