

Managing and Fundraising in These Challenging Times

For staff and board leaders



Presented by **Andy Robinson** for the



NSP

Nonprofit Support Program

HARTFORD FOUNDATION FOR PUBLIC GIVING



Welcome!

I'm Andy...

Author, trainer, board
chair, and the Swiss
Army knife of
nonprofit consultants

Getting started...

What's the upside of the current situation?

What are the opportunities?

AND/OR

How are you caring for yourself?

What's your favorite self-care strategy?



Outcomes for today's workshop

You will learn how to:

- Identify and protect core programs
- Seek collaboration opportunities
- Build a more resilient revenue mix
- Create financial dashboards and contingency budgets





Breakouts

Benchmarking
success and
sustainability

How would you **benchmark** or **measure**
success and sustainability – in all
dimensions – for your organization?



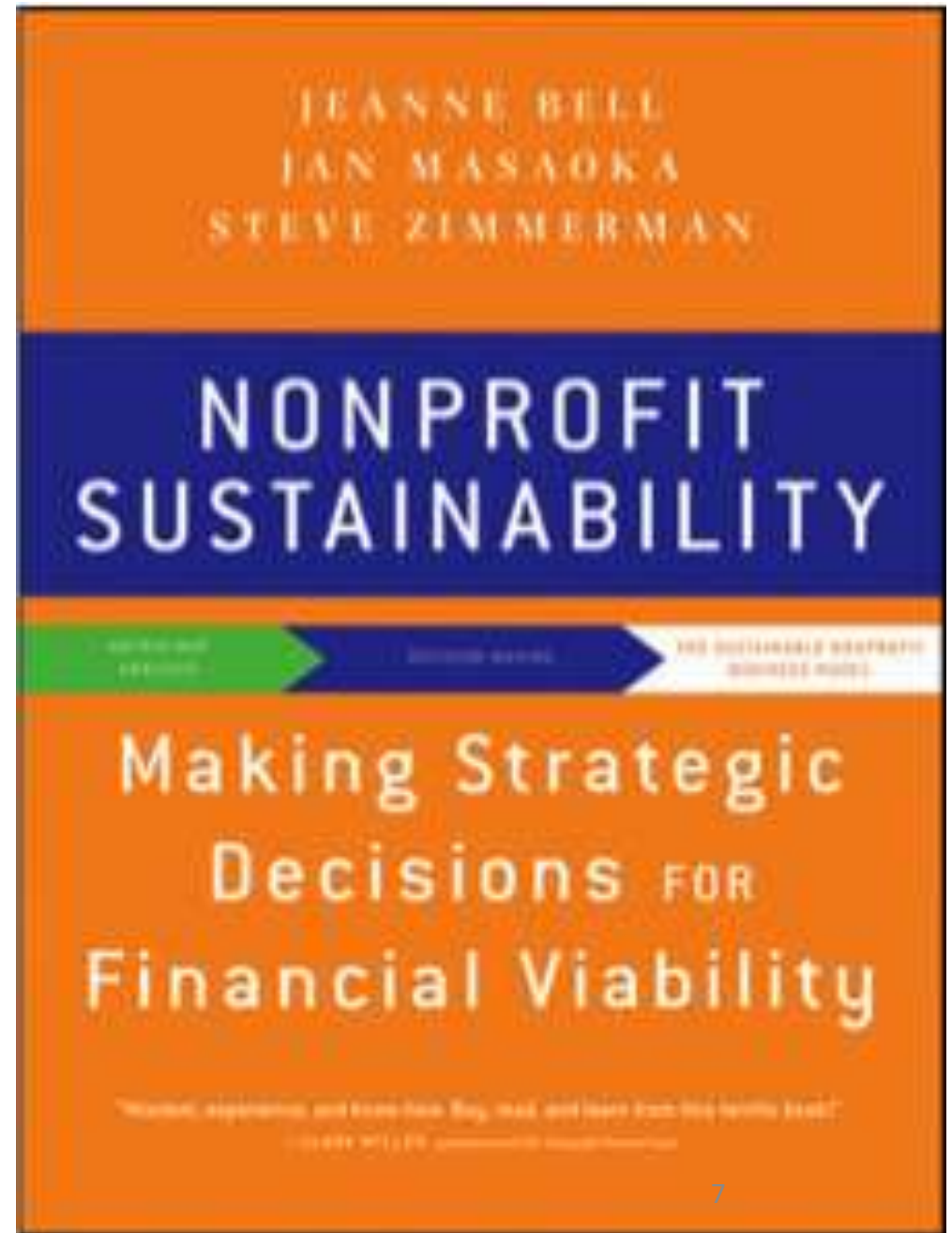
How can we measure nonprofit resilience?

- Depth of partnerships and mutual aid
- Diversity of revenue; adequate reserve fund
- Contingency budget and contingency plan
- Leadership succession plan
- Culture of abundance and adaptation

*One tool for
prioritizing programs*

Matrix Map

As presented in:



High Mission Impact



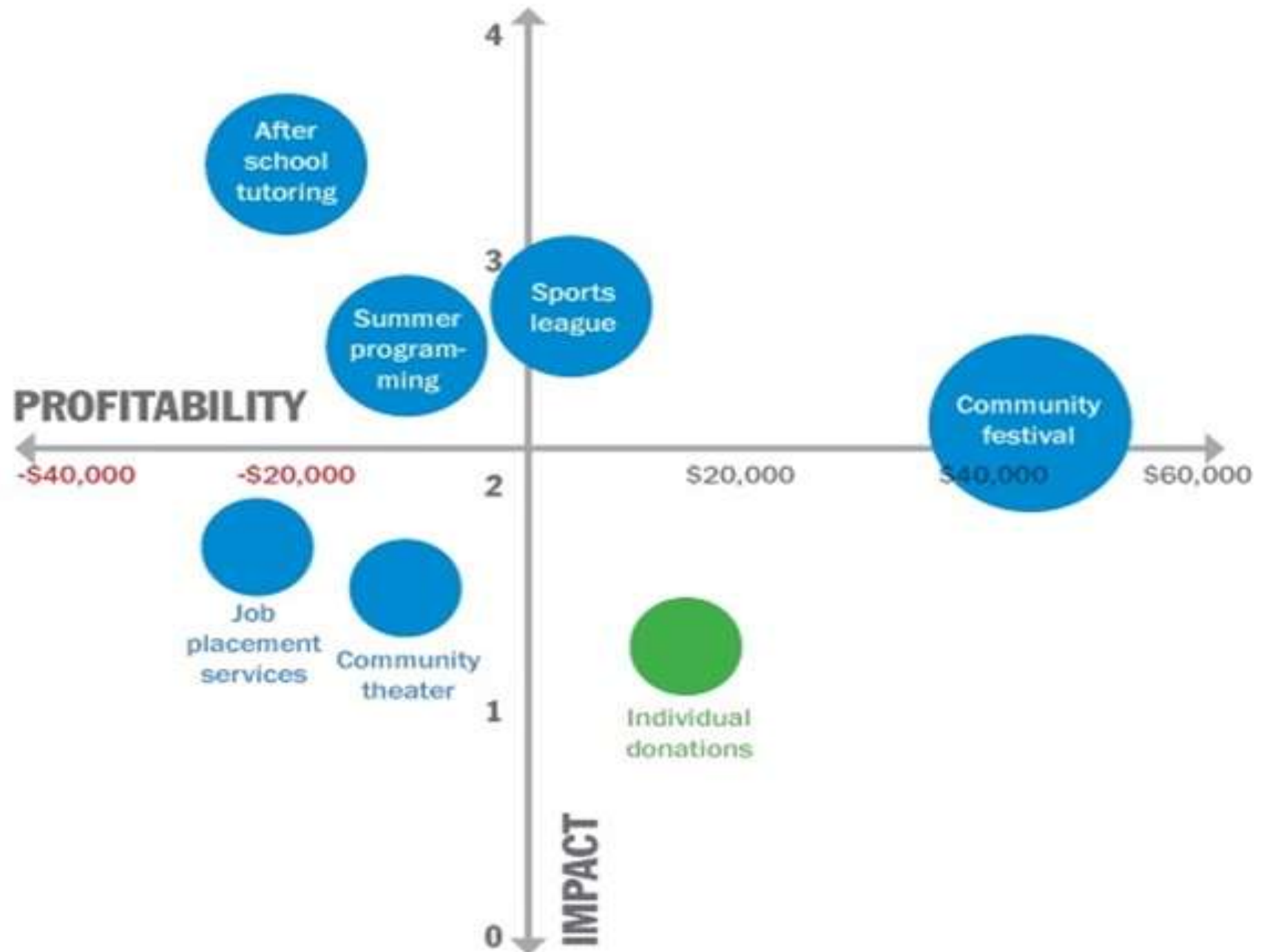
Low Fundability
or Profitability

High Fundability
or Profitability



Low Mission Impact

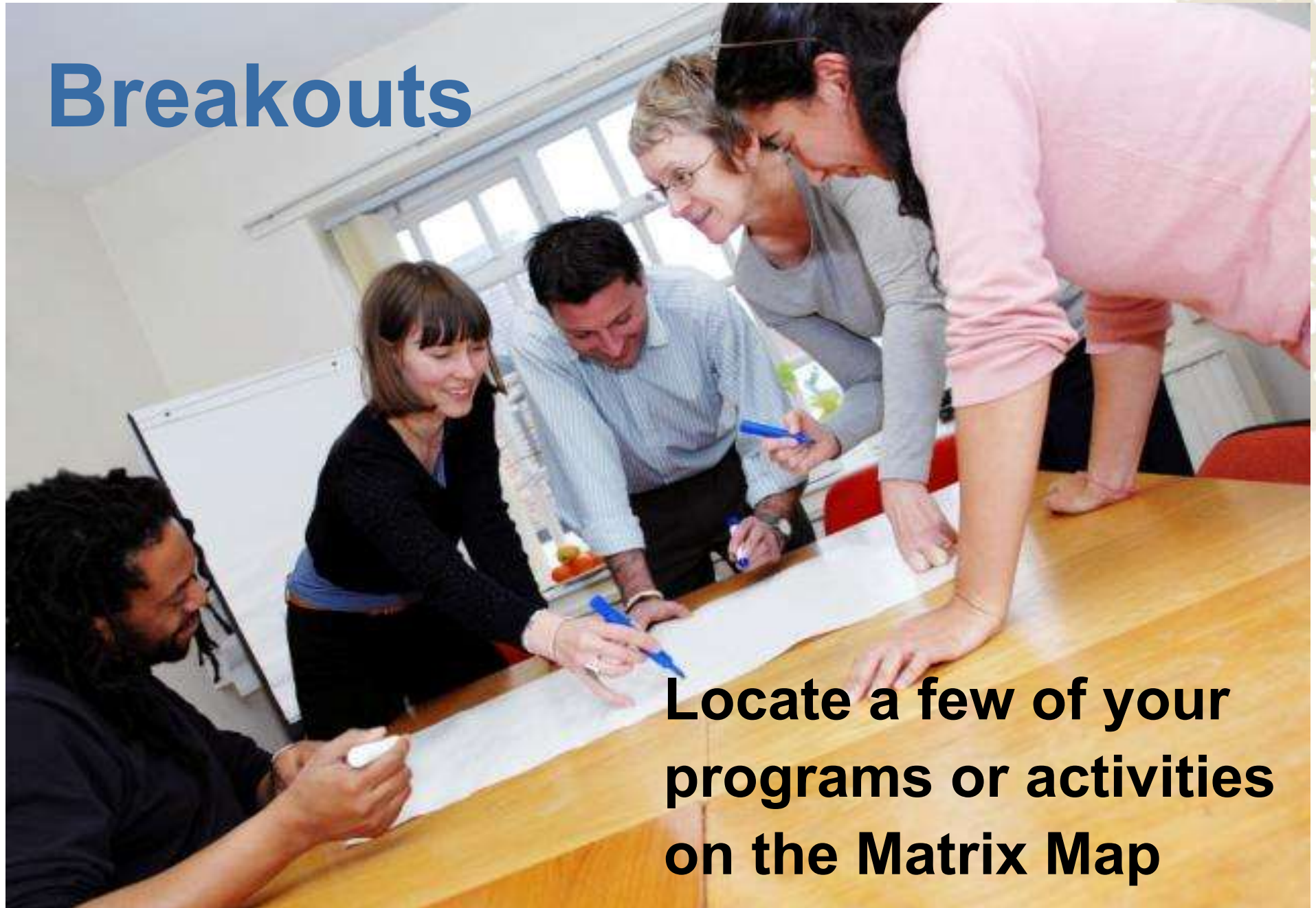
Matrix Map for a Community Center



Business Line	Quadrant	Imperative	Action
Community Festival		Invest & grow	Formed a committee to explore ways of expanding and committed resources to growth.
Sports League		Invest & grow	Expanded sports offerings and developed marketing plan for more participants.
After School Tutoring		Keep. Contain costs.	Set limit of number enrolled to maintain average time with each student.
Summer Programming		Keep. Contain costs.	Set limit of number enrolled to maintain student/teacher ratio.
Job Placement Services		Close or give away	Transferred services to local organization.
Community Theater		Close or away	Stopped production. Some productions picked back up as all volunteer effort.
Individual Donations		Keep watering. Increase impact.	Focused message on impact. Refreshed annual ask.

Reprinted from *Nonprofit Quarterly*, 4/1/14

Breakouts



**Locate a few of your
programs or activities
on the Matrix Map**



Another tool

MacMillan Matrix

Created by Ian MacMillan
of the Wharton School,
University of
Pennsylvania

Four criteria:

1. Alignment with mission and abilities
2. Program attractiveness: “easy” or “difficult”
3. Competitive position compared to others
4. Alternative coverage – who else is doing overlapping work?

MacMillan Matrix for grassroots groups

MacMillan Matrix rephrased for grassroots organizations

Adapted by the Institute for Conservation Leadership in “Managing in Hard Times,” www.icl.org. Used with permission.

		HIGH PROGRAM ATTRACTIVENESS: “Easy” Program		LOW PROGRAM ATTRACTIVENESS “Difficult” Program	
		Alternative Coverage High	Alternative Coverage Low	Alternative Coverage High	Alternative Coverage Low
GOOD FIT WITH MISSION AND ABILITIES	Strong Competitive Position	1. Affirm this program and negotiate functions with other organizations.	2. Grow in order to provide this service to the movement.	5. Collaborate to share the load or help fund resources.	6. “Soul of the Organization” – find support for this or limit its scope.
	Weak Competitive Position	3. Give this away quickly.	4. Decide with other organizations who should do this.	7. Give this to other organizations supportively.	8. Collaborate to share the load or give it away.
POOR FIT WITH MISSION AND ABILITIES		9. Give this away quickly.		10. Give this away systematically.	

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Easy or difficult?



Program attractiveness is the complexity associated with managing a program.

Highly attractive (“easy”) programs have stable funding, high demand, measurable program results, and attract volunteers and resources.

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**Use this
tool to
figure out
when...**

- Your organization should lead
- It's best to support other groups
- You might be stronger working together!



Consider using this matrix for a **joint exercise with potential partners**



Breakouts

Choose one or two of your programs and run them through the MacMillan Matrix. Observations? Lessons? Action steps?

How will you engage stakeholders in this conversation?

Options for realignment



- Scaling back or closing programs
- Adopting out programs
- Back-office consolidation
- Mergers
- Shutting down with dignity

How well do you play with others?

Tamarack's Collaboration Spectrum

						Trust
Compete	Co-exist	Communicate	Cooperate	Coordinate	Collaborate	Integrate
Competition for clients, resources, partners, public attention	No systematic connection between agencies	Inter-agency information sharing (e.g., networking)	As needed, often informal interaction on discrete activities or projects	Groups and organizations systematically adjust and align work with each other for greater outcomes	Longer team interaction based on shared mission, goals; also shared decision-making and resources	Fully integrated programs, planning, and funding
Turf						

Examples: Not-so- cooperative relationships



Compete: Scheduling fundraising events at the same time targeting the same donors

Co-exist: Ignoring potential partners

Communicate: Attending networking events



Examples: **Ever-closer relationships**

Cooperate: Jointly sponsored programs

Coordinate: Shared support services
(accounting, payroll, office space, etc.)

Collaborate: Shared staff; ongoing shared
program planning, fundraising, board contact, etc.

Integrate: Full merger or strategic partnership



Breakouts: **Collaboration**

- Identify one or two ways in which deeper collaboration could advance your mission
- Who are your best collaboration partners (current or potential) for this work?

Collaborative fundraising survey

A sampling of conservation land trusts, 2019

- 65%** Joint grant proposals
- 29%** Shared fundraising events
- 27%** Donor or funder briefings
- 26%** Shared asks with major donors
- 26%** Local or statewide giving day
- 21%** Joint capital campaign or land project
- 18%** Fundraising workshop with peers
- 11%** Exchanged mailing lists or e-lists



Survey: **What are the barriers?**

- 53%** Not enough time or bandwidth
- 52%** Competition for scarce resources
- 44%** Fear of “losing” our donors
- 30%** Resistance from board/staff
- 20%** Don't know how
- 18%** Why would we do that?
- 38%** Other



How to structure joint proposals

Amount requested: \$50,000

Grantee 1 (project lead, grant manager), **\$25,000**

- Deliverable A
- Deliverable B

Grantee 2, \$15,000

- Deliverable C
- Deliverable D

Grantee 3, \$10,000

- Deliverable E



Where's the money?

Income for US nonprofits

\$593 billion

Philanthropy

\$650 - \$700 billion

Public funding

\$1 trillion

Earned income

\$2 trillion +

Total income

*Source: Nonprofit Quarterly Nonprofit Economy 2020;
Giving USA 2025*

The biggest challenge in fundraising is **scarcity mentality**. If you know where to look – and you're willing to do the work – there's plenty of money.



U.S. Philanthropy

\$593 billion in 2024

19% Foundations

7% Corporations

66% Individuals

8% Bequests

Source: Giving USA 2024





- 50% + of households contribute
- The typical household supports 5-10 organizations per year.
- The median amount contributed per household is \$900 per year

Income sources for nonprofits



Grants

- Foundations
- Corporations
- Public charities
- Government
- Service clubs
- Faith-based

Individuals

- Membership
- Major gifts
- Monthly giving
- Online giving
- Crowdfunding
- Benefit events
- Workplace giving
- Planned gifts





Earned income

- Goods
- Services
- Investment income
- Cause related marketing

	Pros	Cons
<i>Grants</i>	<ul style="list-style-type: none"> • Large amounts • Program funds • Get organized! 	<ul style="list-style-type: none"> • Lousy odds • Restricted money • Mission drift
<i>Individuals</i>	<ul style="list-style-type: none"> • Lots of options • Unrestricted \$ • Community support • “Lifetime value” 	<ul style="list-style-type: none"> • Donor retention and upgrading takes effort • Board resistance
<i>Earned Income</i>	<ul style="list-style-type: none"> • Improved financial systems • Greater program impact? • Diversification 	<ul style="list-style-type: none"> • Underpricing • Some programs can’t be monetized • Risk

Before cutting costs, raise \$

Kim Klein: “Most people’s instinct is to cut expenses rather than raise money.

Resist this impulse as much as possible.”



Mapping your income diversification

	Dollars	%
Operating budget		
Foundations		
Corporate & business		
Government		
Membership dues & donations		
Major gifts & board giving		
Benefit events		
Earned income		
Investment & interest		
Other		



Breakouts

Long-term, what's the most sustainable income mix for your organization?

Understanding
finances is
**easier than
you think**



Board and staff can learn a lot by
reviewing a brief **financial dashboard**

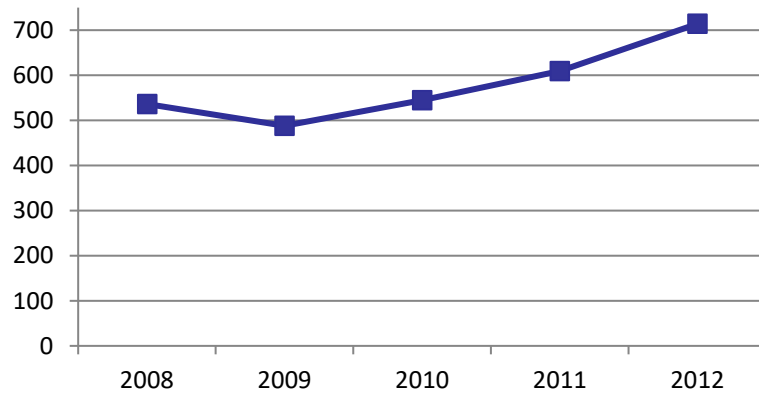
Indicator	How measured	What it tells you	2 years ago final	Last year final	This year target	Year to date 8 mos
FINANCIAL						
Annual budget	Total expenses	<i>Scale:</i> What our work costs	\$307,200	\$323,550	\$ 325,500	\$236,602
Net income () = loss/deficit	Total revenue minus total expenses	<i>Profitability:</i> Do revenues exceed expenses? Goal is positive number	\$12,540	\$4,190	\$240	\$(28,427)
Months cash on hand	Cash on hand/operating expenses per month	<i>Liquidity:</i> Uncommitted cash, goal is at least three months cash on hand	2.53	2.39	2.36	1.52
Net worth (or net assets or fund balance)	Total equity: assets if everything is sold	<i>Solvency:</i> Goal is positive number	\$106,640	\$110,330	\$108,820	\$91,903
Restricted income	Share of total budget for restricted uses	Flexibility in budgeting. Goal varies by group; 67% or less is good target	90%	85%	85%	88%
Govt funding as percent of total income	Govt grants and contracts total income	<i>Dependency:</i> Reliance on government funding, which can be unpredictable	85%	81%	77%	75%
EFFICIENCY						
Cost per client served	Total expenses/total clients	Efficiency in providing services	\$1,299	\$1,123	\$1,415	\$1,127
Cost per volunteer	Total volunteer costs (includes training, coordination)/number of volunteers	Efficiency of using volunteers, who are not "free" labor	\$659	\$625	\$606	\$758
IMPACT						
Number clients served	Unduplicated clients	<i>Reach:</i> Given aging population, goal is 10% increase per year	250	288	230	210
Number of volunteers engaged	Unduplicated volunteers	<i>Reach:</i> Given higher demand, goal is 15% increase per year	78	85	90	75
Average client contact hours per month	Total hours, staff plus vols/ number of clients	<i>Depth:</i> Assumes that more time equals deeper service	5.07	5.12	5.00	4.51
Number of clients still living at home	Annual tracking	<i>Impact:</i> Are we succeeding at our overall goal?	197	255	210	205

Indicator	How measured	What it tells you	2 years ago final	Last year final	This year target	Year to date
FINANCIAL						
Months cash on hand	Cash on hand/ expenses per month	<i>Liquidity:</i> Goal is at least three months	2.53	2.39	2.36	1.52
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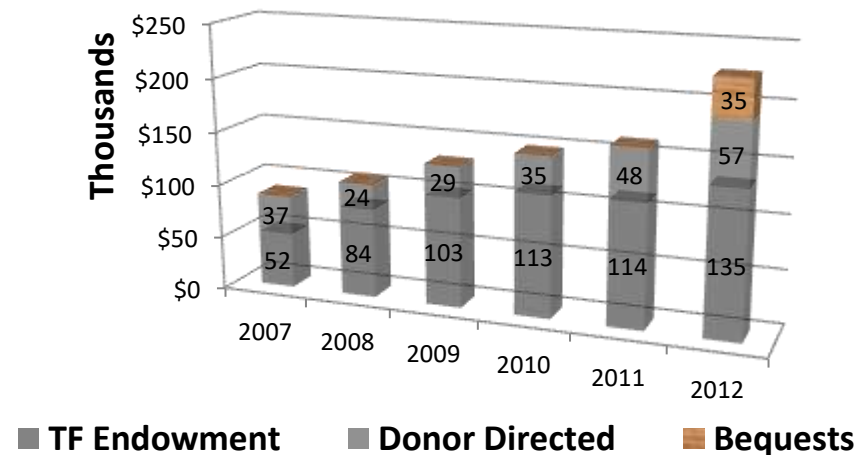
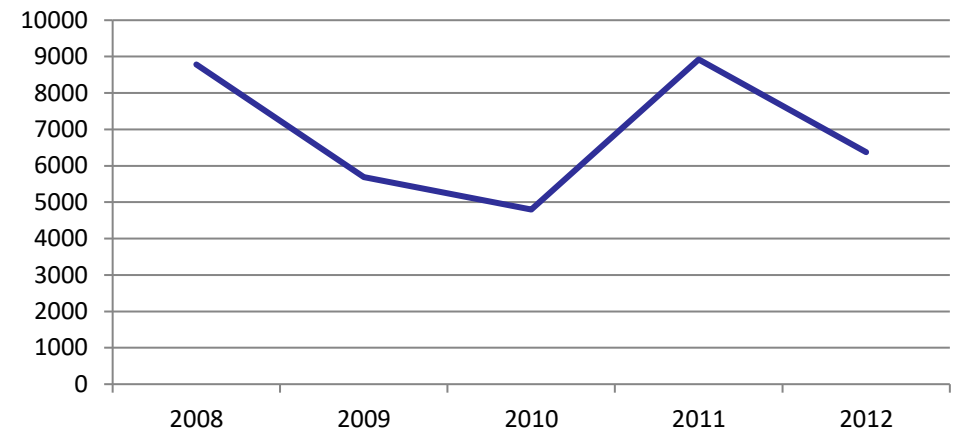
Use graphics!

Samples courtesy of **Trees Forever**

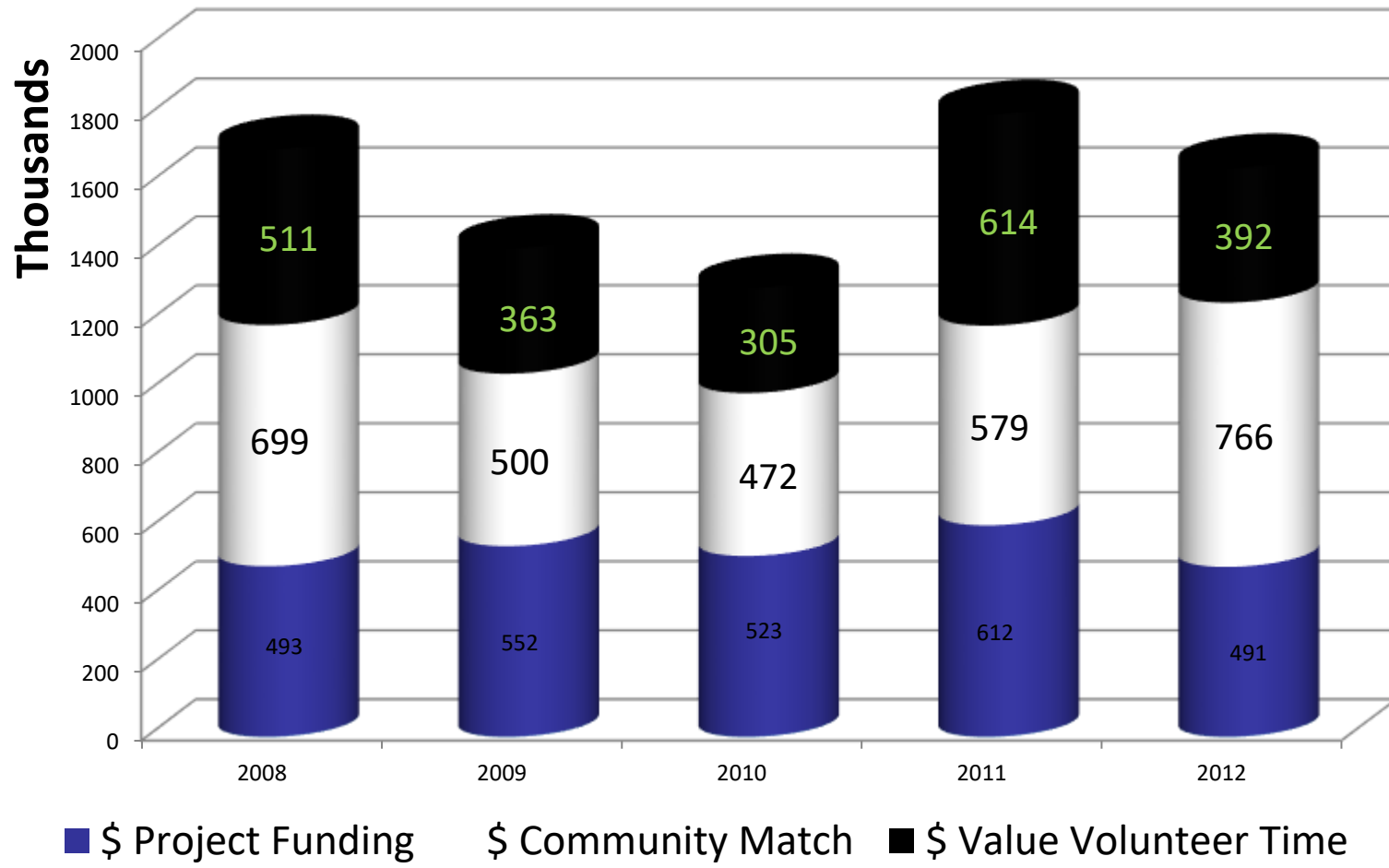
Members



Volunteers



Revenue

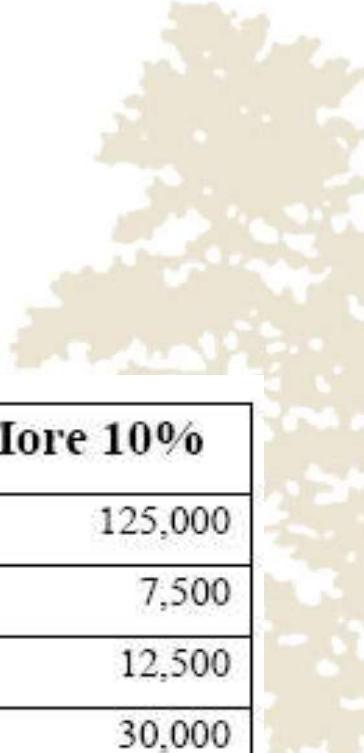




Contingency budgeting

A risk management planning tool

Expenses	Less 15%	Basic	More 10%
Payroll (salary/benefits): Executive director	65,000	65,000	65,000
Payroll: Program director	45,000	45,000	45,000
Payroll: Development director	45,000	45,000	50,000 ¹
Payroll: Program assistant	15,000 ²	30,000	35,000
Insurance	4,000	4,000	4,000
Telephone	500 ³	1,500	1,500
Postage and shipping	2,500 ⁴	2,000	2,000
Utilities	1,500	1,500	1,500
Rent or mortgage	12,000	12,000	12,000
Printing	3,000 ⁵	2,500	2,500
Office supplies	650	800	800
Travel	3,000	5,000	5,000
Training and professional development	2,500	6,500	9,500
Professional services/contractors	5,000	10,000	20,000 ⁶
Other: Benefit event costs	2,000	2,000	2,000
Other: Water monitoring equipment	0	4,000	4,000
Total	\$206,650	\$236,800	\$259,800
Reserve fund (5% of total)	5,000 ⁷	11,840	15,000 ⁸
Total plus reserve	\$211,650	\$248,640	\$274,800



Revenues	Less 15%	Basic	More 10%
Foundations	65,000	120,000	125,000
Corporations	0	5,000	7,500
Government	10,000	11,500	12,500
Membership	35,000 ⁹	30,000	30,000
Board giving	10,000	7,000	8,000
Major gifts	75,000 ¹⁰	60,000	65,000
Benefit events	8,000	10,000	10,000
Earned income (sales, fees, etc.)	7,000 ¹¹	1,000	2,000
Investment and interest	2,500	4,000	5,000
Other: Wetland mitigation fund	0	500	10,000
Total	\$212,500	\$249,000	\$275,000

Questions?

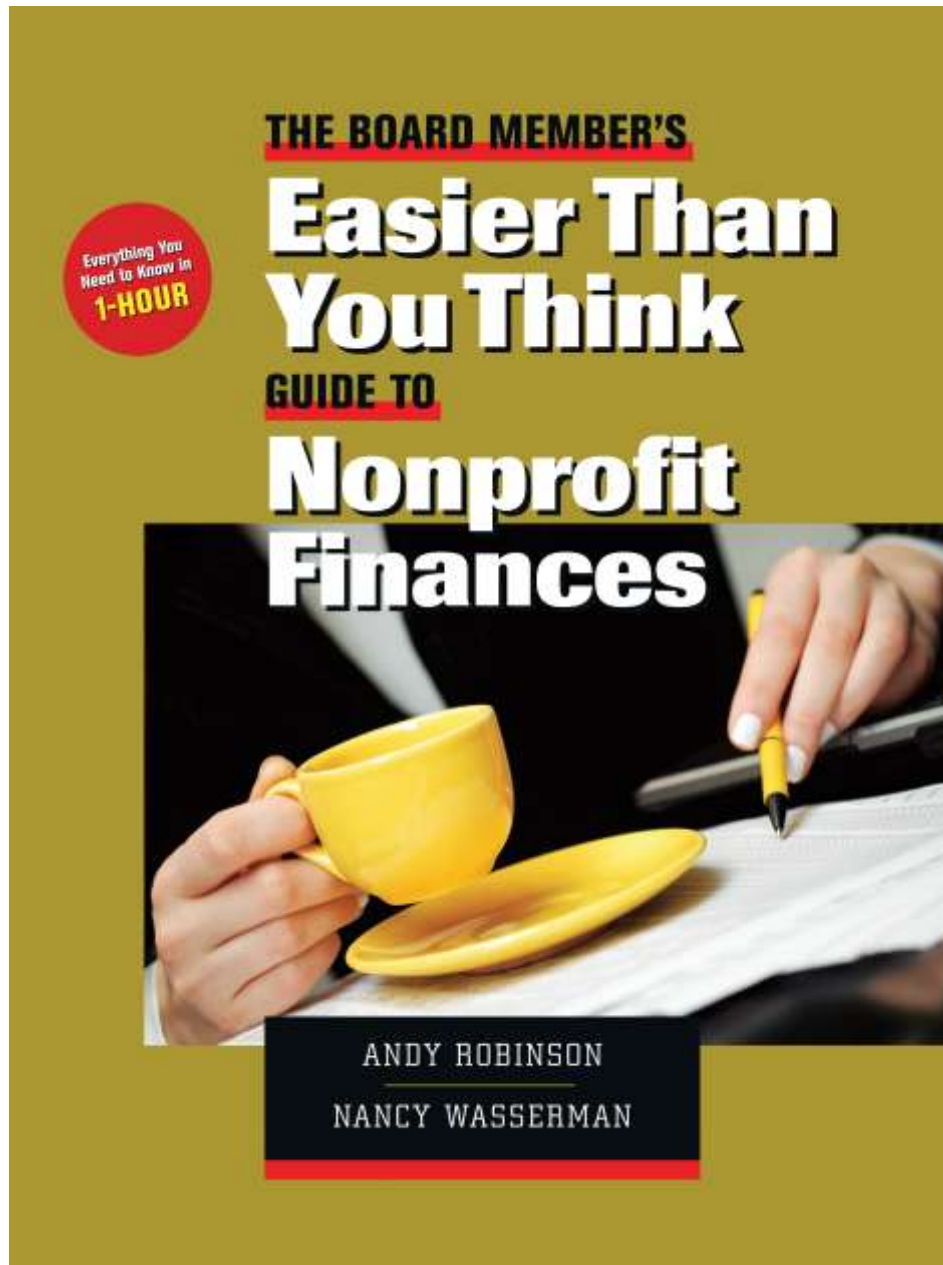




Action planning

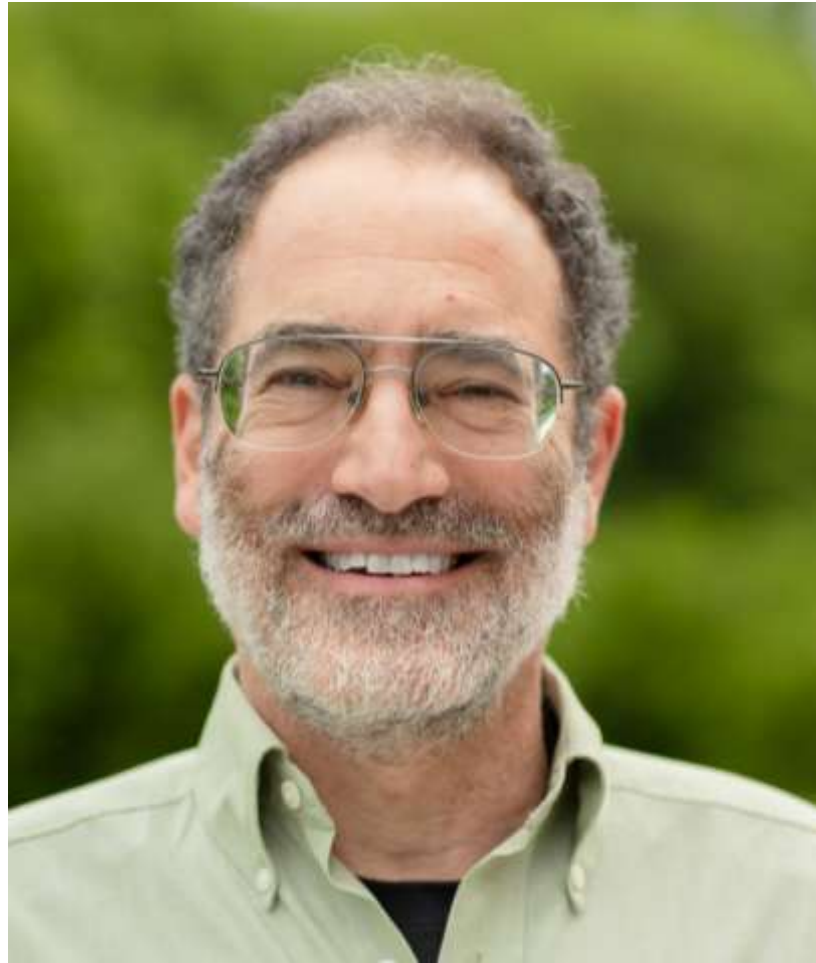
How will you
implement what
you learned
today?

What's your
favorite idea from
this session?



**Andy's book
(with Nancy Wasserman)**

Available from
<https://hilborn-civilsectorpress.com/>



Carry on and stay in touch!

andyrobinsononline.com

trainyourboard.com