CHARTING A STRATEGIC FUNDRAISING COURSE Training Resources for the Environmental Community – TREC's 2010 Fundraising Survey of Western Environmental Organizations *Executive Summary*



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Our thanks to Wilburforce Foundation for its generous support of this study



A hroughout 2010 many public charities and private foundations have continued to take a beating. Yet some environmental nonprofits raised more money than ever before. Training Resources for the Environmental Community—TREC—wanted to find out what worked and what didn't. We saw that many of the more successful organizations during the downturn have demonstrated a higher degree of adaptability.

According to a **June survey** of over 7,000 nonprofits conducted by Guidestar, 40% of these organizations saw a decrease in financial support in early 2010.

The top three reasons cited were:

- 1. fewer gifts from individuals,
- 2. gifts from individuals were smaller and
- 3. private foundation grants were smaller.

n more nonprofit economic news, the recent Giving USA report for 2009 found that:

Total charitable giving (in the US) fell 3.6 percent...in 2009 to an estimated \$303.75 billion. This is the steepest decline since Giving USA began its annual reports in 1956. This reflects the continued recession in 2009, which particularly affected charities that otherwise received contributions for new buildings, endowment campaigns and long-term planning....

The type of charities that showed an estimated growth typically provide immediate services such as human services, health, international aid and even the environment.



The successful groups had to be decisive. And, if they adapted early enough, some even thrived. ~Dyan Oldenburg Executive Director,

TREC

In early 2010 Training Resources for the Environmental Community (TREC) conducted our fifth comprehensive fundraising survey of 116 environmental groups throughout the western US and Canada to see how the economic recession has affected this segment of nonprofits.

The goals were to gauge overall organizational fiscal health and to discern adaptive fundraising strategies organizations are employing. We wanted to see what was working and what wasn't.

Following an in-depth analysis of survey responses from groups large and small, (see Appendix B for a list of survey participants), TREC's fundraising team wrote a series of brief reports designed to give up-to-the-minute trends and recommendations for best practices for yearend fundraising in 2010 and beyond.

TREC's fundraising survey reports covered a broad range of fundraising topics including:

Game On – Increasing Your Major Gifts and Legacy Gifts Now ~ The generosity of your major donors could well be your best resource for balancing your budget, fully funding all your projects, and expanding your services. This report provides straightforward advice that every organization, large or small, can immediately apply in order to raise more money from these most important partners and investors.

Fundraising Planning: Preparing for a Busy Fall by Planning *Ahead* ~ Behind every successful development effort is a solid fundraising plan. This TREC report lays out the most critical steps in planning your various fundraising endeavors, as well as providing insights into the recurring cycle of planning and implementation throughout the year.

Growing and Loving Your Membership ~ Members are the life-blood of many organizations. It is the well from which you draw vital resources like unrestricted funds, volunteers, advocates, major donors, board members, legacy donors and fans that will go out and share your cause with others. This report shows you the best ways to grow and maintain your precious membership.

Online Fundraising Growing Pains ~ Online fundraising is growing up and becoming a more prominent piece of your fundraising program. You need to embrace new technologies and strategies in order to stay on top of how to use your website, email and social media to advance your mission. In this report, find out how to utilize online tools and sites to grow your base and raise more money in this report.

Adapt and Thrive- Steps to Ensure Your Organization's Sustainability ~ TREC's fiscal report analyzes the current fiscal health of non-profits, the good news and the not-so-good news, and gives timely suggestions to keep your organization thriving, via skillful adaptation.

Foundation Giving: Not a Sure Thing ~ Foundation giving experienced a historic drop in 2009. Having long been top-heavy in foundation funding, environmental nonprofits have definitely felt the effects of this dramatic decline. Organizations have responded with staff and expense cuts, but there are other steps you can take to weather this storm. This report will give you current information and ideas to deal with lagging foundation giving.

Now More than Ever: The Imperative of Strong Board Leadership in Tough Economic Times ~ Now that the dog days of summer are behind us and we are nearing the end of 2010, TREC's newest report on Board leadership will help your staff and board stay focused on the right priorities for year-end fundraising. Please be sure to get this in the hands of your board members before discussion about next year's budget and revenue projections start occuring.













2

TREC ~ 2010 Executive Summary

HOW TO SUCCEED DURING THE ECONOMIC STORM

Oregon Natural Desert Association has implemented a longterm, ambitious and achievable strategic plan which we are following and adjusting as needed.

We have been steadily growing...and have been extremely effective with our conservation efforts, resulting in increased confidence from major donors, members, community business supporters and foundations alike. ~ Brent Fenty, Executive Director, Oregon Natural Desert Association





Photo by Greg Burke

Be strategic. We saw groups succeed if they had passionate leaders, a strong vision, clear programs, committed staff and Board and a culture of fundraising. Even with all of these positive attributes, organizations had to make some really hard and timely decisions. They thought strategically about their vision, mission, core programs and core funding and adapted accordingly if there was any misalignment.

Adapt and thrive. Many of the more successful organizations during this downturn demonstrated a high level of adaptability by re-allocating more staff time into core work and fundraising, even if it meant doing less on the program side. It's a tough choice, but a prudent one. Those that succeeded committed adequate staff and Board time to fundraising, in order to raise the funding required to fulfill their mission.

Be decisive. The organizations that fared the best during these last few years are those that adapted quickly to the economic downturn by making smart decisions. We heard success stories from organizations that made cuts quickly before spending down all their reserves — those that honed their program focus and those that pursued new funding sources.

Maintain a realistic and positive attitude. The hard reality is that a constricted fundraising climate is likely to exist beyond 2010. So it is more important than ever that we all – staff and Board – engage **even more fully** and effectively in fundraising.

And we heard again and again that this fundraising climate is taking an emotional toll on fundraisers.

Survey responses indicated that organizations are experiencing high levels of stress created by the cuts and downsizing that this economic storm has demanded, as evidenced by the following comments made in reference to the impact of organizations' reserve and/or deficit status:

The economic slowdown has decreased our capacity internally. We are trying to do the same with less but it is difficult and stressful.

Everyone is doing more than they were a year ago. Burn-out is a real concern.

Reduction in staff salaries, reduction in number of staff, higher workloads for existing staff.



The recent sharp economic decline has had a huge budgetary impact on the philanthropic sector.

Many foundations have cut back funding as the value of endowment portfolios have fallen. The groups in which we invest have tapped reserves, reduced staffing, and have struggled to assure the sustainability of core work needed to achieve our respective missions.

Some have suggested that we all need to "do more with less."



I say we need to move beyond this platitude. **A more logical response to having less is doing less**...but with an emphasis on undertaking and investing in activities that are most likely to achieve the greatest impact.

As funders, we must continually challenge and expand our understanding of the different ways we have to respond to our current context.

We can help our grantees think strategically about what it means to" do less with less."

We need to work together to focus on activities that maximize impact, which means we need to make tough, timely and informed decisions about what's working and what isn't. ~ Paul Beaudet, Associate Director, Wilburforce Foundation

Do less with less. The emotional toll and physical fatigue created with a "do more with less" paradigm can backfire on an organization, even when it feels like you have no other options.

When trying to do more with less, the organization is typically not doing a good job prioritizing because it is still trying to do everything. Unchecked, this can create more stress within the organization as the work piles up.

While we haven't seen many groups completely close up shop, we have seen some losing key staff, closing their offices and working from home and struggling to even pay the postage for a special appeal letter to solicit their supporters for desperately needed funds.

~ Elizabeth Hospodarsky, TREC Senior Associate



Given the current economic realities, the need for true Board leadership has never been as imperative as it is today.

~ Ed Lewis,

Training Resources for the Environmental Community (TREC) Board President and Earthjustice Board Chair





FISCAL HEALTH—The Reserves Barometer

Responses varied significantly in how the Great Recession has impacted survey participants' fiscal reserves. Some groups were actually faring better, while some were in worse shape. Cash reserves are one important litmus test. Again, results were mixed with some groups improving, some staying the same, and some decreasing.

Table 1. Change in Reserve Since 2009

Reserve	Number of Organizations	Percentage of Organizations
No change	38	35.5
Increased	38	35.5
Decreased	31	29.0

Whether fiscal reserves were shrinking or growing, there was widespread agreement that a much greater emphasis needed to be placed on fundraising organization-wide, with all Board and staff participating more fully.

TREC has prepared an informative recorded session on scenario planning which is jam-packed with useful action steps. Thanks to the support of the Wilburforce Foundation, this presentation is freely offered. Click on the icon to view the 8-minute presentation.



This informative five-part presentation is full of tips on how to do effective fiscal management during these tough economic times. It highlights the key financial indicators of organizational health and stability and gives specific advice on steps to take to make sure you are in the best position possible.



DIVERSIFICATION IS KEY TO FUNDING STABILITY

TREC suggests four action steps to help you achieve more income diversification as you move into 2011. **Action step 1** should be accomplished first, while the sequence of the others will vary according to your current fundraising strategy.

Action 1. Develop a fundraising plan—now! In the chaos of today's economic realities, careful fundraising planning is your best defense against ending up where you don't want to be.

- Start with assessing your year-to-date fundraising results.
- Identify places where you need to be making mid-stream adjustments.
- Develop a reformulated plan for the balance of the year and ask your Board to review and approve the plan.

For more information on the planning cycle and a sample of development objectives, read TREC's Senior Associate Kim Gilliam's report, <u>Fundraising Planning: Preparing for a Busy Fall by Planning Ahead.</u> Kim is available to assist Wilburforce grantees with fundraising planning. You can reach Kim at kim@trec.org.

Action 2. Cultivate major gifts and bequests. Our data shows that 76% of you indicated the need to raise significantly more major gift revenue in 2010 and beyond to balance your budgets. Here's how:

- Get started now—right now! Begin by identifying your top prospects for visits before year's end.
- Figure out what you'll be asking for and get your story straight
- Figure out how many people need to be seen and asked by the end of the year and manage your time accordingly.
- Get out there, meet face to face, build relationships, and ASK.

And while you're at it, don't forget bequests—where there's a will, there's a fundraiser! For more information on getting more major gifts and bequests, read TREC's Senior Associate Kim Gilliam's report, <u>Game On – Increasing Your Major Gifts and Legacy Gifts Now.</u> You can reach Kim at kim@trec.org.





Action 3. Grow and love your membership. Members are the life blood of many organizations. It is the well from which you draw vital resources like unrestricted funds, volunteers, advocates, major donors, Board members, legacy donors and fans that will go out and share your cause with others.

And 57% of the 2010 survey respondents indicated they plan to increase membership as a future fundraising strategy.

Here are some key steps to increasing membership:

- Increase personal contact with your members in order to hold on to the ones you have during this period of economic contraction.
- Show members they're valuable by doing more to keep them informed and engaged.
- Take time to identify your prospective members and find ways to connect with them.
- Understand the motivation that moves people to become a member.
- Educate and provide incentives to all staff and Board to go out and invite people to join!

For more information on membership development, read TREC's Senior Associate Elizabeth Hospodarsky's report, <u>Growing and Loving Your Membership</u>. You can contact her at elizabeth@trec.org.

Action 4. Activate your Board. During these tough times, the Board must send the message that it is all hands on deck for fundraising.

The Board of Directors must put aside the far too common fears of, and distaste for, fundraising and help lead the charge.

For more information on enhancing board engagement in your development efforts, read TREC's Senior Associate Kim Gilliam's report, <u>Now More than Ever-The Importance of Strong Board Leadership in Tough</u> <u>Economic Times</u>.

Action 5. Seek new grants. Most environmental nonprofits continue to be heavily dependent on grants for a majority of their funding. In order to create more balance, we strongly advocate for a multi-streamed funding approach from both individuals and foundations.

Nevertheless, if your organization doesn't have an active or large enough base of individual donors to buffer you from the loss of a grant, expanding your number of foundation grants may be advantageous and provide you with some additional protection in these challenging times.





REMEMBER, IT ALL TAKES TIME

In the survey, we asked you about the percentage of your time devoted exclusively to fundraising. Executive directors are spending more time fundraising than they have in the past.

A whopping 58% of executive directors in the 2010 survey reported they spend between 25% and 75% of their time fundraising. Whereas, in 2009, an alarming 50% of executive directors reported spending less than 25% of their time on fundraising activities. Chart 1 depicts our 2010 data regarding time spent fundraising.



Chart 1. Respondents' Time Spent Fundraising

Considering that 76% of the organizations indicated they anticipate increasing their major gifts funding this year and next, it is likely they also will be spending more time fundraising in 2010 and 2011. Individual giving is the result of deepening relationships, which takes time.

It is likely you will need to expand responsibility for fundraising beyond the development staff in your organization to program staff, Board members and volunteers.

CONCLUSIONS – YOUR KEYS TO SUCCESS



Our message to you is that you cannot wait for an economic recovery to take aggressive fundraising action. We leave you with a few proactive suggestions for ensuring your fundraising efforts are as effective and productive as possible.

Act Early!

If the US and Canadian economies continue to languish, or even worse, take another nose dive, you want to be prepared. You should have done your planning for your 2010 fall major gifts campaign, as successful major gift campaigns require a long lead-time of relationship building.

Plan, Focus, Execute and Evaluate!

Although we want to incite you to take action now, it is important that you operate from a plan. A shotgun approach to fundraising can result in tattered results. Each fundraising strategy and opportunity takes resources. Many of you are stretched beyond thin. Be strategic in your planning. You want to make sure you are focused on the core programs.

Once you have a plan, prioritize actions and estimate resource requirements. The result of your planning effort should be a focused, doable action plan with assignments and accountabilities embedded within. With everyone on board, you will be ready to successfully execute the plan. As you are working your plan, make sure you take the time to evaluate what worked and what didn't.

Relationships, Relationships, Relationships

As many of you noted in the survey, there is stiff competition for fewer foundation dollars and major gifts. Spend your time strategically cultivating and deepening relationships with funding sources. What differentiates your organization from the myriad of other nonprofits seeking funds? If an answer to this question does not immediately come to mind, you have some work to do. Everyone in your organization and on your Board should be able to articulate the **Purpose**, **Process**, and **Outcomes** by which your organization operates. Purpose should obviously reflect your mission. Process reflects what you do (programs, projects, etc.) and how you do it. Outcomes need to be as visible and measurable as possible.



Collaborate Where Possible

Although it can feel like colleagues and other environmental organizations are competitors when it comes to funding, opportunities to collaborate and form alliances around common goals can actually open doors to new or additional sources of funding.

With limited or stagnant financial resources to contribute, some individuals, foundations, corporations and government agencies are attracted to funding requests that demonstrate a collaboration or alliance around a specific program or campaign. They essentially feel as if they "get more bang for their buck."

Training Resources for the Environmental Community – TREC – Here to Help

TREC Senior Associates stand ready and waiting to assist Wilburforce grantees with fundraising planning and specific strategies to help you navigate these turbulent times.

To learn more or to receive assistance, Wilburforce grantees can contact Elizabeth Hospodarsky, Senior Associate, at 520-299-1903 and elizabeth@trec.org.



Author - Kim Gilliam



James (Kim) Gilliam, Senior Associate (kim@ trec.org), has been involved in the creation and direction of dynamic fundraising efforts for more than two decades. After several years of working as a VISTA volunteer in various community organizing roles in North Dakota, from 1988-2002 he was the Chief Development Officer for the Southern Environmental Law Center, based in Charlottesville, Virginia. During his fourteen year tenure the organization grew from a \$500,000 to a \$5 million annual budget. He was primarily responsible for building a nationally recognized individual major gifts program that grew to generate fifty percent of the organization's annual budget. He also spearheaded the organization's successful \$15.5 million Campaign for the Environmental Future of the South from 1997-2000.

Since 2003, he has managed a full time consulting practice working with a national client base in developing fundraising plans and major gift and capital campaign efforts, as well as doing extensive training in environmental fundraising throughout the country. In addition to his training and coaching role with TREC, he also serves as a lead fundraising consultant to grantees of the French American Charitable Trust in San Francisco, a foundation supporting organizations working on root causes of poverty and inequity.

If you are a current Wilburforce grantee and would like more help on this topic, please contact Kim Gilliam.

Author - Elizabeth Hospodarsky



Elizabeth Hospodarsky, Senior Associate (elizabeth@trec.org), grew up exploring wild places like the Cascade Mountains and the Appalachian Trail with her mountaineer father. Though her pack was nearly as big as she was, she developed a deep passion for wilderness and biodiversity. Elizabeth brings this passion into her work at TREC by helping clients with fundraising planning, strategies and donor development. She has been a non-profit professional since 1995, helping a wide range of organizations overcome challenges to fulfill their critical missions. Elizabeth has successfully fulfilled the roles of founder, board member, development director, and executive director for organizations working to care for our earth and the plants and animals living on it.

If you're a current Wilburforce grantee, please feel free to contact Elizabeth for fundraising advice and assistance.

Data Analysis - Donna Neusch



Donna Neusch, Ph.D., Director of Evaluation and Applied Research/ Senior Associate (donna@trec.org), has over 20 years of experience with for-profit and not-for-profit organizations serving in a variety of roles-from vice president of human resources to consultant to director of education at a local wildlife center. where she is now a Board member. Her passion for wildlife, especially wild birds, drew her to TREC as she is deeply concerned about environmental issues, especially habitat protection. Donna leads the evaluation and applied research efforts and heads TREC's new Human Resources Program. She has a Ph.D. in educational psychology from the University of Texas-Austin, with a major in program evaluation. She is also a certified compensation professional and certified professional coach.

Training Resources for

Editor - Dyan Oldenburg



Dyan Oldenburg (dro@trec.org) founded Training Resources for the Environmental Community (TREC) in 1997. As executive director, she assists in developing and directing TREC's programs and provides services to TREC clients. She has worked on numerous legislative, electoral and issue campaigns since 1979.

Dyan ably assists environmental nonprofits in growing their leaders, boards and organizations. She is dedicated to helping groups meet their missions and manage change.

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APPENDIX A Survey Methodology

In February 2010, TREC launched our fifth fundraising survey with 28 questions. All Wilburforce Foundation grantees were contacted and asked to participate. Other environmental nonprofits also participated. The survey was closed at the end of April. There were 116 organizations that submitted usable data.

Over 500 comments were entered by survey respondents. These comments provided a context and richness to help bring the quantitative analysis alive. Respondents were very generous with sharing their experiences, thoughts and suggestions throughout the survey.

We thank you for your participation in the survey.

APPENDIX B

Survey Respondents

The budget size spread of participating organizations is wide. As you see in Chart 2, the majority of participating organizations, 76%, operate with budgets under \$1 million. More than 50% of the participating organizations are small grass-roots groups with budgets under \$500,000.



Chart 2. Organizational Budget

Table 1. Geographic Dispersionof Responding Organizations

State/Province	Number	Percent
Washington	23	19.6
Alaska	19	16.3
British Colum- bia	14	12.0
Oregon	11	9.4
Arizona	7	6.0
Montana	7	6.0
New Mexico	7	6.0
Alberta	6	5.2
Idaho	6	5.2
California	2	1.7
Canada not identifiable)	2	2.5
Washington, DC	2	1.7
Nevada	2	1.7
Utah	2	1.7
Yukon	2	1.7
Wyoming	1	.8
Multistate orga- nizations	3	2.5
Total	116	100.0

Geographically, the participating organizations were a diverse group. Table 1 illustrates the geographic locations of respondents.

Of the 116 survey participants, 79% (91) of the responding organizations were US organizations; 21% (25) of the responding organizations were Canadian organizations.

Position	Total	Men	Women
Executive Directors/CEOs:	61 (56%)	31 (50.8%)	30 (49.2%)
Development Directors/Coordinators	26 (23.4%)	2 (7.6%)	24 (92.4%)
Deputy/Associate/Regional Directors	6 (5.4%)	1 (16.6%	5 (83.4%)
Other staff	18 (15.2)	3 (16.7%)	15 (83.3%)

Compared to the 2009 fundraising survey results, women at the executive level represent the same proportion in 2010 as they did in 2009. And 40% of all the women responding to both the 2009 and 2010 survey are executive directors.

Given there are 15 more women who participated in the 2010 survey than in the 2009 survey, one could say the number of female executive directors increased by six from 2009 to 2010 for the TREC survey population.

Men who responded to the survey are still primarily executive directors. And 86% of the male respondents to the 2010 survey are executive directors. Yet, regardless of the male and female proportion of respondents, almost half of the environmental movement leadership for those responding organizations are women.

Age of respondents varied along a continuum from the youngest being 24 and the eldest 68. The average age of the 111 individuals who revealed their age is 45.5 years. The median age is 45 years.

In terms of experience with fundraising, the range is from one year to 30 years of direct experience. The 107 individuals who responded to this question have an average of 10.6 years of direct fundraising experience. The median is nine years.

APPENDIX C Participating Organizations

The following organizations participated in TREC's 2010 Fundraiser's Survey. Thank you!

Alaska Building Science Network	CPAWS-Yukon	Jackson Hole Conservation Alliance	Skeena Watershed Conservation Coalition
Alaska Center for the Environment	Conservation Voters New Mexico	Klamath-Siskiyou Wildlands Center	Sky Island Alliance
Alaska Inter-Tribal Council	Defenders of Wildlife	Kootenai Environmental Alliance	Southeast Alaska Conservation Council
Alaska SeaLife Center	Dogwood Initiative	Lummi Island Heritage Trust	Southwest Environmental Center
Alaska Transportation Priorities	Earthjustice	Lynn Canal Conservation	Tahoma Audubon Society
Project	Northwest Office		
Alaska Wilderness Recreation &	EARTHWORKS	Miistakis Institute	Takshanuk Watershed Council
Tourism Association			
Alaska Youth for Environmental	EcoAdapt	Montana Audubon	Tanana Valley Watershed Association
Action (National Wildlife	-		
Federation)			
Alberta Wilderness Association	Ecojustice Canada Society	Montana Wilderness Association	Trustees for Alaska
Alliance for Nuclear Accountability		Mt. Adams Resource Stewards	Vashon-Maury Island Land Trust
American Rivers	Friends of Fort Erie's Creeks	Nevada Wilderness Project	Washington Toxics Coalition
American Wildlands	Friends of Nevada Wilderness	New Mexico Wilderness Alliance	Washington Environmental Council
Arctic Borderlands Ecological	Friends of Rock Creek's Environment	New Mexico Wildlife Federation	Washington Trails Association
Knowledge Society			
Arizona Wilderness Coalition	Friends of Scotchman Peaks Wilderness	North Cascades Institute	Washington Wildlife and Recreation Coalition
Backcountry Hunters and Anglers	Friends of the Agua Fria National	Northern Alaska Environmental Center	Western Environmental Law Center
	Monument		
Bark	Friends of the San Juans	Oregon Natural Desert Association	Western Lands Project
BC Spaces for Nature	Future West	OPAL Community Land Trust	Wild Utah Project
BC Sustainable Energy Association	Georgia Strait Alliance	Oregon State Parks Trust	WildEarth Guardians
BEST	Gifford Pinchot Task Force	Oregon Wild	Wildlands Network
Biodiversity Conservation Alliance	Grand Canyon Trust	Pacific Environment	Wildsight
Californians for Western	Grand Canyon Wildlands Council	Pacific Rivers Council	Wolf Haven International
Wilderness			
Calypso Farm and Ecology Center	Grand Canyon Wolf Recovery Project	Puget Soundkeeper Alliance	Xerces Society for Invertebrate Conservation
Canadian Parks and Wilderness	Greenbelt Land Trust	Qqs (Eyes) Projects Society	Yukon Conservation Society
Society			
Canadian Parks and Wilderness	Groundwire	Raincoast Conservation Foundation	Yellowstone to Yukon Conservation Initiative
Society Southern Alberta Chapter			
Cassiar Watch Society	HawkWatch International	Rivers Without Borders	
Castle-Crown Wilderness Coalition		Round River Conservation Studies	
	Heart of the Rockies Initiative	Salmon Valley Stewardship	
Center for Science in Public	Hells Canyon Preservation Council	Sierra Club	
Participation			
Conservation NW	Idaho Conservation league	Sierra Club BC Foundation	
Cook Inletkeeper	Idaho Rivers United	Sierra Nevada alliance	
Copper River Watershed Project	Idaho Smart Growth	Siskiyou Project	
Canadian Parks and Wilderness	Inland Northwest Land Trust	Sitka Conservation Society	
Society CPAWS - BC			TREC ~ 2010 Executive Summary 14