

Resisting Recession – Maintaining your Income

Julia Lever

It is encouraging to see determined inventiveness and enterprise at work in nonprofit organisations facing the double whammy of increasing demand for their services and increasing uncertainty about income streams over the next 12 to 24 months. It is also disheartening to observe them having to contemplate using hard-won reserves to fund revenue costs when they had hoped to be using some of them towards a capital spend to grow their service. And that's if they are fortunate enough to have had a fairly conservative investment policy and have not 'lost' their money in an Icelandic bank.

However, we are where we are and the determination must be not only to survive the current and ongoing recession, as well as we can, but also to do so in a way which leaves us ready to pick up the pace when the economic cycle changes.

First thoughts always tend in these circumstances to look at where can we cut costs? And some of the softer targets are often the very things which if maintained, or even grown, would bring a good and rapid return on investment, such as communicating with our key current and potential stakeholders, developing our pool of talent, paid and voluntary, through training, coaching and mentoring, and developing new income streams.

In the last few weeks, among a variety of organisations, I have observed a number of strands of activity designed to stay on or ahead of the curve and either prevent or limit the need to use reserves to fund revenue costs:

- re-discovering some of the lean and hungry passionate support of long-term supporters/investors who can be motivated to develop a very personal call-to-arms for matching their individual giving. So, for example, an individual already a committed and regular giver, volunteers/undertakes to use his personal contacts to do two things: -- invite others to match his increased monthly giving
- invite others to get on the bus
- targeting a new donor niche who are actually better off at the moment, people still in relatively secure employment whose mortgages are costing them a fraction of what they were costing a year ago; once again, the most effective route to this group of individuals/families is through an 'ask' made by 'someone-like-them'; leading by example is very powerful
- seizing the opportunity to recruit new volunteers from the increasing number of very capable people who are currently out of work for whom volunteering can represent an opportunity to fill a gap in their CV, keep their hand in and their self respect up whilst seeking new employment. If their volunteering experience with you is good they will be strong candidates for converting to committed givers once their incomes are re-secured

- communicating with your stakeholders, in good time and before you get to the stage of having an emergency appeal, telling them what you are doing to be even more efficient and effective and recession resistant
- systematically examining your existing sources of income, and your strength and weaknesses in relation to them with a view to identifying opportunities to do more of what you do well, fill the gaps where performance can be improved quickly, translating your strengths into new sources of income; in other words a thorough and systematic examination of your organisation's funding mix and how you can strengthen it
- pro-actively seeking opportunities for collaborative working both to share costs and create income streams
- creating real or virtual affinity groups and at the very least a sense of shared belonging ownership which offers a real and valued benefit to potential joiners
- recognising that you may have to pedal a good deal faster just to stand still and be realistic about fundraising targets, and the activity level that must be achieved to deliver them – for example moving from relying upon relatively large donations from relatively small numbers of donors, to securing much smaller amounts from a far greater number of supporters
- engaging everyone, and not just the professional fund-raisers, in the activity of income generation, trustees and patrons included; a volunteer, properly trained and supported can be a very hard-to-resist ask. This is very much akin to recapturing the zeal with which new/young organisations embark upon and achieve very challenging fund-raising goals
- Set out to recruit more 'askers' and equip and support them well as your ambassadors

And finally, how about targeting the face-book generation who a) have unencumbered disposable income themselves b) are masters of peer pressure, c) are often up for a personal challenge with fundraising potential and d) an increasing number of whom are looking to NGOs and nonprofits for both careers and volunteering.

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