



First Things First



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www.fundraisingcounsel.com



from the Carolina office of
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Year-End Giving in a Pandemic

In normal times, most development offices function on a natural, predictable calendar-driven rhythm, with springtime solicitations, a summer slowdown, fall solicitations, special events and the traditional year-end appeal. But since March, nothing about this year has been normal. With so many of our usual fundraising tactics upended due to COVID-19, year-end giving will be more critical now than ever before.

This is typically the time development teams plan for their year-end appeal. With many development officers still working from home and given the unknowns of how the pandemic will continue to unfold, this year's processes will be more difficult than usual. Many human service organizations are struggling. At this point, institutions are simply focusing on how to hold on and make it through these challenging times as they seek to address long-term financial survival, workforce availability, and on-going efforts to deliver services to clients.

As you contemplate your strategy for the year end, here are a few practical tips to consider:

Be Timely. Donors will receive a larger than usual amount of solicitation mail this fall, especially since this is an election year. Plan for your letter to arrive in mid-October, giving you the opportunity to send a second, more focused appeal to a smaller list around Thanksgiving. Be sure to plan around the challenges of mass printing if you're not in the office. If you use a mail-house, don't forget that your vendor's schedule might be flooded with extra political mail.

Be Transparent. Your donors and members understand that this is not a typical year and that your need is greater than ever. Without going too far into the weeds, tell them the story of how your organization has been impacted by the pandemic. Focus on programs and services more than the financials. Importantly, tell stories of how you are impacting lives. Help donors to understand how their gift will advance your mission, not just balance the budget.

Be Optimistic. The fundraising guru Harold J. Seymour wrote that an effective appeal must both stir the mind and warm the heart. Talk about how your organization will come through this ordeal like a phoenix rising from the ashes. This pandemic will be over someday, and your organization will be stronger and more efficient having come through it.

Be Realistic. While 2019 was a strong year for giving to human service organizations, it is difficult to predict how donors will respond at the end of this unusual year. Although there is much pressure for your year-end appeal to perform well, set your goal conservatively to manage realistic expectations.

As we look back on 2020 and the disruption to our comfortable rhythms, perhaps we'll realize that the changes we were forced into by the pandemic resulted in fresh new approaches that found their way into our new status quo – a worthy outcome from the difficulties we're living through today.

Your donors and volunteers care deeply about your organization and its success and many of them have supported your organization through challenging times in the past. As you undertake your important year-end fundraising, know that all of us at **Alexander Haas** wish you the best and always welcome the opportunity to help if needed.

It starts with an email.....

and ends with 30 minutes of
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News of Interest

Majority of Donors are Optimistic

A nationwide survey of the giving intentions of donors across 44 states finds overall, U.S. donors appear

to be optimistic about the economic recovery in the coming months, and more than a third surveyed reported their financial situation was better than last year.

Key Findings

- Nearly two-thirds expect the economy will rebound by the end of 2020 or by the middle of 2021 at the latest. Nine percent say they don't expect the economy to recover to pre-pandemic levels for a very long time.
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- Six out of 10 mid-level and major donors expected their giving to stay at the same level as last year, and that one in four respondents expected to increase their charitable gifts in the second half of 2020.
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- One-in-six donors expected to give less, and fewer than one in 20 anticipated a substantial drop in their giving for the rest of the year.

More than 40% of major donors surveyed said they won't attend a big in-person gathering until there's a vaccine. About 80% of donors expressed a willingness to meet one-on-one with fundraisers, or attend a small event at their church or in someone's home, as long as social-distancing and other measures were in place. *Financial Advisor*, 8-3

New Survey Looks at Fundraising Activities

More than half of charitable organizations in the United States are expecting to raise less money in 2020 than they did in 2019, and an equal percentage believe the same will occur in 2021, according to the **Association of Fundraising Professionals'** (AFP) Coronavirus Response Survey. More than 850 fundraisers in the U.S. participated in the survey distributed to all AFP members in May.

Key Highlights

- Compared to the first quarter of 2019, 33% did not see any changes in fundraising totals, while 31% saw increases and 35% saw decreases.
- More than half of respondents—57%—expect to see decreases in giving in the second quarter. Only 25% expect an increase, while 18% believe giving to their charity will remain the same.
- 56% of respondents expect to raise fewer funds in 2020 compared to 2019, while 21% predict organizational funding will increase, and 23% believe fundraising totals will remain the same.
- Three out of 10 human service charities said they expect to raise more funds in 2020 than in 2019, six percentage points higher than any other subsector. Larger organizations also expect to do better with their fundraising.
- Almost half of charities report increasing their fundraising activity now because of COVID-19, while 44% will keep their fundraising at normal levels throughout the year. Only 7% of organizations plan to decrease their fundraising.
- When asked which types of fundraising they will focus on more in 2020, 82% of respondents selected activities related to donor retention and stewardship, with 78% of respondents saying they would focus on social media, online and virtual events, and 75% selecting email as a priority.
- 74% of respondents submitted a grant for funding through the CARES Act, and 66% successfully received funding through this legislation. The CARES Act also included a limited universal charitable deduction provision, and 44% are using the new deduction in their fundraising solicitations.
- Nearly 64% have had to cancel at least one fundraising event, and 24% have canceled three or more events. At the same time, more than 50% have switched at least one in-person event to a virtual event, with 14% converting three or more events into online experiences.

Snapshot of Social Hot-Topics Funding

ImpactAssets, an impact-investing firm with more than \$1 billion under management, and Stop the Spread, a group of more than 1,300 corporate chief executives, are seeking to attract donors, including those who have opened donor-advised-fund accounts at ImpactAssets. The goal is to make it easy for affluent donors to fund nonprofits and businesses that are making personal-protection equipment, working to track the spread of the coronavirus, and investigating new treatments for the disease. *COP, 8-17*

Sesame Workshop received a \$1 million gift from **Mylan**, a global pharmaceutical company. The funding will enable the nonprofit to create a series of educational resources and videos designed help families navigate emotions such as anxiety, frustration, sadness, and grief and celebrate healthcare providers, medical supply chain workers, and other frontline health workers. *PND, 8-15*

Bristol Myers Squibb and the **Bristol Myers Squibb Foundation** announced a combined commitment of \$300 million to advance health equity and strengthen diversity and inclusion. The investments will support initiatives focused on addressing health disparities, increasing clinical trial diversity, growing the company's spend with diverse suppliers, and expanding Black/African-American and Latinx employee representation at all levels of the company. *PND, 8-13*

NBA and the **National Basketball Players Association** donated \$300 million over 10 years to create the NBA Foundation, which will make grants to foster economic growth and career readiness in Black communities nationwide. Each of the 30 teams in the NBA will donate \$1 million per year over the next decade. *COP, 8-11*

Lilly Endowment awarded \$100 million to the National Urban League to create the *Indianapolis African American Quality of Life Renewal Initiative*, a collaboration with the **Indianapolis Urban League** and the **African American Coalition of Indianapolis**. *COP, 8-11*

David and Lucile Packard Foundation awarded \$100 million over five years for racial justice and equity. The first grant paid from this commitment is \$20 million to the **Solidaire Network's Black Liberation Pooled Fund**. *COP, 8-11*

AT&T announced an additional commitment of \$10 million to create economic opportunities and support upward mobility for African-American and underserved communities facing long-standing social inequities and higher unemployment, all of which have been exacerbated by COVID-19. *PND, 8-3*

Mackenzie Scott, ex-wife of **Amazon** co-founder Jeff Bezos, announced that she has given away nearly \$1.7 billion since last fall to 116 nonprofits, mostly to organizations devoted to equity that are led by women, minorities, and LGBTQ people. She signed the Giving Pledge last year; her ex-husband has not. *COP, 7-26*

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