

Helping Hand

A Fundraising Newsletter to Help Those
Who Help Others

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things First



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www.fundraisingcounsel.com



from the frozen-no-more Texas desk of
Carl G. Hamm | Managing Partner

Navigating Greener Pastures in Challenging Times

Despite the pandemic, development officers continue to leave relatively secure positions to take on new chief development roles, amidst the upheaval in the institutions they are joining. Over the past few months, several colleagues and friends have reached out for advice on how to navigate such an important life change, wanting to make sure they're as successful as possible given the increased pressure on fundraising in these unusual times.

Even in stable circumstances, accepting such an important new role can be challenging, both for the hiring CEO or director and for the development officers themselves, evidenced by the continued high turnover rate among new development directors. Several factors contribute to why new chief development officers often stay such as short time, leading both the development officers and organizations into a cycle of frustration and disappointment.

By focusing on three key ideas, both candidates and their organizations are likely to find more productive success over the long-term during these challenging times.

Common Expectations. Development professionals take new jobs for a variety of reasons – more money, additional responsibility, prestige, or sometimes just to leave an unpleasant situation. Organizations hire new development directors with great expectations, often with the idea that a new person is going to somehow boost the institution's fundraising overnight or meet unreachable goals by doing things a new way. Between the new employee's ambition and desire to do a good job without complaining and the organization's unrealistic expectations, the new staff member is often cast prematurely into a no-win situation, even before they've had time to understand the challenges and opportunities of the job. Clear and open communication about expectations from the beginning is the key to success, both for the person taking on a new position and the one hiring.

Appropriate Acclimation. To be successful, a new chief development officer must have time to understand the organization's mission, budget, culture, and development operation. This acclimation that would usually take place naturally around the water cooler or other casual interactions around the office are even more elusive in this era of working from home and meetings by Zoom. Despite the financial pressures to immediately produce, new staff should expect and be given the opportunity to get to know their new organization's nuances and opportunities and to onboard through a deliberate, thoughtful process to be successful over the long-term, without just stepping into the expectation of immediate results.

Build the Plan – Work the Plan. This may be the most important reminder for new development directors and hiring CEOs alike. Development is a disciplined, systematic process that engages an organization's current and prospective donors in providing financial support, both in the short-term and over the long haul. As such, a new development director must have the time to both develop and gain consensus on a strong strategy and plan to accomplish these goals. Effective fundraising is more than a series of ad hoc tactics – it's the establishment of a solid plan that is well executed and modified along the way. Especially in these times of heightened expectations for fundraising, this principle should continue to guide new chief development officers and their organizations, rather than a knee-jerk reaction to current circumstances.

Given the important financial challenges that have emerged over the past year, recruiting and maintaining effective chief development officers will become even more valuable for hiring organizations and those seeking greener pastures. For both, this can be an exciting time for new beginnings and the opportunity to create new fundraising strategies responsive to our post-pandemic environment. Perhaps this can be the moment we break the cycle of such rapid turnover in the development field? As always, all of us at Alexander Haas welcome the opportunity to help your organization should you find yourself in such an important time of transition.

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.

Social Service Organizations Data

subsector	avg gift	% of online gifts	% of gifts in Dec
human services	\$610	45.8%	20.2%
environment	\$715	13.7%	18.8%
healthcare	\$522	11.7%	21.7%
public society/benefit	\$1032	0.3%	16.0%
international affairs	\$450	7.6%	19.5%
animal welfare	\$272	29.0%	21.0%

Go [here to read the report](#).

Global Philanthropic Giving in Support of COVID-19: \$20.2 billion in 2020

According to a report from Candid and the *Center for Disaster Philanthropy*, giving by corporations and corporate foundations, including in-kind gifts, accounted for more than \$9.41 billion, or about 44% of total dollars awarded, led by **Google.org** (\$1.15 billion). High-net-worth individuals gave \$5.8 billion, or 27% of the total — the bulk of which came from **MacKenzie Scott**, who gave \$4.15 billion to nearly 400 organizations — while independent foundations awarded \$4.68 billion, led by the **Bill & Melinda Gates Foundation** (nearly \$1.33 billion); followed by grantmaking public charities (\$650 million); community foundations (\$542.8 million); and operating foundations (\$330.2 million).

Corporations and their foundations also led in the number of donors (51% of all COVID-related donors), followed by independent foundations (18%), grantmaking public charities (17%), and community foundations (17%), while community foundations accounted for the largest number of grants awarded (54%), followed by independent foundations (23%) and grantmaking public charities (17%). In terms of issue area, human services received 28% of total dollars awarded, followed by health (26%), education (20%), philanthropy and nonprofit management (12%), public safety (11%), and community and economic development (9%). *PND, 3-4*

Nonprofit Sector Job Loss During Pandemic at 7.4%

The U.S. nonprofit sector shed 7.4% of its workforce in the 12 months after COVID-19 was declared a pandemic. According to an analysis of *Bureau of Labor Statistics* data by the Johns Hopkins Center for Civil Society Studies, the sector as of February had lost an estimated 926,045 jobs since February 2020.

Hardest hit, the arts and entertainment subsector, losing nearly 35% of its jobs.

Next, educational services (14.6%); religious, grantmaking, and civic associations (10%); social services (7.5%); and healthcare services (nearly 4%). The analysis also found that the sector gained only 26,562 jobs in February over January's levels, an increase of 2.8%, continuing a four-month trend of slow recovery. Based on an average of 39,520 jobs recovered per month, the center estimates it will take 23.4 months, or nearly two years, for the nonprofit employment to return to pre-COVID levels. *PND, 3-13*

Goldman Sachs Launches \$10 Billion Investment in Black Women

The Goldman Sachs Group announced a ten-year, \$10 billion investment initiative, including \$100 million in philanthropic capital, aimed at advancing racial equity and economic opportunity for Black women.

In partnership with Black women-led organizations, financial institutions, and other groups, the **One Million Black Women** initiative will work to address the disproportionate gender and racial biases that

Black women have faced for generations and that have been exacerbated by the pandemic. The financial services giant has joined with partner organizations on listening sessions to understand the barriers to opportunity Black women face and how targeted investments can address those barriers. *PND, 3-11*

Google Invests \$25 million to Assist Women & Girls

Google.org launched a \$25 million initiative in support of nonprofits and social enterprises dedicated to creating pathways to prosperity for women and girls.

The **Impact Challenge for Women and Girls** will support nonprofits and civil society organizations around the world working to advance the economic empowerment of women and girls by providing funding as well as mentoring, Ad Grants, and additional support. Program partners Vital Voices and Project Everyone and a panel of women leaders from more than fifteen countries with expertise in areas such as global public policy, advocacy, research, business, and technology will help select recipients with ideas that have the greatest potential for impact. *PND, 3-9*

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News You Should Know

Fundraisers More Confident at Year End but Worried About 2021

In late November and early December, the *Association of Fundraising Professionals* asked its members how optimistic they were in various aspects of their fundraising and what trends and challenges they see ahead. They conducted the same survey in September. As 2020 came to a close, fundraisers were increasingly confident they would reach their year-end goals — even as many expressed uncertainty about 2021.

Key Highlights

- Fundraisers **grew in optimism** from an average of 6.52 in September to 6.98 in December (out of 10). They also became increasingly confident they would raise more money in 2020 than in 2019.
- Confidence levels that **donors would be receptive to their communications grew** from 6.75 in September to 7.38. When asked about their confidence in finding fundraising success in 2021, respondents were generally optimistic, recording an average of 6.47.
- More respondents **cited donor retention and stewardship than any other option** — an

average of 60% selected it as the most important area over all three time frames — as the area they would devote increased effort over the next three, six, and 12 months.

- **More fundraisers prioritized big-gift fundraising** in the latest survey than in September. More than half of respondents selected major gifts as a priority over the next three months, 61% over the next six months, and 64% over the next year.
- **Online and email solicitations were another top priority** for fundraisers, although respondents were less likely to say they would remain so as 2021 progressed.

COP, 2-5

Nonprofits Would Be Eligible for New Federal Aid Under Biden Stimulus Plan

When President Biden took the oath of office on January 20, he brought with him a new \$1.9 trillion stimulus proposal that would allow nonprofits to participate in a new loan program and draw from a \$3 billion economic development fund. The plan also contains multiple measures that might relieve the stress on nonprofits and foundations to provide aid to Americans in need.

Grants from the economic development fund could be used for “initiatives that support bottoms-up economic development and enable good-paying jobs.” The plan says that “state and local government entities, tribal institutions, institutions of higher education, and nonprofits” would be eligible to draw on the \$3 trillion fund.

The stimulus bill enacted in December provided nonprofits a one-year extension of the temporary charitable deduction available to people who don’t itemize their taxes and another round of forgivable Paycheck Protection Program loans. *COP, 1-15*

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Transforming Institutions

 **CHESAPEAKE REGIONAL HEALTHCARE** We are proud once again work with **Chesapeake Regional Healthcae** in Virginia.

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, organizations that help make our country a better place to live.

[See our comprehensive list of client partners...](#)

Our Transformational Services

Alexander Haas offers a wide range of fundraising consulting services for organizations of all sizes. Our priority is to help transform institutions that transform lives. Whether you are readying for a capital campaign or need to assess your annual fund, our services are tailored to each individual client.

[What can we help you with?](#)



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