

166 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

© 2009 by Alan Sharpe. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, including forwarding by email or posting on a website, without the prior permission of Andrew Spencer Publishing, a division of Sharpe Copy Inc.

Sharpe, Alan.

166 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

Contents

Acknowledgements.....	1
Preface.....	2
Asks.....	3
Attitude	3
Boards	4
Capital campaigns.....	4
Case for support	5
Communication with donors.....	6
Cooperation.....	6
Corporate donations and sponsorships.....	7
Direct mail	7
Diversifying income streams	9
Expenses, fundraising	12
Expenses, payroll	14
Expenses, program.....	15
Expenses, overhead.....	15
Gift acknowledgement.....	15
Grants, foundation and government.....	17
In-kind gifts.....	18
Major gifts.....	18
Marketing, advertising and publicity	19
Matching gifts	19
Monthly giving.....	19
Online & email.....	20
Personalization	22
Planned giving	23
Premiums and incentives	24
Recognition.....	24
Research.....	25
Segmentation of donor lists	25
Special events.....	25
Stewardship.....	26
Training.....	27
Volunteers.....	27
What not to do.....	28

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
Rose Crossland, Fundraising and Communications Manager, Ronald McDonald House South Island
Greg Donovan, ServeNebraska
Janice Fonger, Development Coordinator, Kent District Library
Emily Gantz McKay, President, Mosaica: The Center for Nonprofit Development and Pluralism
Anna Gerrard, Child Helpline International
Karen Gedney, fundraising consultant
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
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
Scott Ryder, Atlantic Baptist University
Kay Stiner, Christian Social Services
Barb Summers, Communications Coordinator, Presbyterian World Service & Development
Jennifer A. Tartaglia, Director of Development, Windrush Farm
Bas van Breemen, SAZ
Lisa Werner

Alan Sharpe
Kitchener, Canada
January 2009

Receive free tips like this weekly. Sign up for Alan Sharpe's email newsletter, *Direct Mail Fundraising Today*, at www.RaiserSharpe.com

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.
- 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.

Boards

- 11.** 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.
- 12.** 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

- 13.** 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.

people who give to related causes. Canada Post's help is free as well. — Eliza Olson, President, Burns Bog Conservation Society.

- 33.** We paired the mail appeal with a simultaneous email appeal to reach a different sub-set of our members and ensure that the message is heard. — Marc Huber, Office of Development, American Academy of Pediatrics.
- 34.** Add your website and instructions in the postscript on how to donate online. This idea is good for direct admail appeals and also part of your online signature. — Eliza Olson, President, Burns Bog Conservation Society.
- 35.** Concentrate your time and money on the top 20 percent of your list who donate the largest gifts.— Alan Sharpe
- 36.** Instead of printing a quarterly newsletter, I am sending out three this year—and will reduce all paper mailed from this office and use online options as much as possible. — Jennifer A. Tartaglia, Director of Development, Windrush Farm.
- 37.** Only mail to your entire donor list two times annually—annual campaign and Christmas. — Kay Stiner, Christian Social Services.
- 38.** Mail smarter, do not just cut out the prospect mailing. You still need them. Inform your prospects even more about why you need their donation now and how you are going to spend it. — Bas van Breemen, SAZ.
- 39.** For the Christmas appeal, have board members select donors and write a personal note of support to each one. — Kay Stiner, Christian Social Services.
- 40.** Mail your lapsed donors. Their names are already in your database (no list rental fee), you know they support causes like yours, and you know they respond to direct mail appeals.— Alan Sharpe.
- 41.** Make all letters of solicitation personal with donor names on them. — Kay Stiner, Christian Social Services.

building projects. Your current Capital Campaign initiative could be just the thing that creates 50 to 100 construction jobs in your community and that in and of itself is a reason to get it funded. In addition, any services that you provide to the community or new program that you want to start that has the potential to create new jobs is going to get seriously looked at by law makers. You do not need to be a grant writing guru. Get in line and they'll tell you what you need to do. — Roy C. Jones, Chief Development Officer, Liberty University.

In-kind gifts

- 99.** I have been looking for more in-kind gifts. For example: I have found a printer willing to print our quarterly newsletters at no cost. — Christine Peters, Development Director, Woodland Hospice.

Major gifts

- 100.** Now is the time to ask your major donors with a special appeal for a special project. People understand that things are even harder for you. With a good proposal people still give you major donations. — Bas van Breemen, SAZ.
- 101.** Conduct major donor research—invest in the long term.
- 102.** Stocks and property prices are low but will recover—position your cause and develop relationships now to take advantage of increasing wealth when confidence recovers.
- 103.** We're increasing major donor research and setting up timed deadlines for meeting with major donors to solicit renewed, increased and/or first contributions. — Tom Hartman, Grants & Communications Coordinator, Interfaith Refugee and Immigration Ministries.

- 155.** Encourage volunteers to bring friends and family members. — Kay Stiner, Christian Social Services.
- 156.** Communicate to churches and colleges that you have specific needs and could really use dedicated volunteers. — Kay Stiner, Christian Social Services.
- 157.** Keep your volunteers happy EVERY DAY. We eat together in our little kitchen and buy treats. We post signs with “great job team!” when anything great happens. We treat our volunteers just like staff and invite them to events and parties. We write thank you notes to them and cheer them for their accomplishments. — Kay Stiner, Christian Social Services.
- 158.** Recruit volunteers from former staff who are retired. — Kay Stiner, Christian Social Services.
- 159.** Recruit as volunteers clients who have been helped through your agency. — Kay Stiner, Christian Social Services.
- 160.** The more volunteers you have, the more donations you receive. The volunteers witness your mission and the word spreads throughout you community. — Kay Stiner, Christian Social Services.
- 161.** NEVER turn down a group that wants to help or do a project so you do not send a signal that you do not need help. Even if it’s a group of Brownie scouts. They bring your message home and will eventually be volunteer adults. — Kay Stiner, Christian Social Services.
- 162.** Use volunteers to answer telephones, take messages and schedule appointments. — Kay Stiner, Christian Social Services.

What not to do

- 163.** My best suggestion would be not to reduce the number of appeals and the quality of appeals to supporters. Save cost were appropriate, but do not short-change