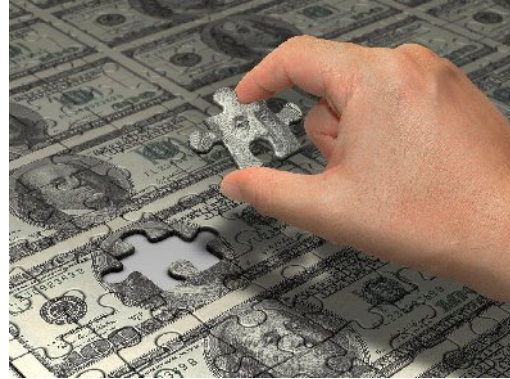


10 Keys to Effective Fundraising in a Soft Economy

By Frank W. Bennett and Sage Labs

Fundraising in a soft economy offers unique challenges to nonprofit organizations. The bad news is that you will find many doors that were historically open to you suddenly closed. The good news is that the most effective fundraisers are still able to raise significant funds. The first understanding your organization must embrace is that fundraising in a soft economy is not a yes or no question. While you may not be able to tap some resources that have historically contributed to your organization this does not mean that the funds are not replaceable. To be effective you must rethink your assumptions, broaden your scope, and approach your fundraising efforts with a clean slate. When you take these steps you will find opportunities in places that you never previously considered.



In this article we offer 10 tips for maximizing your fundraising efforts in a soft economy. These tips come directly from organizations and fundraisers who have shown the ability to consistently achieve or exceed fundraising goals during soft economies. We hope that these tips will help your organization grow during these challenging times.

1. **Focus on the Prospect's Needs:** In difficult times the organizations that make the most convincing case for support get the funding. As Tom Ralser states in his book *ROI for Nonprofits*, "When investors are shown that their money is making a difference and their investment is paying off, they are more likely to keep investing".
2. **Match the Message to the Prospect:** This sounds similar to #1 but it's somewhat different. Once you have developed a compelling case for support, in challenging times it is more important than ever that you match your message to each individual prospect. Remember the 80/20

rule. 20% of organizations are going to get 80% of the dollars available. The ones who win are the ones who present a case for support that matters most to each individual prospect.

3. **Widen Your Net:** This is the time to analyze your current list of prospects and expand it. Every organization has corporate, foundation, and individual potential donors who have never been properly solicited for support. Don't limit your opportunities by assuming you can't broaden your base.
4. **Know Your Industries:** Historically speaking, in soft economies some industries are significantly impacted while others see only a minimal effect. It is important to understand this when approaching prospects. Failure to understand the importance of this concept can greatly impact your returns. We once had a business executive at a medium-sized organization tell the following story: "I had this guy representing a local museum see me about getting involved during the recession in the early 90's. Before he came in I was fairly receptive. By the time he had spent the first ten minutes of our meeting talking about how bad the economy was I was no longer interested." It just so happened that the executive's business had only been marginally affected by the economy and the presenter's assumptions caused the conversation to spiral down hill. Don't assume that things are bad everywhere. Do your homework before you go in.
5. **Know Your Foundations:** Understanding the historic tendencies of foundations in your community can lead to large commitments. Regardless of economic cycles, many foundations are required to give out an amount of money every year. Understanding each foundation's rules for giving will lead to increased funding for your organization.
6. **Focus Long-Term:** Even organizations that are struggling understand that the economy cycles and it will eventually get better. Often in soft economies nonprofit organizations can procure 4-5 year pledge commitments from even the most economically impacted companies. History shows that with an effective investor/donor relations program more than 95% of these long-term commitments are fulfilled for the length of the commitment, which makes this a very effective tool to use during challenging economic times.

7. **Keep the Goal in Mind:** While we have found that fundraisers may get a few more “no’s” in a soft economy, they can still achieve overall funding goals through sound campaign strategy. It may take more “asks” or more creative and effective approaches than it typically might, but your fundraising efforts can still be successful. Keep the end result in mind. Adequately funding your program or project is what really matters.
8. **Do It Now:** Too many organizations reflexively delay fundraising efforts because of economic cycles. Our research has found that this is the wrong choice to make in almost all instances. When you consider the dollars you are trying to raise, the true impact of economic forces, and the competition in the market, it is usually best to move forward with your fundraising initiative instead of delaying. In many cases the slow economy causes the competition for money in the market to decrease substantially, which actually throws the balance of dollars available relative to organizations asking in your favor.
9. **Don’t Interrupt an “In Progress” Fundraising Initiative:** When you interrupt a fundraising initiative mid-process you do far more damage than you think. First, you negatively affect your brand. Many of the people you called on during the feasibility study or who have been cultivated by early campaign efforts shouldn’t be left hanging. If they do not hear back from you they assume that something is wrong at the organization and may be less likely to respond favorably down the road. Moreover, a key element of most winning campaigns is projecting success and creating momentum. Nothing kills momentum or broadcasts impending failure more than calling a time-out. Any small advantage that might be gained by waiting for an improved economic climate will be greatly outweighed by the daunting psychological and strategic hurdles of trying to re-start a previously abandoned effort.
10. **Be Positive:** Often the language leaders use within an organization dictates the tone of fundraising and other efforts. Sage Labs recently conducted extensive research on the impact of the economy on nonprofit fundraising and found that the largest difference between the organizations who continued achieving their goals and those who did not was the attitudes of the leadership. The organizations who consistently achieve better results saw the economy as a challenge that could be overcome. Those who over perceived the significance the soft economy was going to have on their fundraising efforts saw a much greater impact

on their bottom line. It's a self fulfilling prophecy. Stay positive and you will see better results.

References: Ralser, Tom. ROI for Nonprofits: The New Key to Sustainability. (New Jersey, John Wiley and Sons)



Frank W. Bennett has gained a national reputation as one of the most unique management and marketing working today. Frank is most commonly known for writing the highly acclaimed management book *The Breathing Organization*.

Frank has consulted for companies in dozens of different industries on employee management, intra-company communication, marketing, and client development issues. Different variations of Frank's management theories have been implemented in companies worldwide.

In his role as Vice President and Lab Administrator with Sage, Frank splits time between helping nonprofit organizations with marketing and brand development initiatives and leading company research efforts.