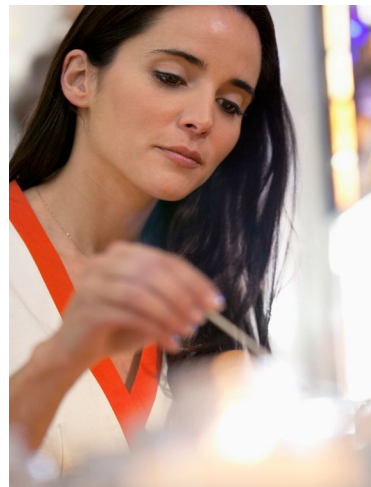


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Cultural institutions around the world, including the Orsay Museum in Paris, have closed during the covid-19 pandemic.

What Happened to Giving After Past Disasters

The downturn may be worse for charitable giving than any past economic freefall.

By EDEN STIFFMAN

Recessions aren't always dire for nonprofits, but the coronavirus crisis doesn't fit the mold of past disasters. "This is uncharted territory," says Laura MacDonald, vice chair of the Giving USA Foundation and principal at Benefactor Group, a fundraising consultancy.

Economists and fundraising experts like MacDonald say we can look to past crises, like the Great Recession, to predict how donors may respond. But they're careful to point out that this crisis is unique, and precedent may not hold.

Giving usually holds its own during recessions, says Patrick Rooney, an economist at Indiana University's Lilly Family School of Philanthropy. During typical downturns since the 1950s, giving has actually gone up by a modest 0.3 percent a year on average. But that figure excludes the last recession, the worst downturn since the Depression.

"During the Great Recession, we saw this dramatic decline in total giving, especially household giving," Rooney says. From 2000 to 2016, the share of households that gave to charity dropped 13 percentage points. Most households that gave to charity before the economy tanked continued to contribute about the same share of their income during and after the downturn. But fewer new donors joined that group after the downturn ended in June 2009.

While overall giving dropped during that period, giving to human-service groups like food banks and shelters increased. Donations to human-service groups rose 8.5 percent overall in 2008 and 1.8 percent in 2009, according to the annual "Giving USA" report.

But demand for human services also increased during that time, and that increase in overall donations didn't necessarily cover the costs of surging demand. Already in this crisis, some charities are seeing an uptick in demand as hourly workers lose their jobs, schools and child-care centers close, and people living on the margins are forced to make tough choices.

'NOT JUST ANOTHER HURRICANE'

In the short run, donors are going to feel more poor. "Households who live paycheck to paycheck are going to be

strained to provide financial support," MacDonald says. "And the households at the very top end whose giving might be tied to their equity investments are also going to want to sit on the sidelines a bit while they see what this crazy stock market does."

During the Great Recession, institutions that were running capital campaigns or were in the process of starting them ended up raising as much money or more than they expected, said Phil Hills, president of fundraising consulting company Marts & Lundy. Typically, it took an additional year or so than originally planned

"The households at the very top end whose giving might be tied to their equity investments are also going to want to sit on the sidelines a bit while they see what this crazy stock market does."

for groups to meet their goals. Those organizations tend to rely heavily on very large contributions.

A 2001 analysis on giving during historical crises like economic downturns, wars, political turmoil, and natural disasters found little impact on giving during the year of a crisis or the following year. But this crisis is unique, with so many unknowns about its effects on health and the economy and, therefore, unknown effects on philanthropy. "Uncertainty is the enemy of the capital markets and is the enemy of philanthropy," says Rooney.

"This is not just another hurricane or another tornado or another earthquake."

A Nonprofit Leader Relies on Her Arts Group's Skills in Facing a Blank Canvas

By MARIA DI MENTO



SIMON GROW HANSON

Amy Thomas managing director of the Penumbra Theatre Company in St. Paul, Minn., says that for theaters of color, which have historically lacked money and other resources, these times are especially tough.

Amy Thomas is managing director of the Penumbra Theatre Company in St. Paul, Minn., which focuses on the experiences of African Americans.

What has the coronavirus pandemic meant for Penumbra's operations?

All staff are working remotely. We are juggling artist schedules and Centers for Disease Control and Prevention guidelines that are changing by the day.

Obviously, the art world, the whole world, is in flux, and may be for some time, but I believe any industry tasked with creating actually has an advantage in times like these. We are adept at facing the unknown — literally, the blank canvas, the empty stage — and improvising when and where we need to. But some of us are more nimble than others. For theaters of color that have been historically underresourced and undercapitalized, these can be incredibly trying times. There is no padding, so to speak, no endowment, no major benefactor. But we have communities that passionately support us. People are our assets.

How long do you expect the change in operations to last?

Fortunately, with the support of a multi-year grant from the Saint Paul & Minnesota Foundation, we were recently able to invest in infrastructure that has allowed for remote-work laptops instead of desktops, a customer relationship management system that can be accessed remotely, a cloud-based server, etc. This is no small thing. For small theaters and theaters of color, it is critical that funders support not just our programming but our capacity and our potential. The consequences, otherwise, can be crippling.

What about fundraising? Has Penumbra started contacting its donors?

We are ensuring we remain in close contact with our board, funders, and stakeholders. We are gathering information and allowing time for thoughtful, delib-

erate reactions and responses. There is a risk of moving too fast or not fast enough. We are trying to strike the right balance, but we know everyone is feeling the instability, the uncertainty. Many people will need resources, some critically, so we are cautious about not asking for more than what we need right now. Private and corporate foundations, individual donors, nonprofit lenders — everyone we have

“I believe any industry tasked with creating actually has an advantage in times like these.”

been in contact with is responding with so much generosity of spirit. It is clear people want to get through the new normal together.

Has the crisis changed Penumbra's yearly fundraising plans?

Not to be bombastic, but everything has and will change. But not our desire for community, for transcendence, and for meaning. Theater still has a role. Our local funders have been incredibly helpful and generous. Grant terms are being extended, early payments on disbursements offered, and increases in funding awarded.

What has the crisis meant for the artistic and the administrative staffs?

We're looking at cash-flow scenarios through June. With what we know now, we're trying to game out all the possible ways this can go; short term first, long term a very close second. I can say we have no furloughs, no decreases in pay or benefits, and no reductions in core staff planned for now. We are a small, dedicated team who make big things happen, and we need to take care of each other. We are also working on myriad ways we can support our artists, run crew, and front-of-house staff if we cancel a main stage production.

Thank-You Videos Are an Easy Way to Send Personalized Messages

By EMILY HAYNES

When Angela Joens, assistant vice chancellor for development outreach at the University of California at Davis, learned a major donor was dying, she wanted to thank her in a meaningful way. The donor had endowed a study-abroad scholarship, so Joens recorded the program's first class of scholars in a video about what the opportunity meant to them. Joens filmed the video on her iPad, and a colleague showed it to the donor shortly before she died.

For the donor, watching the video was an *"It's a Wonderful Life moment,"* Joens said. She responded not only with tears but also an increased planned gift to the university. The size of the estate gift was surprising. The video, Joens said, "wasn't even meant to get more money. It was just to say thank you for that gift."

UC Davis uses videos primarily to thank donors and keep in touch with them throughout the year. It uses software called ThankView to record and distribute videos on holidays like Valentine's



GETTY IMAGES

Day and St. Patrick's Day and during major fundraising drives. Joens estimates that the institution pays about \$5,000 a year for the service.

And whenever a donor makes an annual contribution over the phone, the student who closes the gift immediately films a quick personal video on an iPad saying thanks and how much he or she enjoyed speaking with the donor.

The videos that are done more casually tend to receive better feedback, says Joens. Videos from phone-athon callers are simple expressions of gratitude, and when donors don't expect an immediate and personal acknowledgment of their gift, they're most responsive to a thank-you video, she says.

Most of the videos UC Davis sends are filmed selfie-style on a phone or tablet. It takes as few as 30 seconds to record these videos, and the students can send them immediately, Joens says.

And while most videos take little effort on the part of the development team, she says, they can have a big impact. ThankView allows recipients to respond by email or video. One donor responded to a Valentine's Day video saying it was a bright spot of her first Valentine's Day alone after her partner had died. "That was worth any ounce of energy my team put into it," Joens said.

DONORS INTERACT AND RAISE MONEY

At the Florida affiliates of Susan G. Komen, which supports breast-cancer research, Josh Hirsch, director of mission and communication, used a software called CauseVid to thank people who gave to his Facebook birthday fundraising event for the organization. His thank-yous also were simple selfie-style videos.

He was floored by the way donors responded: "People were thanking me for saying thank you," Hirsch said. "I never really get anything like that with a traditional handwritten thank-you. But it really blew me away, too, to see that engagement."

The charity uses CauseVid to send thank-you videos to those who partici-

pate in fundraising events and to monthly donors, among others. Hirsch says the chapter spends \$200 a month for the service, although packages and fees vary.

And a month before each donor's birthday, the organization sends a video asking donors to mark their birthdays by fundraising for Susan G. Komen on Facebook. In one video, three staff members in party hats eat cake.

"The videos that are done more casually tend to receive better feedback."

"Join us by celebrating your birthday — we'll save you a piece of cake," one says. Another staff member directs the viewer to click the button labeled "Create Your Facebook Fundraiser" under the video. A week before the donor's birthday, the charity follows up with another video as a reminder to set up a fundraising event.

This year was the first that the chapter was set up to receive donations from fundraising events on Facebook, and while Hirsch has anecdotally seen more Facebook fundraising events for the group, it's not yet clear how much of an impact the videos are having.

At UC Davis, Joens thanks more than 50,000 donors every year. "Video lets you be as personalized as possible," Joens says. That doesn't mean each donor receives a unique video. For example, someone who gives to support women's track and field will get a thank-you video that mentions a gift to student athletics rather than the specific sport. "But it's close enough. It's unique enough," says Joens.

Thank-you videos are also a valuable tool for donor retention, Hirsch says. "If we all know that it's much easier to retain a donor than it is to try to acquire new donors, why not make our donors feel like a million bucks?"



COURTESY OF PHIL GRESH

Longtime supporter Phil Gresh listened in to an Ocean Conservancy town hall about marine trash and was inspired to make a gift, which doubled his usual annual donation.

During Social Distancing, a Direct Line to Donors

Telephone town halls let charities connect with supporters
in a personal way.

By **DEBRA E. BLUM**

When the Ocean Conservancy dialed out to the home phones of thousands of supporters to invite them to stay on the line to learn about ocean trash, Phil Gresh listened in. He had been invited to

a telephone town hall, often described as a conference call crossed with a radio call-in show.

First, he heard a leader from the environmental group welcoming participants, and then, while waiting for the program to start, he joined in playing

a fun-fact quiz game about oceans by pressing numbers on the keypad. After a top scientist at the conservancy spoke briefly, the call was opened up for listeners' questions. When the moderator asked them to press 7 on their phones to make a donation, Gresh, a former board member who contributes regularly, did so.

"What I heard triggered me to support them, even though I wasn't planning to that night," Gresh says, noting his gift doubled his usual annual donation.

DEEP CONNECTIONS

The Ocean Conservancy raised about \$8,000 during the call. But Charlotte Meyer, director of planned giving, says the group's telephone town halls — they started in 2018, with two or three each year — are less about short-term fundraising than about informing and building ties with supporters and potential supporters. In fact, she notes, the event about the group's Trash Free Seas program was the only one so far that included an explicit solicitation.

The town halls "let us connect with people more deeply around something we already know they care about," Meyer says. "They get to know what [the CEO's] voice sounds like; they get to hear how excited our experts are. It brings together brains and souls and hearts, and that elevates the relationship between the Ocean Conservancy and its members."

The popularity of telephone town halls has been on a slow rise, an unexpected trend at a time when fewer and fewer households even have landline phones — federal regulations largely prohibit mass dialing to mobile phones — and many charities are cutting back on their telemarketing appeals. The technology to dial as many as two million numbers in just minutes and manage the response is less than 15 years old, but it has been well tested by elected officials and political candidates who were the earliest adopters of telephone town halls. The technology is newly relevant as charities

cancel events because of the coronavirus pandemic.

Plenty of nonprofits are seeing benefits, too. A telephone town hall is less expensive than a direct-mail appeal and can have a better response rate than email blasts, charity officials have found. Most important, they say, the events give them a direct connection with thousands of supporters at a time, opening up what feels like a one-to-one channel to promote their work, thank members, encourage activism, or solicit contributions.

"What's a better way to get 10,000 people in a room, so to speak, for an hour every quarter?" says Steve Kehrli, vice president for development at PETA, which hosts about four town halls each year. "What's a better way to get those people together, on some Tuesday night, and be able to connect with them — all of them — in an interactive way on a personal level?"

"The group's telephone town halls are less about short-term fundraising than about informing and building ties with supporters and potential supporters."

Overall data are not available, but figures from Tele-Town Hall, a company that calls itself the leading provider of the technology, and Stones' Phones, a consulting firm that specializes in telephone strategies, offer a rough idea of what call participation looks like.

Tele-Town Hall reports that the average number of outgoing calls for a charity event is 40,000. As many as 20 percent of those who receive a call answer it and stay on the line for up to 10 minutes. Participation time increases to 25 min-

utes, on average, among people who have been notified of the event in advance. Less than 5 percent of participants stay on until the end of the calls, which are usually an hour long.

Tele-Town Hall also reports that 2 to 5 percent of participants make donations during calls that include a direct solicitation, and that 6 to 8 percent of those contacted directly by a charity within a day or two after a call will contribute. Average gift size of all those donors, the company says, is \$50 to \$80.

On its website, Stones' Phones has a calculator to estimate participation

rates. With 40,000 as the number of outgoing calls, the calculator determines that 7,434 people are likely to participate, with 7 percent staying on the call for more than 30 minutes.

Depending on the number of outgoing calls, organizations pay consultants or vendors at least \$2,000 per event and as much as \$20,000 if they use other services, such as paid staff members to act as event moderators, screen call-in questions, or process donations. Additional features of the calls can include the ability to run real-time polling questions or patch listeners through to the offices of legis-

Get the Most Out of a Telephone Town Hall

- Get people to opt in to the call ahead of time and provide landline or cellphone numbers by text, email, or through a website registration form. Call in advance with a recorded invitation message.
- Have a script and rehearse it in advance so moderators and speakers know who is talking, sound natural in their interactions, and stay on point.
- Have a lively moderator and upbeat speakers, keep introductory remarks to five to 10 minutes, and open up the call for questions from participants as soon as possible.
- At the end of the call, automatically send all participants to a line to leave a voicemail with any questions or comments.
- Use the participation data to follow up. Within a few days, staff members should call or email any-

one who stayed on the call for more than 30 minutes, submitted a question, left a voicemail, answered a poll question, or took any other action.

Advanced Tips

- Have a celebrity or well-known elected official voice the recorded invitation message.
- Have a few “plants” ready — people on the call prepared to ask questions if there’s a lull or to push straying presenters back on track.
- Analyze when people drop out of the call. Then, for your next telephone town hall, adjust the script, the order, and the timing to try to keep up momentum where it flagged before.
- Extend the life of the telephone town hall by offering recordings or posting it on your website.



lators. Consultants can also help organizations work with the data collected from the call, such as by cross-referencing participation — for example, question asked or time spent on the call — with donor rolls, measuring interest by demographics or identifying which supporters the charity should follow up with.

In preparation for a telephone town hall, nonprofits also usually pay third parties to update their donor files and add home phone numbers. Only supporters who have provided their cell numbers to opt in to participating in a town hall would be called.

CLEAR GOAL IS KEY

For the best results on these calls, practitioners say, nonprofits must have a clear reason, agenda, and, especially, a script for the event. The central feature of the call might be to allow participants to ask the organization's CEO questions, hear from an expert about advances in the field, or learn how they can participate in a timely advocacy event, like signing a petition.

The key is planning the event with basic questions in mind, says Will Wrigley, at Stones' Phones: "Who is the target? Who will talk? What do they have to say? How interactive will it be?"

"Whether it's for stewardship, fundraising, advocacy, or all those things," he says, "you have to have something worthwhile to say, and you have to be compelling and entertaining."

On the Ocean Conservancy's telephone town hall about ocean trash, Nick Mallos, senior director of the

Takeaways

- With telephone town halls, groups dial out to the home phones of thousands of supporters and invite them to stay on the line to learn more about the nonprofits' work and ask questions. The goal is to deepen ties with donors.
- Unlike a conference call, participants don't have to call a 10-digit number or enter a code.
- Depending on the number of outgoing calls, groups pay consultants or vendors at least \$2,000 per event and as much as \$20,000 if they use other services.
- For best results, nonprofits should have a clear goal for the event, an agenda, and — most important — a script.

Trash Free Seas program, made a startling comparison to illustrate the extent of the problem. The 18 million pounds of debris removed from beaches around the world during a one-day coastal cleanup, he said, roughly equaled the weight of 200 Boeing 737 airplanes.

"That is incredible and sad," Gresh, the call participant, said in an email, recalling how he felt.

"Hearing directly from the experts about interesting things with a personal touch is what the telephone town halls are about," he said. "These are not just robocalls."

One-Third of Americans Will Give More Amid Coronavirus Outbreak

By MICHAEL THEIS

Close to one-third of Americans plan to give more to charities in 2020, according to a special edition of the Better Business Bureau's Give.org Donor Trust Report survey, commissioned partly to gauge donor reaction to the coronavirus pandemic.

The survey, conducted March 27 to 30, gathered responses from 1,000 U.S. adults. Of those, 31.8 percent said they planned to give more this year than their average giving rates over the past three years.

more likely to say they planned to give more, with 36.9 percent saying so, compared with 23 percent of others.

Additionally, more than half of donors polled said they planned to keep their annual giving levels consistent over the next year. Only 8.8 percent said they intended to reduce their annual giving.

Of those who expected to give less in 2020, 45.6 percent blamed lost income due to the pandemic.

The study also found that 23.9 percent of participants expected to give money to a small business directly or through a crowdfunding effort.

CHARITIES' EXPECTATIONS

Another aspect of the survey gathered data from 118 charities that are part of the Better Business Bureau's Accredited Charity program. Those groups have a dim view of what's next. Eighty percent anticipated their 2020 revenue will be lower than they had previously expected, with only 3.4 percent projecting revenue increases and only 4.2 percent expecting revenue to remain the same.

Among the other findings:

- 93.5 percent of charities anticipate donors will be less able to give.
- 69.6 percent believe they will have to cancel their big fundraising events.
- 54.4 percent believe their donors will redirect their giving toward support for individuals in need.



23.9%

of participants expected to give money to a small business directly or through a crowdfunding effort.

Younger generations were more willing to boost giving this year, with 47.7 percent of millennials and 60.8 percent of Generation Z participants saying they planned to increase their giving this year. Residents of urban metropolitan areas were

STRATEGIES DURING COVID-19

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