

Helping Hand

A Fundraising Newsletter to Help Those
Who Help Others

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

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from the organized desk of
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Telling Your Story

I started out as a student journalist, and I find that I still think in terms of what budding newspaper writers are taught to do: Answer these five questions — **Who? What? When? Where? How?** — in the lead of the story. As we move toward the end of 2021, it's a good time to apply these journalism basics to our daily work of philanthropy.

The world gets more complex, the number of non-profits keeps rising, and the clutter in our ever-increasing channels of communications grows. So with a nod to some "old school" thinking, let's get back to the basics of telling your story:

Who? Who does your non-profit serve? Draw your donors a word picture of someone who benefits from your organization's existence. If you feed the hungry, tell us about someone who came in last week. If you provide scholarships to first-generation college students, give us a profile of a success story. Be specific (while omitting identifying details for privacy reasons), and let the soul of the person being served shine through.

What? What do your organization do? Tell your donors, in simple, straightforward language, what you do to carry out your mission. If your organization provides front-line services, this part may be a bit easier than if you are part of a large university system or the United Way. But you should be able to articulate what your non-profit does in a couple of sentences. If you can't, go talk to your colleagues in programs.

When and Where and How? Answering these questions can help you move your case for support from the indeterminate to the well-defined. These questions also help you quantify the impact of your charitable mission, *and* what you could do if you had more resources. How many people do you serve a year — and how great is the unmet need? Where does your work typically take place — and where would you expand if you had the dollars to do so? When are the times you most need help, and has that changed over the years?

My aunt is very involved in a program that provides warm clothing and toys for children during the holidays. Until 2020, they used October and November to make a major push for monetary donations. Last year, when people were not traveling so much due to the pandemic, they decided to make their push in the summer months. The result? They not only met their goal for donations; they exceeded it. It turned out that donors completely understood the need to have the money well in advance of the time it was to be spent on boots and bicycles.

The final question is **Why? This is ultimately the heart of your case for support.** Why does your non-profit matter? Why should donors support your mission? Why do people need the work you do, and what would happen if your organization wasn't here to help them?

I have noticed in the field of philanthropy that we often try to answer this question first: we are mission-driven, after all. My advice to you, however, is to answer this question last. After you have defined the **Who What When Where** and **How**, the **Why** should be clearer.

And once you've written your story, send it in advance to a couple of donors who will give you honest feedback, run it by a trusted funder, or let a colleague in another organization read it over for you.

Since you are near the end of your year-end campaign, it's not too early to get a head start on your message for 2022...it's always the right time to go back to the basics.

Alexander Haas wishes you a bright and successful end-of-year fundraising effort.

You Should Know

Donors Show Up for GivingTuesday to the Tune of \$2.7 Billion*

In its 10th year, **GivingTuesday** bested all previous fundraising records. Despite concerns that Americans wouldn't feel the same urgency to give as they did last year, donors turned out in droves.

Donations on November 30 rose by 9% this year, totaling an estimated* \$2.7 billion in the US alone. The donations top last year's record, when American donors gave nearly \$2.5 billion in the aftermath of the racial justice protests and amid growing needs brought on by the COVID-19 pandemic. An estimated 35 million individuals participated in the November 30 event in the US, a 6% increase over 2020. These donors gave an estimated \$2.7 billion over all, a 9% increase over 2020.

"This extraordinary show of generosity lit up the world against a backdrop of a dark two years," said **Asha Curran**, co-founder of the giving day and CEO of the nonprofit GivingTuesday. The day "was about millions of people celebrating their ability to meaningfully impact their communities and the world." *AP*, 12-2

Data You Need to Know At Year End

For many nonprofits, the biggest fundraising days of the year will fall over the next four weeks. While donor surveys aren't always reliable indicators of future fundraising success, several recent studies suggest that donors at least plan to be generous.

- A greater share of people who gave at least \$20 in 2020 plan to continue to give now than at the start of the Covid-19 pandemic, according to the results of a July survey.
- Eighty-seven percent of those donors said they plan to continue giving — a sharp increase from the 78% who said that in September of 2020.
- Of those donors, 59% said they plan to give “more sparingly or carefully” than before. Seventeen percent of donors said they plan to give less in 2021 than previously.
- More than one-third of respondents in another survey of donors said they had given more during the pandemic than before it started.
- Among donors who started giving to a nonprofit during the pandemic that they hadn’t supported before, 29% said they were very likely to follow up that first-time contribution with a monthly gift.

New analysis from the **Association of Fundraising Professionals Foundation for Philanthropy** and **GivingTuesday**, suggests the strong giving of 2020 and the first quarter of 2021 has begun to taper off.

- While giving has not grown as sharply as it did in 2020, the pace of giving and the numbers of donors have remained roughly the same or even a little higher.
- The estimated number of donors increased by 0.7% in the first half of 2021 over the same period in 2020, while the total amount of money given is projected to have increased by 1.7%.
- In a reversal from last year, smaller organizations are experiencing fundraising growth in 2021, while larger groups are seeing some contraction.

The economy continued to grow in the third quarter, and the stock market is doing well. That should indicate positive conditions for fundraisers. A good economy is generally good news for giving. *COP, 11-22*

Trust in Charities Steady, Giving Declining

While public trust has been relatively steady since 2017, overall donor participation rates continued to decline in 2020. A new report found that the share of those who say they “highly trust” charities has ranged between 16.8% and 19% over the last four years. Among the 13 issue-areas analyzed in the study, civil rights and community organizations and environmental groups saw an increase in the share of respondents expressing “high trust” in 2020, while religious institutions and police and firefighter organizations saw a decline.

In eight of the issue areas, the share of respondents giving to a nonprofit in that area fell in 2020, with youth development organizations seeing the largest drop, from 18.3% in 2019 to 13.1%. Five issue areas saw no change or a slight increase in the portion of respondents reporting giving in 2020: social services (26.9% in 2019 and 2020), health (24% and 24.7%), environment (14.6% and 16.1%), and arts and culture (10.2% and 13%).

The survey found that 12.7% of all respondents expressed a desire to be approached more by charities and 20.4% said that they might be willing to give more if approached, with higher rates among African Americans (22% and 28.1%) and Gen Zers (18.6% and 37.2%). And while 33.6% of all respondents said they preferred donating to a charity serving specific needs in their ethnic communities, African Americans (51.4%) and Gen Zers (42.1%) were more likely to say so.

The report, *Donor Trust Report 2021: Profiles in Charity Trust and Giving*, from BBB Wise Giving Alliance’s Give.org, **can be downloaded here**.

More Philanthropic News

New Retained Donors Buoyed Fundraising in Q1 2021

Fundraising levels in the first half of 2021 maintained the increased levels of giving and number of donors seen in 2020, according to the *2021 Second Quarter Fundraising Report from the Fundraising Effectiveness Project (FEP)* of the **Association of Fundraising Professionals**.

Based on an analysis of data from nonprofits that raise between \$5,000 and \$25 million annually, the report estimates that:

- Total fundraising in the first half of 2021 grew 1.7% over the amount raised during the same period last year, while the estimated number of donors ticked up 0.7%.
- Totals for the first six months of the year were buoyed by record increases in the first quarter, when giving and the number of donors were up 10% and 6% year-over-year, respectively; both figures declined in the second quarter.

According to the report, one factor behind the projected growth is the number of newly retained donors — new donors in 2020 who have continued to give in 2021 — which increased 22.9% on a year-over-year basis during the first half of 2021. The retention rate among new donors in the first half of 2021 was up 3.5%, while the rate among repeat donors was down 7.2%. Giving by new retained donors also increased in the second quarter and was the only category to show growth in the first half of the year, up 18.4%.

The report also found that smaller organizations raised more funds in the first half of 2021 than they did in the first half of 2020, while larger organizations raised less than they did during the same period last year. **The report can be found here.** *COP, 11-16*

One Third of Nonprofits Exceeding Fundraising Goals

More than a third of large and midsize nonprofits in ten countries report exceeding their fundraising goals in the past twelve months. The *2021 Nonprofit Trends Report*, from **Salesforce.org**, found that:

- 24% of organizations with annual revenues of less than \$1 million,
- 35% of those with revenues of between \$1 million and \$5 million,
- 40% of those with revenues of between \$5.1 million and \$10 million, and
- 33% of those with revenues of more than \$10 million said they had **exceeded their fundraising goals**.

Between 21% and 41% of organizations in each category reported exceeding their goals in the areas of program delivery, marketing and communications, overall mission, controlling expenses, retraining staff, retraining volunteers, organizational DEI efforts, and staff well-being.

According to the report, 76% of U.S. nonprofits said individual donations were a major source of revenue over the past year. Nearly a third (31%) of all respondents reported providing donors with online access to a dashboard showing impact measurements of their donations in action, 86% of whom said it was impactful and 44% have permanently added that functionality to their fundraising approaches.

Other challenges respondents expected to continue included:

- managing staff and volunteers remotely (84%) and staff retention (85%),
- a large majority of U.S. respondents said their organizations would likely operate virtually and/or no longer have a physical office (86%),
- outsource jobs (84%),
- implement widespread use of AI technology (86%),
- and rely more on technology than on people to run the organization (89%) in the next three years.

PND, 11-26

Funders Maintaining Most COVID- & Racial Justice-Inspired Changes

While nearly all foundation leaders reported making changes to their grantmaking efforts in 2020, not all are necessarily planning to sustain those changes.

A new report from the **Center for Effective Philanthropy** found that nearly all foundation leaders interviewed said that their work with grantees in 2020 was very different (42%) or somewhat different (55%) from their work prior to the COVID-19 pandemic. Of the respondents reporting changes in 2020, 21% said they sustained all changes into 2021, 41% sustained most changes, and 35% sustained some changes.

More Key Findings

- The most commonly reported changes were to reduce the burden on grantees by streamlining grant application processes (76%) and reporting processes (76%).
- The vast majority of foundations that streamlined application processes planned to sustain all (23%), most (39%), or some (33%) of those changes, 1% did not plan to keep them and 3% were undecided.
- While most of those that streamlined reporting processes planned to sustain all (22%), most (31%), or some (36%) of those changes, 5% did not plan to keep them and 6% were undecided. And 61% of respondents reported providing a greater share of grant dollars as unrestricted support, and 65% of them planned to continue to do so, while 10% did not and 25% were undecided.
- Among the 27% that shifted to providing more multiyear unrestricted support, 68% planned to continue to do so, 1% did not and 31% were undecided.
- Most foundation leaders said that racial equity was a more explicit consideration in how they conduct their work.
- Many reported changing how they identify applicants, providing more funding to organizations supporting Black and Latino communities, listening more intensively to grantees, funding systems change, and collaborating.
- To reach more nonprofits serving communities most affected by systemic inequities, 59% of respondents modified their grant application process and 67% modified their selection process — changes that 83% and 85% of those funders planned to keep in place.
- The report found that foundations with more racially diverse boards — those in which at least 25% of the members are people of color — tended to adopt more practices to support grantees and the communities they serve and to sustain all the changes made in 2020 into 2021.

Nearly half of surveyed leaders said that their boards are the biggest impediment to their foundation's ability to advance racial equity. [The report, **Foundations Respond to Crisis: Lasting Change? can be found here.**](#) PND, 11-18

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