



## A Year of Challenge and Concerns

By Sharon Danosky



Non-profits have hardly ever been on a solid footing. Funding is often precarious, especially for those organizations who receive any kind of government support. Those that rely on philanthropic support can also be at the whim of their donors. Pet charities and “charities du jour” often compete with organizations that have held donor loyalties and vice-versa. Yet, since 2008, many non-profits have been on the precipice and the environment is not improving.

I think I am safe in saying that many non-profits thought by 2013, the impact of the financial crisis would be waning and hopefully they would be on a more secure footing - though not yet on solid ground. Unfortunately, philanthropy has not yet reached levels of 2007; there is more competition for the dollars there are, and more non-profits come into existence competing for the resources there are. On top of that are the tax implications of the fiscal cliff “resolution”, the potential threat to the charitable deduction for individuals of high net worth and the looming debt ceiling discussions - which will reduce funding for many non-profits in this country.

Surviving these challenges are not for the faint of heart. Yet, survival for many is essential, because in the face of these cutbacks is the reality that the non-profit sector places a critical role in our society - from issues of quality of life, sustainability on our planet and being the beacons of hope for so many facing real challenges.

In the next years we will be looking at another cliff -- this one will be the human cliff. And if the fabric of our society is to survive, then it must be strengthened. That work will, alas, fall to the non-profit sector and the men and women who govern them, manage them and yes, support them.

There are a number of things that non-profit organizations can do right now to be on better footing.

- 1) Understand what is at the core of your mission and the impact your organization is having. Strengthen those things and let the others go. Having the greatest impact you can is job one today, no matter what your organization may be.
- 2) Plan. It's not business as usual, with your annual business plan. Understand your financial situation and how it relates to your impact -- what is the relationship between your mission and your margin - then work on strengthening it. Engage in real scenario planning, so you will understand the variables that will be affected by programmatic changes you may make.
- 3) Strengthen the relationship with your donors and build philanthropic support that is donor-focused and sustainable. Sustainability means donors are renewing each year, so focus on retention strategies that will build support year over year.

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- 4) Communicate. While social media is good, comments posted on Facebook and elsewhere do not build the community support that is necessary to serve constituents, advocate on their behalf and shore up funding for the future. Implement a solid, multi-faceted communication plan that will position your organization to receive the recognition and support that will help you in continuing to have the impact that is so important.