

TALKING POINTS: FUNDRAISING IN A TOUGH ECONOMY

Background Information

With gas prices soaring, food costs increasing, and the housing market in decline, many companies and their employees are concerned about how to set realistic campaign goals. This document is designed for Resource Development, Loaned Executives and Employee Campaign Managers who may be facing challenges around this issue throughout the 2008-2009 Campaign Season. While news regarding economic challenges may seem daunting at times, it is important to keep in perspective the history of giving during difficult times, and, to share this perspective with your key contacts.

Historical Trends

Charitable giving has decreased only twice in the past century. The first dip occurred between 1973 and 1975, and the second spanned from 2001 to 2003. However, these periods were not a result of standard economic recession. Decreases seem to occur only during fundamentally destabilizing or shocking events, such as the 1970s OPEC ban and the terrorist attacks of September 11, 2001. Even during the tough economic times of the late 1980s and early 1990s, there was a steady level of charitable giving in relation to personal disposable income—only a 0.2 percent maximum difference between 1986 and 1996.

Based on historical factors, the only period in which charitable giving correlated with economics was during the positive upswing of the technology boom from 1995 to 1998. Strategists and consultants stress that recent economic changes only comprise a small part of the larger business cycle when it comes to philanthropy. (United Way of America Research Department, 2008)

By the Numbers

- In 2007, Americans donated a record high of \$306.39 billion to charity, the first year since 2001 virtually every category of public charity receiving donations experienced gains (The Wall Street Journal, 23 Jun. 2008).
- Corporate giving topped \$15.69 billion in 2007; an increase of 1.9 percent (considering inflation, a decline of 0.9 percent) (The NonProfit Times, 1 Jul. 2008).
- In 2007, out of 155 companies (69 on Fortune magazine's 100 most profitable list), corporate giving grew by 5.6 percent to a per company median of more than \$26 million (Committee Encouraging Corporate Philanthropy in Chronicle of Philanthropy, 12 Jun. 2008).
- Over 80 percent of corporate leaders reported to the Committee Encouraging Corporate Philanthropy that economic conditions should have an "unimportant" or "neutral" impact on corporate giving (Chronicle of Philanthropy, 12 Jun. 2008).
- \$38.52 billion was given by foundations in 2007—a 10.3 percent increase from 2006 (7.3 percent adjusted for inflation) (The NonProfit Times, 1 Jul. 2008).

- Nearly 80 percent of large foundations (those making \$10 million or more each year) will not experience a downturn due to the fall in the stock market (Council on Foundations, 1 May 2008).
- Fifty-nine percent of foundations who anticipate increasing their support to aid families, provide human services, assist lower income populations, or support economic development say that the decline in the stock market will have no effect on their grantmaking. (Council on Foundations, 1 May 2008).

Key Messaging and Speaking Points

“What we’ve learned through research is that the message is not ‘Now more than ever your help is needed,’ but rather ‘Now more than ever, your dollar goes farther with United Way.’ In times of recession or weak economy, ‘value’ must be stressed to potential donors.”—*United Way of Central and Northeastern Connecticut, Hartford, CT*

- Even in tough times, Valley of the Sun United Way is keeping community challenges in perspective. Our goal is to improve lives for struggling individuals, families and children throughout our community. For over 80 years, Valley of the Sun United Way has been there to help provide stability under any conditions.
- You can make an immediate impact in our community by giving to Results That Matter, our Community Fund. This fund provides support not only to one cause or issue - it provides valuable resources that tackle multiple issues with one single contribution.
- Funding that addresses multiple issues is especially important during difficult times. Each challenge people in need face can disrupt families and lead to more challenges; financial instability often leads to additional problems including lack of access to quality child care, increased risk of domestic violence and the an inability to provide basic needs such as food and adequate housing. . As these issues multiply, more and more of our neighbors, friends and co-workers become in need of more and different kinds of help. This is why giving to Results That Matter is so important now.
- Through Results That Matter, our Community Fund, we have a mix of funding that includes short-term basic needs so we can balance that with an emphasis on more ‘root cause’ issues like early education and financial stability. Our strength is our holistic approach to problems—not just support of a food bank, but job training, and help with housing and quality day care—the key needs of many families experiencing tough times.

- Time and again, some of the most generous givers are those who themselves have struggled and turned to the help of Valley of the Sun United Way. When times are tough - people see friends, family, neighbors and co-workers in need – and the natural tendency is to be helpful. Many actually dig deeper to ensure the needs are met, or, choose to give for the first time.
- Valley of the Sun United Way is the organization that best connects you to both immediate and long-term needs throughout Maricopa County - needs that grow in difficult times like the one we're all in. Your one contribution to Results That Matter, our Community Fund, can make a significant difference.
- For those who may not be in a position to give, there are always opportunities to volunteer. We don't need just money; time, efforts, and talents are all appreciated. If you are interested in volunteering, please visit www.vsuw.org for more information, or, contact your Campaign Manager or United Way representative.
- Together we can accomplish outcomes that no government, no organization, no company and no individual can accomplish on its own. Thank you for your ongoing commitment and shared passion to take action, inspire hope and create opportunities for a better tomorrow.

Best Practice Considerations from other United Ways

- “In talking with other marketing and communications professionals, I have found the consensus to be that motivating/inspiring people to give can be just as—if not more—effective than ‘guilting’ people into giving. That’s why I think it’s wonderful that the LIVE UNITED messaging has put the focus on the donors, advocates, and volunteers. I think people will see others doing good things, and they will want to join in.” —*United Way of Cumberland County, Fayetteville, NC*
- “We have focused on making things very local and personal with everyone. We feel that if we just get someone who has never given to give one dollar, it’s a good first step and if we can get them involved (whether they give or not) we are building a base for the future. Our other message change has been focusing on what companies and individuals want. We are looking with each item we produce to answer the question, ‘What’s in it for me?’ and answer that from the consumer’s perspective.” — *United Way of Denton County, Denton, TX*
- “We use the LIVE UNITED campaign as a response. That’s why we created our new campaign, to engage people in the community to learn about what’s going on in our community and how easy it is for them to make a real difference by giving, advocating and volunteering.” — *United Way of Metropolitan Chicago, Chicago, IL*
- Have a major giver or corporate sponsor match donations—showing your employees that the value of the dollar is going further.—*United Way of America, Major Gifts and Planned Giving Staff Leadership Council*