

APPENDIX M



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Board Member Archives

Volume 18 Issue 2 March/April 2009

Leadership Lessons

Raising Funds in Turbulent Times

It's been called the "perfect storm" by some economists. Others compare it to the Great Depression. Whichever description of the current economic crisis reverberates in your mind, both are frightening if you are responsible for ensuring that your nonprofit has the means to fulfill its mission in the near future. What impact, you wonder and worry, will the recession have on charitable giving? Will your donors abandon ship? Will you be able to stay afloat? One thing is sure – all hands will be needed on deck to meet your fundraising challenges. And that includes board members! There is good news, however. While the going promises to be tough, historical trends indicate that donors continue to give during recessions and that nonprofits continue to raise funds.

Here, then, are 10 strategies for raising funds in turbulent times.

1. Fear not!

During the height of the Great Depression, Franklin D. Roosevelt said, the "only thing we have to fear is fear itself." The same can be said today.

In difficult times, people are attracted to leaders and organizations that appear confident and optimistic. Fortunately, there is more reason to be optimistic than you might think. A 40-year (1967 to 2007) study of charitable giving patterns conducted at Indiana University's Center on Philanthropy found that in years with eight or more months of recession

- total giving fell an average of only 2.7 percent
- individual giving (80 percent of total giving) declined an average of only 3.9 percent

- foundation giving (about 10 percent of total giving) dropped an average of only 0.1 percent
- corporate giving (5 percent of total giving) fell an average of only 1.6 percent

These numbers, rather than exaggerated news reports, should guide your planning.

2. Develop a clear and compelling case for support.

According to the Giving Institute, "The most important step a charitable organization can take to raise funds during a recession or downturn is to ask people for contributions in a clear and focused manner." This requires knowing exactly what it is you are raising funds for and determining what makes your organization and your programs different from others – in short, building a case for support that explains why potential donors should support your organization rather than another and why they should do so now. If you have strong numbers to share about the percentages of resources spent directly on programs and the results you've achieved, include them.

3. Teach your board how to raise funds.

No one gets to sit back and watch this storm run its course. Every single board member must give – 100 percent participation in annual giving should go unsaid – and get. If your board has not been good at fundraising in the past, invest in board education and training. Now is the time to help your board members get over any discomfort with making the ask.

4. Diversify your fundraising streams.

Just like your investment portfolio, your contributed income should be diverse. Relying too much on one foundation or one donor could be fatal if that donor jumps ship. Nonprofits need a mix of major donor, foundation, corporation, and event income. If any one funder, donor, or event is responsible for more than 20 percent of your philanthropic support, you are at risk. Your fundraising strategy should include a mix of benefactors and fundraising methods.

5. Keep your top donors very close.

Fundraising has always mirrored the old 80/20 rule – 80 percent of your income comes from 20 percent of your donors. Can your board name your organization's top 20 percent? How do you engage your top 20 percent? Do they feel properly stewarded? Now is the time to keep the top 20 percent very, very close. Board members and staff must work together to make highly personalized requests to individuals and grantmakers. This includes visits, telephone calls, and handwritten correspondence. Thank them for their past contributions, let them know of the accomplishments they have made possible, tell them what you are doing to deal with the crisis, and explain why the case for giving remains compelling.

6. Don't forget your small donors.

Build the wealth of your organization through small donors. Though the unemployment rates continue to increase, most Americans are employed and have the same income they did a year ago. They are in a position to give. Make personal contact with as many of your small donors as possible. They are not used to the attention; they'll appreciate it and, if asked, may increase the size of their gifts.

7. Revisit your planned giving program.

Very few nonprofits have an aggressive bequest program. More than 80 percent of planned gifts are bequests. Many large donors are short on cash flow now but they have assets, which they give away at death. Colleges and universities get 60 percent of million-dollar and above bequests. Why? Because they ask. Start asking!

8. Reintroduce yourself to your lapsed donors.

Most nonprofits have a large number of lapsed donors. It is infinitely easier to get a lapsed donor to reinvest than to find a new donor. Many donors lapse because you don't steward them properly or they fall between the cracks when staff turn over. Have your board, staff, and key volunteers carefully examine your lapsed donor file and develop a strategy to reach out and reengage them.

9. Increase your online presence.

If there is a lesson to be learned from the 2008 presidential election, it is this: It's time to take the Internet seriously when it comes to fundraising. It is the future of philanthropy. Make sure your Web site is lively, interactive, and includes a "Donate Now" button. And if you haven't already, start conversations and develop relationships with people interested in your cause through venues such as FaceBook, Twitter, and LinkedIn.

10. Spread the word.

If you ever needed your board members to be out in the community spreading the word about the meaningful work your organization does, it's now. Turn them into storytellers (see "Try This" on page 2). The more your community members know about your organization and see your name, the more likely they are to contribute to your cause. And don't be afraid to acknowledge the ways in which the economy is affecting your ability to fulfill your mission. While painful, the current economic crisis presents an opportunity to do things differently and better when it comes to fundraising. Seize the day!

MORE FUNDRAISING TIPS...(next page)

MORE FUNDRAISING TIPS

... from Reynold Levy, president, Lincoln Center for the Performing Arts.

.Advice and Money: The Relationship

If what you want is advice, ask for money. If what you want is money, ask for advice. The best fundraisers do not choose between such alternatives.

.The School of Hard Knocks

Fundraising is a learning process. In a first-class development operation, mistakes occur every day, and strikeouts are inevitable. Critical to improvement are structured opportunities to diagnose error, to engage in postmortems, to improve over time. Doing so also requires two qualities: an eagerness to learn and a very thick skin.

.Donors Crave Recognition

No matter what they tell you, most donors yearn for recognition and identity... Rare is a donor interested only in doing good. Figuring out how best to acknowledge benefactors is no small challenge for able fundraisers.

Excerpted from Yours for the Asking by Reynold Levy. John Wiley & Sons, Inc., 2008.

If fundraising challenges your board, please consider contacting BoardSource's consulting team for assistance via e-mail (consulting@boardsource.org) or call 877-892-6273.

References

.David Sternberg, *Fearless Fundraising for Nonprofit Boards, Second Edition* (BoardSource 2008).

.Holly Hall and Paula Wasley, "Trying to Spread the Giving Spirit" *The Chronicle of Philanthropy* (December 11, 2008).

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APPENDIX N



THE FIVE YEAR PLAN: January 2009 – December 2013

Adopted 1/15/09

Mission: To strengthen the individual and collective capabilities of the NRZs and to advocate for neighborhood issues.

Guiding Principle: The Neighborhood Revitalization Zones are the foundation of Hartford 2000.

Purposes of Hartford 2000

1. To address community issues throughout the city and across neighborhood boundaries
2. To support the work of the NRZs, especially in the implementation of their strategic plans
3. To advocate on issues that affect NRZs and other residential neighborhoods
4. To build support for the NRZ program and process
5. To educate ourselves and others about the NRZs' work and capabilities
6. To foster communication among the NRZs and with outside entities
7. To maintain the momentum of revitalization in Hartford's NRZs
8. To facilitate cooperation and collaboration in whatever Hartford 2000 undertakes

Vision for NRZs

In the year 2014, NRZs are seen and respected as the voice of their neighborhoods. They are well-informed about all issues relating to their neighborhood and take action where appropriate. They understand and represent the interests of all segments of the neighborhood population. They work to secure the resources needed by the neighborhood for revitalization.

In the year 2014, NRZs understand the issues and concerns of other areas of the city and are committed to working together, through Hartford 2000, to solve problems and create positive change in the entire community. NRZs support each other and collaborate often.

In the year 2014, the work of the NRZs is carried out by large numbers of active volunteers and adequate paid staff support. Many are 501(c)(3) nonprofits. City government is an active member of each NRZ.

Vision for Hartford 2000

In the year 2014, Hartford 2000 is seen as a powerful voice for the NRZs and other residential neighborhoods in all areas of the city. It serves as a forum and action center for individuals and groups who are committed to revitalizing the entire city. H2K is informed about and understands the issues affecting all segments of the population and works with and connects groups and organizations that are addressing those issues.

In the year 2014, Hartford 2000 is a catalyst to make the NRZs strong. H2K provides information, support, and resources to the NRZs to enable them to revitalize their neighborhoods and to work together on citywide issues.

In the year 2014, Hartford 2000 has full-time staff and a pool of active volunteers. H2K provides the NRZs with staff support. H2K's system of governance reflects the range and diversity of individuals and groups who are working to make Hartford a better place.

Five Year Goals

Goal A. Assist the NRZs to secure resources to implement their Strategic Plans and other initiatives.

Objectives and Actions

1. Complete updates to all NRZ strategic plans by assisting the NRZs, at their request, e.g. facilitating community meetings, collecting information, writing sections of the plan
2. Secure funding to implement improvements contained in NRZ strategic plans by:
 - a. Having input to the City's Capital Improvement Plan (CIP) process
 - b. Having input to the City's CDBG planning and allocation process
 - c. Working with Hartford's State delegation to secure State monies
 - d. Monitoring and having input into other sources of funding, e.g. HUD's Neighborhood Stabilization Program, DECD
3. Strengthen communication between the City and each NRZ by evaluating current communication methods and negotiating with City for a process that works for all

Goal B. Actively educate the community about, participate in, and influence policy development and issues that affect Hartford.

Objectives and Actions

1. Inform the community about government actions by
 - a. Preparing and distributing Council Preview/Review and Citizens Agenda for each Council Meeting
 - b. Sending out Alerts concerning community issues, meetings, policies, and civic engagement activities
 - c. Monitoring and publicizing the work of Hartford Commissions and Council Committees
2. Educate the community by
 - a. Hosting Neighborhood Training Institute workshops in partnership with the Hartford Public Library and others
 - b. Hosting forums on elections
 - c. Participating in voter registration and voter turn-out activities
3. Take action to address issues that affect the Hartford community by advocating for or against policies and actions
4. Enhance H2K communication methods to reach out to additional groups.
5. Maintain and enhance the relationship between Hartford 2000 and the Hartford Public Library

Goal C. Market Hartford's NRZs, neighborhoods, and Hartford 2000 as assets.

Objectives

1. Complete brochures for all NRZs
2. Create and air regularly a neighborhood show on Hartford Public Access TV
3. Serve on citywide task forces that advance the mission of Hartford 2000 and the interests of the NRZs
4. Make presentations to elected and appointed officials to orient and inform them about the work and needs of H2K and NRZs

Goal D. Support individual NRZ efforts to increase participation and effectiveness.

Objectives and Actions

1. Provide staff support for the NRZs by
 - a. Securing funding
 - b. Hiring and supervising staff
2. Assure that each NRZ has a representative of the City sitting on its board by bringing the NRZ and City staff together
3. Assist NRZs at their request

Goal E. Enhance the diversity of Hartford 2000

Objectives

1. Revise H2K's governance model to bring a variety of groups to the table
2. Recruit and manage a pool of volunteers for H2K committees and other purposes

Goal F. Improve the financial status and sustainability of Hartford 2000

Objectives

1. Raise money to support the work of H2K
2. Gain commitment and loyalty of NRZs to the role and operations of H2K
3. Focus on citywide role of H2K
4. Clarify role of NRZ/City reps as board members and assure understanding of role
5. Create a business plan
6. Hire full-time staff
7. Develop Centers of Excellence in NRZs