

Ten Tips to Survive the Challenging Economy
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It seems like the buzz words for the year 2009 are “in a challenging economy,” for the sinking economy seems to color everything we do. Everything looks just a little different when viewed from our challenging economy lens.

As we go forward with our Fund Development Plans and continue to make plans for our next major fund raiser, how will this economy affect us, and, more importantly, is there something we should be doing to meet this “challenge?” - A good question and one that we have been pondering for some time now.

Here are our suggestions to get you through:

Ten Tips to Survive the “Challenging Economy”

1. More with more? Or more with less?

Neither. How about the same with less? That is, chances are that a few of your major donors, corporate and private, may be giving you less this year. So instead of worrying about it, plan on it. It’s time to work more efficiently with what you have. This means taking a hard list at your donor list. How do you define your “major givers?” - Those that gave \$1,000 or more? Perhaps this year, you may want to re-define major givers and those that give \$750 or more and actively court those donors, seeing if you just might be able to help them reach the next level.

2. How well do you know me?

Examine how you, as Fund Development Director or Executive Director, have been spending your time. What group of donors have you been courting? Is there another group of donors you just have not had time to address? Now is the time to think about how you can pull them into the agency. What can you invite them to that will make them feel special and help you in establishing a relationship? Be creative. Think out of the box. Perhaps you could invite them to a special reception *before* your next fund raiser where they will get an opportunity to meet staff and hear a success story about the agency. Relationships are more important than ever and you need to think of ways to nurture them whenever you can.

3. What’s in a Plan?

Examine your Fund Development Plan. When you put your Plan together at the beginning of the fiscal year, you may not have been completely aware of where the economy was headed. Now that you know, take another, harder look at your Plan. Is every fund raiser planned necessary? That is, have you examined your return on investment (ROI) for each and every event? Sometimes, we get in a habit of having

events because we've always had them, rather than because they are truly a good ROI for our resources and our staff. Perhaps you could expand a successful event and eliminate a marginally effective event. The key is to work more efficiently with the resources you have.

4. Two's company

As you examine your Fund Development Plan, and particularly your special events, think about how you could make your job easier, while at the same time expanding the event to include more and larger networks. Sometimes, the answer is to partner with a group who have the same ultimate goals. For instance, if your agency serves as a drop in for troubled teens, perhaps you could partner with the local high school counselors to provide teen programs on awareness, etc., thus doubling not only the funding available for programming but twice the number of clients served and twice the impact. Or if your agency provides a food pantry perhaps you could partner with local churches or scouts or other appropriate clubs in your area.

5. Drive them to the Web

Again, as you examine how much it costs you to solicit donors for your Annual Appeal, also examine your methodology and its costs as well. Instead of sending out an expensive three-page mailing with response card, consider a post card that directs donors to your web page for more information. Research shows the number of people donating online is increasing and you need to work this to full advantage.

6. "Virtual" Fund raising

Technology is here to stay and not as complicated as many of us once thought it to be. Consider using your web page to host your next "event." Your web page can be your next location - where your donors go to bid on auction items, participate in drawings, and watch your event grow. It doesn't take nearly as much as it has in the past, thanks to PayPal; and thanks to wiz web masters, adding interest and excitement to your web event isn't that difficult - or expensive - either. It's worth checking out and comparing the expense to renting a hall, caterer, etc. as well as the hundreds of staff hours expended to put on a dinner dance/auction evening.

7. "Creatively" marketing your fund raiser

Although you do *not* want to eliminate your advertising budget for each event, look closely at the expenses, particularly at the printed pieces. Are you sending out a four-color Save the Date post card or invitation? Toning down the card or invitation to one color can drastically reduce the cost, but not necessarily the attractiveness of the piece. Although you are paying for one color, you actually get two - black and a color - and you can also have gradations of each of the colors as well. So for a piece that is "grass" green and black, you can have variations such as gray along with black and light green, along with a darker green - "four" colors!

8. Pick up the phone

I know you've all heard it before but it bears repeating: Donors respond to personal attention. People give money to people - not causes. So make sure that your donors

are your people. Reach out to them and give them a thank you call. Then follow it up with a hand written note. For less than 50 cents a person, you have made an impression on that donor, one that is sure not to be quickly forgotten. In a world where our donor now has to choose which agency to make that check out to, do whatever you can to make sure he or she chooses you. Its time well spent.

9. Be specific

As consultants for not-for-profits, people often turn to us in times of crisis to ask us our opinion about who should get their money. Questions like “Do the clients really get the money, or is most of it used up in operations or for staff?” are not uncommon. We even had one client hire us to research his charity of choice so we could report back where his contribution would go and how much would be “used up” for operations.

As professionals we refer to this as our fundraising cost or our benefit to fundraising cost ratio. We also know that this information is not always so easy to come by and when it is published, we know there are many different ways of expressing this ratio or cost. So, if yours is low, then publish. Let potential donors know that 89 cents of every dollar goes to program. And be specific. Explain to donors what they’re getting for their money i.e. four more meals, three bags of groceries, two hours of child care, etc. Donors are consumers and they want to know. Transparency makes you look honest and truthful, something all of us look for when we spend our hard earned dollars.

10. Grow your team

Working in a “challenging economy” is another way of saying we need to cut expenses. This also means there will be less funds available for professional development of your staff and possibly no funds available to hire staff to help out your fund development director or department. So does that mean they just go without? No, it just means that you need to take a more creative approach to your staff’s development and the needs of your fund development staff, in particular. Consider teaching everyone how to fund raise. Bring in a trainer and teach the basics to everyone. Then divvy up your entire staff into teams. Let them choose what they think they would excel at. For instance, not every one is comfortable asking for a donation; however, that same person might be great at Excel and would be a good candidate to be the person who tracks donations. By teaching fund raising to everyone, you are adding to everyone’s skills, promoting team building and growing the culture of your organization.