



Strategies to Future-Proof Your Fundraising Program





INTRODUCTION

Philanthropic giving has long been impacted by the state of the economy and although the data during the COVID-19 pandemic looks promising, the truth is no one can say with absolute certainty what will happen next or what impression it might leave. Even with these uncertainties and fluctuations in mind, Campbell & Company offers a guide that supports you to move into your fundraising planning mode.

Inflation as well as expectations for another United States recession are among the top concerns for many investors, according to CNBC's article "Main Street is convinced that a recession will hit the United States economy," published on May 5, 2022.¹ With economic uncertainty on the horizon, there's no better time to continue planning for a future downturn. This resource guide explores what we learned from the pandemic and offers practical strategies to help you maintain a strong fundraising program—boom, bust, or otherwise.

WHAT WE LEARNED FROM THE PANDEMIC

Though total giving grew 4.0 percent between 2020 and 2021 in current dollars, giving remained relatively flat when adjusted for inflation, with a change of -0.7 percent. On the receiving end, giving stayed flat or grew for six of the nine major recipient subsectors in inflation-adjusted dollars.²

Throughout the pandemic, donors rallied around their communities and gave to organizations serving basic needs. Religious organizations received the largest share of charitable dollars in 2021, the education subsector comprised the second-largest portion of charitable dollars, and human services organizations ranked third in total gifts.²

With the nonprofit sector's changing landscape influenced by economic fluctuations, Campbell & Company offers guidance that will allow your organization to bring in a steady flow of charitable donations to future-proof your fundraising programs.

1. "Main Street is convinced that a recession will hit the United States economy," CNBC, May 5, 2022, by Eric Rosenbaum. <https://cnb.cx/3KS0cvv>

2. Giving USA 2022: The Annual Report on Philanthropy for the Year 2021. Researched and written by Indiana University Lilly Family School of Philanthropy. Sponsored by Giving USA Foundation, a public service initiative of The Giving Institute.

FIVE STRATEGIES TO PREPARE FOR ECONOMIC DOWNTURNS AND PROTECT NONPROFIT ORGANIZATIONS WHEN THEIR SERVICES ARE NEEDED THE MOST



INVEST IN RELATIONSHIPS

Relationship management is a long-term plan: you don't want approach your major donor prospects for the first time in a crisis. It takes months, sometimes years, to grow a meaningful relationship from identification, cultivation, and solicitation, to ongoing stewardship.

Cultivation of transformational and leadership gifts can take many years. Accepted best practice indicates it takes 4-6 visits over 12-18 months to close a major gift. Asking too soon or with a rushed sense of urgency might mean you are leaving capacity behind.

By investing in relationships, you are more likely to rise to the top of a donor's charitable priority list. If donors cut back on the number of charities they support, having authentic, close ties will retain your place at the top of their philanthropic list. It's also helpful to know what other charitable interests your donor has, so you can build them into your discovery and cultivation efforts down the road.

Every generation responds to nonprofit outreach methods differently. Remember, there is a strong argument to be made that with younger donors on your side, your organization will most likely see increases in giving to causes they are passionate about.³

GET THE RIGHT PEOPLE ON BOARD

Fundraising is never easy, but it's even harder in a recession when resources and optimism are thin. You need a development team that can get you through difficult stretches. Take an inventory of your team and consider building out these skills and structures before a recession strikes:

- Do you have the skills and interpersonal qualities on your team that you need to carry you through tough times: resilience, optimism, collaboration, and commitment to the mission?
- Is your structure balanced and clear? Do managers understand the day-to-day responsibilities of their team? Can they step in as needed? Do team members understand the impact of their role? Are reporting lines and decision-making authority clear?
- Do donors have "many ropes to the ship," or do they only know one person in the organization? How can you build out multiple staff connections for your donors to ensure a stronger bond?
- Is there a crisis communications person on staff or an external stakeholder who can communicate with donors in an urgent situation?
- Do you have a performance management system in place that includes simple inputs (i.e., number of meetings, qualification calls) and outputs (i.e., revenue, retention rate)? A regular system of performance review builds a culture of accountability and provides critical information on staff performance.

3. "Empowering your Generation X donors," GiveSmart by Community Brands, August 17, 2021. <https://www.givesmart.com/blog/empowering-your-gen-x-donors/>

INVEST IN TOOLS AND SYSTEMS THAT WILL SUPPORT YOU WELL INTO THE FUTURE, NO MATTER WHAT IT HOLDS

Build your online fundraising program: Digital channels and strategies provide a cost-effective way to solicit donors and meet them where they already are on their phones, in front of their computers, and on social media. Campbell & Company's growing body of online fundraising content covers everything from donor personas and mobile optimization to website design, giving days, A/B testing, and beyond.

Double down on recurring giving: Monthly donations continue to deliver the most potential for sustainable revenue compared to other frequencies, based on average donation amount and retention.⁴ Besides providing the peace of mind that comes with reliable revenue, recurring donors also tend to be much more likely to be retained year over year.⁵

Clean up your database and know who your contacts are: For your database, this can mean deleting old reports, dashboards, or queries that are no longer used. Alternatively, marking those old funds and campaigns as inactive will keep them from appearing in dropdown menus and getting in the way of data entry. Saying "thank you" to each record before you delete it is optional (but highly recommended).

Do not rely solely on event revenue: Fundraising events are often major dates on the fundraising calendar. However steeped in tradition or beloved they might be, fundraising events are typically the most expensive way to raise money (by far!) and can be a major drain on staff and volunteers. In times of crisis, these events are often seen as excessive and, in some cases, inappropriate if they trend toward the lavish. Ensure you have other means of raising funds outside of events.

⁴ "The State of Modern Philanthropy 2022: The Path to Lasting Donor Connections, Classy 2022. <https://donationtrends.classy.org/#executive-summary>

⁵ "Three tried and true techniques that encourage monthly giving," Classy, by Allison Gauss. <https://www.classy.org/blog/3-tried-and-true-techniques-for-successful-monthly-giving/>





AVOID SURPRISES WITH YOUR BOARD

Having difficult conversations about financial sustainability with your board can be, well, difficult – but waiting until a downturn or crisis will only make those discussions more challenging. If your board has fiduciary duties, establish transparency and communication between your board and financial leadership to avoid surprises.

If your organization has investments in the market, consider revisiting the risks associated with these investments to ensure the safety of your assets and endowment. And as nonprofits in metro areas increasingly face tough real estate markets, consider taking your board through a conversation where you reflect on the fixed costs associated with things like rent and operations. Is there an opportunity for you to think about an office move now? Or a tech investment that will enable you to optimize your operations in a more cost-effective way over the long term?

Take the opportunity to look at the matrix of skills on your board. This should be something you’re looking at regularly, but it’s a good time to consider what gaps you may want to prioritize filling.

As part of that matrix review, consider if your board has the capacity to step up their giving if needed. Much like

a capital campaign, donors look to the board in a time of crisis to see how they are responding before they will commit. Is your board equipped to support fundraising as givers and referrers in a time of financial need? If not, consider additional training on how to successfully partner with fundraising.

FIND YOUR “NORTH STAR”

In times of financial uncertainty, it is critically important that your mission, vision, and values are embraced by staff, board, volunteers, donors, and community stakeholders. This will be your “North Star” as you navigate trying times.



A current strategic plan and a well-articulated case for support will guide leaders when making difficult decisions about what activities are non-essential and what is core to achieving your mission.

Throughout our 46 years of practice, Campbell & Company has helped nonprofits build philanthropic support during economic highs, lows, and everywhere in between. While navigating a downturn is always challenging, we’ve found that proper planning can make all the difference.

We hope these recommendations help you build a resilient fundraising program and carry out your mission, no matter what the future holds.

THE CAMPBELL & COMPANY DIFFERENCE

For over 46 years, Campbell & Company has partnered with nonprofits across the country to advance their missions. In every service we provide—including fundraising consulting, analytics, communications, executive search, annual giving counsel, and more—we follow our mission statement, “to collaborate and innovate with people who change lives through philanthropic vision and action.”



LOCAL KNOWLEDGE WITH A NATIONAL PRESENCE. With staff on the ground in six cities, Campbell & Company has in-depth expertise in many of the nation’s leading philanthropic markets. As a result, we can help you reach donors wherever they are and develop strategies that match the landscape.



TEAM APPROACH. Campbell & Company’s team approach to campaign planning and counsel relies on partnership, and a collaborative team of experts tied to a nationwide network. The mission-driven organizations we work with can leverage our firm’s expertise in the nonprofit sector, ensure they own their philanthropic relationships, build institutional knowledge, and increase their fundraising capacity.



WE KNOW NONPROFIT ORGANIZATIONS. Campbell & Company has worked with over 2,000 nonprofit organizations of all sizes and missions across the country. By engaging in thought leadership, conducting original research, and building strong ties throughout the nonprofit world, we are deeply connected to developments and best practices in the sector.



DEEPLY ROOTED IN THE NONPROFIT SECTOR. We are active members of the Giving Institute, adhering to the Giving Institute code of ethics, and contributing to the annual Giving USA report. With this involvement in the nonprofit sector, Campbell & Company is committed to advancing the field of fundraising and deepening our understanding of philanthropic trends.

Contact us at **877.957.0000** and/or info@campbellcompany.com for more information or to launch the Campbell & Company Team within your organization today.



Campbell & Company is a national consulting firm that helps organizations create greater impact through fundraising, executive search, communications, and strategic information services. Since 1976, Campbell & Company has helped shape the evolution of fundraising as a practice in all sectors, including human services, arts & culture, education, healthcare, environment, associations and membership organizations, and civic and public affairs.

Underlying all our work is a shared focus on the Campbell & Company mission: to collaborate and innovate with people who change lives through philanthropic vision and action. Visit us at www.campbellcompany.com and connect with us on LinkedIn, Twitter, and Facebook.