

Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

Establish relationships to keep gifts coming

Americans donated \$295 billion to nonprofit organizations last year—a record high, according to Giving USA.

Significantly, more than 83 percent of the donations were from individuals. And almost all, 91 percent, were outright gifts; the rest were bequests. Religious congregations remained the most popular nonprofits that individuals supported, with education and scholarships becoming increasingly popular.

Given this, I believe it's clear that nonprofits need to focus their fundraising attention on individuals rather than corporations or foundations. The highly publicized large gifts give a false sense that all is well in the fundraising arena.

These large gifts represent only 1.3 percent of all donations nationwide. Two-thirds of households with incomes of less than \$100,000 make charitable gifts, making these donors invaluable to nonprofits. People with more modest incomes, however, are juggling the increasing costs of everyday expenses, such as the price of gasoline, with making donations.

Donor fatigue is real, which supports informal reports from local nonprofits that annual fundraising drives are becoming harder to complete.

Corporations gave \$12.7 billion, or 4 percent of the total amount donated. This amount is less than the previous year, in part because of the sharp increase in 2005 to provide relief to the victims of Hurricane Katrina and the Asian tsunami. Corporations are generous, but much of their giving often follows that of their employees; gifts that corporations make to match employee giving constitute a sizable amount of all corporate donations. The small-business nature of the San Luis Obispo County economy makes fundraising from business the same as fundraising from individuals—relationship-based.

Foundation grants represented 12 percent of all giving in 2006. In recent years, there has been an increase in the number of family foundations, which means that fundraising from many foundations again needs that relationship base.

The 2007 Giving USA report highlights a dilemma facing all nonprofit organizations: fundraising versus providing services. It takes staff time to

build and nurture the relationships required to fundraise. Yet nonprofits exist to deliver services and programs. How, then, can a nonprofit invest in relationship building without compromising the quality of services and programs?

Nurturing the skills of employees and volunteers is a long-term response. Continual professional development will help retain those already involved, as well as the relationships they have developed with donors. Additionally, these people become stronger advocates for the organization in the community. The programs and workshops offered in San Luis Obispo County by the Nonprofit Support Center of Santa Barbara (www.nscsb.org) is one resource for training and development programs. Americans are generous people. But they are being pressured by increasing living costs and requests for financial help. Nonprofits that are able to build relationships with donors will create continued financial support as well as strong ambassadors for the cause and the organization.

Barry VanderKelen is the executive director of the San Luis Obispo County Community Foundation.

Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other Tuesday in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

weekly column to help strengthen nonprofit organizations in the community. Each column is reprinted here as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at barry@slocsf.org.