

Keeping dollars flowing through troubled times

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Philanthropic fundraising is facing increased challenges because of the tight economy, but experts in Arizona say extra effort will get them through the pinch.

Even in tough times, the number of contributors remains fairly static, though the amounts given may decrease somewhat.

US News & World Report in its July 11 issue reported that after a marked slowdown in charitable giving in 2007, a new survey by the Center on Philanthropy finds that 83.2 percent of fundraising professionals say the economy is now actively harming donations. And a recent poll of Christian adults found that 46 percent had reduced their giving. Nearly half of them cited the price of gasoline as a primary reason.

The magazine also found that: "A spike in the price consumer goods or rising unemployment fears are calamities for the nation's charities. That's because the vast majority of giving in the United States — 75 percent — comes from individuals, who are fretting over a host of concerns, including job stability, a sinking stock market, the cost of cereal, and the possibility of \$5 per gallon gas by summer's end."

The task of keeping those dollars flowing rests in large measure with the Association of Fundraising Professionals. Founded in 1960, the association generates philanthropic support for a wide variety of nonprofit, charitable organizations through its more than 30,000 members in 197 chapters throughout the world, focusing on advocacy, research, education and certification programs.

Philanthropy is facing an economy-driven dilemma. As the nation sinks toward a recession, traditional donors cut back on their giving while the demand for charitable assistance increases.

Elaine Fogel, communications chair for the Greater Arizona Chapter of the Association of Fundraising Professionals, says:

"There is never a more important time for Arizonans to step up to the plate. We're all feeling the pinch of the economy, and nobody feels it more than our citizens who are homeless and lower-income single parents. At the same time, it's a wonderful time for people who have skills to volunteer time for the nonprofit sector. Organizations are cutting back on staff, and volunteers are needed."

A challenge, Fogel says, is getting nonprofits to focus more on fundraising.

"Nonprofits need to examine the importance of fundraising and marketing in revenue-generating efforts," she says. "Some nonprofits are so amazing—they focus on delivery of programs and services so strongly that investment in fundraising sometimes is looked upon as a luxury."

"They know they need to raise money, but some have been very dependent on government and foundations, and have received a small percentage from individuals. But when we get into hard times, they scramble. They have to start to diversify their revenue sources. The time to do it strategically is before hard times hit. That's why having a strong fund development staff, or perhaps consultants, is so crucial for the longevity of nonprofit organizations."

Patricia Lewis, senior professional in residence at the Lodestar Center for Philanthropy and Nonprofit Innovation at Arizona State University, agrees that the economy is having an impact, but it's not all gloom and doom.

Giving moves with nation's GDP

Actually, Lewis estimates that giving might be up a tad. "The reality is that philanthropic giving increases every year. It tracks the nation's gross domestic product. Giving averages about two percent of the GDP."

There are two reasons for the nation's track record on philanthropy.

"First," Lewis says, "we're a very gen-



erous society. Second, nonprofit entities are getting better at explaining how they use funds. Fundraising has become a more ethical, studied profession. The whole issue of education and training for those who lead, manage and support nonprofits has blossomed over the last 20 to 25 years.

"In the long run you will find that philanthropic nonprofit giving will not decline significantly," says Lewis, who served as president and CEO of the international Association of Fundraising Professionals back in the 1990s when it was the National Society of Fund Raising Executives.

"Giving doesn't necessarily decrease, but people give in smaller amounts, more judiciously, and fundraisers have to work harder."

The Lodestar Center found that in 2007, Arizonans donated \$2.71 billion, of which 84 percent or \$2.28 billion was given by individuals. Foundations and corporations gave \$434 million. The average household contributed \$2,018.

"If an organization's mission was good before the economic slump," Lewis says, "it's still good. They just have to figure how to get that message across."

Lewis says organizations that have solid fundraising programs and have good relationships with donors don't suffer nearly as much.

"They will recover in the next few years," she says, "but there will be some slippage."

Some fundraising organizations are collaborating with other organizations, particularly in making proposals to foundations. "It's a more effective way to provide a service, and it's a healthy thing," Lewis says.

Fundraisers' 'strict code of ethics'

Fogel, of the Association of Fundraising Professionals, says the organization has a strict code of ethics for

fundraisers and a bill of rights for donors.

"What really binds everyone in this profession is that you must sign a code of ethics every year," Fogel says. "It's not taken lightly, and it gets revised periodically to keep up with changes."

One of the most important elements of the code is that a fundraiser's compensation cannot be based on a percentage of the amount raised. "They can be paid a salary and a bonus for reaching goals and objectives in accordance with prevailing business practices," Fogel says. "And they have to make sure that the contributions are used in accordance with the donor's intentions."

Other aspects of the code restrict members of the association from engaging in activities that conflict with fiduciary, ethical and legal obligations to their organizations, clients or profession; that they disclose all potential and actual conflicts of interest; and that they must not exploit for their own benefit any relationship with a donor, prospect, volunteer, client or employee.

Meanwhile, the donor bill of rights provides that givers be informed of the mission of the organization that will receive the contribution, how the organization intends to use donations, and its capacity to use donations effectively for their intended purposes.

Donors also must be informed of the identity of those serving on the receiving organization's governing board and have access to the organization's most recent financial statements.

Fogel, who is president and CEO of Solutions Marketing & Consulting in Scottsdale, says the association has focused on mentoring. "Volunteer fundraisers provide their expertise, working with new fundraisers, possibly people who have made career changes, moving from sales and marketing into fundraising," Fogel says.

See Fundraisers on page A7

Circus

El Zaribah Shrine Weekend

SHOW TIMES:
 FRIDAY, SEPT. 19 - 6:30 PM
 SATURDAY, SEPT. 20 - 11 AM, 3 PM & 6:30 PM
 SUNDAY, SEPT. 21 - 11 AM, 3 PM & 6:30 PM

Adult tickets are \$12. Children under 12 years admitted free (when accompanied by an adult). Tickets may be purchased up to one hour prior to each show at the Shrine or at the Shrine or Westward Avenue.

One boy and one girl receive a free bicycle at each performance. Limited to only one available bicycle per performance. Children

Fundraisers

continued from page A6

In addition to the year-long mentoring program, the association sponsors monthly luncheons with speakers who focus on the latest trends in philanthropy. Also, a Career Services Committee provides support and counsel to help local fundraisers sharpen their skills and expand career opportunities.

The Greater Arizona chapter of the association, one of three in the state, is the largest with about 350 members.

"We're in a growth mode," Fogel says. "We recently completed a strategic plan to reach out more to fundraising professionals. One of the challenges CEOs and executive directors of nonprofits may have is not having a full understanding of how valuable membership in the association is for their fundraising. It helps fundraisers become better in their jobs."

The challenge, Fogel says, is to encourage the leadership of nonprofits to cover the association dues. The international organization's Web site lists annual dues at \$200, plus local chapter dues, which vary.

"It is in the best interest if employers paid the dues of their fundraising staff," Fogel says. "Fundraisers could make more in the for-profit sector, but they do it because they care." 