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NEW YORK BUSINESS

March 24, 2009

Donors: Prepare for the hard sell

As contributions tumble, nonprofits turn to creative, less costly strategies

BY MIRIAM KREININ SOUCCAR

DONORS TO Covenant House New York, the city's largest homeless shelter for run-away youth, received quite a surprise this winter when they picked up the phone.

Instead of hearing the typical telemarketing call in search of funds, they were greeted by formerly homeless teens thanking them for changing their lives and inviting them to visit the center to see what their money has accomplished.

Executives at the nonprofit didn't want to exploit their young residents, but with donations in a free fall—Covenant House recently had to cut 15% of its \$22 million budget and lay off 17 people—they needed to take drastic measures.

High-impact results

THE RESULTS WERE DRAMATIC. Donors who received a call from an at-risk youth were 50% more likely to make another donation and request a tour of the facilities. Getting someone in for a tour increased the likelihood of a donation an additional 25%. Now Covenant House is extending the program by having a group of five teens make calls once a month.

"We're trying to create more personal relations with our donor base," says Executive Director Jerome Kilbane. "It's become more important with the economic crisis."

Not every nonprofit has teenage run-aways to pull at donors' heartstrings. But charities across the city are scrambling to find their own creative ways to raise money. With donations plummeting, no effort—not even a bake sale—is deemed too small. At the same time, groups are cutting

fundraising costs wherever they can by dropping the bells and whistles at galas, or even scrapping big parties altogether.

"If we want to meet our fundraising goals, we have to find new ways to do it," says Jo Sullivan, senior vice president of development at the ASPCA, which is trying to raise \$72 million in 2009.

With fewer corporate sponsors and deep-pocketed donors to lean on, some nonprofits are turning to the Obama campaign's Web-based fundraising approach, relying on small amounts from the masses.

On March 1, the Metropolitan Coun-

Next month, the ASPCA will encourage animal lovers across the country to hold their own fundraisers, like bake sales or dog washes, for the organization. Their efforts will then be documented on the association's Web site, giving the donors their 15 minutes of fame. The ASPCA hopes to raise \$100,000 the first year.

While every little bit helps, such efforts may not be enough. New Yorkers gave more to charity in 2008 than residents of other states, but this year they plan to make deeper cuts in their giving than donors in other states, according to a recent Cygnus Applied Research Inc. survey.

Spending less

WITH THAT IN MIND, local charities are trying to save money even as they try to raise it. City Harvest, which collects leftover food from restaurants and other kitchens and delivers it to hunger relief agencies, was able to trim its April 22 spring gala budget by 20%. The group found out that another nonprofit, the Food Allergy Initiative, is holding a lunchtime fundraiser at the same venue, Cipriani, on the same date. The two will share flowers and other decorations.

"We're definitely turning things down a bit," says Jilly Stephens, executive director of City Harvest. "Even the invitation paper is thinner."

City Harvest is also tweaking the name of its spring gala: It's now "An Evening of Practical Magic" instead of "Practical Magic Ball," reflecting more somber times.

The YWCA of the City of New York's big summer gala on June 25 is morphing into a cocktail party. Since the event may not have as much appeal as the traditional sit-down dinner, the organization doubled its event committee to more than 50 chair-people from a variety of industries. The hope is that they'll each bring a guest, thereby increasing the head count.

Even so, the YWCA, which was forced to cut its \$8.5 million budget by 23% this year, is keeping expectations low. Last year's gala raised \$160,000; this year the group is hoping for half that amount.

"We're looking at it from a long-term perspective this year," says Jerome Grant, vice president for development and external affairs at the YWCA. "It's very much about networking and cultivation." ■

WHO WILL GIVE?

New Yorkers' plans for charitable donations in 2009.

1,869 survey respondents

Anticipate no change	34.4%
It is too soon to tell	31.3%
Expect to decrease giving	20.4%
Expect to increase giving	13.3%
Don't know	0.6%

Source: Cygnus Applied Research Inc.

cil on Jewish Poverty held a "virtual gala," where instead of going to a fancy ballroom, 885 participants paid \$18 to make dinner in their own homes. They received discounts from kosher groceries and restaurants and were invited to watch online a mock awards ceremony with board members making speeches. The event raised around \$15,000.