

180 Ways to Raise Funds and Cut Costs in a Recession

Alan Sharpe, Editor

Twenty-seven development professionals describe how to raise funds, cut costs and retain donors in an economic downturn



Handbook Number 26

H A N D S - O N F U N D R A I S I N G S E R I E S TM

Published by



A n d r e w
S p e n c e r
P u b l i s h i n g

1 Herlan Avenue
Kitchener ON N2G 2C4

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Sharpe, Alan.

180 Ways to Raise Funds and Cut Costs in a Recession
1. Fundraising. 2. Relationship marketing. I. Title. II Series.

FIRST EDITION

FIRST PRINTING

Manufactured in Canada

9 8 7 6 5 4 3 2 1

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Acknowledgements

I am deeply grateful to the dozens of development professionals worldwide who contributed their professional advice and best practices to make this timely handbook possible. In particular, I wish to thank:

Amber Ballard, Annual Fund Coordinator, Regent College
Janie Bordner, Executive Director, Low Birth Weight Development Center
Donald Brooker, SAT-7 Canada
Angie Chan Manager, Communications and Partnerships, Singapore After-Care Association
Rose Crossland, Fundraising and Communications Manager, Ronald McDonald House South Island
Greg Donovan, ServeNebraska
Janice Fonger, Development Coordinator, Kent District Library
Anna Gerrard, Child Helpline International
Karen Gedney, fundraising consultant and copywriter
John Gildert, Promotion Manager, Catholic Caring Services
Tom Hartman, Grants & Communications Coordinator, Interfaith Refugee and Immigration Ministries
Marc Huber, Office of Development, American Academy of Pediatrics
Roy Jones, Chief Development Officer, Liberty University
Marjorie Lacy, Haven House
Trudy Lynn, www.philosophicallibrary.org
Kathy McHugh, Foundation Coordinator, Pueblo Community College Foundation
Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism
Katherine Mueller, Development Coordinator, At Home Group
Eliza Olson, President, Burns Bog Conservation Society
Christine Peters, Development Director, Woodland Hospice
Lois Peterson, Fund Development Officer, Crescent Beach Services at Camp Alexandra
Dr. Paul Ratnayake
Ryan Riley, Development and Alumni Relations Manager, Harrisburg University of Science and Technology
Scott Ryder, Atlantic Baptist University
Kay Stiner, Christian Social Services
Liz Saguaro
Barb Summers, Communications Coordinator, Presbyterian World Service & Development
G. James Sweeney
Jennifer A. Tartaglia, Director of Development, Windrush Farm
Bas van Breemen, SAZ
Lisa Werner

Alan Sharpe
Kitchener, Canada
January 2009

Preface

In January, 2009, I asked a group of more than 7,500 development professionals what steps they are taking to raise funds and reduce costs during the 2008/2009 recession. Those that responded came from just about every area of the non-profit world, including children, environment, human rights, cultural, education, social services, religion, international relief and development and healthcare. I gathered their remarks, tips and suggestions into categories, eliminated the repetitions, and now present their advice for you to learn from—and profit from—during these tough economic times.

Alan Sharpe
Kitchener, Canada,
January 2009

Asks

- 1.** We are soliciting smaller amounts from our individual donors and providing them with examples of exactly what we can do with their \$10, \$20 or \$50 donation. — Katherine Mueller, Development Coordinator, At Home Group.
- 2.** “Just a Buck” is a programme where supporters donate \$1 (or more) from their paypacket. Easy, painless. — Rose Crossland, Fundraising and Communications Manager, Ronald McDonald House South Island.
- 3.** Keep asking at the same rate. Of course, both the urgency of the crisis and the impact of the economy on your donors’ stock portfolio are going to necessitate lower average gifts, but the fact is you should be seeing an increase in the overall number of individual gifts. If you are not, check your records and your teams’ contact management reports and you will confirm that you have reduced the number of appeals, events or asking opportunities. Do not let this happen! Keep asking, at a minimum, as often as in the past. The best charities actually increase the number of asks in a down economy. If you are doing what you should be doing in this economy, the number of individual gifts should increase, even though the check amounts may yield lower average gifts.— Roy C. Jones, Chief Development Officer, Liberty University
- 4.** Explore smaller gift options or flexible payment options. — G. James Sweeney.
- 5.** Equate gifts to sacrifices such as a coffee a day. — Scott Ryder, Atlantic Baptist University.

Attitude

- 6.** First and foremost I retain the belief that people will continue giving. Gifts may be smaller, but there are still many people with money to give. We need to stay positive and continue to move forward and not give up. Face to face requests are still the best approach. — Christine Peters, Development Director, Woodland Hospice.

- 7.** Stay in touch with your peers in other organizations. When things get tough for them you can provide support and encouragement, and in turn they will help you keep going. — Lois Peterson, Fund Development Officer, Crescent Beach Services at Camp Alexandra.
- 8.** Share their pain—acknowledge times are hard. Don't drop them if they say they can't afford to donate this year.
- 9.** Be open to new ways of raising funds. Don't decide WHY you can't undertake something new and different. Determine HOW you can adapt the idea to make it work for your organization. — Lois Peterson, Fund Development Officer, Crescent Beach Services at Camp Alexandra.
- 10.** Encourage friendly competition between alumni classes. — Scott Ryder, Atlantic Baptist University.
- 11.** Offer re-enforcement that your donors and you will weather this storm. — Ryan Riley, Development and Alumni Relations Manager, Harrisburg University of Science and Technology.
- 12.** We are working overtime on multiple projects and projecting a very positive CAN DO image. — Liz Saguaro.

Boards

- 13.** View the situation as an opportunity to make some changes while people are feeling worried, and therefore motivated to help. For example, get your Board more involved in fundraising. — Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism.
- 14.** We have developed a fund development board of amazing leaders willing to roll up their sleeves and help make those initial connections. — Janice S. Fonger, Development Coordinator, Kent District Library.

Capital campaigns

- 15.** We're advertising for a donated building for our Capital Campaign. Great for someone who has an empty building (commercial), and needs a tax write off. — Trudy Lynn, www.philosophicallibrary.org.
- 16.** Have pledges spread over longer pledge periods. — Scott Ryder, Atlantic Baptist University.

Case for support

- 17.** Sharpen your organizational message to include “why us? why now?” Explain why your work is especially important in difficult economic times. — Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism.
- 18.** Talk about how you are prioritizing your work, using funds wisely, collaborating with other groups, etc., but don't base your appeal on the danger that you will have to close if you don't get their help. Few people want to take the risk of being among the last few donors to an organization that closes its doors. — Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism.
- 19.** If you raise a high proportion of your funds outside your city or outside your country, be able to show that you also raise funds and are valued at home—having local members who contribute adds to your credibility. — Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism.
- 20.** Don't ignore it. I've addressed the economic turndown in letters and stories. People are thinking about it so I don't want to just pretend it's not happening. — Barb Summers, Communications Coordinator, Presbyterian World Service & Development.

- 66.** Open a thrift store. We are only able to keep our doors open because we have a thrift store. It works. Thrift stores take a lot of work and you will need staff to oversee them as well as many volunteers. We “pay” volunteers with thrift store items (\$1.50/hour worked). The stuff we get is free, so we do not lose money on this. Fifty percent of our items cost \$1 or less. Low prices get customers to come here and they also buy additional specially priced items. Thrift store donors see our operation when they come in and often become monetary donors. Thrift stores make money in many ways. — Kay Stiner, Christian Social Services.
- 67.** NEVER turn down donations. After four years we are still getting calls asking, “Are you taking donations?” We are getting so many donations, and we pass the revenue to our customers, building business. — Kay Stiner, Christian Social Services.
- 68.** Rent out part of your building. We have added a new income stream. Our outreach building is in a very small town. The local newspaper has contracted with us and asked us to be the drop-off sight for subscription renewals, classified ads and news releases. They are paying us \$1,200 a year for providing this service. It’s working very well. — Kay Stiner, Christian Social Services.
- 69.** In looking for new donors I have reached out to young entrepreneurs who are interested in serving their community. My plan is to get them involved in our organization by serving on a committee. They are not able to give large gifts at this time, but they are ambassadors for us and will help to educate family and friends about our needs. — Christine Peters, Development Director, Woodland Hospice.
- 70.** Hold an extraordinary fundraiser: a wine tasting, an Indian curry supper, a dance party! Invite people to your birthday, anniversary, and ask them to donate to your event instead of bringing a present. Or stick to the classics . . . car wash, bake sale or lemonade stand! — Dr. Paul Ratnayake.

Expenses, program

- 91.** We are working more closely with our partnering organizations to be certain that we are not providing duplicate services to clients. — Katherine Mueller, Development Coordinator, At Home Group.
- 92.** We are cutting overhead by being more selective with which conferences we attend. — Anna Gerrard, Child Helpline International.
- 93.** We have met with landlords from whom we rent apartments for newly arrived refugees. We have been able to negotiate deals with two of the largest realty firms so we no longer have to pay one month's security deposit up front. We anticipate that this will reduce housing costs by 25-30% in 2009. — Tom Hartman, Grants & Communications Coordinator, Interfaith Refugee and Immigration Ministries.
- 94.** We are working with more promotional partners. They provide goods-in-kind instead of dollars.— Angie Chan Manager, Communications and Partnerships, Singapore After-Care Association.

Expenses, overhead

- 95.** We're considering paring down and renting just one suite, instead of the two we now rent. — Trudy Lynn, www.philosophicallibrary.org.
- 96.** This may sound ridiculous but I cut my electric bill in half immediately by turning off all the overhead lighting (hallways, restrooms and offices) at my agency and using only lamps with compact fluorescent bulbs. Outside, too. It took a little while for staff to get used to it but now they think nothing of it. Marjorie Lacy, Haven House.

Gift acknowledgement

- 97.** I have not been in the fundraising business for that long but I've discovered that a tailored acknowledgement strategy is very helpful in retaining current donors.

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Recognition

- 145.** Take extra time/effort to recognize everyone who is able to help you now, especially if they are contributing in innovative ways. It may give others new ideas for how they can make a difference. — Lois Peterson, Fund Development Officer, Crescent Beach Services at Camp Alexandra.

Research

- 146.** Take a look at for-profit businesses and see what they are doing in this difficult time and then adapt it to your organization. Adapt and diversify should be your two key words. — Eliza Olson, President, Burns Bog Conservation Society.

Segmentation of donor lists

- 147.** We have targeted Spanish-speaking donors in our email blasts and through direct mail. — Janie Bordner, Executive Director, Low Birth Weight Development Center.
- 148.** Focus on targeted fundraisers. This year I'm doing some specific campaigns aimed at specific groups. I'm hoping this will help boost the feeling of involvement with our organization and motivate people more. — Barb Summers, Communications Coordinator, Presbyterian World Service & Development.
- 149.** Your own donors are even more important now. Segment out the donors that bring in the money, spend your energy on those donors and give each group their own approach. — Bas van Breemen, SAZ.
- 150.** We're segmenting our donor list and doing more specific mailings. A "Love your Library" membership drive for February. And creating a survey to tap into local needs while providing an opportunity to make an additional donation. — Trudy Lynn, www.philosophicallibrary.org.