

What Comes After The Recession?

By Mal Warwick, Editor

Are you thinking that you've got enough problems now without being distracted by thoughts of how you'll raise money a year or two or three from now? I thought so. But hear me out, please.

Right now, as economic conditions bear down more and more heavily on your organization, chances are you're making changes . . . changes in the ways you raise money, in the programs you trim and the ones you fund fully, perhaps even in the people who work with you. Tough times impose change.

But it's not enough to survive. No doubt your organization is in business for the long haul, because the vision and mission that drive your efforts can't be fulfilled this year, or next, or even the one after that. So, it's essential you keep in mind how the changes you put in place now will affect your chances of thriving once the economy finally starts upward again.

I was given an opportunity to think about this challenge when I was invited to speak briefly at a luncheon held during the Direct Marketing Association Nonprofit Federation Washington Nonprofit Conference in Washington DC, early this year. Three overarching realities clearly stuck out as I thought through the nonprofit sector's prospects for the future.

First, donors will cease to be statistics.

- Mass mail will be passé. Today's segmentation tools will be primitive by comparison with tomorrow's targeting techniques. One-to-one marketing will be a necessity, not a fantasy.
- Large charities clinging to enormous donorfiles will lose ground to those that emphasize donor quality over quantity.
- Donors will shun nonprofits that treat them like numbers. Those that provide superlative donor care will flourish.

Second, new ways will emerge to finance nonprofits.

- Lines will blur among nonprofits, for-profits, and funders. Those who now start nonprofits will favor any organizational form that offers an easy route to funding.
- Social enterprises of all types will bloom, some nonprofit, some for-profit. Corporations will launch their own social services. "Donors" may loan or invest as well as give.
- Social finance will mature, creating large-scale capital markets for nonprofits—and thus competition for us fundraisers.

Donors will invent new forms of engagement.

- Major donor or foundation consortia will flourish, issuing Requests for Proposal (RFPs) to nonprofits and businesses alike to tackle specific problems.

- Donor “Circles of Excellence” will attract big funders to address large, measurable challenges and meet quantifiable objectives.
- Small donors will flock to mutual-fund-like investment vehicles, by-passing individual nonprofits to address broader issues.

Will any of this truly come to pass?

Beats me! Your guess may be as good as mine. However, if you look around the nonprofit sector worldwide with an eye for detail, you’ll probably see signs of many of these possible trends in today’s emerging practices.

But no matter. Today’s conditions and today’s trends won’t define tomorrow’s challenges. Whatever happens, we’ll confront new technologies, new expectations, new opportunities. Yesterday’s tools won’t do the job.

Will you be prepared?

Think about it!