



How Will the Coronavirus Touch Charitable Giving?

Forgive the pun, but with schools, major sporting events, and conventions shut down considering Corona's advance, we can predict that charitable giving will not go untouched by the virus's impact.

I started consulting in early 2009. It was directly after the effects of the 2008/09 economic downturn. (Not a great time to launch a new endeavor).

A financial analyst I am not, nor an expert on the spread of infectious disease, but I can offer some recollections and insights on how both these events can affect charitable contributions.

WHAT ORGANIZATIONS ARE LIKELY TO BE AFFECTED?

In 2009 organizations that had a diversified development program fared better than those whose income was limited to one or a small number of channels. Specifically,

ministries with a broad-based mass donor program were likely to be less affected because their risk was mitigated. The impact of losing a few donors giving smaller amounts out of thousands wielded a smaller negative impact on the organization.

Those with robust monthly giving programs also saw little impact, in fact some in that downturn a decade ago, actually continued to grow. These organizations had built a strong affinity with their donors at non-consequential amounts (e.g. \$35/month) and felt little overall impact. Their message was abundantly clear, and their offer was unambiguous and within the budget of the average American family.

Unfortunately, those who relied on a handful of major donors whose support covered large percentages of their annual operating budget, were far

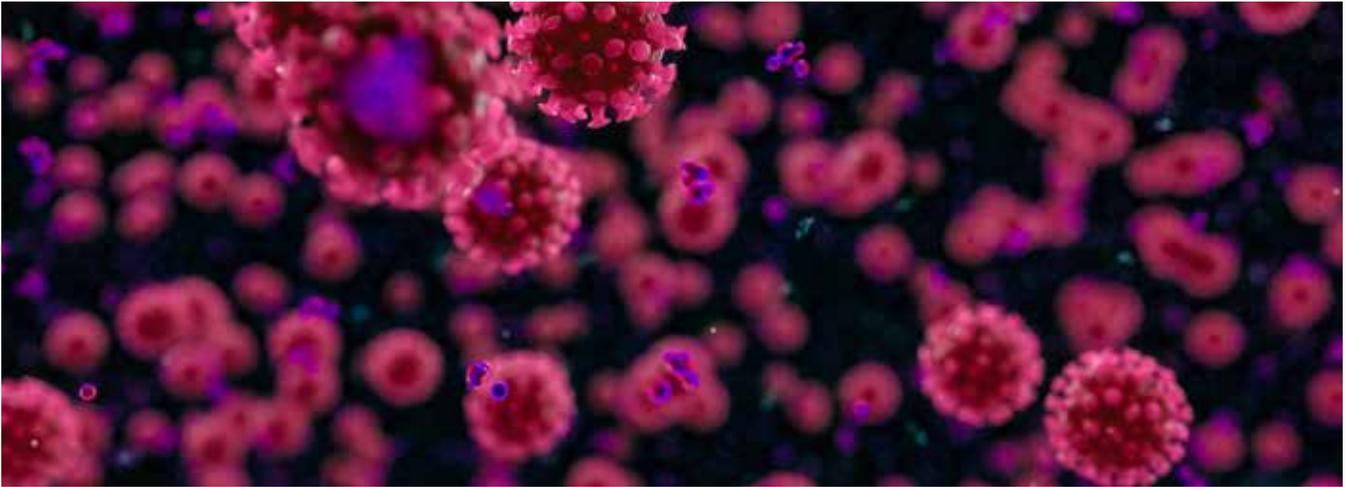
more at risk.

For these organizations, we saw major donors continuing to be generous, but necessarily reducing the number of organizations in their support portfolio. Instead of giving significant gifts to 10-12 organizations as they normally would, they may have had to drop down to supporting 5-6 organizations and with smaller gifts.

Ministries with heavy deputized support models (supporting a missionary) were also not deeply affected. Again, the affinity between the missionary and the personal supporter was strong and not easily broken.

We also saw some shift away from international causes (e.g. overseas missions, church planting, etc.) and toward local ministries as the need to help the poor nearby was front and center.

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WHAT CAN ORGANIZATIONS DO TO MITIGATE A LOSS IN CHARITABLE GIVING?

Let's turn our attention to some things that can be done in the light of current conditions.

1. Over Communicate

A special newsletter or communication will help your constituents know that you are not blind to what's happening. Help donors know how your programs may be affected by Corona. Do you sponsor large gatherings or events? Do you serve a population or geographic region that is heavily affected by Corona?

Helping the donor understand that leadership and the board have acknowledged the potential threat to programs will bring understanding that you're on top of concerns and have thought ahead.

Make sure to communicate your organization's concern for

your staff, missionaries, workers, volunteers, and of course, those you seek to serve and reach.

2. Assess On-going Acquisition Efforts Critically

If you have an ongoing acquisition campaign for new names, make sure you keep daily tabs on these efforts. Acquiring new names (for causes and programs that are not directly related to the current concern) may be more difficult and more expensive. You may consider delaying these efforts until more clarity can be gained and market forces return to a normal state.

Of course, if your ministry directly supports people who are affected by the economic slowdown or the virus, make these efforts known. Specific campaigns for these efforts may prove successful as constituents see your organization as one whose programs are needed and effectual.

3. Major Donor Touchpoints

For organizations deeply dependent on major gifts, have early, regular, and meaningful conversations about what effect Corona and the falling markets may mean for 2020 giving. These conversations should be personally led by the gift officer closest to the donor. And, they should be conducted out of concern for the donor. Many donors, even those whose faith is strong, may experience great fear and uncertainty seeing their business hit hard or their nest eggs shrink. Ask pertinent and caring questions. Is the business dependent upon industries which have been adversely affected? Do they have supply chain issues in countries that are deeply impacted (e.g. China, Italy)? Are they in the financial markets and what are their concerns, worries, or opportunities?

Informed questions not only show your concern for them but provides better understanding

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about how their giving may be affected.

Offer ways to minister to those who are experiencing volatility in their endeavors. Have an empathetic ear. They've supported you before, they will again when they are able. Pray, meet, visit, converse as the donor has time and availability.

4. Communicate non-cash giving instruments

Over the past few years, the Donor Advised Fund has been a very popular giving instrument. A donor with a DAF has already given the gift and received the tax deduction. While the fund may lose some of its value depending on the investment strategy, the donor may very well be able to contribute out of these funds even though current business income or investments in stocks may be taking a hit.

If your organization has deep affinity and relationship with key major donors, they may increase their giving if they

see your organization playing a critical role for those you serve, or the organization has significant need due to the downturn. Don't shy away from tough conversations with those who have stood with you in generosity and faithful active support over the years.

5. Keep an eternal perspective

For those working in the non-profit space, especially in faith-based organizations, our entire purpose is eternal, not temporal. Reminding constituents, that though difficulties are at hand, your purpose and mission has not changed. Saving lives and changing lives is still core to your mission because that is what God has called you to do.

Psalm 46:1-3, 10-11

God is our refuge and strength, an ever-present help in trouble. Therefore we will not fear, though the earth give way and the mountains fall into the heart of the sea, though its waters roar and

foam and the mountains quake with their surging an ever-present help in trouble. Be Still and Know that I Am God, an ever-present help in times of trouble. He says, "Be still, and know that I am God; I will be exalted among the nations, I will be exalted in the earth." The Lord Almighty is with us; the God of Jacob is our fortress.



Elevation Growth Partners has served over 400 faith-based organizations in communications, fundraising, marketing, and leadership training.

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