

"I don't want to be blindsided."

2008 Trends for Conservation Fundraising and Lessons from the Last Recession relevant for TODAY

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How will your organization deal with some emerging trends and fundraising dynamics this coming year? Here are several trends important to address in your 2008 work plans and current strategy conversations with your board of directors. At the bottom of this list are four suggestions about what you can do. TREC can also help you prepare positive responses to address these trends.

Pay attention now to the economic news - this is not something to "wait and see" about. The last ripple through our economy resulted in two additional years of stagnated fundraising*. However, there were a number of bright exceptions. Those exceptions were often the result of early and intentional action -- not waiting and not random luck.

Will your fundraising be affected this year? Yes. Why? With recession jitters perception BECOMES reality for donors. If they "feel" like they have less, that will be negatively reflected in their giving plans. It happened in the last recession: fear along with uncertainty inhibited donors and negatively affected many gifts. Unfortunately, small and intermediate size groups were harder hit than were some of the largest national groups.

Your cost of fundraising may go up if fundraising is more difficult. Are you prepared to spend more to raise the funds you need? By way of example, who would have predicted it would have cost \$400 per vote in the recently held presidential caucuses in Iowa? Yet that's what it took to win. What are you prepared to do to raise the key gifts you need?

Will you lose out to the elections? Many donors (read voters) are going to be putting money into the right candidates. Will they have room to give to you too? Several recent donor surveys which included one on one interviews with major donors that were conducted by TREC on behalf of clients strongly suggests that a number of conservation donors will re-direct their 2008 gifts into political campaigns. Spend time with your donors NOW early in the year so that you don't get neglected when they make their gifts this year.

For Canadian groups: the dollar doesn't buy the same impact as it used to. Will US donors look elsewhere for more/greater perceived "bang for the buck"? What will be the effect of the US dollar buying less in Canada? Will US donors and funders be spending more on permissible political activities in the US rather than giving in Canada? TREC observed that occur in the 2004 presidential election cycle.

In the last recession many key foundations cut back giving. A remarkable few increased or kept giving stable. Will changing foundation fortunes "surprise" your budget? What will happen if you lose one major gift from a foundation? What is your contingency plan?

Several key conservation foundations are also changing some of their priorities for the current grant cycles and in the several years to come. Who can forget the last time they heard one of their funders say, "Sorry we can't renew your grant - we're only giving to groups working on (climate change)."

Are you relying upon direct mail for a larger part of your budget? A recent national survey suggests that in general charities' direct-marketing appeals are not raising as much money as they have in years past, and charities are losing more donors and attracting fewer new supporters. (You can see the survey here: <http://www.targetanalysis.com>). The direct mail marketplace is changing. What will you do to keep up with changing donors so that you won't be surprised with possible, lower year-end mailing results?

Are you investing enough time with your most valuable donors?

"Getting donors' attention: (it's) more Important now than ever," Jeff Gray wrote in the Chronicle of Philanthropy. "One thing I've seen more than any other time is a desire for givers, particularly some of our more-substantial donors, to get their hands dirty before they get more involved. Folks want to really get involved, understand what you're doing, and be thoughtful about it. We had an individual who we talked to for 18 months, who kept learning and learning about the organization, and now has gotten heavily involved. That relationship was all about him really trying to understand what we were doing and why we were doing it. You read a lot about the trend toward deeper involvement, and that's spot on," Gray said. (Jeff Gray is director of business and community affairs, City of Refuge, a social-service group in Atlanta and his comments were reported in the Chronicle of Philanthropy, Jan. 10, 2008)

"Large donations continue apace even in a recession" read a headline in the Chronicle of Philanthropy Feb. 7, 2002. The lesson from the last recession is that a small number of donors who made significant and increased gifts made a profound difference for many small and intermediate size groups. Who are your special donors who will make the big difference for your group?

In summary, here are some lessons from the last recession that are relevant for TODAY:

1. Spend time with your most significant donors NOW. Continue to strengthen those relationships and do it systematically. If you don't have a plan to accomplish this, create one now.
2. Bigger fundraising budgets may be required-the same level of efforts may get fewer results. Don't blame anyone for lower numbers if you have not invested appropriate resources to get the job done.
3. Don't depend too heavily on direct mail fundraising. While it will still be important, if you depend too much on it this year you may be disappointed.
4. Develop a "what if" plan. What if a key foundation or two tells you they're cutting back this year after years of support? Cutting your budget is not necessarily a valid contingency plan (unless you already know you are overstaffed and that is a rare situation for a nonprofit). How long will it take you to recover? What if you take the time NOW to create a positive, pro-active plan?

*Giving USA reported a slight up tick in gifts in 2003 after a hard two-year period. Including 2001 when total giving failed to keep pace with inflation.

To read more:

Advancing Philanthropy, Jan.- Feb. 2008, published by the Association of Fundraising Professionals; www.afpnet.org

Chronicle of Philanthropy, "2008 Outlook" Jan. 10, 2008 "Direct Mail Appeals Suffer, New Survey Finds" by Holly Hall, Jan. 8, 2008.

"Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy" at [Read \(PDF\)](#)

About the author: Kevin Johnson has more than 27 years experience working with public service organizations. His experience includes a variety of roles including college Vice President, Director of Development for a national environmental organization, Acting Executive Director for a large children's service organization with 68 staff, Endowment Director, and Planned Giving Officer for a national conservation organization. Since 1998 he has helped start or build more than 70 major and estate gifts programs. He has earned the designation of Certified Specialist in Planned Giving from the Institute of Philanthropic Studies, California State University.