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American City Bureau, Inc.

Maintaining Philanthropic Momentum

## Fundraising in Tough Economic Times



To our friends and clients—past and present,

We all realize that our nation and the world have entered a period of uncertainty and economic turbulence. No doubt, times are tough. When times get cold, we feel like they will never get warm again, but we will never get warm again if we sit still. For almost a century, American City Bureau, Inc. has been guiding clients through economic periods like these to the successful completion of capital campaigns.

*Giving USA 2008* shows that, indeed giving does go down in a recession, but the decline is not as great as we might think. In the five recessions since 1967, giving fell an average of one percent in recession years, adjusted for inflation. In 2007, even in the face of sky-high gas prices, the massive loss of housing equity and rising unemployment, giving **rose** 3.9 percent, one percent after adjustment for inflation. In non-recession years, giving **always** increases and tends to stay level in recessionary years. In America—the most generous country in the world—philanthropy is not dead!

A bad economic climate requires that every non-profit communicate **more not less** to their donors and prospects. Each organization must do solid development, and focus on individuals. In 2007, 75 percent of all giving came from individual donors. When bequests are included, that figure rises to 80 percent. Despite economic conditions, philanthropy will **always** be about relationships. Non-profits will be well-advised to continue cultivating their donor and prospect relationships, keeping individuals at the forefront of philanthropic efforts.

Yes, the economy will force corporations to give less, and the federal government will have little money left over after the cost of the recent bailout is assessed. Thus, individual donors will be more important than ever.

The old sayings about working smarter and faster in tough times are as true as ever, but now, smarter means staying closer than ever to board members, donors and donor prospects. Now is the time for a fundraiser to put extra effort into showing donors what their giving has done in the past, while reminding them that the needs of social services, religion, education, arts and healthcare, are timeless. Neglecting those needs will mean a degradation of past donor investments and a possible decline in services needed most during difficult times.

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## Bureau News Briefs

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### *American City Bureau, Inc.—Helping organizations find the promise of growth*

Deep personal commitments by high-end donors will help organizations see their way through this period. Cultivation is key to developing those deep commitments. Every town has its own Warren Buffett. He or she may already be one of your donors. Every town has a visionary who will see past this downturn, and remember that the value of an organization is its ability to persevere and fulfill its mission.

Economic times like these should compel an organization to emphasize *the mission*. This is the moment for all organizations to remember the people they help. They should revise and reframe their case statements and public presence so that their communities see them as efficient and determined. And, they should remember that the services they provide and the needs they meet offer hope during tough times. Emphasizing mission and values inspires donors and prospects to keep moving forward and to do all they can to keep their communities “above water.”

As we all know, each donor is unique; his or her giving is the result of a personal narrative that has led them to give. The economic downturn has affected each donor in a unique way. Some donors have seen their life savings and their lives’ work erased in a matter of weeks. We must be mindful of the toll that some of our donors may be paying as a result of these trying times.

As a result, organizations will have to take each donor’s circumstances into account. Extending trust and stretching out pledge periods are just the first of many ways of sustaining relationships that are the foundation of an organization’s future. Organizations need to keep in mind that each personal story affords a way to strengthen existing relationships and build new ones that will withstand these difficult economic times.

American City Bureau, Inc. stands ready to ensure that your organization stays the course and does not lose faith in the fundraising practices that have sustained it for so long. ACB will make certain that your organization does not lose focus or momentum during a difficult time like this one by helping you assess your relationships, develop timely cultivation strategies and continue building toward the future.

Working together, ACB can help your organization **emerge stronger and smarter** than ever without losing critical momentum. Strength and vision will ensure that your organization secures the gifts it needs without fear of donor response or tough times. We challenge you to keep moving forward so that you may find opportunity where others see none. As some non-profits chose to suspend their efforts, you may find that their loss is your gain with the right cultivation and “ask.”

History has proven time and again that philanthropy prevails. In nearly 96 years of experience ACB has seen clients through many difficult economic times. The key to success is not to be idle, but to continue to engage your constituents and build relationships so as the economic tides turn, your organization will have sustained—and even grown—your philanthropic base.

With encouragement,

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