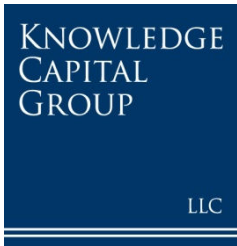


# Opening Pockets While Tightening Belts

A Facilitated Discussion...



# Setting the Stage

# **Danger Ahead: The Prospect of Recession Again Confronts America**

*- Financial Times 1/3/08*

# Stocks Plunge Worldwide on Fears of a U.S. Recession

- *New York Times* 1/21/08

# Recession Reality Setting in Slowly

- *Washington Post* 10/26/08

# Poorest Feel Downturn as Donations Fall

- *Washington Post* 10/5/08

**Financial Meltdown  
Worsens Food Crisis:  
As Global Prices Sour,  
More People Go  
Hungry**

*- Washington Post 10/26/08*

# Consumers Gloomiest Ever as Home Prices Plunge

- *Washington Post* 10/28/08

# **Economy Expected to Take Toll on Charitable Giving**

*- New York Times 9/30/2008*

# The U.S. Economy: Trying to Guess What Happens Next

*- New York Times 11/25/07*

# Establishing a Common Language

- **Correction:** A sharp, relatively short price decline that temporarily interrupts a persistent upward trend in the market or in the price of a stock.
- **Recession:** A significant decline in activity spread across the economy, lasting longer than a few months. It is visible in industrial production, employment, real income, and wholesale-retail trade. The technical indicator of a recession is **two consecutive quarters of negative economic growth** as measured by a country's GDP.
- **Depression:** A depression is any economic downturn where real GDP declines by more than 10 percent.
  - Only depression we have experienced was between 1929 – 1933 when GDP fell more than 45%.

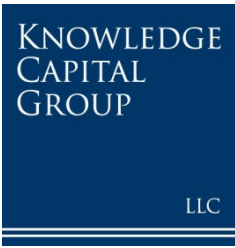
# Establishing a Common Language

- **Inflation:** An increase in the price of a basket of goods and services that is representative of the economy as a whole.
- **Deflation:** Occurs when prices are declining over time.
  - This is the opposite of inflation; when the inflation rate (by some measure) is negative, the economy is in a deflationary period.
- **Dow Jones:** An indicator of stock market prices; based on the share values of 30 blue-chip stocks listed on the New York Stock Exchange.
  - The Dow Jones Industrial Average is the most widely cited indicator of how the stock market is doing

# Establishing a Common Language

- **S&P 500:** A stock market index containing the stocks of 500 Large-Cap corporations, all of which are from the United States.
  - The index is the most notable of the many indices owned and maintained by Standard & Poor's, a division of McGraw-Hill.

(Above definitions from: <http://about.com>)



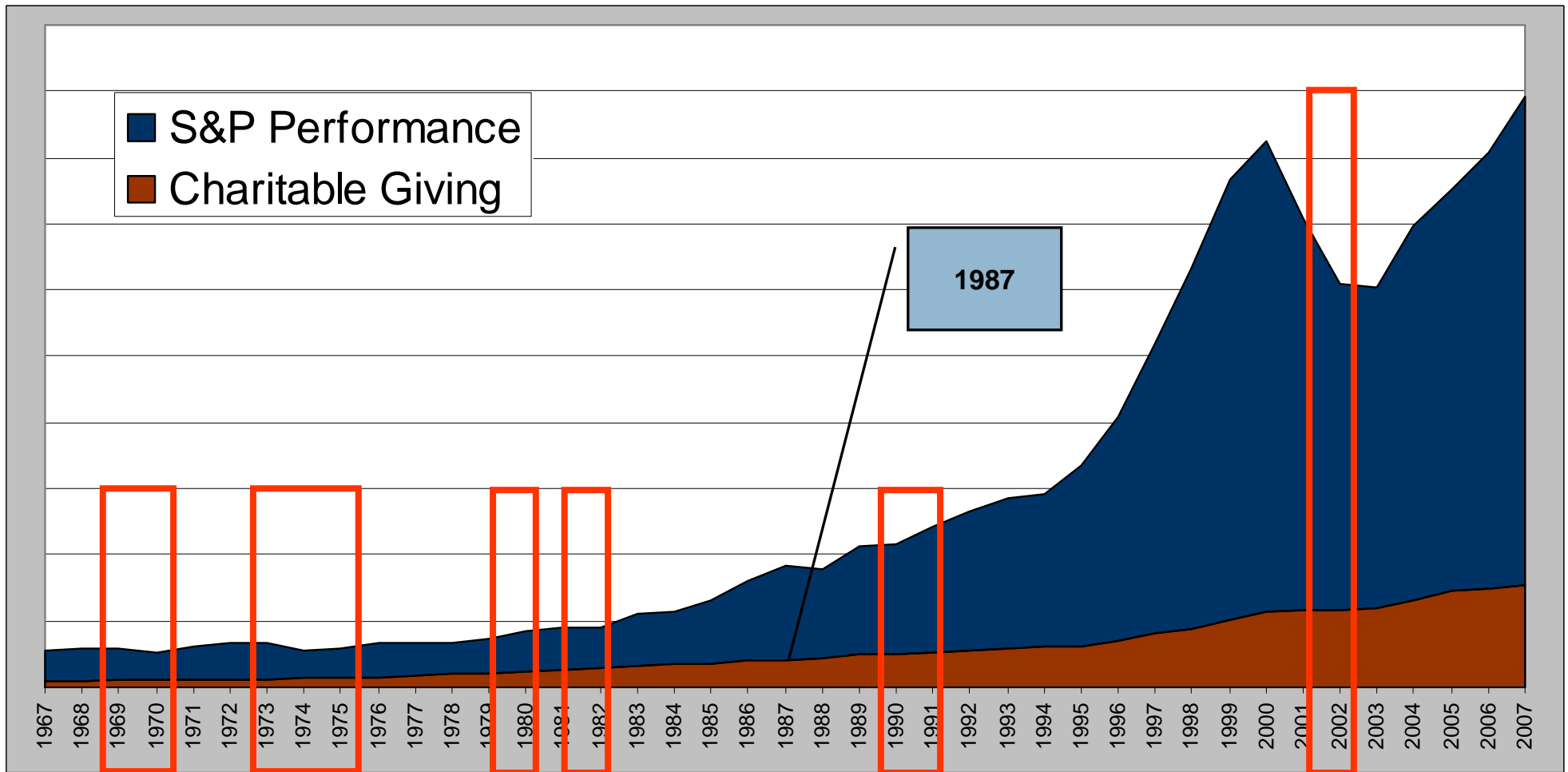
# Effect of Economy on Charitable Giving

# Official Recessions 1967 to 2007

Start of Recession	End of Recession	Months Duration
December 1969	November 1970	11
November 1973	March 1975	16
January 1980	July 1980	6
July 1981	November 1982	16
July 1990	March 1991	8
March 2001	November 2001	8

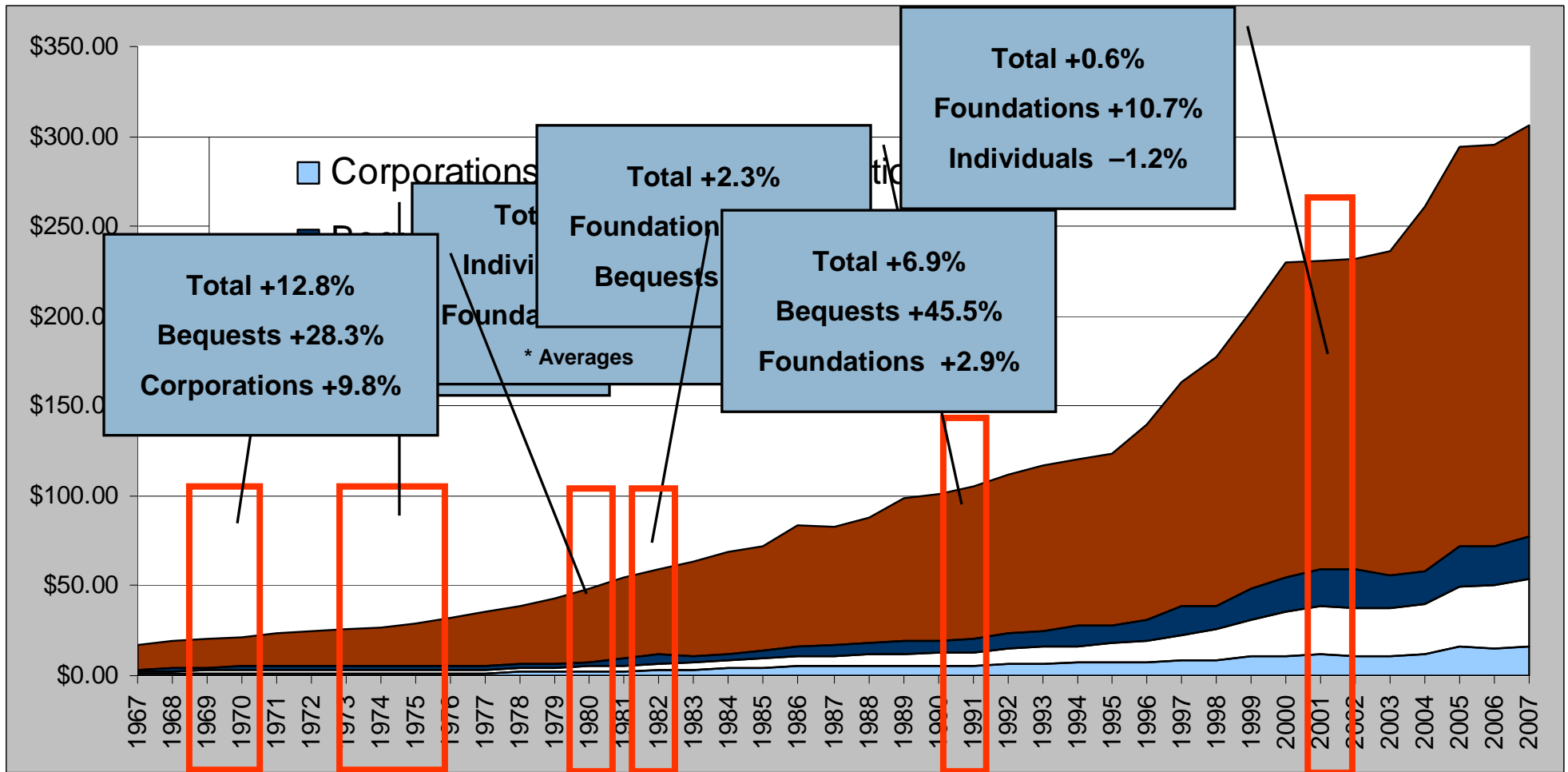
Data compiled from Giving USA Foundation

# S&P Performance and Giving (1967 - 2007)



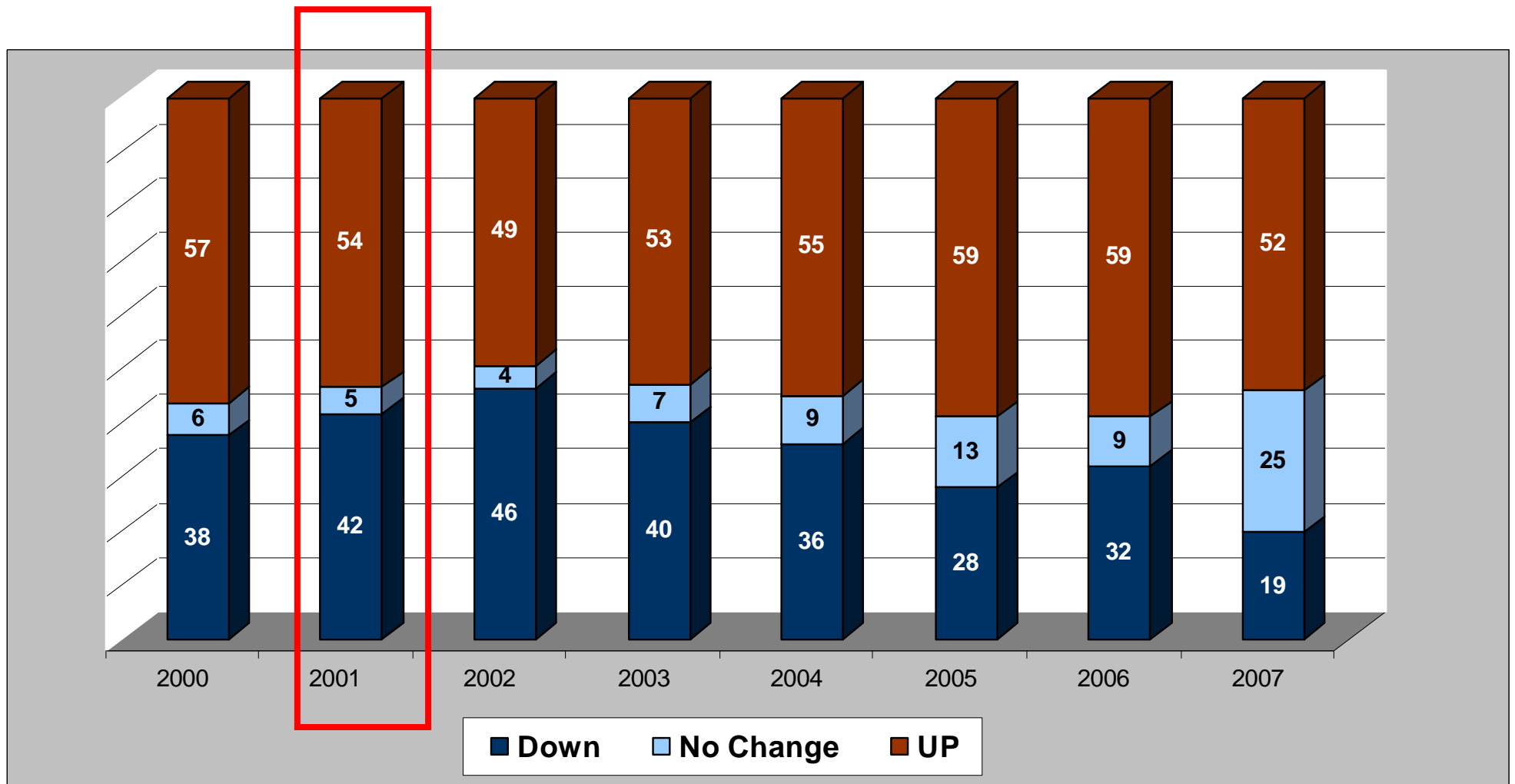
Data compiled from Giving USA Foundation

# Giving by Donor Type – (1967 - 2007)



Data compiled from Giving USA Foundation

# Y/Y Fundraising Performance (2000 – 2007)

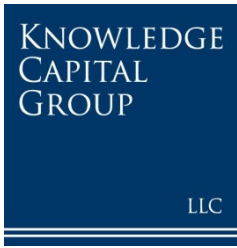


Data compiled from Giving USA Foundation

# Average Change by Org. Type (1967 - 2007)

Type	Total	Recession	Non-Recession	Correction
Religion	2.0%	-0.1%	2.8%	2.6%
Education	3.1%	-1.1%	4.6%	-0.5%
Human Services	2.3%	0.7%	2.9%	0.3%
Health	2.3%	0.5%	2.9%	0.9%
Public / Society Benefit	6.4%	3.9%	7.3%	2.6%
Arts & Cultural	4.0%	1.9%	4.7%	-3.1%
Foundations*	8.5%	5.9%	11.5%	-2.7%
Environment / Animal*	6.7%	6.2%	12.8%	3.7%
International*	13.2%	9.0%	26.3%	7.2%

\* Data not available for entire time period.  
Data compiled from Giving USA Foundation



# What to do?

Buy a bottle or two of these...

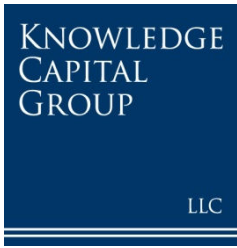


# Suggested Best Practices

- Establish a strategic plan for Fundraising / Marketing
- Have a diversification of fundraising programs
- Ensure each Board Member and Executive is a current donor
- Establish solid talking points so everyone can disseminate:
  - Mission
  - Vision
  - Values
  - Goals
  - Metrics/KPIs
  - ROI

# Suggested Best Practices

- Focus on raising money from current donors.
  - And remember, not to overlook the loyalty factor.
- Stewardship is more important than ever.
  - Lead with thank you...
- Remember people give to people.
  - Volunteer solicitations
  - Viral Marketing
- Tis' the season to give – leverage the holiday spirit.
- Re-invent/re-evaluate events.
- **ASK** for the gift; be clear on the impact.



# Organizational Optimization

# Strategies for Consideration

- Strategic Planning
  - Remember the adage: *“Proper planning prevents poor performance”*
- M & A is not just for Wallstreet
  - Would clients be better served through merging of like-missioned orgs?
- Inter-organizational Collaboration
  - Leverage core competencies of community organizations
- Make fundraising everyone’s job
  - Remember the thermometer
- Board Governance
  - Bigger is not always better

# Strategies for Consideration

- Invest in technology
  - Website
  - Constant Contact
  - Fundraising database
- Establish and track metrics for critical aspects of business
- Do not adopt the bunker mentality
  - Lessons from the for-profit world

# Parting Thought...

If you want happiness for an hour, take a nap.

If you want happiness for a day, go fishing.

If you want happiness for a year,  
inherit a fortune.

If you want happiness for a lifetime,  
help somebody else.



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