

AHP in the News
Fundraising Focus Critical During Slump
Stanford Social Innovation Review
by Todd Cohen
October 6, 2008

With the economy tanking and its impact on charitable giving uncertain, nonprofits should stay calm, stay focused and keep a long-term perspective.

Two new reports suggest Americans keep giving even in tough times, and nonprofits should gear for tough times by tuning up their fundraising fundamentals.

“When the economy shows stress, whether it is a recession or not, giving may grow more slowly,” says a new report by the Giving USA Foundation that looks at historic trends in giving during recessions and economic slowdowns. “It is important to note that giving still grows.”

A separate study for the Association for Healthcare Philanthropy that looks at historical data on economic cycles and charitable giving says total philanthropic giving during the past four decades grew at double the growth rate of gross domestic product, accelerating since 1996.

But the weak economy and political uncertainty could be a short-term drag on charitable giving, and while tax increases could reduce the cost of giving, they also could slow down wealth creation, the study says.

In its report, the Giving USA Foundation says the most important step nonprofits can take to raise funds during a recession or downturn is “to ask people for contributions in a clear and focused manner.”

Key steps to successful nonprofit fundraising, the report says, include:

1. Working closely with the board “to make sure each board member is a current donor and an advocate for the organization’s vision and purpose.”
2. Developing and following a “fundraising, communications and stewardship plan” that will make it easier to stay focused, maintain momentum and “say no to good ideas that could divert resources unproductively.”
3. Focusing on efforts to renew gifts from current donors. “Take no donor for granted,” the report says. “Thank donors, recognize their contributions and let them know of the accomplishments they have made possible.”

4. Maximizing the use of all fundraising tactics available, including thank-you calls by volunteers; online giving options; information about planned giving sent to loyal, long-term donors; and effective use of public relations and media relations.

The study for the Association of Healthcare Philanthropy says nonprofit hospitals and health-care systems enjoyed high growth rates since the mid-1960s because of greater professionalism in their fundraising practices.

So a key to effective fundraising in today's tough economy, the study says, is "continued attentiveness to building the trust of established individual, corporate and foundation donors in the value and openness of our efforts."

By putting their fundraising fundamentals in order, nonprofits can gear themselves to effectively address critical social needs that only will grow as the economic storm rises.