



Thoughts and Guidance on Addressing the Current Economic Environment: Fundraising in a Difficult Economy

As the largest community of fundraisers in the world, the Association of Fundraising Professionals (AFP) and its members are concerned about the state of the economy and its impact on charitable giving and fundraising. AFP is confident that many donors will continue to give and give generously, but it is clear that philanthropy during these tough economic times is changing.

To help inform discussions among our chapters and members about responding to the current fundraising environment, and to provide support and guidance to all nonprofit organizations, AFP has developed the following recommendations. Our intent is to be both helpful and thought-provoking. As such, these ideas represent global recommendations and advice for on-the-ground implementation.

In addition, AFP has developed an Online Fundraising Survival Kit that contains links to articles and advice from a variety of authors and fundraisers. Find the toolkit at [this link](#).

About AFP

The Association of Fundraising Professionals (AFP) represents more than 30,000 members in 200 chapters throughout the world, working to advance philanthropy through advocacy, research, education and certification programs. The association fosters development and growth of fundraising professionals and promotes high ethical standards in the fundraising profession. AFP members are required annually to sign the association's *Code of Ethical Principles and Standards*, which was first developed in 1964. AFP instituted a credentialing process in 1981—the Certified Fund Raising Executive (CFRE) designation—to aid in identifying for the giving public fundraisers who possess the demonstrated knowledge and skills necessary to perform their duties in an effective, conscientious, ethical and professional manner.

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1) Yes, we can! As the leaders of development efforts around the world, fundraisers must ensure that they keep their cool and do not panic. But perhaps even more important is ensuring that others associated with the organization—staff, board members, volunteers and key supporters instrumental to your fundraising efforts—do the same. You can still raise money, you can still meet your mission and you can still identify new donors. But many people may still be a bit shocked about the economic situation and unsure about how to proceed. The fundraiser must lead by example through words and action. Body language is critical in fundraising, so your organization’s fundraising staff and volunteers have to not only say it, but understand it and BELIEVE it.

2) Be candid. Ensure your colleagues and volunteers maintain their perspective by being “realistically optimistic.” Nearly everyone is affected in some way by the current economic situation. Talk frankly, but optimistically, about what is happening to your organization and what lies ahead. Volunteers and staff need to know the challenges—and opportunities—that your organization faces, especially from a fundraising perspective. Ignorance is NOT bliss. Board members and senior staff especially need to know what your organization’s fundraising may look like so their expectations are not inflated. They also need to know the resources you need to be successful so they don’t make panic cuts and eliminate mailings or other important programs.

3) Stay positive. Being realistically optimistic with your supporters and donors means being candid about your organization’s outlook and the needs it is trying to meet. The “sky is falling” approach probably won’t work, but that doesn’t mean organizations shouldn’t appeal to need. Your organization may well face an “emergency” or “crisis,” but what is more important is to show that you have a plan and are taking steps to address whatever emergency or crisis arises. Philanthropists will respond to community need, but they will be hesitant to invest if the message you are sending them is that the organization might not be around tomorrow.

4) Remember your mission. Your organization exists to meet the needs of your community, not the needs of your organization. Don’t talk about how poorly your organization may be faring. Every organization is having challenges. Your organization exists to meet a community need. Donors want to hear about that need, and they want to hear about it in a candid, straightforward manner.

5) Act! Planning is important, but so is doing. Your plan can always be improved. There will always be a better time to implement a new program. At some point, you must do something. Incremental steps will likely be the best approach in this economic environment. Put equal weight on planning and doing.

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6) Don't Stop Asking. After Sept. 11, 2001, many organizations decided to postpone or stop their fundraising activities, and in almost all cases, this tactic was a mistake. Be sensitive to your donors, but realize that the economy has affected people in different ways. Many are still willing to give in hard times. Sometimes they will give more.

7) Remember and Report Your Data! The giving history of your country is not nearly as important as your organization's own giving history. Giving in the U.S. has decreased only once over the past forty years, and giving in other countries has generally been increasing. These numbers should give fundraisers some confidence looking ahead, but the figures are not as important as what has occurred to your own organization over the past several years and knowing your donors. Getting back to the point about maintaining perspective, national trends are not something your organization should necessarily focus on now. They provide the "realism," but the "optimism" should come from your charity's own fundraising numbers and any positive trends and gifts that have occurred. Reporting the good news—to staff and volunteers alike—will be essential for morale during these challenging times.

8) Understand the Challenge. In AFP's *2008 Holiday Giving Survey*, just 30 percent of respondents (U.S. and Canadian fundraisers) believed their organizations would raise more money in 2009 than in 2008. That figure is very low compared to previous AFP surveys. On average, about 60 percent of respondents to AFP's State of Fundraising Surveys since 2000 have raised more money in one year compared to the previous year. The lowest figure ever was in 2002, when 49 percent of charities raised more money that year than in 2001. Unless there was a significant surge in December (and all early indications say this is not the case), 2008 statistically could be one of the worst years for fundraising in many years. And 2009 is on track to be equally, if not more challenging.

9) Strategies and tactics. Different strategies and tactics work well for different organizations. There are numerous pieces of advice related to "stick with your plan," "think outside the box," and "focus on what you do best." From AFP's point of view, the most cogent pieces of advice are:

DONOR RETENTION IS CRITICAL

Retention must be every organization's top priority. With donor gift "upgrades" and multi-year pledges slowing down considerably, there has already been a significant shift by the most sophisticated non-profit organizations to focus on simply keeping donors on board. In the January/February 2009 issue of *Advancing Philanthropy*, the cover article addressed the critical need to retain current donors during tough times. The key to achieving this goal is thoughtful and strategic donor stewardship.

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STAY CONNECTED

Stewardship is fundamental and instrumental. Now, more than ever, this is the time for connecting with existing donors and lapsed donors, and ensuring that donors who give now will continue to give in the future. Integrate your communications—letters, phone calls, email, newsletters, giving clubs—to stay in close touch with donors.

INCREASING VOLUNTEER INVOLVEMENT

Volunteer and board development are worth the time and effort. If people give to people, then having a core of knowledgeable and dedicated supporters should be the foundation of your fundraising efforts right now. Training volunteers and activating key supporters may seem like a low priority in this environment, but the effort will be worth it in the long term and quite likely in the immediate short term as well.

SEGMENT, SEGMENT & SEGMENT

Segment and personalize appeals, but do so in a cost-efficient manner. Spend more time and resources on personalizing appeals for individuals most likely to give. This goes back to the importance of a strategic plan for your fundraising, in which you have already identified key targets and audiences with the right messages in the appropriate environment. Be as precise as you can in all of your activities. The attention to detail will pay dividends.

RISK-TAKING

Don't think too far outside the box. Be optimistic? Yes. Be aggressive? In some select areas, yes. But is this the time for the new innovative program or campaign that defies your typical thinking and philosophy? Probably not. Some organizations may prosper by doing exactly the opposite of what most organizations are doing and implementing major new programs. But beware, as there is risk in putting too much emphasis on a new fundraising program right now. Stick with proven methods.

COLLABORATE

It's time to partner. Whether it's in program service or in fundraising, working with other charities can cut costs and keep your name in the public eye. Collaboration can extend to mailings, events and other fundraising methods. Further, while it is true that foundation and corporate funding is decreasing, those funders are still interested in forming partnerships with collaborative organizations.

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CONTINUE AWARENESS ACTIVITIES

Don't cut marketing and advertising. Keep it steady and consider increasing it. Media outlets are feeling economic pressures as well and will most likely offer very good deals. In addition, if other organizations are cutting back (as undoubtedly many are), your message will stand out even more. Those nonprofits that continue to market and advertize will be in the best position to raise even more funds when the economy improves.

PROTECT YOUR BRAND REPUTATION

Your brand—what you are known for and how people think about you—is critical. Don't damage or short-change your reputation by cutting corners. This of course applies not only to ethical behavior, but also to presentation of materials, quality of products, etc. Just because times are tough doesn't mean that donors no longer care about quality or clear and solid presentation of information and data. To the contrary, stress your brand and solidify your good reputation through informative and compelling messages and materials.

10) Focus on the long-term. In tough times, for-profit companies accept short-term reduced growth, focus on their strengths and plan for longer-term overall growth. In a similar fashion, charities should take the long-term approach. Continue to market and conduct bequest and legacy programs, even if it's likely you won't get much benefit this year. Also important is stewarding previous donors who are not able to give now, but may be able to give in the future when the economy improves.

11) YOU have control! Remember that you are not at the mercy of the economy and blind luck. The decisions made by charities have more influence on their future success than anything the economy might do. You have a significant amount of control over your charity's fundraising fortunes. Good strategic and tactical decisions, made through due diligence and consultation with colleagues, volunteers and supporters, will most often result in positive numbers over the long term.

All of us at AFP hope you find this guidance to be instructive, encouraging and most of all, useful on the job. Please share with us your own thoughts, tips and experiences in these challenging times via email at paffairs@afpnet.org.