

Covid-19 Fundraising: How Nonprofits and Higher Education Can Adapt

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As the Covid-19 pandemic continues to change life across the globe, a great deal of attention is being given to both the human and economic costs with Covid-19 fundraising thrust into the spotlight. And rightly so, given that the pandemic has impacted the routines and livelihoods of nearly everyone on the planet. Within this landscape, nonprofits face a unique set of challenges, driven by changing donor behavior.

Covid-19 Fundraising – Changing behavior in a changing world

The pandemic has had a significant and wide-ranging impact on the nonprofit world, from charities to hospitals to higher education. In all areas, donor behavior has changed significantly affecting all types of revenue streams. According to a recent report from Charities Aid Foundation America, 73% of nonprofits have seen a decline in the number of contributions they're receiving. Individually, smaller scale donors have been pulling-back due to growing unemployment and other financial burdens. Corporate donors are also cost cutting and trying to find ways to longer term sustainability. While there has been a decrease in overall donations, high net worth individuals continue to donate and are being asked to carry their weight and even contribute more to fill the gaps.

Several of these major donors have been making news with new philanthropic commitments: Twitter CEO Jack Dorsey has pledged \$1B USD to Covid-19 relief, Michael Rubin's Fanatics has launched the All-In Challenge to address food insecurity, and Jeff Bezos has given \$100M to Feeding America. The Johnson and Kraft families have also made major philanthropic donations since the start of pandemic. These examples of the wealthiest donors continuing to give are illustrative of a general trend. According to a recent survey by Fidelity Charitable, 25% of donors with Donor Advised Funds plan to increase contributions, while 54% planned to maintain giving.

Given this changing reality, some organizations are thriving, while others are negatively impacted and need to innovate when it comes to their fundraising strategy. Several areas, including healthcare (especially larger institutions tied to medical research), and some community organizations are seeing increased engagement and giving, while different sectors including education and the arts are struggling with both fundraising and programming challenges.

Organizations that are struggling to operate and adapt to the current state of the world need to develop a playbook for the current environment. Focusing on a few key strategies can help build a successful approach.

Double down on communicating your vision and mission

There is a lot of media noise, and a lot of people are looking for guardrails and foundations. Take the opportunity to clearly re-communicate your organization's fundamental purpose and goals to your donors. Help people to understand the enduring significance of what your organization is doing in the midst of so much uncertainty. As donors are reassessing what they need to be spending on, be sure your organizational values are front of mind.

Take the time to foster a personal connection

Focus on relationship building and look for new and creative ways to foster connections. Like everyone else, donors are looking for human connection during this season. There are several very practical ways to get creative within the new environment. Leverage a more digital engagement strategy by hosting events like Zoom auctions or donor networking events. Even simple gestures like finding a unique way to say thank you to existing donors can have a meaningful impact. Look for ways to drive community among your donor base. In addition, be open with key donors – discuss needs and priorities over the next six months. Find donors who want to help and make sure they understand the position your organization is in.

Recommit to the 80/20 principle

As your organization navigates the coming quarters, the 80/20 rule is more important than ever: and may be even closer to a 90/10 rule. A larger share of your contributions will come from a smaller number of donors. Being able to find who the key champions are in a time of crisis is imperative, whether it's a current board member, someone they could introduce you to, or someone who's a great fit for your mission. With more money flowing from fewer people, it's very important to maximize relationships with affluent key donors, tailoring to their needs, and drawing them into a sense of true ownership of the mission you're pursuing.

Balance short term and long term planning

In the midst of this pandemic, it's understandable to focus on short term priorities. But equally important and necessary is an eye on the future, and evaluate what the current crisis indicates for long-term planning. How will your organization's mission be impacted over the next 2-3 years? Where and how will you attract new donors? How will fundraising efforts change over the long term? Consider a transition strategy that allows your organization to effectively pivot from the current health and economic climate to a sustainable future.

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