

## How to fundraise successfully in difficult economic times

by **Redina Kolaneci**

**Senior Fundraising & Stewardship Consultant**

**McConkey • Johnston international • UK**

Last week CAF published the results of a survey of CEOs of small, medium and large charities which suggested that the slowing of the economy is having a huge impact on charities. Here are some of the findings in a nutshell:

- 72% of those interviewed said that that they have seen demand for their charity's services increase in the last 12 months.
- Almost a third of the charities surveyed (30%) have seen individual donations fall and a further 30% have seen no significant change over the same period.
- Inflation is also impacting on charities with 71% seeing their costs increase.
- A clear majority (88%) of CEOs expect charity income to drop over the next 12 months and three quarters (75%) believe the country will enter an economic recession.

According to CAF's survey charities are responding in a number of ways. Nearly a third of charities (29%) have made staff redundancies. Over half (56%) have limited staff pay increases. Fundraising activities have been ramped up in 77% of charities. Meanwhile, 63% have increased their grant applications.

So, what can your fundraising and communications team do to make the most of opportunities for raising sufficient funds in these difficult times? Here are some suggestions:

1. **You shouldn't stop asking donors to support our cause.** Continuing to stay focused on your fundraising programme and activities is a definite must. Firstly, because if your donors are not aware of your needs they are not likely to give. Secondly, because most of your donors are likely to be over 55 years old who have paid off their mortgages and educated their children and to be honest, most of them can still afford to give generously.

2. **You should acknowledge the fact that we are experiencing difficult times in the UK and continue to appeal to donor's sense of compassion.** As a matter of fact when donors themselves experience financial difficulties in their lives they have a greater appreciation of other people's sufferings or problems. So when you write the copy of the next fundraising appeal remember to acknowledge the fact that life might be hard for donors right now and invite them to give sacrificially and generously to bless others. Sacrificial giving makes a lot more sense for us as Christians than for people who do not have faith.
3. **You should pay greater attention to your charity's giving trends.** I came across many charities whose fundraisers know very little about their donors' attrition and retention rates, lifetime value etc and who are often, consequently shooting in the dark with their direct mail appeals and other communications.

When you have better insights on giving patterns and attitudes of your donors you can continue to journey with them through these difficult times. Those who care about your cause will not abandon your programmes and projects - but you need to know who they are so you can relate to them in a personalised way.

4. **You should continue new donor acquisition activities rather than stop them.** Well, when budgets are tight usually new donor acquisition activities are the first to go.

For example, suppose that your charity lost say 30% of donors last year and did nothing to replace them with new ones this year. It is highly likely that next year your charity will lose say another 30% of the remaining donors (70% that were retained from the previous year). So, if this scenario continues in a few years time the charity will be hit by another kind of downturn – that of being unable to replace them without a significant investment of time and money.

5. **You should strengthen your donor reactivation activities.** Although this might sound controversial at times like this you should identify your lapsed and even deeply lapsed donors (*e.g. those who have not donated in the last three years*) and develop a cause concept and special fundraising mailing inviting representatives of this donor group to make a gift. After all it is easier and cheaper to reactivate a lapsed donor than to find a new one so donor reactivation might be one of the most profitable fundraising activities you can engage in.
6. **Clean your donor files and lower postage rates.** We all know that postage costs are a significant expenditure of any fundraising programme. So, at times like this you have an opportunity to clean your charity's database, delete wrong addresses, delete duplications of addresses, check your database contacts against the Royal Mail's postcode address file, etc.

7. **You should continue to strengthen your relationships with major donors.** Finally, at times like this you have an opportunity to strengthen your relationships with major donors. I often find that major donors are highly committed to the charities they support so cutting down on personalisation of communications and one to one meetings because you think they might not have the money to donate this year might prove a fatal mistake. So continue to make the calls and set up appointments with your major donors.

Even if they can't afford to give a lot this year they are likely to give more when they recover from the recession because they will remember that you cared enough to keep them in the loop with your work rather than treat them as walking cheque books.

**If you need any assistance with your fundraising and communications get in touch with us by emailing: [redina@mconkey-johnston.co.uk](mailto:redina@mconkey-johnston.co.uk)**

Filename: How to fundraise successfully in difficult economic times  
Directory: C:\Documents and Settings\Redina Kolaneci\My  
Documents\Redina\Articles\MJI website 2008  
Template: C:\Documents and Settings\Redina Kolaneci\Application  
Data\Microsoft\Templates\Normal.dot  
Title: How to fundraise successfully in difficult economic times  
Subject:  
Author: REDINA KOLANECI  
Keywords:  
Comments:  
Creation Date: 9/17/2008 9:02:00 PM  
Change Number: 8  
Last Saved On: 9/18/2008 1:13:00 AM  
Last Saved By: REDINA KOLANECI  
Total Editing Time: 248 Minutes  
Last Printed On: 9/18/2008 1:13:00 AM  
As of Last Complete Printing  
Number of Pages: 3  
Number of Words: 926 (approx.)  
Number of Characters: 4,607 (approx.)