

First Things First

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from the home office of **Nancy E. Peterman** | Partner

Help, I've Fallen into Zoom and Can't Get Out...

Plenty has been written about the impact of the pandemic on our work lives. One positive surprise has been the success with which our development teams have adapted to remote working, particularly using videoconference tools (Zoom, FaceTime,

Teams, GoToMeeting, etc.) to connect with prospects and donors. Many have worked through this medium well, very well in fact. From direct solicitation to special events, several clients and former clients have reported record fundraising years for 2020.

One of our senior partners was an earlier adapter of this technology; his enthusiasm began with Skype long before COVID 19. Perhaps it had to do with reducing travel to some extent. I never shared his passion for this channel—I found it tiring and uncomfortable—but it was easy to avoid back then when others were not as familiar with communicating in this fashion. After a year of zooming he now reports he's finding repeated videoconferencing tiring as well. Further, he reports that he was on a call recently where one of the participants, who displayed a still picture instead of using his camera, fell asleep. The others could hear him snoring. Anecdotal evidence from fellow colleagues and clients alike indicates a similar disdain for working exclusively via videoconferencing. A recent peer-reviewed article in the American Psychological Association's Technology Mind and Behavioral Journal articulates why many of us are finding the technology exhausting, and how to mitigate its effects. Here are some take-aways from his article which help to explain our reaction (via the *Washington Post*).

We're not used to so much eye contact.

Constant eye-contact is problematic for our brains as this isn't a normal occurrence in our pre-technology brain. Videoconferencing gives us much more than our recommended daily allowance of intense and up-close facial contact. Without realizing it, we are absorbing and continuously analyzing all the non-verbal feedback that this high definition medium offers. Fatigue, anxiety, and a desire to escape are natural responses to the overstimulation. Limiting the number of hours of

videoconferencing per day, setting meetings for 50 minutes or less (instead of an hour), eliminating evening sessions to provide downtime, are ways to counteract its impact. There's nothing wrong with asking before scheduling each call, "Do we have to see each other and share screens, or would an audio call suffice?"

We're not used to constant self-evaluation.

In our previous pre-pandemic meetings, we might have briefly checked in a mirror before entering a room to ensure our appearance was satisfactory. Now, we're confronted continuously with our own face as part of the video meeting. Except for those among us who have narcissistic tendencies, it's stressful and uncomfortable to judge our appearance unceasingly. And, just as when shown a group photo, your eyes will immediately go to your own face, a videoconference that includes your face, will draw your attention to your image, where you will evaluate and re-evaluate your appearance, facial expressions, clothing, gestures and even background setting. If you are highly critical of your own appearance, this can be detrimental to your self-confidence as well as your ability to pay attention to meeting content. Turning off your own face, using the "hide myself" feature can allow others to see you, but eliminates your face from your screen.

We're stuck in one spot.

The efficiency of videoconferencing is that we can have back-to-back meetings with zero commute times—one can be in eight locations in one day without ever leaving the living room. It's been said that sitting is the new smoking when it comes to unhealthy habits. This technology encourages couch-potato tendencies. I recently guest lectured for a college course, where two of the attendees were seated in their beds. Any accommodation which gets you moving is a healthier option. Just before the pandemic, walking meetings had become popular. When possible, one of my colleagues schedules his daily walk with audio calls, a good strategy to move more during the workday.

We're not used to so much mental effort.

As our brains are wired for in-person meetings, the computer version has a heavier cognitive impact. Remembering to mute, un-mute, to limit gestures, to avoid reacting to distractions in the workspace (animals, children, lawn service activity, etc.) takes a toll on the mental load. There's less in-meeting downtime, where one might have talked about the weather or social activities. The intensity has increased. Again, anything which limits the time connected to others in this fashion can reduce the brain-strain.

Hopefully, the new normal post-pandemic world will help us achieve a better balance between in-person meetings and audio/video connections, making us effective and efficient without sacrificing a healthy lifestyle.

News You Should Know

Online Giving Exploded While Overall Giving Ticked Up Slightly

Donations to charities increased 2% in 2020, while gifts made online grew 21% over 2019, according to **Blackbaud Institute**'s latest annual report on charitable giving, released Tuesday.

Donations to big organizations, those that raise \$10 million or more a year, were up 5.3% in 2020. Medium-size nonprofits, those with total annual donations of \$1 million to \$10 million, saw a 1.2% increase. But small nonprofits, those that raise less than \$1 million, saw a 7.2% decrease in

contributions.

The picture was rosier for digital giving, with small groups faring far better than other nonprofits. Large organizations saw a 15% increase in online fundraising hauls in 2020 compared with the year before. Midsize nonprofits saw online fundraising increase nearly 25%. Small groups expanded their online fundraising by 22.3%.

As donors turned to digital donations, the share of total charitable revenue from online giving jumped sharply, from less than 10% in 2019 to roughly 13% in 2020. In another sign of how digital fundraising is shifting, more donors are using their smartphones to make gifts. The report estimates 28% of all contributions made online were from mobile devices.

Go here to read the report.

Report Urges the Wealthy to Prioritize Impact Investments

Wealthy individuals and families are uniquely positioned to pursue "impact-first" investments that prioritize social and environmental gains over financial returns. A new report found that pioneers in the field of "catalytic capital" have overcome barriers to the impact-first approach through a three-step process: clarifying a commitment to impact; relying on trusted collaborators; and choosing how best to invest, which can range from outsourcing to advisors and fund managers, to working with one or two impact specialists who complement an existing family office staff, to hiring a team and building an organization dedicated to impact investing.

According to the report, HNWIs (those with between \$1 million and \$30 million in investable assets) and ultra-HNWIs (those with more than \$30 million) have seen their wealth double over the last 15 years, yet catalytic capital accounted for only 7.5% of new impact investments in 2019. The COVID-19 pandemic and heightened concerns about climate change, racial injustice, and income inequality have highlighted the need for more impact-first investing, the report argues. *PND*, 4-9



We'd Like You to Know

Crowdfunding Donors Younger, Less Religious

A report from the Indiana University Lilly Family School of Philanthropy at IUPUI Charitable

Crowdfunding: Who Gives, to What, and Why?, found that crowdfunding donors, on average:

- gave less than traditional donors (\$1,539 vs. \$1,859),
- were younger (44.2 years vs. 49.9 years),
- were less likely to attend religious services regularly (32.3% vs. 43.2%),
- had slightly lower household incomes (\$241,427 vs. \$248,974), and
- were less likely to be married (54.5% vs. 61.2%).

While the differences are not statistically significant, the report's authors note that the crowdfunding donor pool is slightly more diverse, with Asian-American, Black, and Latinx donors accounting for 2%, 12%, and 17% of all crowdfunding donors, compared with 1.2%, 10.9%, and 15.7% of traditional donors. *COP, April 12, 2021*

2 Years of Strong Fundraising Returns Projected

A recent report from the **Lilly Family School of Philanthropy** suggests a period of "broad philanthropic growth" is on the horizon for nonprofits over the next two years as the economy rebounds after the Covid-19 pandemic.

The report forecasts a 4.1% increase in total giving in 2021 and a 5.7% increase in 2022. For individual and household giving, the report forecasts a year-over-year rise of 6% in 2021 and 3.9% in 2022. Meanwhile, giving by all types of foundations is predicted to dip by 1% in 2021 but then jump by 8.8% in 2022. The report also projects giving from estates will grow 1.1% in 2021 and 12% in 2022, while giving by corporations is predicted to rise 4.3% in 2021 and 6.4% in 2022.

Other Findings

- Estimated increase in the number of charitable donations in 2020: 10.6%
- Share of charities that expect to see a decline in fundraising in 2021: 43%
- Share of foundations that plan to stick permanently with loosened restrictions on grantees: 56%
- Proportion of people who donate regularly who plan to give to again this year: 87%

COP, 3-19

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