



**—** Approximate funding IF best practices are followed

**⋯** Approximate funding if best practices are NOT followed

\*All dates estimated, based on experiences with previous natural disasters and economic collapses.

## Fundraising in a Pandemic and Economic Downturn:

### What Will Happen, How You Can Succeed

The coronavirus pandemic and its economic aftermath will do grave harm to a lot of nonprofit organizations. The good news is, how *much* damage it does to your organization depends largely on the proactive actions you take in the hours, days, and months ahead.

In fact, our experience is that that many organizations will come out of this crisis stronger and in better financial shape than ever.

Yes, this year and next could be some of your best fundraising years yet.

**We believe that raising money during this crisis is going to behave like a combination of what happens after a disaster (think Hurricane Katrina back in 2005) and what happens in an economic downturn (think the Financial Crisis of 2008): there will be three distinct phases over the coming months.**

We base this prediction on what we learned from previous crises – especially the Financial Crisis, and before that the 9/11 Attacks, and the anthrax scare that immediately followed it. We also considered dozens of other natural and manmade disasters, all of which impacted fundraising results, both positively and negatively.

Every organization is experiencing this crisis differently based on your cause, location, culture, leadership, and other factors. But big picture, we are all living through the same situation. The forces around us are more alike than unlike.

We hope the following guidance and graphic, based on our experiences, will help you emerge from the crisis in a stronger position than you are today . . .

## **Phase #1 - The Beginning: the Need for Speed**

Natural disasters happen suddenly, get a lot of attention, and then quickly fade from attention as media coverage turns away. Organizations that serve in the disaster raise a lot of money during this spike. But – surprisingly to many – organizations unrelated often do well too. It's as if there is a "halo effect" that causes people to be more charitable than usual, *even to causes unrelated to the disaster*.

This is exactly opposite to what so many organizations expect: They assume all giving will migrate away from them because of the crisis. This becomes a self-fulfilling prophecy when they cancel fundraising, and thus raise no revenue.

The coronavirus crisis looks to be a quite different than a 'standard' disaster. It came upon us fairly quickly, but it will not be "over" any time soon, and the media will not lose interest in a few days or weeks. We are all living within the disaster, staying at home, seeing the news, watching our retirement plans lose value, and worrying about our jobs.

We believe this initial peak giving period will last longer than it does for natural disasters -- probably a few weeks, maybe more. We'll know we're coming out of this period when we start to see lead news stories that are about something other than the crisis.

Here's the key for fundraisers in this first phase: Don't go silent! **Keep in touch with your donors, giving them the chance to be the heroes they want to be during the early part of the crisis.** And, as you'll read below, this is important throughout the *whole* crisis.

## **Phase #2 — The Dip in Giving: Donors take a deep breath**

During disasters, giving drops rather quickly after that initial spike, then returns quickly back to normal. The coronavirus crisis, like the Global Financial Crisis 12 years ago, will likely have a much longer dip as the depth and seriousness of the economic fallout plays out. **Be prepared for lower revenue through the end of the summer and into early fall. At least.**

Think of this as a summer slump – that seasonal drop many organizations experience every year – but on steroids.

This will happen for the following reasons:

- People will conserve money because of job losses, damage to their investment portfolio, and fear that it could get worse and last for a long time.
- Some donors may feel they have "already given."

But the dip is much worse for organizations that:

- Go silent on donors because they see lower result to their fundraising, which means their fundraising does even worse ... it's a vicious circle.
- Engage in irrelevant communications that don't match the world the donors are living in.

The organizations that suffer the least during this dip are the ones who:

- **Make a compelling and emotional case for the benefit their organization is providing to society during this time.**
- Send our *more* fundraising communications during this time, not less.
- Shift their messaging to stay relevant and urgent to donors – it's no longer the initial shock of the fast-spreading virus and all the closures and cancellations – but it's not business as usual. What you communicate about will vary depending on how the crisis affects your organization, cause, or beneficiaries.
- You have the best chance of keeping your donors if you *keep their attention* during this time. (The guaranteed way to *lose their attention* is to not engage with them.)

How to keep donors engaged during this challenging time:

- Immediately report back to your donors about what happened during the first critical weeks of the situation. Do this electronically for the large group of donors, via phone and mail for major donors.
- **Make absolutely sure your majors know their gift made a difference and how valued they are.**

- Establish a regular stream of communications that ask for donations and report back on the impact of their giving – though on the whole, asking will be more important than reporting to drive revenue.
  - Your fundraising campaigns should either be about "erasing your shortfall," "keep the doors open," or meeting current, acute needs your organization or beneficiaries are facing.
- Send at least one big Thank You to everyone on your email file (along with receipts to everyone who gave a gift and Thank You calls to majors).

Don't reduce your communication with your donors, and don't resume normal communications as if the situation isn't happening.

## **Phase #3 - The Restoration & the "New Normal"**

Communication rhythm and content begin to return to normal. But this new normal may be difficult for quite some time.

You may need to use some sort of "shortfall" messaging to fully restore giving and to raise enough to cover what was lost during Phase #2. And giving, especially from donors hit hardest by the economic downturn, may take a long time to return to normal.

Here's what we recommend:

- As the "new normal" establishes itself, run an 'End the Shortfall' mini-campaign with a deadline and multiple pieces of communication (mail, email, social, your website).
- Meaningful messages and tokens of thanks to major donors: in-person thank you's from leadership, printed certificates, pins, printed photos, etc.
- Special reporting to all donors who gave during the crisis. This can be special newsletters, hand-written notes, printed photos, etc.

The big unknown is how long the economy will be in a serious slump. It could be a long time. How much it impacts your revenue will have a lot to do with who your donors are.

All we can say for now is this: However this plays out, the world will be a different place afterward.

## **Conclusion**

If you've followed the advice above, it's possible your new normal level of giving could be *higher than it was before the crisis*.

Why? Because you encouraged your donors to get in the habit of reading your communications (because your comms are relevant and your donor is actively giving to your organization. Because you ask well and reward donors with good thanking and reporting back. You'll have better, deeper relationship with donors who went through it all with you. They've *felt* your organization and beneficiaries go through the crisis and come out the other side.

Your donors will be more bonded with your organization compared to other organizations that didn't treat them as well, which means retention rates and average gifts will increase.

If you'd like help navigating through the pandemic and economic downturn, get in touch:

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We would like to thank Richard Perry of Veritus Group for his insight into the issues discussed here.

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