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philanthropy|uk:inspiring giving

Reading tea leaves, #2

By Roxanne Clark

Tracking the impact of the recession on giving...

Several more inflammatory headlines about people ditching their donations and abandoning charities have hit the news this past fortnight.

As we previously discussed, in the first 'Reading tea leaves' column, these can distort and obfuscate the picture of what is truly happening in donor practices.

Contrary to headlines such as 'Business giving to be cut by a third' and 'Fundraising returns reach new low point' there appears to be an emerging sense of 'adapt and survive'.

A survey of 450 senior business leaders in the UK commissioned by The Social Investment Consultancy (TSIC), showed that 60% of respondents expect their organisation to cut its charity budget, with corporate giving expected to drop by 34% this year.

This is an area of considerable concern for both donors and recipients, though knowing that 80% of respondents 'agreed that companies whose budgets are squeezed should look for other ways of helping the community such as in kind gifts or staff volunteering' may offer a glimmer of light.

Said Jake Hayman, CEO of The Social Investment Consultancy: "These cutbacks will either expose corporations as fair-weather donors, or it could mean they apply themselves to develop more innovative ways of supporting communities. The truth is there are plenty of things companies can do to maintain strong partnerships with good causes that can build rather than hit the bottom line."

Potentially heartening news also comes from the top line results of the 2009 Skoll World Forum Quick Survey on Delegate Economic Outlook (released end of March). These indicate that of responses from funders, philanthropic organisations and private corporations, 63.2% described themselves as being 'Entrepreneurial/agile – able to adapt to the downturn'; and 31.6% described themselves as 'Established –able to ride out the downturn'. Only 5.3% described themselves as 'Vulnerable'.

And, within this same group, 65.8% said that their lending or grant-making had remained the same in the last six months (21.1% had increased their funding); while 47.4% respondents said their funding would remain the same next year (with an additional 15.8% planning to increase their grant-making).

Across the Atlantic the US Association of Fundraising Professionals' (AFP) annual survey indicates that only 28% of the 481 fundraisers surveyed believe "their organisations will raise more money this year".

However, AFP's president, Paulette Maehara, said at its recent annual conference, that the organisation had found that many groups were doing well, and she would reinforce the message to members that they should stick to the fundamentals.

"My advice is 'don't panic,'" she said. "Listen to the message you get from your financial adviser — take the long view. That means being prudent, being realistic, and focusing on the fundamentals that got you here. Those are all important messages for donors to hear."

Sage words that may stretch across the pond to soothe feverish UK fundraisers; but if that doesn't work the findings of a recent G2 Data Dynamics survey of 30,000 UK consumers in February may ease their temperature a little.

It has revealed that 58% of respondents said "their giving had remained unchanged".

Alan Thorpe of G2 Data Dynamics said of the findings: "Charity marketers should think carefully about how to get the best out of their existing donor databases to make people stick with them and potentially persuade lapsed supporters to give again."

So, as we continue to read between the headlines, and our tea leaves, the news may indicate different levels of difficulty, but there is also goodwill and the desire to find other ways to meet challenges, and to keep a level head.



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