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from the coastal-desk of
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What's it All About?

I have been giving a good deal of thought lately about the state of our fundraising profession amid a myriad of reports about such things as the increasing number of folks who are planning to leave the nonprofit sector, an upsurge in those pushing for unions, and analyses for why this is all happening.

One of those analyses by Lisa Pilar Cowen and Michele Flores titled *'Let's address the real reason great fundraisers are in short supply'* appeared recently in *The Chronicle of Philanthropy* as an opinion piece. It's a thoughtful essay well worth the read but I must say I was greatly turned off by how the Chronicle introduced the article:

Too often, nonprofits force development officers to grovel for donations from the rich, rather than emphasizing how to connect people in a community to support an organization's mission.

Groveling? I don't think so even though I entered the field more than 50 years ago with a misguided impression of fundraisers as folks going around with a tin cup begging for money. Fortunately, an extraordinary volunteer recognized the depth of my ignorance and took me on a call to show me what it's all about. I sat quaking in my boots as he invited a prospective donor to join him in supporting the cause by considering a gift of \$100,000. After what seemed like infinite silence the gentleman responded: 'We know your enthusiasm for this project and believe in it as well. We expected you would be calling and have decided to give \$150,000.' Needless to say, I was stunned. And to compound it as we left the gentleman put his arms around both of us and thanked us for letting him and his wife be a part of it.

When I expressed my incredulity at a gift larger than our ask and a thank you for involving the couple, my mentor simply replied: 'You dunderhead, all we are doing is inviting good people to do a good thing for a good cause. What could be nobler than that?' Indeed. That lesson changed my life and made me love what we do.

More recently we noted the passing of Burt Bacharach at 94 and I recalled one of his songs from 1966 that sticks in your mind, *What's it all about, Alfie?*

What's it all about, Alfie?

Is it just for the moment we live?

What's it all about when you sort it out, Alfie?

Are we meant to take more than we give

Or are we meant to be kind?

*And if only fools are kind, Alfie
Then I guess it's wise to be cruel
And if life belongs only to the strong, Alfie
What will you lend on an old golden rule?
As sure as I believe there's a heaven above, Alfie
I know there's something much more
Something even non-believers can believe in
I believe in love, Alfie
Without true love we just exist, Alfie
Until you find the love you've missed you're nothing, Alfie
When you walk let your heart lead the way
And you'll find love any day, Alfie*

Songwriters: Burt Bacharach, Hal David. For non-commercial use only.

I have highlighted a couple of lines that speak to me. If my etymology is correct, the roots of philanthropy are the love of humankind. That's what it's all about and if we say that loud and clear I think we will be able to attract and retain good folks to our work. And recall the words of John R. Mott, the legendary YMCA leader: *'Blessed are the money-raisers. For in heaven they shall stand next to the martyrs.'*

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Economy Shows Positive Signs, Nonprofits Still Weary

Inflation rates have slowed, and consumer confidence has made gains. Despite those positive trends many nonprofits are still struggling to cope with a major increase in demand for their services. With most Covid-era relief funding already used up, many groups are continuing to adapt.

Here's a closer look at some of the economic data experts say nonprofit officials should be watching.

Inflation

Inflation has continued to show signs of easing, registering a 6.6% growth rate in January 2022. While that was a slight increase over the previous month, it reflects a marked decline from last year's high rates. However, the impact of those slower rates hasn't trickled down to everyday Americans – or most nonprofits. Even as inflation cools, human-service nonprofits are still seeing heightened demand from people struggling to keep up with the costs of basic necessities.

Unemployment

The national unemployment rate of 3.4% is the lowest level since 1969. However, hiring employees is more difficult for nonprofits in the economy because nonprofits' revenue comes largely from donations, grants, and contracts that often don't keep pace with rising costs.

Consumer Sentiment

Consumer confidence rose 8.7% in January from the previous month. Despite positive signs, some nonprofits are still struggling to attract donations from individuals. Even as some large nonprofits reported successful year-end giving campaigns, many small charities have had trouble gaining traction with donors who still haven't found their footing in an uncertain economy.

Stock Market

The stock market remains volatile. Even so, one benchmark equities index, the S&P 500, ended the month up 6.2% in January. The gains marked the S&P 500's best January since

2019, driven by optimism that the Federal Reserve would continue to slow down the pace of its interest-rate hikes. However, uncertainty about future Federal Reserve action and disappointing earnings from major retailers have continued to make stocks volatile in recent weeks. *COP, 2-28*

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Fundraising Consultants Speak for Their Clients

An online survey of fundraising consultancies that collectively represent hundreds of nonprofits, found that nearly two-thirds (65.64%) of respondents indicate their nonprofit clients met or exceeded projections for 2022. However, an even more significant number (68.75%) said the results fell short of 2021's outcomes and nearly half (43.75%) said their clients have lowered their expectations further for 2023.

More findings

- 37.5% of respondents have clients who expect to match last year's results, and 18.75% expect to exceed them.
- As for the biggest fundraising challenges they believe their clients will face in 2023, respondents overwhelmingly identified inflation (84.85%), new donor acquisition (78.79%), and donor retention (63.64%).

The 2022-2023 ADRFCO Survey: Compiling Insights into the Nonprofit Sector also reports:

- Nonprofits will likely utilize email fundraising methods versus direct mail or telemarketing.
- Most respondents expect their clients to do either the same amount of (53.13%) or less (40.63%) direct mail fundraising this year compared with last year.

A majority also report their clients will be doing the same amount of (71.43%) or less (21.43%) telemarketing, while nearly half (43.75%) indicated that clients intend to increase their volume or frequency of fundraising emails, with the remaining 56.25% expected to do the same as last year.

[More here.](#) *NPT, 3-13*

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