

## *Philanthropic News & Analysis*

### Poised for the Economic Recovery

#### Institutions Persevere to Meet Pressing Needs While Preparing for the Future

In a year marked by roller coaster stock markets, plunging endowments, and an unprecedented credit crunch, many institutions have strengthened their fundraising programs as they position themselves for the long haul. The predictions of most professional forecasters are that the U.S. economy's decline will end in the next few months, and that economies worldwide will grow at least modestly in 2010, according to The Brookings Institution ("The U.S. Financial and Economic Crisis: Where Does it Stand and Where Do We Go From Here?" by Martin Neil Baily and Douglas J. Elliott, 2009). Similarly, world markets are showing signs of stabilizing, with Asia's economies reviving the fastest ("The World Economy Has Stopped Shrinking," *The Economist*, August 20, 2009).

Despite forecasts that the rich will probably not recover their losses immediately, as they did in the wake of the dot-com crash earlier this decade ("After 30-Year Run, Rise of Super-Rich Hits a Sobering Wall" by David Leonhardt and Geraldine Fabrikant, *The New York Times*, August 21, 2009), the continuing generosity of donors at all levels has helped many institutions defy drops in charitable giving. Just as during the previous five recessions,

it appears that many people continue to give, focusing carefully on institutions where they are most engaged and committed, according to *Giving USA Spotlight* ("Giving During Recessions and Economic Slowdowns," Issue 3, September 2008). It is not surprising, therefore, that a period of understandable anxiety about the durability of philanthropy has been punctuated by a steady stream of recent news reports about remarkable generosity.

*continued on page 2*

### Collaborative Efforts Boost Unrestricted Support

As institutions focus on building and strengthening relationships with alumni and friends, many are re-engaging donors at the basic level through annual giving. **Haverford College** is using its newly assembled major gifts team to secure unrestricted dollars for current operations while giving team members the opportunity to acquaint themselves with alumni, parents, and friends, according to Michael Kiefer, Haverford's vice president for institutional advancement.

"Last year, we realized the magnitude of the economic crisis and its impact on endowment and operations. We decided to make unrestricted annual support our highest priority for the year," says Kiefer, who, along with the college's board of managers, charged major gift officers to focus on the annual fund while laying the groundwork for Haverford's upcoming comprehensive campaign. As the economy sputtered last summer, Kiefer combined the alumni relations and annual giving programs into a

*continued on page 11*

## In this Issue

### Philanthropy

Evidence-based Programming: Increasingly Important in the Current Economy...9

### Nota Bene

An Update: Nonprofit Fundraising Through the Recession...12

## Poised for the Economic Recovery

continued from page 1

A few examples of that generosity:

- Two extraordinary gifts of \$100 million were reported in early summer: J. Ronald Terwilliger's commitment to **Habitat for Humanity** and George Soros' gift to nonprofits in central and eastern Europe that work with the poor.
- The **University of Notre Dame** met the \$1.5 billion goal of the *Spirit of Notre Dame* campaign in June 2009, two years ahead of schedule, and recently announced a remarkable gift of \$35 million for current-use financial aid from an alumni couple, Mark, '85, and Stacy Yusko, '86.
- The **Dana-Farber Cancer Institute** hit its \$1 billion campaign target one year early – the first hospital in New England to reach such an ambitious goal.
- As of early September, donations to Washington, D.C., public radio station **WAMU-FM** were 50 percent higher than at the same time last year.
- A \$10 million gift from Henry R. Kravis will underwrite the composer-in-residence program of the **New York Philharmonic**.
- **The University of Oxford** has secured more than £730 million towards its £1.25 billion goal,

one year into the public phase of *The Campaign for the University of Oxford*.

In this issue of the *Grenzebach Glier Quarterly Review*, we report the results of our conversations with leaders of a variety of educational, cultural, healthcare, and other nonprofit institutions about their responses to the challenges of an uncertain economy, including re-evaluating goals, streamlining operations, and building even stronger relationships with donors.

### Forging Ahead

GG+A spoke with leaders across the spectrum of nonprofits this summer to gauge their reactions to the economic challenges of the past year. Our interviewees agree overwhelmingly that effective development programs can continue to raise significant funds in good times and bad.

Many institutions actively engaged in campaigns are leveraging campaign momentum and making needed adjustments to keep fundraising on course. Carol Moss, former chairwoman of institutional relations and development at the **Cleveland Clinic** and now vice chancellor for university development and alumni relations at the **University of California, San Francisco**, oversaw the Cleveland Clinic's five-year, \$1.25 billion

campaign, which adjusted its annual goal based on this year's financial climate. "We originally anticipated exceeding the campaign goal in spring or summer 2009; now we are looking at fall or winter," says Moss.

When the market began its slide in 2008, the Cleveland Clinic found itself well ahead of the curve. "Our pipeline was very strong. We had so many proposals submitted and so many big gifts in the process of closing, we were well positioned," explains Moss. Despite the slight change in timing, she believes the campaign continues to do well, in part, because grateful patients remain motivated to give in response to personal health-saving events.

The **University of Virginia** needed a slight recalibration of its timeline, reaching the \$2 billion mark of its \$3 billion campaign two months behind its original projection. "Clearly, many top donors have been affected by the economy. But the very largest donors are still in financial positions to do something significant even in difficult times," says Robert Sweeney, senior vice president for development and alumni affairs.

Having passed the halfway mark of its \$750 million *History in the Making* campaign, **McGill University** in Montréal is now revisiting priorities established in

the early stages of the campaign to determine how to provide the university with greater flexibility. “Deans are eager to have a more diversified funding list with a greater mix of direct-funded and endowment priorities,” says Marc Weinstein, vice principal of development and alumni relations.

Institutions in the earlier phases of their campaigns continue to move cautiously ahead with a greater sensitivity to donors. **The Ohio State University** realized a six percent increase in dollars raised in fiscal 2009 compared to the previous year, according to Peter Weiler, senior vice president for university development and president of **The Ohio State University Foundation**. “We were fortunate last year that the quiet phase of our campaign and a broad stewardship interview process were already underway,” says Weiler. The campaign remains “more quiet than usual, largely in deference to donors who have lost a good deal of wealth.”

**Middlesex School**, an independent boarding school in Concord, Mass., had been quietly planning its next campaign, but decided in fall 2008 to postpone any formal campaign activity and stay in “super stealth mode,” explains James J. Zimmerman, director of development. After a year of revisiting goals and talking to

“There is no lack of \$25 million donors; there is a lack of \$25 million ideas.”

Robert Sweeney

insiders, the head of school and the board of trustees decided to re-activate the board’s campaign planning committee. “We are thinking our campaign goal will be \$150 to \$200 million, and we are now testing those numbers,” says Zimmerman, noting that the school’s last campaign, which ended in 2001, raised \$127 million.

Planning proceeds for the upcoming campaign at **The University of Kansas** with heightened efforts to stay in front of donors. In 2009, the **KU Endowment** celebrated its single best year of fundraising in the history of the university, raising \$106 million, a more than 13 percent increase over 2008, according to Jerome Davies, senior vice president for development.

Those institutions launching campaigns recognize the challenge of attracting new supporters and the importance of fundraising messages that align with institutional strategies. In August, the **United Way of Greater Cincinnati** set its annual campaign goal at

\$62 million, the same dollar goal as last year, with an additional objective to reach 10,000 new donors, a nine percent increase over 2008. “If we do business as usual, running our campaign in the same way and only reaching the same people, we won’t come close to maintaining the services our community needs,” says Robert C. Reifsnyder, the agency’s president and chief executive officer. “We know we must reach a greater number of individuals who can step forward and help us meet the growing demand for our services.”

Following much debate internally about the merits of publicly announcing its £50 million campaign in May 2009, **The University of Warwick** in England decided to move forward. “We wanted to align the fundraising effort with the vision the vice chancellor had recently articulated for Warwick,” says Ian Rowley, director of development, communications, and strategy. In addition, with Warwick’s 50th anniversary on the horizon, “it would have been neglectful not to exploit this fundraising opportunity.”

*continued on page 4*

## Poised for the Economic Recovery

continued from page 3

As it approaches the end of its campaign, **Harvard-Westlake School**, an independent day school in Los Angeles, is also counting on an anniversary to “reach donors who value and honor our mission but have not yet given to the campaign,” says President Thomas Hudnut. Citing an increase in the number of high-end gifts to Harvard-Westlake in the last 18 months, Hudnut believes the upcoming 20th anniversary celebration of the merging of Harvard and Westlake schools should help *The Opportunity of a Lifetime* campaign exceed its \$175 million goal.

### Surviving Institutional Cutbacks

The management prowess of chief development officers has been tested in the last 18 months as many institutions experienced major budget reductions. Faced with unusual challenges, nonprofits have responded in a variety of ways, according to a study on the impact of the 2007-2009 economic recession on nonprofit organizations by The Johns Hopkins Center for Civil Society Studies. Those strategies include intensifying fundraising efforts, tightening organizational belts further, and improving organizational finances and operations.

In the last year alone, more than 40 states in the U.S. made budget cuts totaling nearly \$60 billion, according



"BAD SIGN WHEN WE CALL IT A  
SUCCESSFUL FUND RAISING LUNCH  
BECAUSE THE PROSPECT BUYS."

to the Center on Budget and Policy Priorities, leaving many state-funded institutions reeling. Facing the most damaging single budget-cut year in the history of **California State Polytechnic University Pomona** (Cal Poly Pomona), President J. Michael Ortiz was charged with cutting more than \$30 million, representing more than one-fifth of the university's general fund budget. While the university reduced enrollment and tapped into federal stimulus money to help bridge the gap, Ortiz never wavered from his commitment to development.

In the midst of the university's first comprehensive capital campaign, he

still believes the \$150 million goal "is doable and can be accomplished over the next five years." Cal Poly Pomona raised nearly \$27 million in the first year of its campaign, representing more than three times the average annual gift total for the previous five years.

His commitment to the fundraising operation led him to tap centrally managed funds and foundation support, as well as approve a five percent assessment on all gifts, to help preserve the fundraising budget. "All members of the president's cabinet agree that as the state of California's economy continues to deteriorate,

private funding is the only viable solution for the future,” says Scott Warrington, Cal Poly Pomona’s vice president of institutional advancement. At the same time, the elimination of an associate vice president of development position to save funds now leaves him juggling even greater management and solicitation responsibilities.

Whether pressured to cut spending or not, many development operations proactively implemented cost-saving measures in areas that would not adversely affect interactions with donors, such as professional development and publications.

The KU Endowment instituted a self-imposed 10 percent reduction in expenditures that included substituting in-house staff training for contracted services and foregoing annual salary increases. At the same time, the foundation “went on the offensive to add a few positions” to enhance research and medical center fundraising capabilities, says Davies.

Last fiscal year, the University of Virginia lost more than \$30 million in state support and through attrition eliminated 120 positions, including 7 in development. Sweeney anticipated a 5 percent,

universitywide budget reduction and planned accordingly. When a 2.5 percent cut was implemented, he used the balance of the reductions he had planned to create a “development and public affairs opportunity fund” of several million dollars. “When our team sees us creatively moving forward in difficult times, it provides a psychological boost,” says Sweeney.

George Watt, executive director of the **College of Charleston Foundation** and executive vice president for institutional advancement for the college, spent his first year at Charleston

*continued on page 6*

## Planned Giving Merits Greater Attention

Planned giving has taken center stage at many institutions as a vehicle for donors with diminished disposable income to continue to participate in fundraising campaigns. At Ohio State, Weiler notes, “People are looking for compromises – they do not feel comfortable parting with assets. This is an opportunity to engage people who we might not have reached otherwise.”

As The University of Kansas donors have expressed concerns about shrinking assets, Davies identifies a perfect opportunity to “sharpen the language we use to talk about planned giving vehicles.” About four years ago, the KU Endowment integrated planned giving with its major gifts program. “We pull in specialists to handle more technical vehicles like trusts and annuities as we need them,” says Davies, who says nearly 80 percent of deferred gifts to Kansas are in the form of simple bequest commitments.

Middlesex School, too, is looking at planned giving as another arrow in its quiver. Discussions with older alumni and board members led Middlesex to consider planned giving as an increasingly important area for growth. “We recognize that some people may not be able to go back to making big capital gifts. We are anticipating that more current gifts will be paid from income versus assets,” says Zimmerman, who has promoted a staff member to build and direct a planned giving program.

At Cleveland Clinic, development officers are having more conversations with donors about creative planned gifts versus traditional cash pledges, including trusts and annuities with early prepayment options. “Planned giving was always viewed as secondary to a cash pledge in the past, but now it may be playing a more primary role,” says Moss. ❖

## Poised for the Economic Recovery

continued from page 5

revitalizing the university's fundraising program, complicated by two budget cuts in fiscal 2009. "We've taken time to refocus on basic fundraising skills, processes, systems, and data while the university has worked on adopting

that included using incentives and innovative digital strategies to reach new organizations and donors. "New companies and organizations, as well as new members to our top giving society, will have entree to our campaign chair, who is one of

trusts and charities that support the arts. "It was a great opportunity for a large part of the community to support Warwick for the very first time," says Rowley.

Many institutions are doing a better job of communicating their core mission to donors and creating a sense of urgency around the issue of access. Ohio State has instituted the "Students First Students Now" initiative to raise \$100 million in 24 months to ensure access to students who require financial aid. "This goes back to our president's list of six key initiatives for his administration," explains Weiler. "A fundraiser's best tool is a sense of urgency, and we know many of our students may not return to school without financial assistance." As part of its *Knowledge is Power* campaign, the University of Virginia recently launched "AccessUVa" to keep higher education affordable for all students. And, "Opportunity Vanderbilt" was established to raise \$100 million to help the university replace need-based undergraduate loans with scholarships and grants.

Other institutions are strengthening ties with donors through enhanced stewardship, increased presidential contacts, and more flexible giving options. In reviewing its relationships with donors and patrons, the **Royal Scottish National Orchestra (RSNO)**

"We must teach development officers to demonstrate empathy and treat donors with dignity, whatever their financial situations."

George Watt

a strategic plan for the next decade," explains Watt. Exempted from institutional budget cuts, Watt hired a new director of annual giving and began building a major gifts program with the appointment of two regional development directors.

### Reaching Prospects and Donors

As chief development officers searched for ways to combat the economic slowdown, many used the downturn as a time to test new strategies. United Way of Greater Cincinnati is tapping into "one of the best marketing teams in the world" to revitalize its annual fundraising appeal. Beginning last year, A.G. Lafley, chair of Procter & Gamble and of the 2009 appeal in Cincinnati, worked with his team to create fundraising strategies

the world's most respected business leaders," says Reifsnyder, citing the value added for donors, who can draw on Lafley's expertise. In addition, the agency recently formed a strategic development cabinet to consider the long-term potential for new aspects of fundraising, including planned and endowment giving and local and national foundation funding.

As part of its 2009 fundraising efforts, The University of Warwick selected an initiative with wide appeal: renovation of a campus concert hall. Through targeted direct mail and phone solicitations, and as part of its annual fund strategy, the university reached out to alumni as well as to community members who attend concerts and to local

## Key Factors for Keeping Your Fundraising Program on Course

“Development officers must stay focused on best practices and fundamentals, and articulate a clear and compelling set of priorities that demonstrate how their institutions can transform lives. For The University of Kansas Medical Center, an invitation from the National Cancer Institute to apply for designation as a comprehensive cancer center has provided a compelling opportunity that has driven fundraising since 2005.”

*Jerome Davies*

“Follow a donor-centric, stewardship-based development model. Too many institutions take donors for granted in good times, and then pay for it in bad times. We need to continue to thank donors for their support.”

*George Watt*

“Keep messages consistent across all fundraising units. Donors need to hear one message. We have to communicate better than any other organization that donors support.”

*Peter Weiler*

“Don’t assume donors are not in a position to give without asking them. Get out, make the calls, see prospects, and move the conversations along. When needed, let donors know that we are patient and can do this on their timeline.”

*Randy Smith*

“Continue to project institutional confidence. We saw a number of communications from institutions that conveyed a sense that the sky was falling. Our message projects institutional optimism and confidence while acknowledging a challenging year.”

*James J. Zimmerman*

“The needs are always increasing, and the biggest mistake to make at the end of a campaign is to reduce staff size. My advice is don’t decrease budgets, don’t decrease development staff, and begin immediately to start planning for the next initiative.”

*Carol Moss*

identified ways to improve stewardship and communication. While Chief Executive Officer Simon Woods had been contemplating the integration of the marketing and development functions, the recession forced his hand. “The team is now operating in an integrated manner that reflects the fact that our supporters view us as one organization, not as a number of different departments,” says Woods. “Our goal is to take an holistic view of the customer relationship, from first purchase of a ticket to philanthropy.” Woods anticipates spending more time in fundraising and ambassadorial

roles to strengthen the orchestra’s network as he strives to maintain the RSNO’s strategic direction. “We have worked hard in the last three to four years to build the quality of our organization and our brand value,” he notes. “The last thing we want to do is abandon it all because of the difficult economic environment.”

Recognizing the need to reconnect with donors, Watt instituted a new plan at the College of Charleston over the last year. “First Things First” charged the staff with rekindling relationships with all \$50,000-plus donors of the previous five years, including a meeting for

each with the university’s relatively new president, P. George Benson. He has also urged staff members to be attuned to the sensitivities of donors in difficult times. “We must teach development officers to demonstrate empathy and treat donors with dignity, whatever their financial situations.”

Very large institutions, as well as small and midsize organizations, also require direct contact with their most loyal supporters. Through a series of road trips around the country, President Gordon Gee has helped validate that donors remain willing to support Ohio State.

*continued on page 8*

## Poised for the Economic Recovery

*continued from page 7*

Gee visited some 500 donors in the last nine months, “meeting in small groups and asking our best donors about our fundraising platform,” says Weiler.

With individual gifts accounting for nearly 80 percent of its campaign total, **Yale University** continues “to focus on donor relationships with more contact, not less,” says Inge T. Reichenbach, vice president for development. “We want our

but need more flexibility in their payment schedules in the short term,” says Randy Smith, executive associate vice chancellor of university central development. “We have encouraged development officers to create viable payment options for donors.”

For seven-figure, and even some six-figure, donors, “We have asked them to consider making a one-time gift that would equal the interest

donors and maintain and enhance their relationships,” she says. To encourage staff members further, she returned to the basics by re-instituting weekly staff meetings for all central development staff members to report on weekly activities—letters, proposals, visits, and calls. “As hokey as it sounds, it was helpful. Two-thirds of the money raised in 2009 came in the last five months of the fiscal year,” explains Reichenbach, who also holds semiannual retreats and monthly campaign briefings for development staff throughout the university.

“We have encouraged development officers to create viable payment options for donors.”

Randy Smith

donors to understand we look at relationships for a lifetime – in good and bad times.” Yale is counting on an end-of-campaign surge to carry the \$3.5 billion *Yale Tomorrow* campaign over the top, but “we need to keep sharing results so donors see what their gifts have accomplished.”

**Vanderbilt University** is employing new strategies to meet donors midway as some struggle to balance their obligations to the university with the financial challenges they confront in their personal and professional lives. “We’ve had some success with donors who made five-year commitments,

earnings of one year on the full commitment,” explains Smith. “This gives development officers something more tangible to offer donors, who can see immediate results.”

### Motivating Top Talent

To minimize the effects of a faltering economy on staff morale, some institutions are taking extra steps to keep capable staff members engaged and energized. At Yale, Reichenbach is giving greater attention to younger development professionals who have never worked through a deep recession. “We want to make sure they understand why they need to stay in front of

As Vanderbilt University moves ever closer to its \$1.75 billion *Shape the Future* campaign goal, Smith declared three goals to give development officers more manageable targets in what promises to be “a difficult year.” “We are confident we can meet the threshold goal; the stretch and super stretch goals may be harder to attain, but the super stretch goal is what we are striving for,” says Smith.

Looking to improve staff productivity, the development office at McGill University is three years into a performance metrics program. “Senior development officers know they need to work systematically, effectively, and efficiently. We have given them incentives to concentrate on major gifts work so, at the end of

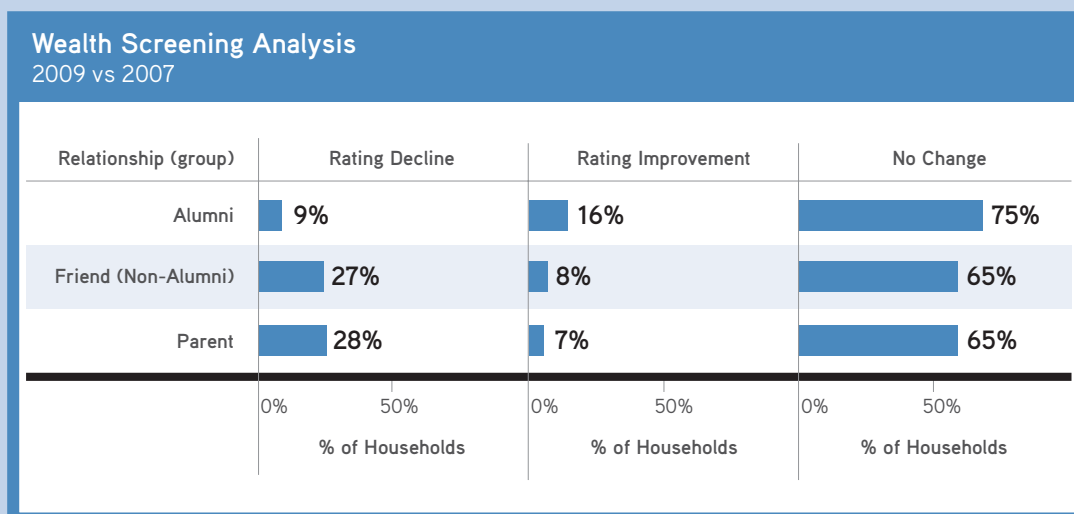
*continued on page 10*

## Evidence-based Programming: Increasingly Important in the Current Economy

“How could we even think of asking for gifts in an economy like this?” “We’ll have to put the major gifts program on hold until further notice.” “No one has any money to give away this year.” Anxious development officers around the world succumbed to assumptions about the universal impact of the economic downturn as each day’s headlines seemed to trump the problems reported the previous day.

One major research university, however, decided to test prevailing opinion by conducting a complete wealth screening of its more than 500,000 alumni, parents, and friends and contrasting the results with those achieved two years earlier, in 2007. Data from 12 public data sources, including, for example, real estate ownership, insider stock holdings, pension plans, private foundations, and company assets, were used to identify assets and estimate individual wealth. The results provided useful evidence against the generalizations in play, as 82 new prospects for gifts of \$10 million or more and 486 new prospects in the \$1 to \$10 million range emerged in the 2009 screening.

In the aggregate, the study showed that alumni ratings (in contrast to those of parents and friends) were more likely to improve than to lose ground from 2007 to 2009 – an interesting outcome of the wide diversity of geography and occupation of the alumni body. This fact provided major gift and annual fund officers the confidence they needed to maintain an aggressive program of cultivation and solicitation. ❖



Source: GG+A Philanthropic Analytics

## Poised for the Economic Recovery

*continued from page 9*

the day, 75 percent of their time is focused on actual fundraising, versus 50 to 60 percent several years ago,” describes Weinstein.

In the case of The University of Warwick, extra efforts to engage staff extended beyond development.

our \$1 million-plus gifts have been made by individuals, corporations, and foundations that were not rated at \$1 million at the beginning of the campaign.” Sweeney describes how data analysis disproved a misconception about donors’ preferred loyalties to particular

Weinstein. “Our data mining group can’t wait to get the results.”

Wealth screening tools are helping **Washington University in St. Louis**, as well, “to better understand our prospect pool and to target our efforts in refining that prospect pool,” says Susan Plassmeyer, assistant vice chancellor for administration and development services for alumni and development programs. “We selected a subset of our prospect database for a large one-time screening, and we continue to refresh our database, adding individuals we want to understand better,” says Plassmeyer, who confirms that the tools are accelerating the university’s prospect verification process.

“This [recession] is deeper than others, but we shouldn’t act as though it is a unique event.”

Inge T. Reichenbach

“We want to lock into the resources of the university’s international office and enhance engagement with the vast numbers of alumni who live overseas,” says Rowley. In addition, Rowley believes that strengthened relationships between development and academic areas will have positive, long-term ramifications for fundraising.

### Integrating Data Analysis

With greater attention focused on the bottom line, many nonprofits are utilizing data analysis to increase their knowledge about donors and prospects and to help them determine donor relationships with the greatest value. (See related story, p. 9.) “We depended too much on anecdotal information, but now we are really analyzing data,” says Sweeney. “We found that half of

schools or centers. “Our surveys are showing that a large percentage of the university community is more aligned to the university than to any single entity within it,” he adds.

McGill has also moved its development operation into “an evidence-based framework,” says Weinstein. That’s meant reallocating staff to create a data-mining team to analyze prospect data and build predictive models for identifying top prospects. The university is now completing a worldwide, web-based alumni survey to ask graduates for their impression of McGill and measure their affinity for higher levels of participation and engagement. “We’ve never done anything like this. We’ve surveyed a cross section of 132,000 alumni, and we are getting more than a nine percent response rate,” says

### Looking Ahead

Whatever the state of your institution’s financial health, 2010 is sure to be a year filled with ups and downs. In the months to come, institutions are likely to intensify attempts to stay in front of loyal donors and prudently invest in staff and programs that will lay the groundwork for economic recovery. Randy Smith asserts that “philanthropy is a lagging economic indicator,” which makes it all the more important, he says “to encourage development officers, support their natural optimism, and celebrate success wherever we find it.”

“This is an incredibly exciting and invigorating time to be a part of fundraising in higher education,” says Davies. “Even in this economy, there are sectors of the population that continue to do okay. People are still committed to The University of Kansas mission and want to help bring us out of these economic times.”

Yale is already seeing some promising signs. “People are more willing to take meetings and talk about gifts again,” says Reichenbach. “When you’ve been in the business long enough, you know there will probably be a recession during the lifetime of a campaign. This one is deeper than others, but we shouldn’t react as though it is a unique event.”

Sweeney adds, “If you look at this in the context of the long haul, it is a blip on the radar screen. The University of Virginia stayed alive in the Civil War operating with as few as 10 students. Great institutions will be here for a long time.”

Sweeney remains all the more determined to continue to generate large gifts. “There is no lack of \$25 million donors; there is a lack of \$25 million ideas. Whenever we have come up with a program that a donor sees will transform lives or transform the university, we have been successful in soliciting those kinds of gifts.” ❖

## GG+A Quarterly Review

Philanthropic News and Analysis  
Fall 2009, Vol. 6, No. 1

Donna L. Wiley | Executive Editor  
Nancy Grund | Editor  
Margaret Quinlan | Editorial Associate  
Paul Mateo | Editorial Associate  
Chelsea Seramur | Editorial Associate  
Simple Studio | Graphic Designer

### Editorial Board

John J. Glier, Chair  
G. Robert Alsobrook  
Glen Fendley  
Martin Grenzebach  
Royal Govain  
Kathleen A. Kavanagh

An international leader in philanthropic management consulting, Grenzebach Glier and Associates (GG+A) has more than 45 years of experience with educational, cultural, medical, and other nonprofit institutions. The goal of the *Review* is to provide timely information about issues and events that are relevant to philanthropy.

The *Review* is available for download at [www.grenzebachglier.com](http://www.grenzebachglier.com) and via e-mail upon request. Comments, questions, suggestions, and topics of interest are welcome. E-mail us at [gga@grenzglier.com](mailto:gga@grenzglier.com).

©2009 by Grenzebach Glier and Associates. All rights reserved. Re-publication must include accurate attribution with copy provided to GG+A.

### Global headquarters

401 North Michigan Avenue  
Suite 2800  
Chicago IL 60611  
P 312.372.4040  
F 312.372.7911

## Collaborative Efforts Boost Unrestricted Support

*continued from page 1*

multidisciplinary team “that allows us to put more feet on the ground at peak moments for both areas.”

A deliberate decision was also made to revitalize reunion giving efforts. “We increased participation and giving levels in milestone years, especially the 25th and 50th reunions, which created new giving habits and raised the bar for future reunion classes,” explains Kiefer, who relied on close collaboration

between major gifts officers and the annual fund team.

Haverford’s strategy succeeded and its annual fund raised \$4.63 million in fiscal 2009, an increase of 13 percent from the previous year. “Early outreach in fall 2008 made a huge difference for us,” adds Deborah Wiedeger Stricker, director of alumni relations and annual giving, who notes that leadership gifts provided more

than three-fourths of annual fund dollars raised, including five gifts of \$100,000 or more.

Haverford is now planning a series of presidential briefings to discuss preliminary campaign objectives, one of which is the annual fund. “We see the annual fund as a source of unrestricted operating support that will help us jumpstart other priorities,” says Kiefer. ❖

## An Update: Nonprofit Fundraising Through the Recession

### GG+A Survey Uncovers Some Bright Spots in Fundraising in the First Half of 2009

In an effort to gauge the extent of recessionary impact on fundraising in this calendar year, GG+A recently analyzed giving to 59 of our client institutions. The participants, which spanned the education, healthcare, cultural, and social services sectors, are located in the United States, Canada, the United Kingdom, and South Africa. The results are intriguing.

- Although total fundraising commitments fell 28 percent, one out of three responding institutions secured higher gift commitments overall than in the spring of 2008.
- Cash revenues fell less (-8 percent), and, once again, one out of three institutions (not always the same one-third!) received more gift revenue than they had last year.
- Annual fund dollars were down 7 percent, yet the overall number of donors increased slightly.

Fundraising Results 2008 vs 2009 (January to June)		
2008 (000s)	2009 (000s)	Variance
<b>Fundraising Commitments (New Cash &amp; Pledges)</b>		
\$3,228,554	\$2,322,084	-28%
<b>Gift Revenue (Cash Only)</b>		
\$2,236,236	\$2,053,535	-8%
<b>Annual Fund Dollars</b>		
\$250,204	\$233,030	-7%
<b>Annual Fund Donors</b>		
677	691	2%

**GG+A believes that those organizations that demonstrate continued strength in fundraising are likely to have in common a consistent core of strategies and tactics, including the following:**

- Increased contact with prospects and donors throughout the solicitation and cultivation cycle
- Significantly increased outreach initiatives
- A positive message about the institution's mission, objectives, and management
- An easily understood case for support at every gift level
- Fundraising targets that are clearly positioned around critical and compelling institutional objectives (de-emphasizing capital projects where possible, as these are generally less likely to appeal to donors in times of economic setback)
- A flexible approach to gift agreements and pledge payment schedules, without losing sight of the financial framework necessary for institutional health
- A positive "can-do" spirit