

Surviving the Current Realities around Funding Sources and Fundraising



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Today's Assumptions



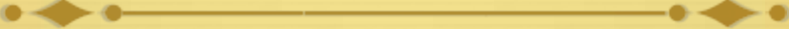
- ✦ That you are already familiar with fundraising methodology
- ✦ That you already have donors
- ✦ That you know how to ask for money

Problem vs. Crisis



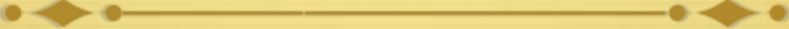
- ✦ A crisis has no easily identifiable problem
- ✦ A crisis has no easy solution
- ✦ In crisis we cannot move forward without making significant change

What is a crisis?



- ✦ A crisis requires a plan which causes a fundamental shift in the way an organization does business and this shift is a ONE TIME ONLY undertaking that make a permanent difference.

What is a crisis?



- ✦ A crisis requires mobilizing help from a variety of people who will rally to the crisis, but who would probably not be available to you in the long term
- ✦ A crisis generates a profound response to a deeply troubling situation.

Are we in crisis?



Let's ask ourselves these questions....

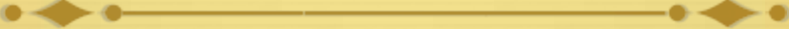
- ✦ If left unchecked, will what is happening result in our having to shut down?
- ✦ If left unchecked, will what is happening result in our having to change our mission (core purpose)?
- ✦ Do people in and around our organization feel that the situation is hopeless?

Are We in Crisis?



- ✦ Is immediate, drastic action called for?
- ✦ Is there no clear, immediate solution?
- ✦ Is this crisis the climax of a series of events that have led up to it, even if it was precipitated by the recent change in government funding?

If the answer to many of these questions is “yes” then...



Create a special crisis management / fundraising task force.

Seek team members with

- ✦ compassion
- ✦ discretion
- ✦ team experience
- ✦ no immediate involvement in the crisis
- ✦ respected leadership qualities

Compile Answers



- ✦ Are we committed to keeping this alive?
- ✦ If yes, then ensure that everyone has the same complete information and understanding of how we got here
- ✦ What is our cash flow projection this season?
- ✦ What fundraising campaigns are already in place?

Compile Answers



- ✦ What financial reserves are there and what are the terms of their use?
- ✦ What is the immediate financial need?
- ✦ What are the other immediate needs? (reassure staff or create a layoff plan, negotiate with creditors, borrow funds etc.)

Get clear



- ✦ Assess your organization's responses to the situation
- ✦ Where does this put you in relation to your strategic plan – does it require reconstruction?
- ✦ Are we going to cancel, reduce or eliminate programmes?
- ✦ What impact will this have?
- ✦ Are we laying off staff/moving physical space/cancelling or renegotiating commitments to artists

Develop Messaging



- ✦ Fundraising is storytelling
- ✦ The best told stories attract the most funds
- ✦ Be accurate and specific
- ✦ Change your case statement to reflect the new reality

Where Donations Come From



- ✦ Individuals (alive) 75%
- ✦ Individuals (deceased) 10%
- ✦ Foundations 10%
- ✦ Corporations & businesses 5%

What Can You Do?



- ✦ Can you replace a cancelled show with a donor cultivation event in a private & interesting setting to make up for less direct contact?
- ✦ Can you stage a reading rather than a play?
- ✦ Can you create a tour of an artist's studio rather than a gallery showing?
- ✦ Can you present a private recital rather than a full, public concert?
- ✦ Can you distribute a recording of an artist you were planning to present but had to cancel & promise to work toward presenting them in future?
- ✦ Can you schedule a lecture or discussion of a topic you would otherwise have explored artistically?
- ✦ Can you merge with another organization with a similar mission?

What Can You Do?



- ✦ Please meet and discuss the preceding options because donors will want to hear that you have considered them seriously.
- ✦ It is difficult to ask a donor for crisis gift if you have not explored all your options and are ready to explain yourselves.

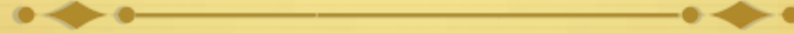
Review all Communications and Amend Accordingly

- ✦ You have to tell your story more than once to your constituents or they won't notice that you have decreased your activity significantly.... They will purchase their subscription to the theatre and really not notice that there are four shows rather than five this season.
- ✦ Review all your constituent communications for the entire year – website, facebook, donation appeals, publicity materials – remove that which no longer serves the new reality and replace with a consistent message.



Let's Look at Donors' Priorities

Causes are Common Issues That Inspire People to Give



- AIDS
- Animals
- Anti-racism
- Art
- Children
- Civil Rights
- Community Gardens
- Disability Rights
- Disaster Relief
- Domestic Violence
- Drug & Alcohol Abuse
- Education
- Electoral Reform
- Environment
- Healthcare & Medical Research
- Homelessness & Housing
- Human Rights
- Immigrant and Refugee Services
- International Development
- Land Preservation
- Libraries
- Peace Movement
- Politics
- Relief of Poverty
- Reproductive Rights
- Seniors
- Religious Communities
- Sports
- Sustainable Development
- Women's Rights
- Youth Development

Values Inspire People to Give



Acceptance

Beauty

Commitment

Communication

Community

Compassion

Courage

Creativity

Democracy

Dignity

Diversity

Equality

Faith

Family

Freedom

Harmony

Values Inspire People to Give



Healing

Opportunity

Honesty

Peace

Interdependence

Preservation

Integrity

Pursuit of Excellence

Intimacy

Respect

Justice

Responsibility

Joy

Service

Knowledge

Simplicity

Love

Transformation

Changes in Donor Behaviour During Tough Economic Times



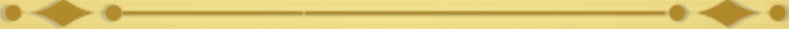
- ✦ Please remember that donors do not stop caring about your mission just because of the recession. If they loved you before, they love you still.
- ✦ But their priorities will appear to change as their capacity shrinks, limiting the number of charities that they give to regularly

Changes in Donor Behaviour during Tough Economic Times



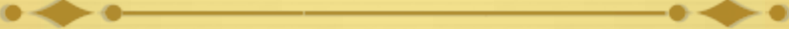
- ✦ They may stop giving “until things turn around”
- ✦ They may become unwilling to make a commitment beyond an immediate gift
- ✦ They may postpone or cancel remaining pledge payments
- ✦ They may switch from monthly giving to annual gifts
- ✦ They may decide to give one, large impactful gift to one, favourite cause
- ✦ They may give different types of gifts other than money

Action Steps in Response



- ✦ Respect their decisions
- ✦ Manage their donation choices with compassion and understanding if you expect to retain their support in future
- ✦ Make donor retention your chief goal, rather than donor acquisition
- ✦ Make donor loyalty the foundation of your campaign (crisis or annual)
- ✦ Be very, very strategic - Do not approach “strangers” before approaching your “friends” or irreparable damage may result

Action Steps in Response



- ✦ Do not go public (media or internet) before you have spoken with each and every current donor on your list.
- ✦ Treat them like family. They want to hear directly from you, not read about your problems (and potential solutions) in the news or hear it from someone on the street

Action Steps



- ✦ Consider extending donor benefits beyond their usual time limit
- ✦ Look for new ways of rewarding or recognizing donor loyalty
- ✦ Spend face to face time with each donor or donor family in a private setting – tell your new story and listen to their concerns and ideas

Action Steps



- ✦ Upgrade and update your donor research. If there's a donor in your database who you don't know, find out everything you can
- ✦ Google can help you to find out what they do for a living, what other organizations they are involved with and perhaps give to, and what recent events have put them in the public eye

Prioritize Your List



- ✦ Be strategic
- ✦ Hold a donor qualification meeting (or series of such meetings) with your crisis team
- ✦ Know who you are going to and in what order
- ✦ Anticipate their questions and suggestions

Fact:



- ✦ Organizations that have personal, face to face relationships with their donors will not suffer nearly as much as those whose fundraising methodology consists of mail, email and telephone.

Go Forth and Visit



- ✦ Focus on cultivation and appreciation first and foremost. Tell your new story. Leave them room to say “what can I do?”
- ✦ Donors will, during personal and private visits, indicate their ability and inclinations to cease, maintain or increase their support.
- ✦ You will not learn this any other way than face to face visitation
- ✦ Some donors may change their minds from “cease” to “increase” as a result of your visit

Go Forth & Visit



- ✦ During tough economic times, most donors are performing careful weeding – shortening their giving lists of charitable organizations in response to less income or fear of less income
- ✦ If they feel that their giving REALLY matters and that its absence will be noticed by real people, they may move those organizations further near the top of their list

Go Forth & Visit



- ✦ You cannot afford to find out who is going to renew, decrease, maintain or increase by sending out your annual mail solicitation and holding your breath.
- ✦ Act now to corral and soothe your flock.

Different Things That People Give

- ✦ Air Miles
- ✦ Art
- ✦ Cash
- ✦ Collections
- ✦ Credit Card Points
- ✦ Equipment
- ✦ Furniture
- ✦ Gold
- ✦ Interest in a Time Share
- ✦ Jewelry
- ✦ Life Insurance
- ✦ Livestock
- ✦ Oil, Gas & Mineral Rights
- ✦ Patents & Royalties
- ✦ Real Estate
- ✦ RRSP
- ✦ Savings Bonds
- ✦ Securities (closely held)
- ✦ Securities (marketable)
- ✦ Vehicles

Special Events



Many donors are choosing not to give in a social setting. Why?

- ✦ Special events cost money & donors know that their dollars go further when given directly rather than a portion being used to pay for a fancy event.
- ✦ Some donors do not wish to be seen giving at galas, auctions and dinners when they have had to lay off employees. Their mere presence could be viewed as selfish and excessive during difficult economic times.
- ✦ Most special events are suffering as a result.

Special Events



- ✦ Re-evaluate and tweak your special event. Is it on the downward side of the cycle? Has it lost its focus, sponsors, or momentum? Are you prepared to make less or is now the time to cancel it and focus instead on direct solicitation?
- ✦ Start selling tickets earlier and set a date to evaluate ticket sales – if goal is not met, then perhaps cancel for now and replace with donor cultivation events

Concentrate on Individuals



Corporations and foundations control substantial resources, but the sheer number of individuals makes them by far the largest source of funding - more than 80% - for nonprofit organizations.

Corporations



- ✦ Companies are giving less at this time.
- ✦ They are giving mostly to “blue chip” charities that are perceived as charitable by their employees and communities in which they do business. This rarely includes the arts.
- ✦ They are demanding more for less
- ✦ They are a fickle lot

Foundations



- ✦ Foundations lost a lot of invested principle in the market downturn.
- ✦ They have still not fully recovered and are therefore giving less money, have changed their intake cycle or have refocused their parameters
- ✦ Private family foundations should be approached as individuals rather than by means of a grant application

