

Development CoP

Fundraising During an Economic Slowdown: A Dozen Recommendations

Facilitator: *Sheila Alexander*

Guest: *David Saginaw*

Managing Director, Development

United Jewish Communities

Date: *November 6, 2008*

Etiquette

- Please mute your phone by pressing *1.
- To join the conversation, just unmute by pressing *1.
- Please do not put your phone on hold, since the background music is very disruptive.

Goals

- To discuss best practices in current economic environment
- To share strategies
- To learn whether schools are modifying fundraising plans or goals

Agenda

- Meet our Guest
- Setting the Context
- A Dozen Fundraising Recommendations
- Next Steps
- Resources

We will punctuate the presentation with opportunities for your questions and comments. We look forward to learning from each other.

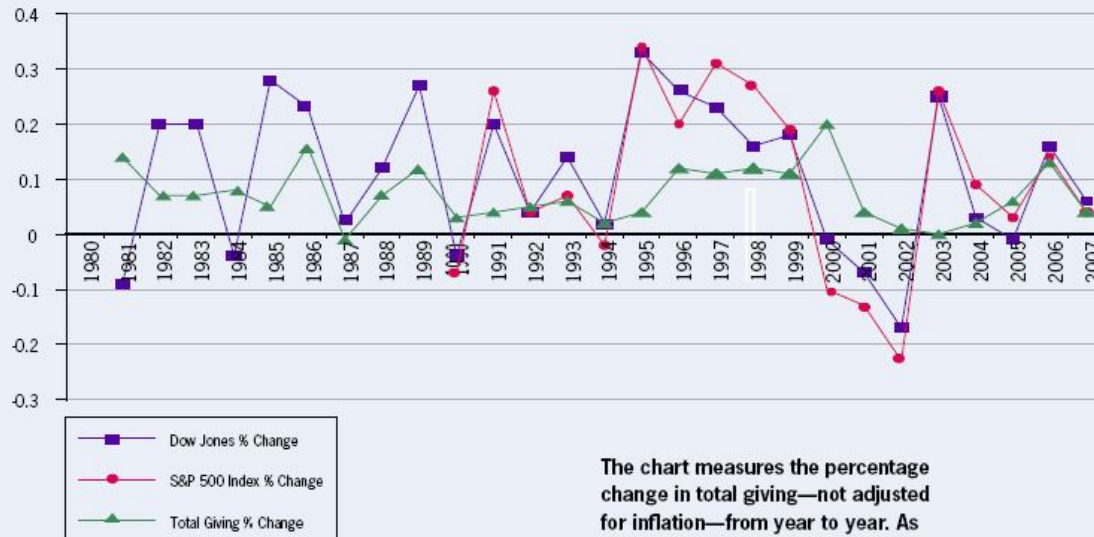
Meet our Guest

David Saginaw is the Managing Director of Development at United Jewish Communities. He is responsible for providing strategic development, program development and technical assistance to communities of all sizes around the country, on all issues related to Annual Campaign and Financial Resource Development.

His combination of professional and volunteer experience adds a unique dimension to his consultation work with communities. He has been a Campaign/ FRD volunteer leader in his Metrowest New Jersey community for the past 20 years. He served as the 2002 General Campaign Chairman and currently serves on the Federation Executive Committee, the Federation Board of Trustees, the Jewish Community Foundation Executive Committee and Board of Trustees, and the Campaign Cabinet. In addition, David is the current chair of Metrowest's Lester Society for annual campaign endowments.

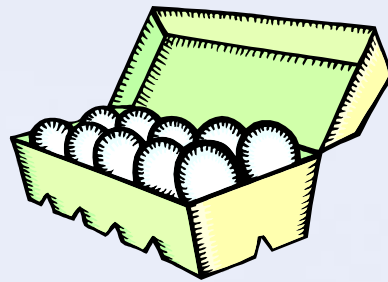
Setting the Context: Philanthropic Giving, 1980-2007

Table 2: Percentage Change in Dow Jones Average, S&P 500 Index, and Total Giving from Year to Year, 1980-2007



The chart measures the percentage change in total giving—not adjusted for inflation—from year to year. As long as the trend stays above 0, giving shows an increase (the only exception is 1987, when there was a 1 percent decrease from the previous year).

A Dozen Fundraising Recommendations



#1: Avoid fundraising cuts.

Many organizations look at the bottom line and elect to simply cut a total percentage from every department in order to save money. However cutting development is a really bad idea.

Be careful because often “temporary” cutbacks can quickly become permanent.

#2: Be positive and empathetic.

Do not start a conversation with “I know it’s going to be a tough year.....”.

We need to understand that many donors may not be able to continue giving at the same level. This is where we can be compassionate. However, one sure way to raise less money is to stop asking.

#3: Timing can be everything.

On a case-by-case basis, determine whether or not to push to close the gift.

#4: Vary your ask.

The annual campaign is not the ‘end-all-be-all.’ A recession is a great opportunity to open the donor up to the idea of planned giving.

#5: Ask donors for new prospects.

If they cannot make a gift, then this is an alternative way they can help.

#6: Keep top donors close.

Now is the time to deepen your relationships with your donors.

Make sure you are in touch and that they know how important they are to the school. Focus on stewardship so that relationships will stay strong.

“Charities weather downturns when they have solid fundraising programs and compelling cases for support. Successful charities continue to request gifts for purposes that are meaningful to donors. They provide excellent stewardship and accountability so that donors know their funds have been put to good use.” Giving USA

Discussion

How have your donor conversations been going?

Have they been different because of the economic situation? How?

Annual fund is doing well. We have received gifts from donors who have been with us who have not been impacted- long time community givers.

How has event sponsorship been impacted?

The event was planned prior to the downturn. New donors came forward with significant gifts.

We saw a drop in sponsorship of our Gala even last year, we expect it to be worse this year. Nevertheless, our Annual Campaign is going well so far.

If a school collaborates with other organizations to save money, will they lose their identity?

If this is an operational decision, then it is a different situation. If it is cost saving by minimizing personnel, is it a short term solution?

Important Note: Gifts from donor advised funds and foundation grants may decrease if they are made on a percentage basis; i.e., the donor maintains the same percentage distribution to each recipient, but the dollar size of the gift will fall since the income earned is falling. Be prepared to face this during the economic situation.

#7: Tell a good story.

Make your best case for your donor's support. Shape the story to the donor's known interests. Let them know the impact of their gifts to the school.

Transparency and fiscal responsibility are also important aspects of the case.

#8: Don't ignore people who have stopped giving.

Do not reduce communication with donors because you think they don't want to hear from you during hard times.

#9: Look for donors in thriving industries.

You've got to look at who's doing well in your constituent group.

#10: Move it up.

Don't put off your annual campaign or your major gift solicitations. Get started now.

Discussion

What advice do you need to get started?

Please, share your experiences, your ideas and strategies for this environment?

- Some of the older alumni parents and grandparents, who have been living on a fixed income, may make smaller gifts. Because of this, they have reached out to younger alumni donors and have had a good response.
- One of our largest donors who is a board member wrote a letter saying he is cutting his contribution by 50% across the board to all the organizations with which he is involved. Reach out to the donor and thank him for past gifts. You need to accept his decision, be understanding, thank him and offer help. As a large donor and board member, he knows the impact this will have; this is a difficult personal decision and communication.

#11: Revise your case for giving, marketing, etc.

Utilize the economy as a tool to emphasize the importance of gifts.

#12: Recognize where your biggest challenges are; allocate resources accordingly.

- **Donor cultivation**
- **Special events**
- **Plan for reduced support**
 - Corporations, foundations and government grants will be affected by an economic downturn.
- **Leadership**

Reflection

What nuggets are you taking from this call?



Next Steps in our CoP

Let's start the discussion in our Google Group right now!
What would you like to continue talking about?

Title:

Message:

If you need a reminder about Google Groups, refer to your Quick Guide to Google Groups. For additional assistance, email Kirk@peje.org

Resources and Contact Information

After the call, we will post some links and documents on Google Groups.

- Document by our guest, David Saginaw
- Resilient Philanthropy, www.afpnet.org
- Giving during recessions and economic slowdowns, Giving USA Spotlight, Issue 3, 2008
- Fundraising, Campaigns and Endowment in a Challenging Economy, CASE
- http://philanthropy.com/financial_crisis, Chronicle of Philanthropy
- http://www.nais.org/files/PowerPoint/Financial_Survivability.ppt#315,1,Slide

Pat Bassett, Executive Director of NAIS

Next Call

It's Not Business as Usual: Resiliency and Creativity in Tumultuous Times

Date/Time: Tuesday, November 18, 2008
2:00 PM Eastern

Guest: Andrea B. Wasserman
Director for Institutional Advancement
Charles E. Smith Jewish Day School

**Please join me in extending our
appreciation to today's guest
David Saginaw
Thank you!**