

WEATHERING THE STORM

Timely strategies for finding solid ground

TREC Fundraising Survey, July 2009



OUR THANKS TO WILBURFORCE FOUNDATION
FOR THEIR GENEROUS SUPPORT OF THIS STUDY



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EXECUTIVE SUMMARY

Strategies to weather the storm

Organizations should prepare themselves now for continued funding challenges over the next 18 months, while staying keenly focused on the long-view of their mission in order to weather this storm.

Dyan Oldenburg
TREC founder and Executive Director

In 2009, Training Resources for the Environmental Community (TREC) conducted its third survey of individuals, both board and staff, responsible for fund-raising on behalf of environmental groups in the American and Canadian west. These findings are exceptionally timely and crucial due to the current funding crisis that many of these organizations face during this economically perilous time.

While we found that fundraising in 2008 was very successful, 2009 and beyond is proving to be a much more challenging period.

Upon a thorough analysis, TREC recommends these key strategies in navigating the current economic challenges that environmental nonprofits face:



- Focus on the essential mission of your organization both internally and with your supporters.
- Reinforce existing relationships with donors and foundations through high-touch fundraising practices.
- Devote substantially more time to fundraising activities to help offset decreased giving. Leaders, such as board members and executive directors, should lead the effort.
- Create contingency plans in order to address potential or impending budgetary shortfalls.
- Cut costs in ways that make sense for the long-view of your organization's mission.

The results of this study, in which 98 organizations participated, provide important insights into how environmental organizations have raised money over the last two years and how they are coping with the current economic recession. Among the most notable findings:

2008 Success: Findings suggest that environmental groups were able to expand their operations in 2008 by leveraging and strengthening their relationships with current individual donors and foundations, which are — by far — still the largest source of revenue for those in our sample. In particular, organizations increased communication with their supporters (both individuals and foundations) and have worked actively to build closer connections with them. One survey response summed up this approach:

[We have been] improving relationships with foundation grantmakers by touching base with them more frequently and being responsive to their requests.

This is not a time to be complacent or spontaneous. A plan is essential for every organization, not just those feeling the impacts today. We urge you to question previous assumptions you have made in your 2009 budgets and to undertake rigorous contingency planning.

February, 2009 letter from Northwest Environmental Grantmakers to grantees

The Tightening Grip of Economic Recession in 2009: While many nonprofits saw fundraising success and growth in 2008, a large number of survey-takers indicated that they are now feeling the forceful impact from the current recession. This finding also accords with national level philanthropic data, including the 2008 Giving USA Report (released in June 2009), which found that contributions to the environment fell 5.5 percent over the previous year (or negative 9 percent adjusted for inflation).

Shrinkage across types of fundraising has caused many respondent organizations to have reduced operating reserves. Regardless of budget size, most organizations in the sample now have fewer than *three* months of operating reserves. In our 2007 study, a majority of organizations had more than *four* months of reserves. And while it is may be very difficult to achieve right now, TREC recommends striving to build up an even healthier *six* month reserve, just for the kind of “rainy day” we are now experiencing.

Respondents are unclear of how larger economic trends will ultimately affect their budgets and fundraising efforts. However, the centrality of foundation funding for the groups is certainly worrisome. While the trend in recent years was for modest increases in foundation giving, today foundation assets are down 26% compared to 2008, according to the *Chronicle of Philanthropy*. If these losses aren’t recovered, foundation grants will almost certainly contract (though there may be a time lag, given that many foundations calculate their payouts based on a 5-year rolling average of assets). Additionally, a recent Foundation Center’s survey found that more than two thirds of respondents are reducing the size and number of grants for 2009 and not making as many grants to new organizations as they have in the past. The survey also reported that foundations are expecting even more drastic cuts to grantmaking in 2010.

Groups that participated in our survey are responding to this changing and confusing economic climate in a variety of ways, including:



- Increasing the breadth and scope of their fundraising activity by diversifying their revenue streams and further increasing communication with foundations and major donors.
- Cutting administrative and operating expenses, especially in relation to travel.
- Cutting staff, including laying people off and leaving open positions vacant.
- Planning for future cuts in expenditures and monitoring budgets and expenses closely.
- Reducing staff salaries, eliminating COLA raises, decreasing benefit levels and furloughing employees.

It is important to note that TREC considers some of these strategies more appropriate and conducive to long-term survival and success than others. For example, we believe that cuts should be made within the context of what is best for the overall, long-term mission of the organization, versus making arbitrary, but equal, cuts across staff and programs.

What we've seen during other environmentally supportive administrations is a significant decrease in giving to conservation organizations. Many potential contributors believe that the government is going to step up and take care of critical environmental issues.

Dyan Oldenburg, TREC founder and Executive Director

Challenges for Boards of Directors as Fundraisers: Boards of Directors continue to frustrate those charged with fundraising. Although many board members are active givers to their organizations, they do not always honor their commitments when it comes to making fundraising “asks” and they do not consistently promote their organizations and help broker relationships between their organizations and potential donors.

On the other hand, board members face their own unique challenges:

Board members commonly express frustration about not receiving enough support for fundraising efforts from staff while frequently being criticized for not doing enough fundraising. They also find it very difficult as a volunteer to make really hard decisions about cutting positions when funding falls short.

Dyan Oldenburg, TREC founder and Executive Director

Conclusion: Taken in sum, survey findings give a mixed and worrying picture of environmental organization’s fundraising in this time of protracted and severe economic strain. At the time of this report, in July 2009, the prospect of a near-term economic rebound is doubtful, with unemployment growing and other indicators pointing in different directions. If the picture should remain dark, sharp challenges may lie ahead for green groups, not only because there is less money available for giving, but because public attitudes toward the environment are shifting as a result of economic concerns. In a January 2009 Pew Center poll, “protecting the environment,” was cited as a top priority by 41 percent of respondents – a notable decrease from the 56 percent who said the same thing in 2008. Environmental concerns are often the first to fall off the table when more immediate threats surface, explained the Pew Center’s Andrew Kohut.

It is also unclear how the arrival of a more environment-attuned Administration in Washington, DC will affect the fortunes of green groups. It might raise their visibility and fundraising prowess, or it might work in the opposite direction because there isn’t a strong hostile force to fight against. In order to appraise how these many and diverse forces are playing out, TREC will accelerate the timing of our next fundraising survey, doing the next study in Winter 2009 rather than Fall 2010.

Indications from results of this survey and other sources point to the unpleasant fact that fundraising will, most likely, continue to falter for an extended period of time and that organizations need to put extraordinary effort into holding on to their current supports in order to weather the storm.

INTRODUCTION

Strong methodology

Between February and May 2009, Training Resources for the Environmental Community conducted a survey of individuals primarily responsible for fundraising on behalf of environmental groups in the American and Canadian west (excluding California). The survey was disseminated to TREC's client base of western environmental groups through email, list-serves, and website announcements. The survey included a mix of open- and close-ended questions and was modeled on questionnaires used for earlier studies. (Reports from these earlier studies can be found at the TREC website www.trec.org.)

We received 107 completed questionnaires representing 98 organizations. A list of responding organizations can be found following the Appendix to this report. The analyzed results provide important insights into the ways environmental groups have approached their fundraising programs over the last two years, and they reveal how organizations are coping with the current economic recession.

SOURCES OF REVENUE

Dependence on grants pervasive

Just as in earlier surveys, foundation grants account for the largest share of respondents' revenues in 2009. In fact, compared with our 2007 survey results, revenues from foundations comprise a slightly larger percentage of budgets. These results underscore the challenges many environmental organizations face in diversifying their categories of income — and they point to a potential fall-off in revenues as foundations grapple with the recent shrinkage of their endowments.

At the same time that foundation funding increased slightly as a share of income, overall individual giving (including individuals, members, and major donors) decreased from 2007. Today, individual giving accounts for 29.6% of revenue while in 2007 it was 32.0%. Table 1 shows the average composition of organizational budgets in both 2009 and 2007.

Table 1. Sources of Revenue for Respondent Groups

REVENUE SOURCE	PERCENT 2009	PERCENT 2007
Foundations	47.6	46.0
Individuals/Members	18.6	17.0
Major Donors	11.0	15.0
Events	2.7	5.0
Government	5.4	5.0
Fee for Service	4.5	4.0
Corporations	3.4	3.0
Product Sales	1.0	<1.0
Special Fees	1.0	<1.0
Work-Place Giving	1.0	<1.0
Bequests	1.4	<1.0
Other	2.4	2.0
TOTAL	100	100

Further evidence of the importance of foundation funding to environmental nonprofits can be found in Table 2. This table presents the results of a question which asked groups to compare their 2008 fundraising against the 2007 results. The table indicates whether organizations raised “more,” the “same,” or “less” money in 2008 compared to 2007. It is encouraging to see that along with foundations, special events and online fundraising have yielded greater dollar amounts. This suggests that

Because the recession has forced charities to pay increased attention to costs, many charities are trying to use e-mail appeals to replace direct mail, which has become increasingly expensive to produce and send.

Chronicle of Philanthropy, May 7, 2009

groups are focusing on these revenue streams in order to diversify their budgets. Interestingly, the table also suggests that direct mail is losing emphasis.

Table 2. 2008 Fundraising Compared to 2007 (All Groups)

FUNDRAISING STRATEGY	MORE	SAME	LESS	TOTAL
Special Events (N=33)	57.6	24.2	18.2	100%
Online Fundraising (N=35)	54.3	37.1	8.6	100%
Foundations (N=49)	47.3	20.0	32.7	100%
Membership or Small Gifts (N=45)	35.6	22.2	42.2	100%
Major Gifts (N=45)	35.6	31.1	33.3	100%
Earned Income (N=32)	28.1	53.1	18.8	100%
Government Grants/Contracts (N=28)	32.1	60.7	7.1	100%
Direct Mail (N=32)	18.8	40.6	40.6	100%
Corporations (N=29)	17.2	65.5	17.2	100%
Bequests or Planned Gifts (N=27)	14.8	51.9	33.3	100%

Increasing use of online fundraising is in line with broader trends in the nonprofit community, due to its inherent low cost. In addition, their concern for natural resources may lead environmental organizations to direct extra effort to do less paper-based mailing.

It cannot be overstated that it is essential that organizations focus substantial energy and time, both at the staff and board level, to retain current individual donors and funders through increased communication and stewardship.

Elizabeth Hospodarsky
TREC Senior Associate

LOOKING BACK: FUNDRAISING IN 2007 AND 2008

Record breaking success!

Fundraising efforts were quite successful in 2008, especially for smaller organizations. Specifically, Table 3 shows that nearly 51% of the groups in our survey raised more money in 2008 than they did in 2007, with organizations whose budgets are under \$1M faring especially well during this time. As one survey respondent put it, “2008 was our best year for all fundraising (members, foundations, and government support).”

Table 3. Fundraising Trends 2007/2008 (by Organization Budget)

INDICATOR	ALL (N=102)	< \$500K (N=42)	\$500K - \$1M (N=28)	\$1-2M (N=13)	\$2M+ (N=10)
Raised more in 2008	50.5%	54.7%	60.7%	30.7%	30.0%
Raised the same	19.4%	19.1%	17.9%	15.5%	30.0%
Raised less in 2008	30.1%	26.2%	21.4%	53.8%	40.0%
TOTAL	100%	100%	100%	100%	100%

The positive trends shown in Table 3 mirrors those described in our *2008 Salary & Benefits Salary Report*. In fact, 73% of the 157 organizations that responded to that survey added new positions to their organizations in 2008 and 56% were expected to do so in 2009.

The strong fundraising results of 2008 lead many to believe that 2009 would be equally as successful, despite the world-wide recession. Currently we are hearing, though, about significant decreases in fundraising in 2009 and expect this will continue into 2010.

Strengthening Donor Relationships

The increase in revenue in 2008 suggests that survey-takers have worked hard to ensure their organizations’ fiscal health. In fact, when asked to rate how strongly they agreed with a series of questions concerning their fundraising strategies, the strongest agreement was with a statement concerning diversification of revenues. The statements and average ratings are presented in Table 4. (There were no statistically significant differences in the responses based upon organizational budget.)

[We are] developing long term relationships with new foundation supporters and letting our members and supporters know how important their contributions are in these economic times.

Survey respondent

Table 4. Strategies to Ensure Fiscal Health

Rating scale equates 1.0 with “Strongly Disagree” and 7.0 with “Strongly Agree”

OVER THE LAST THREE YEARS MY ORGANIZATION...	AVERAGE
Has been working diligently to diversify its income sources.	5.2
Has significantly strengthened its major donor program.	4.6
Has significantly strengthened its individual giving program.	4.2
Has significantly decreased its reliance on foundation funding.	3.2
Has significantly strengthened its bequest or planned giving activities.	2.9

In order to better understand what, specifically, groups did that translated to fundraising successes over the last two years, we asked them to describe their most successful fundraising strategies. The three most common strategies are described below.

Cultivating current foundation supporters: Repeatedly, respondents wrote that they increased communication with current foundation supporters and worked to build closer connections with their existing individual donors. This was the strongest theme to emerge from the comments. As one individual wrote, we are “working on relationships with foundations (not just zillions of grants being written).” The following quotes detail the ways organizations described improving communication:

[We have been] improving relationships with foundation grantmakers by touching base with them more frequently and being responsive to their requests.

Foundation fundraising has been extremely successful over the past three years. This success has relied on our ability to secure face-to-face meetings with foundation representatives, our high level of performance, and very high return-on-investment.

Strengthening relationships with major donors: Comments also make clear that survey-takers are working hard to cultivate major donors. Environmental groups are communicating with donors more often and in a more personalized way. Typical comments are:

[We use] high-touch fundraising – personal meetings with both major donors and foundation funders.

More emphasis on donor relationships, resulting in more major gifts and higher per capita giving.

[We are] nurturing major donors and doing strong conservation work that gets us mentioned in the news.

Utilizing events as fundraisers: Organizations are using events – whether fundraising dinners, tours of preserves and wilderness areas, or “phone-a-thons” – to cultivate relationships and help build momentum and visibility for themselves and their missions. Said one respondent:

Event cultivation and solicitation has been our best tool. From the annual auction to house parties, most of our top new prospects are taken to the next level of cultivation partly from energy and the sense of community at our events.

Groups are going back to basics and building membership through simple, affordable approaches such as member-get-a-member campaigns and promoting their monthly donor program as a way for people to give small gifts that become significant over time.

Elizabeth Hospodarsky
TREC Senior Associate

FUNDRAISING IN 2009

Bracing for the storm

Atroubling 50% of executive directors are currently spending less than 25% of their time on fundraising activities. It is highly likely that many executive directors will find it necessary to devote significantly more time on sustaining and building relationships with major donors and foundations in order to keep their organization's head above water in the coming year.

Additionally, Table 5 indicates that organizations in our survey will be giving special emphasis to online fundraising and major gifts for support in 2009. Relatively few organizations plan to decrease their reliance on foundation sources, though the same cannot be said for direct mail. Overall, 40% of organizations will place less or no emphasis on direct mail in 2009.

Table 5. Fundraising Strategies for 2009

RELY UPON THE FOLLOWING...	MORE	SAME	LESS	NOT AT ALL	TOTAL
Online Fundraising	75.8%	21.1%	--	3.2%	100%
Major Gifts	75.2%	20.8%	2.0%	2.0%	100%
Membership or Small Gifts	62.1%	32.6%	3.2%	2.1%	100%
Corporations	41.8%	37.4%	8.7%	12.1%	100%
Bequests or Planned Gifts	38.4%	43.0%	1.2%	17.4%	100%
Foundations	31.4%	56.2%	12.4%	--	100%
Special Events	30.2%	43.0%	16.3%	10.5%	100%
Direct Mail	27.8%	32.2%	24.4%	15.6%	100%
Government	27.8%	33.3%	2.2%	36.7%	100%
Earned Income	20.5%	44.6%	12.0%	22.9%	100%

Their broad ranges of fundraising strategies notwithstanding, fundraisers are worried about their organization's financial health — though few are concerned that they will lose their job. Evidence for this conclusion can be found in the ratings presented in Table 6.

At least 50% of our foundation grants have been lower than expected for 2009 due to shrinking asset base.

Survey respondent

Table 6. Average Ratings Concerning the Recession

Rating scale equates 1.0 with “Not at all Worried” and 7.0 with “Very Worried”

HOW WORRIED...	AVERAGE
Are you about the financial health of your organization?	4.7
Is your groups’ leadership about the financial health of the organization?	4.5
Are you about losing your job in 2009?	2.5

Narrative comments reflect the ratings in Table 6. Most commonly, the comments suggest unease about the availability of foundation support in the future and concern over decreased donations from individuals:

Funding sources are giving less and new funding (a continuing requirement) is less likely because funders tend to be reluctant to take on new organizations in the current climate.

We have lost two long time foundation donors so money we would normally roll over / reserve will be used to cover core costs in FY 2009.

The slowdown in the economy reduced member donations by 11% in 2008 and a foundation that provided a large yearly grant has declined to renew their funding in 2008 and 2009 due to reduced resources.

Respondents’ first-person reports of fundraising in 2009 tally with a recent report by the Foundation Center, in which close to two-thirds of foundations responding to a survey conducted by the Center stated that they planned to reduce the number and/or the size of grants they award in 2009. The report, entitled *Foundations Address the Impact of the Economic Crisis*, states that new nonprofits and those seeking new sources of support will be especially challenged in securing foundation funding during the recession.

Along with worries over diminished foundation resources, comments also indicate that environmental organizations lack certainty about future fundraising trends:

So far, it has been more fear than actual impacts, but we are bracing for the worst and it puts yet one more stressor on the organization and staff.

The uncertainty of not knowing how much foundations, major donors and individuals will be able to give us has a great impact on our strategic planning.

TREC urges timely and robust planning with a shorter time-frame than we've recommended in the past. We're working with more groups on plans that they can have done in a day and are "good enough" in order to get their feet under them in the changing economic landscape, refocus on their vision, and articulate the necessary goals to reach that vision.

Dyan Oldenburg, TREC founder and Executive Director

Though some groups are experiencing downturns, others have felt little impact:

I anticipate there will be some impact next year, but I am hopeful that there will be a strong recovery before long. My intent is simply to ride out the downturn.

We haven't seen much of an impact so far. Our members have remained loyal and incredibly generous so far. Foundations are less polite about refusing our requests, so we're trying harder and contacting more of them.

Our fiscal year is not completed and while we have done well up to this time, we are concerned with the fall of 2009 and what the direct mail campaign results will be.

Finally, the importance of effective planning cannot be overstated as organizations respond to the economic slowdown. As one individual wrote:

We probably could have been better prepared to deal with the downturn if we had planned for this day. Instead, the organization has largely lived 'hand-to-mouth' with little or no emphasis on savings or endowment.

When you combine dwindling organizational reserves with the expected significantly reduced foundation grant-making in 2009 and 2010, it is clear that groups need to take immediate steps to prepare for budgetary shortfalls.

Elizabeth Hospodarsky,
TREC Senior Associate

CURRENT FISCAL HEALTH

Diminishing reserves and depressed fundraising

Two issues loom large in determining an organization’s overall fiscal health: the presence of a deficit and the size of its operating reserve. Both issues were addressed in our survey and the results are clear evidence of a shift in the fundraising climate for nonprofits in the wake of the recession. We found a very serious problem with a significant number of groups facing the hit of both a budget deficit and greatly diminished reserves during a time when there is little hope for robust fundraising.

Deficits

Overall, one third (33%) of the organizations in our sample had deficits in 2008; the majority of organizations with deficits had total revenues under \$1M. When respondents were asked whether they expected a deficit in 2009, only 22 indicated “Yes,” and, again, the large majority of them had budgets under \$1M.

The relatively significant number of groups expecting a deficit in 2009 suggests that groups are taking cost-cutting measures to ensure balanced budgets. Table 7 details the budgets of those groups with deficits.

Table 7. Deficits in 2008 and 2009 for All Groups

BUDGET	HAVE A 2008 DEFICIT (N=34)	ANTICIPATE A 2009 DEFICIT (N=22)
Under \$500K	33%	50%
\$500K - \$1M	41%	36%
\$1 - \$2M	12%	5%
More than \$2M	15%	9%
TOTAL	100%	100%

Operating Reserves

A second important measure of financial stability is operating reserves (an excess of one month of operating cash). In 2007, we found that a significant portion of organizations had such funds. In fact, at that time, nearly half (49 percent) had sufficient reserves to cover more than four months of operations. This is no longer the case. Particularly for smaller nonprofits, just raising enough funds to cover the current year’s budget can be a daunting task. Nevertheless, raising enough funds to establish an operating reserve that can carry the organization through leaner times is critical to ensuring long-term viability.

The changing fortunes of environmental groups in the wake of the recession are evidenced by the steep decline in the number of groups who have three months or less cash reserve. Table 8 displays these results and Table 9 compares the amount of reserves among respondents in 2007 and 2009.

Table 8. Months of Reserve/Operating Cash on Hand

MONTHS OF RESERVE	ALL	<\$500K (N=44)	\$500K - \$1M (N=28)	\$1-2M (N=14)	>\$2M (N=12)
None	5%	4.5%	--	14.3%	8.4%
Less than 3 months	67%	68.2%	75.0%	57.2%	58.3%
4 to 5 months	21%	15.9%	21.4%	21.4%	33.3%
6 or more months	7%	11.4%	3.6%	7.1%	--
TOTAL	100%	100%	100%	100%	100%

Table 9. Comparison of Reserve Amounts for 2007 and 2009 Surveys

MONTHS OF RESERVE	2007 SURVEY RESPONDENTS	2009 SURVEY RESPONDENTS
None	3%	5%
Less than 3 months	42%	67%
4 to 5 months	21%	21%
6 or more months	34%	7%
TOTAL	100%	100%

We are moving to try and increase the percentage of revenue we receive from individual donors with extra focus on recruiting monthly donors.

Survey respondent

LOOKING FORWARD

Responding to the recession

We urge you to be leaner, meaner and greener! While it is a reality that you may need to cut staff and programs and redouble fundraising efforts, many organizations will survive this storm and, in the end, be stronger for it.

Here is what groups say they are doing to help sustain them:

Increasing fundraising efforts (39 organizations): Respondents indicated that they would enhance their fundraising by working to diversify their revenue streams and increase communication with funders and donors:

We're double-checking with foundations, and increasing our work on major donor, legacy, and new memberships.

We've been soliciting more grants than last year, developing new ways of approaching foundations with new goals, new strategies, and new language about our work. We're calling members who don't renew memberships to hear their stories and keep in close touch.

We are doing more work on fundraising from members and supporters, diversifying what we do, and having lots of contact with foundations that support us.

Creating contingency plans and monitoring the budget (17): Closer monitoring of expenses, tighter fiscal controls, and contingency planning were all cited as steps groups are taking:

There is much more vigorous oversight of income/expenses. We created three contingencies, and we are cutting expenses.

We have very conservative budgeting with monthly benchmark monitoring and we're making adjustments accordingly.

We are setting benchmarks and contingencies if funding does not reach our goals.

Cutting administrative and operating expenses (38 organizations): Organizations are reducing their administrative budgets, particularly in relation to travel.

In 2008, we started seeing signs of a slowdown in the economy as well as delays in the receipt of

committed funding. As a precaution we enacted a 15% reduction in expenditures during the 2008 fiscal year as part of our mid-year reforecasting process.

We are spending less on travel and non-essentials.

We are searching for better interest and CD rates, found a cheaper conference call system, got a pro bono accountant.

We are looking for ways to pare operating costs.

Reducing benefits and salaries (14): Last year we found that 26% of the organizations responding to our salary survey reported decreasing their employees' benefit packages between 2007 and 2009. This trend, which has been in evidence in TREC research since 2004, continues to hold true. Groups reported eliminating COLA raises, decreasing benefit levels, and furloughing employees. Pay cuts are also a part of the response:

We've instituted salary reductions on a sliding-scale (less for lesser paid staff).

We have cut everyone's salary by 15% and reduced benefits by another 5%.

We're reducing expenses to the absolute minimum and reducing staff salaries and related compensation by 10%.

Cutting staff (24): Layoffs and leaving open positions vacant are a frequent strategy for coping with diminished revenue.

We're laying off a staff person.

We are laying off one staff person mid-year and are not re-hiring for another person who is leaving.

We did not rehire two full-time staff who resigned for other reasons.

We have cut expenses by 15% of our adopted budget, layed off 10% of our workforce, and developed a budget for the next fiscal year that is 10% below current.

Board members often express that they don't engage in more fundraising because they don't receive the necessary support, direction and training from the staff needed to make them effective fundraisers.

Elizabeth Hospodarsky
TREC Senior Associate

BOARDS OF DIRECTORS

The challenge to be effective

As we have found since first surveying environmental organizations in 2001, boards of directors perennially pose fundraising challenges for organizations. In 2007 we wrote that:

...a very modest 11 percent of the organizations we heard from rated their board of directors as a fundraising asset, though only seven respondents stated that their board did nothing to assist in fundraising. Thus, it appears that boards are neither as engaged as they might be nor are they completely absent from the fundraising operation.

As Table 10 makes very clear, the same holds true in 2009. The table, which provides the results of a rating question, shows that few organizations are fully satisfied with their boards' fundraising involvement. However, organizations vary in their ratings and, in general, the ratings cluster toward the middle of the scale.

Table 10. Boards of Directors and Fundraising

Rating scale equates 1.0 with "Strongly Disagree" and 7.0 with "Strongly Agree"

MEASURE	ALL (N=102)	< \$500K (N=45)	\$500K - \$1M (N=31)	\$1-2M (N= 15)	\$2M+ (N=12)
I am satisfied with my Board's level of fundraising activity.	3.1	2.7	3.3	4.1	3.0
Percent of Board that makes a financial contribution	85%	79%	85%	91%	96%

Respondents indicated that board members who make the most valuable fundraising contributions are those who "work hard to meet their 'give-or-get' agreements by recruiting" organizational donors. Among the most helpful activities mentioned in the narrative comments are the following:

Donating to the organization: Board members ideally make financial investments in the organization. It is important to note that survey respondents did not place a specific dollar value on an appropriate investment. Clearly, this amount must be one that is reasonable given the board member's assets and financial health. For board members who can make significant contributions, one individual described how this can best be leveraged:

100% board participation sends a strong message of organizational health and strength to all supporters, individual donors and foundations alike.

Elizabeth Hospodarsky
TREC Senior Associate

Some board members commit to large gifts at our annual auction, a very public forum, serving as an example to other individuals at the event and in their circles of friends.

While significant gifts from the board are always extremely helpful, it is important for every Board of Directors, to strive for 100% participation. This means that all board members give an annual donation in accordance to their means.

Making phone calls to major donors to ask for contributions and thank them for previous gifts. Board members can also help set up and attend meetings between donors and staff.

Introducing the organization to individual and institutional donors whom the board member knows or has ties to. One survey-taker stated their board members “help with the fall campaign on the phone and in letter writing. We have two or three directors that make face-to-face visits to ask for cash.”

Hosting events. Board members have held successful house parties and put on other fundraising events.

Yet, despite these relatively straight-forward activities, organizational fundraisers lament the lack of board involvement in resource development. Survey takers cited a variety of specific ways boards could become more active in sustaining their organizations:



- **Follow-through on commitments.** Comments indicate that board members need to complete telephone calls that they promise to make (without ongoing prodding) and follow through on their participation in activities such as major donor campaigns.
- **Ask for donations.** Board members need to make more “asks” for financial support and spend less time on organizational operations. Respondents indicated that they wanted board members to become more active in “asking for donations from individuals as well as businesses” and “directly asking their current or former colleagues” to support the organization.
- **Promote the organization and broker relationships.** Even if board members’ immediate social networks are not appropriate for fundraising, they can help “reach their peers,” prospect for new supporters, and “recruit corporate donors” on behalf of their organizations.

FUNDRAISING SKILLS AND ASSETS

Fundraisers most comfortable working with foundations

Table 11 below presents information about respondents' experience with a variety of fundraising strategies and skills. Soliciting foundation gifts is still the strongest skill among all of the respondents; however, respondents' comfort with this work varies by organizational budget. Building endowments and capital campaigns is the area of least comfort. (Those skills with asterisks denote statistically significant variations based upon the organization's budget size.)

Table 11. Experience in Fundraising Skills

Rating scale equates 1.0 with "No Experience" and 7.0 with "Significant Experience"

FUNDRAISING SKILL	ALL (N=102)	< \$500K (N=45)	\$500K - \$1M (N=31)	\$1-2M (N= 15)	\$2M+ (N=12)
Soliciting foundation gifts*	5.8	5.7	6.1	5.0	6.5
Building and stewarding donor relationships*	5.0	4.7	4.9	5.2	6.1
Member recruitment, renewals, and appeals	5.0	4.7	5.3	5.3	5.0
Administering membership programs	4.4	4.2	4.7	4.5	4.1
Soliciting major gifts*	4.2	3.7	4.3	4.5	5.1
Launching and maintaining monthly donor programs*	3.8	3.2	4.4	4.5	3.5
Fundraising using the internet/email	3.4	3.2	3.7	3.5	3.4
Soliciting corporate gifts	3.3	3.3	3.3	2.8	3.6
Soliciting legacy gifts	2.2	2.0	2.4	2.2	2.5
Conducting endowment and capital campaigns*	2.1	1.7	2.2	2.3	3.4

In order to improve the overall effectiveness of organizational fundraising, several clear themes emerged from respondents' comments. Survey-takers suggested that the following would make their work both easier and higher-impact:

- Greater board engagement in fundraising.
- Foundation support for capacity building and organizational operations.
- More staff members dedicated to fundraising.

When asked what their organization's three greatest assets or resources in fundraising are, more than half cited their executive director (though, it should be noted, approximately one-half of the respondents are executive directors). Relationships with foundations also ranked high, as well as the loyalty of members and small donors. The results are presented in Table 12.

Table 12. Organizational Assets for Fundraising

ASSET	PERCENTAGE "YES"	
	NON-WF (N=49)	WF GRANTEES (N=57)
Strong relationships with foundation funders	49.0%	63.2%
Executive Director	63.3%	45.6%
Loyal members/small donors	51.0%	22.8%
Staff	34.7%	35.1%
Mission/ "hot" issue	14.3%	35.1%
Significant, visible victories	26.5%	21.1%
Consistent high-end donors	14.3%	21.1%
Board of Directors	12.2%	17.5%
Strategic plan and follow-through	4.5%	10.5%
No competition (only organization working in region on issue)	6.1%	7.0%
High profile	6.1%	3.5%
Integrated and consistent message	8.2%	1.8%
Urban location/high population area	2.0%	5.3%

It is essential that groups focus on the long-view of their organization's mission and goals when determining how best to get through this difficult period. By focusing on the long-view and their organization's mission, groups that persevere will likely emerge stronger and more effective than ever before.

Dyan Oldenburg
TREC founder and
Executive Director

CONCLUSION

Landing on solid ground

The 2009 fundraising survey of western environmental groups shows a continuation of many trends evidenced in previous surveys (completed by TREC and elsewhere), including:

- High dependence on foundation funding and a frustration with the fundraising participation of boards of directors.
- Growing sophistication among respondents in creating and sustaining fundraising relationships, whether with institutional funders, major donors or members/small donors.
- Emergence of online fundraising as a more effective fundraising avenue and— simultaneously— a decrease in emphasis on traditional direct mail appeals.

Fundraising flourished for respondent groups in 2007 and much of 2008, whether for reasons of the strong economy, an increased public focus on environmental issues, the excitement surrounding the November 2008 elections, or some combination thereof. More recently, however, fundraising has dramatically slipped along with the broader economy. In that many environmental organizations have such a large dependency on foundation funding and many foundation endowments have precipitously tumbled, a severe contraction in revenues in 2009 and 2010 is a strong possibility.

In response, many organizations have already begun to tighten their belts, whether by shaving benefits and pay, letting open positions go unfilled, laying people off, or other measures like reducing travel. Organizations are also making extra efforts to steward the funding relationships they already have, and where possible, to forge new relationships.

Key strategies to navigating through this difficult climate are:



- Hone your mission and reinforce the message to your supporters.
- Revitalize and strengthen relationships with current donors and funders.
- Commit more staff and board time to fundraising activities.
- Create contingency and strategic plans that are “good enough” to carry you through the short-term.
- Cut costs while paying attention to the long-view of your organization's mission.

As this report goes to press in July 2009 (with a follow-up survey planned for January 2010), the trend line for the economy is hard to gauge, but many signs point toward a long, slow recovery. Accordingly, environmental groups will be prudent to keep their operations lean, and work with intensity to

diversify their income. If the economy remains poor, there will not only be less money available for philanthropy, but perhaps less willingness to give it to green causes, with public concerns shifting to more basic needs.

Beyond the economic uncertainty, it is not yet clear how recent political changes will affect environmental organizations. The election of more earth-friendly leaders in Washington, DC and in many states and localities may bode well for green policy. But it may bode less well for environmental fundraising if the public perception is that, with allies now in office, there is less need for strong advocacy.

APPENDIX: SURVEY RESPONDENTS

As a group, respondents had an average of 10 years' experience fundraising. They held the following positions within their organizations:

- **Executive Directors** = 52.4% of respondents
- **Development Directors** = 15.5% of respondents
- **Other staff members** = 30.3% of respondents

The gender breakdown is presented in Table 13. It should be noted that there were not statistically significant differences between how women and men responded to the rating questions.

Table 13. Gender of Survey Respondents

GENDER	WOMEN (N=60)	MEN (N=42)
Executive Director	40%	69%
Development Director	23%	5%
Other Role	37%	26%
TOTAL	100%	100%

The sample also represents a wide diversity of geography: 92 (86.8%) responding organizations are from 13 different states in the U.S. Five Canadian provinces (Alberta, British Columbia, Nova Scotia, Ontario, and Yukon) are represented for a total of 14 (13.2%) Canadian-based organizations.

Table 14. States and Provinces Represented in Survey Sample

ASSET	NUMBER	PERCENT
Washington	12	11.3%
Montana	11	10.4%
Oregon	11	10.4%
Alaska	10	9.4%
Idaho	10	9.4%
British Columbia	8	7.5%
Arizona	5	4.7%
California	5	4.7%
Utah	5	4.7%
Alberta	4	3.8%
Colorado	2	1.9%
New Mexico	2	1.9%
Nevada	2	1.9%
Yukon	2	1.9%
Others	4	3.8%
Multistate Organizations	13	12.3%
TOTAL	106	100%

RESPONDING ORGANIZATIONS

Advocates for the West
Alaska Center for the Environment
Alaska Wilderness League
Alliance for Nuclear Accountability
Arctic Borderlands Ecological Knowledge Coop
Arizona Wilderness Coalition
Alberta Wilderness Association Bark
British Columbia Spaces for Nature
Biodiversity Conservation Alliance
Boulder-White Clouds Council, Inc.
Californians for Western Wilderness
Canadian Parks and Wilderness
Society (CPAWS)
CPAWS Southern Alberta
CPAWS-British Columbia
Clear Creek Watershed Council
Center for Science in Public Participation
Coalition for Sonoran Desert Protection
Conservation Northwest
Cook Inletkeeper
Defenders of Wildlife
DharmaTech
Dogwood Initiative
Earthjustice
EARTHWORKS
EcoAdapt
Five Valleys Land Trust
Forest Service Employees for
Environmental Ethics
ForestEthics
Friends of Allegheny Wilderness
Friends of Nevada Wilderness
Friends of Scotchman Peaks Wilderness
Friends of the Clearwater
Friends of the San Juans

Gifford Pinchot Task Force
Grand Canyon Wildlands Council
Greenpeace
Headwaters Montana
Hells Canyon Preservation Council
Idaho Conservation League
Idaho Rivers United
Idaho Smart Growth
Institute for Environmental Research & Education
Keystone Conservation
Klamath-Siskiyou Wildlands Center
Kootenai Environmental Alliance
League of Conservation Voters Education Fund
Montana Wilderness Association
National Center for Conservation Science & Policy
National Parks Conservation Association
Nevada Wilderness Project
New Mexico Wilderness Alliance
Northern Alaska Environmental Center
ONE/Northwest
Oregon Natural Desert Association
Oregon State Parks Trust
Oregon Wild
Pacific Environment
Pacific Rivers Council
Puget Soundkeeper Alliance
QQS Projects Society
Red Rock Forests
Rivers Without Borders
Round River Conservation Studies
Sierra Club - Grand Canyon Chapter
Sierra Nevada Alliance
Sitka Conservation Society
Skeena Watershed Conservation Coalition
Sky Island Alliance

Sonoran Institute
Southeast Alaska Conservation Council
Swan Ecosystem Center
Teton Regional Land Trust
The Conservation Alliance
The Lands Council
The Land Conservancy of British Columbia
The Wilderness Society's Wilderness Support Center
Trustees for Alaska
Vashon-Maury Island Land Trust
Washington Trails Association
WaterWatch of Oregon
Western Environmental Law Center
Western Lands Project
Western Resource Advocates
Western Wildlife Conservancy
Wild Utah Project
Wildlands Network
WildEarth Guardians
Wilderness Watch
Wildlands CPR
Wildsight
Wolf Haven International
Washington Wildlife and Recreation Council
Xerces Society for Invertebrate Conservation
Yaak Valley Forest Council
Yellowstone to Yukon Conservation Initiative
Yukon Conservation Society

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Dyan Oldenburg founded Training Resources for the Environmental Community (TREC) in 1997. As executive director, she assists in developing and directing TREC's programs and provides services to TREC clients. She has worked on numerous legislative, electoral and issue campaigns since 1979. Dyan ably assists environmental nonprofits in growing their leaders, boards and organizations. She is dedicated to helping groups meet their missions and manage change.

Editor



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