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Review

Review survey

Examine

Examine COVID impact

Study

Study human behavior in a crisis

Learn

Learn tactics to increase the impact and efficiency of development efforts

Survey Overview

- ▶ Dispensed Fall 2020
- ▶ Total Respondents: 137
- ▶ Completion Rate: 100%



THE FOUNDATION FOR ENHANCING COMMUNITIES

NONPROFIT COVID-19 SURVEY SUMMARY

Representation from all Major Mission Areas

- Animal Welfare
- Arts & Cultural
- Education
- Healthcare
- Housing
- Mental Health
- Recreation

Representation from all TFEC's Counties

- Cumberland
- Dauphin
- Franklin
- Lebanon
- Perry
- Dillsburg Area*

*of Northern York County and/or within 20 miles of Center City Harrisburg

Nonprofit Biggest Challenges through COVID-19

More than half cited funding/revenue issues, specifically, not knowing how to adapt programming or not having resources or a plan to do so.

Majority said they're ok now, but they will be in serious financial trouble or risk of closing within 6 months.

Nonprofit Concerns

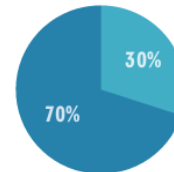
Top Three Short-Term (1-6 months)

1. Financial Stability/Revenue
*Referenced more than 12x more than any other category
2. Operations (how to adjust programming/ staff changes)
3. Staff/ Board/Volunteer (turnover, morale, and recruitment)

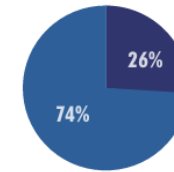
Top Three Long-Term (1+ year)

1. Financial Stability/Fundraising
*Referenced more than 5x more than any other category
2. Operations (adjusting priorities/ restructuring with fewer resources)
3. Disruption of Growth/Expansion

*No references to official plans to combat challenges



30%: "We've noticed a dip in donations/support/ revenue, but we are adjusting."



26%: "Strained, we continue to make budget adjustments/cuts."

Survey Overview- Representation

- ▶ Geographic area
 - ▶ Cumberland, Dauphin, Perry, Lebanon, Franklin, and Dillsburg area
- ▶ Major mission areas represented
 - ▶ Animal welfare, arts & culture, education, healthcare, housing, mental health, and recreation
- ▶ Types of organizations
 - ▶ Associations, volunteer-based, large organizations, and public sector
- ▶ Age of organizations
 - ▶ 3-100+ years

4. What are your short-term concerns (1-6 months)?-poll

- ▶ Funding/Revenue/Financial Stability
 - ▶ Referenced 12x more
 - ▶ Expect major changes within 6 months
- ▶ Operations/Programming
 - ▶ Uncertainty, adapt or not?
- ▶ Staff/Board/Volunteer Commitment
 - ▶ Staff- burnout, furlough, releasing staff
 - ▶ Board- complete disengagement
 - ▶ Volunteers- losing interest

COVID Impact

- ▶ 80% revenue decrease
- ▶ 43% laid off or furloughed staff
- ▶ Majority of all generations decreased volunteer time
- ▶ 23% increased services
- ▶ 37% reduced/suspended services
- ▶ 49% increased fundraising activity in 2020
- ▶ 56% raised less in 2020 than projected
- ▶ 72% project to raise less in 2021
- ▶ Mid-sized organizations (\$0.5-\$3 million)- impacted the most



Human Behavior, Fundraising, and Other Best Practices

Crisis happens

Back to original behavior before crisis

“We should do something.”

(Giving)
Behavior During
A Crisis

Feelings of helplessness, hopelessness, fear, overwhelmed, frustrated, denial, etc.

React to the moment of crisis

Self-preservation

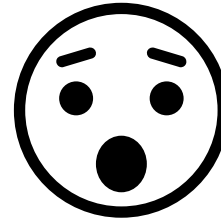
Spike in giving

Nothing replaces personal connection



How People React During A Crisis

Donors are just like us!



- ▶ We simplify messages →
- ▶ We hold on to current beliefs →
- ▶ We look for more info/opinions →
- ▶ We believe the first message →
- ▶ Keep it simple
- ▶ Make sure they receive info from a credible source (YOU!)
- ▶ Use consistent messaging
- ▶ Get it right the first time

Now is the time to...



- **Figure out what you don't know**



- Evaluate your current situation



- Start an endowment



- Update/create a strategic plan



- Update/create a development plan



- Update/create donor profiles

Quick Tips



**KNOW YOUR
MISSION**



**KNOW YOUR
STRATEGIC GOALS**



**KNOW YOUR
BUDGET**

Jamboard

- ▶ Are you doing all these? If no, why not?
 - ▶ Evaluation
 - ▶ Endowment
 - ▶ Strategic Plan
 - ▶ Development Plan
 - ▶ Donor Profiles



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Take Your Temperature



Financial



Board/volunteers



Staff (growth,
turnover)



Programs



Fundraising



Community Need

Start Simple

- ▶ Mission Alignment
 - ▶ Yes or No
- ▶ Retention of donors/stakeholders
 - ▶ Easier and cheaper than _____
- ▶ Growth Rate
- ▶ Conversion Rate
- ▶ Event Assessment
- ▶ Development Audit



Cost of Fundraising

Total Fundraising Expenses* = Cost of Fundraising
(Total Net- Total Fundraising Expenses)

**Include salary and marketing*

\$110,000

(\$500,000-\$110,000)

= 28%** or spending 0.28
to raise \$1 net

***Keep below 70%*

Average Donation

Why is this important to know?

$$\frac{\text{Total \$ of Donations}}{\text{\# of Donors}} = \text{Average Donation}$$

$$\frac{\$400,000}{250} = \$1,600$$

Dependency (poll)

Total from Top 5 Major Donors/Funders = Dependency
Organization Expenses

\$300,000

= 60% dependent on your top 5 donors

\$500,000

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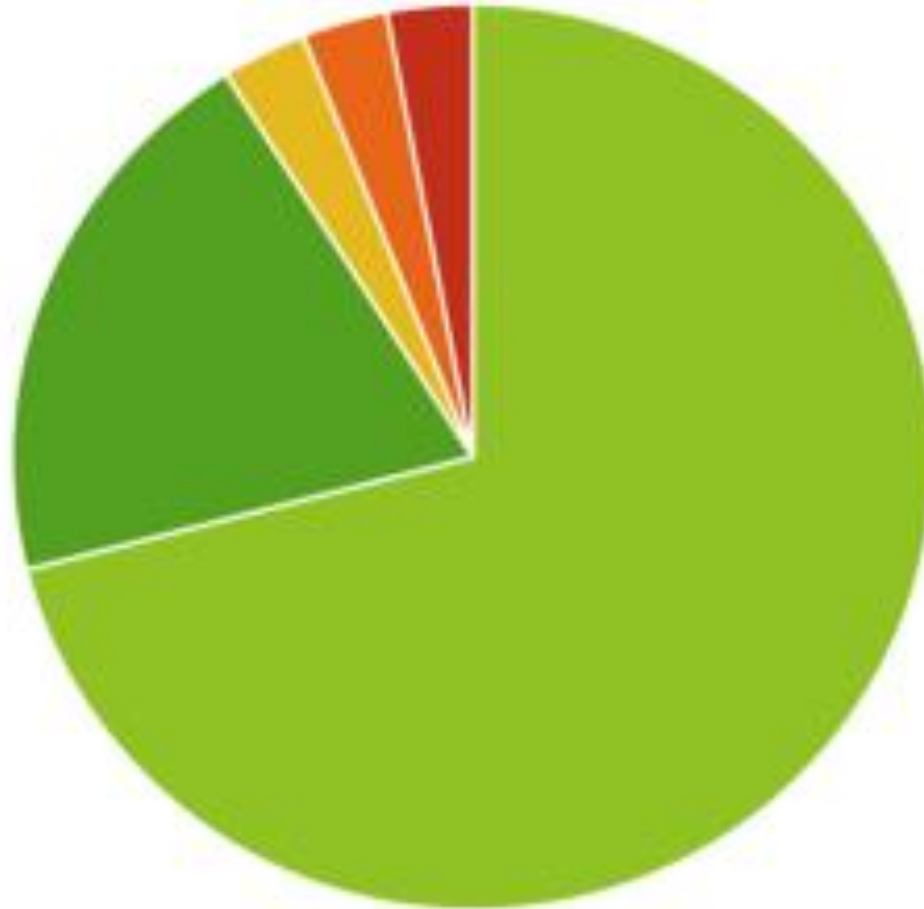


- Update/create a development plan



- Update/create donor profiles

Diversification of Funds



• Individual • Fee for Service • Grants/Foundations • Bequests • Corporate Philanthropy

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- Update/create a development plan



- Update/create donor profiles



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- Update/create a strategic plan



- Update/create a development plan



- Update/create donor profiles

How do you
decide to ...?

Write a grant?

Host an event?

Allocate more effort
to legacy giving?

Standards for Excellence Institute- Fundraising Fundamentals

▶ Resource Plan

- ▶ The organization has a **board-approved resource development plan** in place that outlines a framework for ensuring the organization's financial resources
- ▶ The plan is regularly reviewed for **alignment with the organization's budget**
- ▶ The plan includes **diversified sources of income**
- ▶ A process is in place for **evaluating the cost-effectiveness** of all resource development activities
- ▶ The organization's **fundraising ratio is less than 3:1** (it costs \$1 or less to raise \$3 or more)

Example Development Plan

Individual Giving

- Annual Campaign
- Planned Giving

Corporate Giving

- Sponsorships
- Board members' companies

Grants

- Smith Foundation
- Bordeaux Foundation

Events

- Gala
- Founder's Birthday

Special Projects

- TBD

What to include in your Plan



The Tension between Dependency and Cost



*Board Source 2019

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- Update/create a development plan



- Update/create donor profiles

Who is your target audience?



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What would Charles do?



What would Yvonne do?



What would Frederick do?



What would Madison do?



Jamboard

- ▶ Let's Practice!
 - ▶ Donor Profiles



Are fundraising efforts addressing other goals?



COMMUNITY
AWARENESS



GOOD
PUBLICITY/VISIBILITY



ATTRACTING
CONSUMERS



RECRUITING
VOLUNTEERS

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Review survey



Examine COVID impact



Study human behavior in a crisis



Learn tactics to increase the impact and efficiency of development efforts



Dr. Ivy R. Buchan

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Background

- ▶ 21 years of experience
- ▶ President of Helix Strategies, LLC
 - ▶ Strategic solutions to fundraising and leadership challenges
- ▶ Started two nonprofits and edited three nonprofit textbooks
- ▶ PhD, Administration and Leadership in the Nonprofit Sector
 - ▶ Research focus: multidisciplinary collaboration and engagement

