

How to Thrive when the Economy Doesn't

By Sharon Danosky

Wall Street saw one of its worst weeks in decades. And what is felt on Wall Street usually is felt on Main Street in short order. With economic challenges continuing to mount and uncertainty looming in the future not-for-profit organizations are bracing for difficult times ahead. Because losses experienced during one year cannot be offset the following, a downturn in philanthropic support exacerbated by government cutbacks can plunge not-for-profit organizations into precarious waters. The economic strife predicted for and by many non-profits also comes at a time when their services are often in greatest demand – often compounding the problem.



Ironically that may just be the hedge against lost philanthropic dollars. Many non-profits experience enormous frustration at the growing numbers of people they need to serve with fewer dollars; however, history has actually shown that when there is a greater need; most Americans respond more generously.

What history also tells us is that it is not all gloom and doom. Statistics compiled by The Center on Philanthropy at Indiana University after 9/11, based on data provided by Giving, USA (a publication of the AAFRC Trust for Philanthropy) found that for the past 40 years (since 2001) total giving increased every year but one (1987). During a recession philanthropy continued to grow, but at a slower rate. It also found that certain sub-sects of the non-profit sector are more vulnerable and are more affected than others.

Further, in a 2001 survey conducted by Independent Sector, half of the Americans interviewed said that they would potentially reduce their charitable giving if the economy worsened. Equally important, however; the other half said it would have no impact. And a most recent study by The Chronicle of Philanthropy showed that of 77 businesses that offered predictions for how much they would donate in 2008, 50 said their giving would remain the same; 21 expected it to increase and only six said their contributions would decrease.

The reason non-profits exist is because there is a societal need. And those 'needs' are at their greatest when times are most difficult. Simply because the economy is in a downturn, does not mean that not-for-profits are facing troubling times. We need to shift the conversation – non-profits are not in trouble – they fix trouble. They are the ones who have the short-term band-aids and the long-term solutions to today's problems. And for that reason, they are worthier than ever of financial support.

The following are eight proven strategies that not-for-profits can use to not just weather an economic turndown – but to potentially thrive during the worst of times.

Focus on the message –

What is the story you have to tell? Why do the people you serve need your help? How can you change the world? The reason your organization exists is because you make a difference. To the people you serve, to the community and to the world. And it is your responsibility to communicate that. If you provide services to people who are disenfranchised, then the safety net you offer means that the community will recover more quickly from an economic downturn. You make a difference because you are able to help people keep their homes, feed their children, find work, access health care, provide child care and offer solace to the soul. As a not-for-profit you must tell your story in terms of how you make a difference – simply and from a humanistic perspective. People do not give to “needy organizations.” People give to people, they give to lofty causes; they give to make our world a better place for all to live. Focus on your message.

Bring solutions forward

The community – the entire community – must understand the value you bring to them. Whether they are a small business, a large corporation, a neighborhood group or a family, they will support you if they understand the value you bring – and the solutions you have to the problems your community is facing. There are many venues through which you can bring your message forward. Host meetings with the editors of area newspapers; or smaller town meetings where community organizations and individuals can gather. Business and chamber meetings are effective because businesses can learn how you are addressing the concerns that confront them – housing, food, health care. Letters to the editors; e-newsletters; small events – wherever you can gather one or more – use it to tell your story. And do it often – messages need to be reinforced.

Engage your community

People give when they understand your story and are personally engaged. This is the time to invest in volunteerism. Many corporations and businesses will support volunteer efforts. Individuals want to make a difference during difficult times – especially if they have been spared some of the trauma’s that their friends or neighbors may be experiencing. Once people are engaged and see the work – and the difference you make – they are engaged. Then they become your emissaries and ambassadors. And they even contribute and help you to raise funds. An engaged volunteer holds some of the best fund-raising potential once you unlock the door.

Keep your donors close

Businesses know that it takes more to cultivate a new customer than to keep an existing customer. Raising funds is no different. This is the time when the care and nurturing of your current donors is critical. Communicate with them often. Share your story. Do not leave a donor stone unturned. These are the people who care about you most – and it is your primary responsibility to keep them closer than ever and more committed to your cause.

Renew old friendships

There is a song we learned as children – “make new friends and keep the old. One is silver and the other gold.” At no time is that song more relevant than when times are difficult. While you are keeping your current donors close – go back and look at those who haven’t given to you in a few years. Maybe they haven’t moved on – maybe they just haven’t felt the urgency of your cause. Take that message and direct it loud and clear to all those donors who have given to you in the past several years. Court them, woo them and urge them to return to the fold. Then keep them close.

Ask unabashedly

Ask. Ask. And ask again. This doesn’t mean becoming overbearing. But it does mean being very clear and very direct. Every meeting you have should include asking for support – and showing them how they can make a difference by giving. Every e-mail should include an “ask” – maybe even after every paragraph. Share why you are seeking their help – share how they can make this world, your community better. Help them share in the dream. And ask them to join. We all want to make a difference. We are all just waiting to be asked.

Share your successes

You will be successful. There will be wonderful stories of your success. The person whose child received the healthcare they needed; the person who volunteered and their life was changed; the job found; the home saved; the family fed. Sometimes it is “baby steps”; sometimes you have scaled a mountain. Whatever the success ... share it! And share it often and in many different ways.

Start all over again!

Add your success stories to your message. Refocus your message; bring solutions forward; engage your community; keep your donors close; renew old friendships; ask unabashedly; share your success and

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