

**Thomas R. Moore Executive Search, LLC**  
**Crime Stoppers Presentation 2010**

**Review of Past Presentation Topics**

- 1. Job Opportunities**
- 2. Fund Raising Challenges / Giving Trends**
- 3. Donor Fatigue and Giving Problems after Katrina**
- 4. Giving Program Options / Franchise Revenue**
- 5. The Closure of Many Small Non Profits**
- 6. Less Response to Direct Mail**
- 7. On Line-Web Site Giving**
- 8. Corporate Giving Trends**
- 9. Recruitment of Volunteers, Board Members, and Sponsors**

**Today's Topics**

- 1. Fund Raising Challenges / the Fund Raising Environment**
  - a. Fifty Year Decline in Philanthropic Giving**
  - b. Major Donors are reassessing their projects / move to Social Issues**
  - c. Foundation Giving will remain down / Foundation Ctr. Prediction**
- 2. Corporate Giving**
- 3. Direct Mail**
- 4. On Line and Mobil Giving**
- 5. Donor Fatigue – Will it occur again?**
- 6. Job Opportunities**
  - a. Great Demand remains for Competent People**
  - b. Hands on Skills in Several Positions**
  - c. Cut in Professional Staff Positions and Salaries**
- 7. Mergers and Partnerships due to Financial Necessity**
- 8. Questions and Summation**

*Nonprofits work through all economic cycles. Nonprofits don't get to have a down year!*  
*Nonprofits and the business world are partners in pain and in growth. The challenge is to be nimble, be effective, be relevant, be mission oriented, think forward and move forward!*  
Quote from Mike Guyton, VP for Customer Operations and Community Relations at Oncor Delivery Services

# Down but Not Defeated: Results of GuideStar's Eighth Annual Nonprofit Economic Survey

December 2009

## Overview

A survey of public charity and private foundation employees was conducted online from October 1, 2009, until October 15, 2009, the eighth annual nonprofit economic survey conducted by GuideStar, and the third of three such surveys conducted by GuideStar in 2009. The purposes of the survey were to compare how charitable organizations fared during the first nine months of 2009 to previous years and to try to gauge the effect of the downturn in the economy on the American nonprofit sector. There were 2,565 usable responses, 2,381 (93 percent) from public charities and 184 (7 percent) from private foundations.

Compared to the first nine months of 2008, which was not a particularly good year for nonprofits, things were mostly worse in the first nine months of 2009, with 51 percent of organizations that accept contributions reporting that those contributions had decreased, compared to 35 percent last year (in contrast, only 19 percent of organizations reported a decrease in contributions in 2007). Similarly, 36 percent of grantmakers reported a decrease in monetary awards, versus 16 percent in 2008.

There were no statistically significant differences in declining contributions across organization size, program area, or geography. Many respondents, however, cited a decrease in state and local funding as the major reason that their revenue was down. On the other hand, a smaller number commented that stimulus funds from the American Recovery and Reinvestment Act had helped stabilize the finances of their organizations during the year.

Among the findings of the survey:

- 51 percent of respondents who accept contributions saw a decline in contributions over the first nine months of 2009 versus the same period in 2008. The major factors cited for a decline in contributions were fewer individuals giving (69 percent) and smaller gifts (69 percent).
- 62 percent of respondents had experienced an increase in demand for their organization's services in 2009.
- 36 percent of grantmakers decreased total monetary payouts; 27 percent gave more.
- Despite the tough year, most organizations were hopeful about 2010. Some 36 percent planned budget increases, and 29 percent expected to be able to maintain their current level of expenditures.
- For those organizations that expected to reduce their 2010 budgets, reduction in program services (59 percent) and salary freezes (54 percent) were the most frequently used techniques for making ends meet.

## Selected Details

### Contributions

Change in Contributions, 2002-2009				
Period Covered by Survey	Contributions Decreased	Contributions Stayed about the Same	Contributions Increased	Don't Know
Jan.-Sept. 2009	51%	25%	23%	1%
Mar.-May 2009	52%	29%	18%	1%
Oct. 2008-Feb. 2009	52%	27%	20%	1%
Jan.-Sept. 2008	35%	25%	38%	2%

Jan.-Sept. 2007	5%	25%	67%	3%
Jan.-Sept. 2006	4%	23%	72%	2%
Jan.-Sept. 2005	5%	24%	70%	2%
Jan.-Sept. 2004	5%	23%	71%	2%
Jan.-Sept. 2003	6%	22%	70%	2%

## Budgets

Budgets, 2009-2010				
Budget Period	Decrease(d)	Stay(ed) about the Same	Increase(d)	Don't Know
2010 (predicted)	31%	29%	36%	4%
Mar.-May 2009	36%	27%	36%	1%
Oct. 2008-Feb. 2009	35%	26%	38%	2%

## Grantmaking

Change in Grantmaking, 2002-2009				
Period Covered by Survey	Amounts Awarded Decreased	Amounts Awarded Stayed about the Same	Amounts Awarded Increased	Don't Know
Jan.-Sept. 2009	36%	36%	27%	1%
Mar.-May 2009	36%	39%	23%	1%
Oct. 2008-Feb. 2009	31%	44%	22%	2%
Jan.-Sept. 2008	16%	39%	43%	2%
Jan.-Sept. 2007	12%	33%	52%	3%
Jan.-Sept. 2006	14%	32%	52%	3%
Jan.-Sept. 2005	13%	38%	47%	2%
Jan.-Sept. 2004	19%	33%	45%	2%
Jan.-Sept. 2003	35%	36%	24%	4%
Jan.-Oct. 2002	40%	28%	18%	15%

Jan.-Sept. 2007	19%	25%	52%	4%
Jan.-Sept. 2006	19%	27%	50%	4%
Jan.-Sept. 2005	22%	26%	49%	3%
Jan.-Sept. 2004	23%	24%	50%	3%
Jan.-Sept. 2003	35%	22%	39%	4%
Jan.-Nov. 2002	48%	22%	28%	3%

Reasons Contributions Decreased, 2008-2009				
Reason	Jan.-Sept. 08	Oct. 08-Feb. 09	Mar.-May 09	Jan-Sept. 09
Fewer individuals gave	63%	71%	69%	69%
Gifts from individuals were smaller	60%	71%	68%	69%
Corporate gifts were smaller	34%	39%	38%	42%
Private foundation grants were smaller	29%	34%	37%	41%
Private foundation grants were discontinued	13%	23%	22%	26%
Corporate gifts were discontinued	13%	25%	23%	25%
Government grants were smaller	13%	13%	14%	17%
Government grants were discontinued	7%	8%	7%	8%
Government contracts were smaller	6%	6%	6%	8%
Government contracts were discontinued	2%	3%	3%	4%

### The Giving Season

Some 46 percent of participants reported that their organizations receive the majority of contributions in October, November, and December, i.e., the giving season. We asked these respondents how they thought their nonprofits would fare during the last quarter of 2009, compared to the same period in 2008.

Predictions for the Giving Season, 2007-2009				
Year	Expect Contributions to Decrease	Expect Contributions to Stay about the Same	Expect Contributions to Increase	No Idea
2009	45%	31%	19%	5%
2008	49%	28%	20%	3%
2007	9%	28%	60%	4%

### Demand for Services

Change in Demand for Services, 2003-2009				
Period Covered by Survey	Demand Decreased	Demand Stayed about the Same	Demand Increased	Don't Know
Jan.-Sept. 2009	7%	30%	62%	1%
Jan.-Sept. 2008	6%	27%	64%	3%



## Top philanthropists cut back on charitable giving in 2009



**\$4.1 billion figure is down from \$15.1 billion in 2008**

By Dean Calbreath, UNION-TRIBUNE STAFF WRITER

Tuesday, February 9, 2010 at 12:02 a.m.

The recession has cut sharply into charitable giving by the nation's top 50 philanthropists, slashing total contributions by 73 percent, according to a report yesterday in The Chronicle of Philanthropy.

In 2009, the top 50 philanthropists gave \$4.1 billion to charity, compared with \$15.1 billion in 2008 and a Warren Buffett-infused all-time high of \$50.7 billion in 2006. Last year's total tied with 2005 as the lowest in the decade.

San Diego's Irwin and Joan Jacobs, who ranked 40th on the list, gave \$24.3 million last year, mostly to the San Diego Symphony, UCSD's Jacobs School of Engineering, the Reuben H. Fleet Science Center, the Salk Institute for Biological Studies and UC San Francisco's School of Medicine. The total was less than half the \$49.5 million the Jacobses gave in 2007, their most recent appearance on the list. In their first appearance on the list in 2002, they ranked in eighth place with \$135 million in donations.

The Jacobses were the only San Diegans last year to make the top 50 list, which over the past decade has featured Joan Kroc's \$1.9 billion bequest to the University of San Diego and other groups, which rated a first-place ranking in 2003; Jean Jessop Hervey's \$80 million bequest in 2000; Ernest Rady's 2004 gift of \$30 million to UCSD's Rady School of Management; and \$33 million in donations to UCSD and the San Diego Zoo in 2000 from John and Rebecca Moores.

A study released last month by Dunham+Company, a religious charity adviser, projected that charitable giving this year will be relatively flat, "which is not good news for the many nonprofits that are struggling."

**Find this article at:**

<http://www.signonsandiego.com/news/2010/feb/09/top-philanthropists-cut-back-on-charitable-giving>

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## Funding Information Center

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### **America's Biggest Donors Increasingly Looking to Address Social Problems, New Ranking Suggests**

A growing number of major donors are funneling money into ambitious projects designed to address global and societal challenges instead of simply choosing to support nonprofit entities such as hospitals, museums, and colleges, the Chronicle of Philanthropy and Slate magazine report.

According to the latest edition of the annual Slate 60 list, the effects of the economic downturn on major giving were plainly evident in 2009, as the \$4.1 billion given to nonprofit and charitable causes by the top fifty philanthropists was barely more than a quarter of the \$15.5 billion given by the top fifty in 2008.

Topping the list, which first appeared in Slate in 1996 and has been compiled since 2000 by the Chronicle, were Stanley and Fiona Druckenmiller, who gave \$705 million to the Druckenmiller Foundation, and the late John M. Templeton, who left \$573 million to the John Templeton Foundation. Other major gifts were made by Bill and Melinda Gates (\$350 million), George Soros (three large gifts totaling \$300 million), Michael R. Bloomberg (\$254 million), and Cincinnati arts patron Louise Nippert (\$185 million).

Despite the economic downturn, the editors at Slate and the Chronicle argue that many donors on the list are becoming more creative in their giving, with fewer of them content to give large sums for traditional brick-and-mortar projects and a growing number using their philanthropic investments to address major social problems or encourage charities to collaborate in new ways.

"Wealthy Americans increasingly see philanthropy as way to catalyze big changes in society, rather than choosing only to write a check for a new building or to further existing projects," said Chronicle editor Stacy Palmer. "More and more top donors now put their money, clout, and vision into fueling the development of new ideas and shaping future leaders -- whether in education, business ethics, economics or climate change."

"The 2009 Slate 60." Slate Magazine 2/05/10. <http://pndapps.fdncenter.org/link/25012185/3>

(November 10, 2009) Foundation giving will likely decline by more than 10 percent in 2009, reports the Foundation Center. Foundation giving will also decline further in 2010, it predicts.

#### **Charitable Giving Down So Far in 2009, But Critical Giving Period Coming Up**

(October 20, 2009) More than half of charities are experiencing a downturn in contributions so far this year compared to the same time in 2008, according to an informal poll by the Association of Fundraising Professionals (AFP).

#### **Advancing Philanthropy Editorial Advisory Council Established**

(September 29, 2009) (Sept. 29, 2009) AFP has established an editorial advisory council to provide Advancing Philanthropy with direction from individuals who deal with the many issues facing fundraising professionals every day.

#### **Doorley and Schick Earn ACFRE Credential**

(September 15, 2009) Mary Doorley, of Melrose, Mass., and Marcella Moyer Schick, of Allentown, Pa. are the 86th and 87th fundraisers to earn the Advanced Certified Fundraising Executive (ACFRE) credential.

#### **The New AFPnet.org: "We've Only Just Begun"**

(September 8, 2009) Yes, you can thank AFP for putting that quintessential '70s song firmly in your head for the rest of the day. But hopefully a visit to AFP's exciting new website will help dislodge any related memories of wide shirt lapels and powder blue leisure suits!

#### **North Park University Offers Tuition Discount to AFP Members**

(September 1, 2009) AFP and North Park University in Chicago, Ill., have partnered in a pilot project to offer AFP members a 45 percent discount on the cost of tuition for graduate programs offered through North Park's School of Business and Nonprofit Management (SBNM).

#### **A Crisis is a Terrible Thing to Waste**

(August 11, 2009) There's nothing like being in a mess to get an organization focused on fixing things. General William Booth, founder of The Salvation Army, said: "We must wake ourselves up! Or someone else will take our place, and bear our cross, and thereby rob us of our crown." How appropriate in today's challenging times, but he said that more than 100 years ago.

#### **Spreading the Wealth: Florida Chapter Brings Two Others to Life**

(August 11, 2009) AFP welcomes its newest chapter—the AFP Florida, Greater Polk County Chapter is the second new chapter this year to be formed with the guidance of the AFP Florida, Suncoast Chapter.

#### **Fundraisers Report Tough Times—Expect Some Improvement by Year End**

(August 4, 2009) Fundraisers are finding the current giving environment extremely challenging, but expect some improvement for the second half of 2009.

#### **Readers Respond to Helmsley's Historic Bequest**

(March 13, 2009) (March 16, 2009) AFP *eWire* recently asked for reader feedback about the use of Leona Helmsley's \$5.2 billion bequest and the ramifications for donor intent. Here is what members had to say.

#### **AFP, The Globe and Mail Create 'A Time to Give'**

(March 9, 2009) (March 9, 2009) AFP is continuing its partnership with *The Globe and Mail* through a special June 27 philanthropy supplement entitled "A Time to Give."

#### **Leona Helmsley's Trust Can Support More Than Dogs, Court Rules**

(February 27, 2009) (March 2, 2009) In an unusual case that is raising eyebrows among fundraisers and donors alike, the court defied Helmsley's wish for the bulk of her \$5.2 billion estate to be directed solely to the care and welfare of dogs.

#### **Maehara, Brown Named Among Fundraising's Best**

(February 13, 2009) (Feb. 17, 2009) *The NonProfit Times* has named 14 people who it feels are the most effective and influential fundraisers in the industry. AFP President and CEO Paulette Maehara, recent past-chair Alphonse Brown and AFP member Atul Tandon are in this esteemed group.

## With less money to dole out, foundations become more targeted in their giving

By Monica Ginsburg  
Jan. 25, 2010

With less money to dole out, foundations have become more strategic in their giving, targeting fewer areas with larger grants to organizations that fit the bill.

"Doing fewer things well, in a deeper, more engaged way, is probably better than a scattershot approach," says Phil Buchanan, president of the Center for Effective Philanthropy, a Cambridge, Mass., non-profit research organization. "Often the best way to prove and demonstrate results is to focus narrowly."

Nationally, charitable contributions from foundations and individuals were down last year. Following a September survey, the New York-based Foundation Center expects 2009 will show a 10% drop in foundation giving once all the data are in. And more than three-quarters of survey respondents said they expect philanthropy to become more strategic as a result.

"Especially when there is less to give, you want to make sure what you're doing is adding value and is very targeted," says Valerie Lies, president and CEO of Donors Forum, a Chicago-based non-profit that promotes philanthropy.

This means establishing clear giving goals in a handful of areas and creating a strategic framework to help achieve them. The downside is that some worthy groups may not get funded. Small non-profits especially may lack the administrative structure to track and report progress, something more foundations are requiring as they emphasize results.

"It's all really about having as much impact as possible," says Michael Hennessy, president of the \$130-million Coleman Foundation in Chicago, which focuses on education, cancer care and disabilities services. Last year, Coleman awarded 100 new grants averaging \$55,000.

"By virtue of our size, we can be very involved with our grantees," Mr. Hennessy says. "We don't want to replace their vision, but we want to understand it and share what we've learned about what works and what doesn't work," he says.

Despite the trend, other foundations, often guided by their mandates, continue to cast a wide net.

Chicago's \$5.12-billion John D. and Catherine T. MacArthur Foundation has 10 major grant-making areas domestically and internationally and supports 200 arts and culture organizations in Chicago. In 2008, the foundation authorized 571 grants ranging from \$7,000 to \$15 million.

"It's not that bigger grants equal a bigger impact," says Julie Stasch, MacArthur's vice-president of human and community development. "That doesn't hold up."



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 **TODAY**

## Online vs. mobile giving: Which is better?

Both are effective, although for now, mobile handles smaller dollars

By Suzanne Choney

msnbc.com

updated 4:36 p.m. CT, Fri., Jan. 15, 2010

Give money to help Haiti by cell phone or via online? The answer may depend on how much you want to give. The mobile giving campaign launched this week seeks smaller amounts — such as \$5 and \$10 per person. Larger donations are best made through other means.

That's because mobile donations, at this stage, are meant to be almost as small as the devices themselves.

Wireless carriers are adding the donated amounts to customers' bills, then getting the funds to charities. But there are limits to the amounts that can be charged, varying by carrier "to reasonably prevent a runaway train on a subscriber's bill," said David Diggs, vice president of wireless Internet development for CTIA-The Wireless Association, an industry trade group.

For example, in AT&T's case, "The limit for giving ... is five times per month for \$5 donations, and three times per month for \$10 donations, or a total of \$55 — provided that \$55 doesn't put you over the overall \$100 premium content limit," said Steven Schwadron, an AT&T spokesman. "Premium content" is what wireless carriers call extra add-ons like ring tones or music, and for now, mobile donations fall into that sphere.

As of Friday, more than \$9 million in mobile donations raised for Haiti as of Thursday was

pledged to the American Red Cross. The organization is requesting contributions in \$10 increments from cell phone customers and sees the mobile effort as a way of augmenting its other fundraising means, including online, 800-numbers and donations.

### 'Testament' to American spirit

"I don't think we expected anything like the outpouring of support the public has shown" in the mobile effort, said Wendy Harman, social media manager for the American Red Cross. "The needs in Haiti are tremendous and we want to thank the people who continue to donate and help the American Red Cross meet that need. Raising this amount of money \$10 at a time is a true testament to the American spirit."

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make sure you know who you're donating it to. It's quick and easy to do by cell phone, taking only a minute or two using text-messaging, and it doesn't take much longer to do it via the Web.

Don't "donate to someone who contacts you out of the blue with an unsolicited e-mail, phone call, or text message," advises the Federal Trade Commission. "It's better to give through a Web site or phone number that you know is legitimate."

The mobile-giving campaign has several legitimate organizations participating. In addition to the Red Cross, there's the Clinton Foundation Haiti Relief Fund, International Medical Corps and International Rescue Committee. More charities are being added, said Jim Manis, chairman and CEO of the Mobile Giving Foundation.

The foundation has been working with Verizon Wireless, AT&T, Sprint and T-Mobile, the nation's largest wireless carriers, as well as others, on the Haiti mobile campaign.

#### Expediting donations

The wireless carriers have vowed to expedite donations to charitable groups helping Haiti. On Friday, Verizon Wireless said it sent nearly \$3 million to the American Red Cross, "representing dollars pledged by texting customers," even before collecting the money pledged by its users.

"This represents donations made by Verizon Wireless customers for the first two days of the campaign from 12:01 a.m. EST on Wednesday, Jan. 13 through 2 p.m. EST on Friday, Jan. 15," the company said.

Sprint also took a similar step Friday, making a \$1.2 million donation "immediately" to various Haiti relief programs.

Normally, the carrier said, it would take 30 to 60 days to transfer the contributions from customers to relief agencies. But because of "the overwhelming support from our customers to the relief efforts, Sprint is donating a bulk of the committed dollars immediately."

#### Easy to do

Mobile donating is fast and easy, taking only a matter of minutes. In the Red Cross' case, phone users text the word "HAITI" to 90999 to donate \$10, and when prompted, hit "YES" to confirm the donation.

"If someone wants to give \$100 or \$200, it would be better to go online or to call the charity," said Diggs of CTIA. "The notion behind this was that it was a way for Americans to do something right now."

Steve Daigneault of M+R Strategic Services, which works with online giving campaigns for groups like Oxfam America, the National MS Society and Habitat for Humanity International, agrees.

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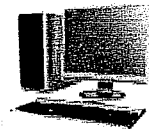
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"While we wouldn't advocate that an organization choose one tactic over the other as both are highly effective, online fundraising can process larger gifts," he said.

"Online giving is a more tried-and-true channel that can handle billions of transactions securely ... An added benefit of going through a trusted organization's Web site is the ability to verify their legitimacy and evaluate how they spend donations on third-party watchdog sites, such as Charity Navigator or Charity Watch."

Manis of the Mobile Giving Foundation says donating via text message appeals to a younger generation of contributors, one that "may not have a credit card" and wants "some immediacy and response" in terms of the money they give, or "an older demographic that doesn't want (follow-up) spam mail in their inbox."

"The impact here, from Haiti relief efforts, is really having a huge, grass-roots effect on philanthropy," Manis said. "So these are, I think, new givers, by and large."

### Other FTC recommendations

No matter how you give in the wake of the Haiti disaster, the FTC has these recommendations:

- Give directly to the charity, not the solicitors for the charity. Solicitors take a portion of the proceeds to cover their costs, which leaves less for victim assistance.
- Do not give out personal or financial information — including your Social Security number or credit card and bank account numbers — to anyone who solicits a contribution from you. Scam artists use this information to commit fraud against you.
- Check out any charities before you donate.

Contact the Better Business Bureau's Wise Giving Alliance Web site. More information is also available on the FTC's "Charity Checklist" Web page.

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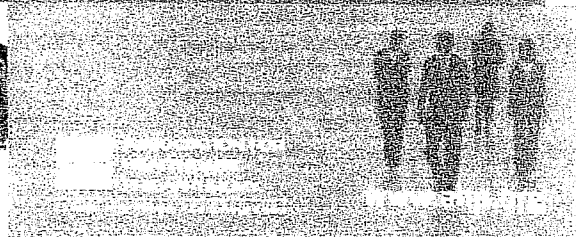
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# E-Connect



## IN THIS ISSUE

### 2009 AHP membership survey report

Every year AHP asks you to complete a member survey to help us learn more about our membership demographics, to help identify how we can improve the benefits and services we provide, and to gain insight to additional programs and services needed to meet the needs of our members. We graciously thank the 611 members (10%) who took the time to complete the 2009 survey and share their comments and insights. Below are some highlights of the survey results.

#### Demographics

Generally, the 2009 AHP membership demographics are similar to prior years, but we did observe several long-term trends: We are continuing to see a steady decrease in development office staff sizes, as well as a slight decrease in funds raised in the United States. Conversely, we observed an increase in the amount of time development office's are spending focusing on major gifts.

- In 2009, the number of AHP members with development staffs of 1-5 people increased from 46 percent in 2008 to 51 percent in 2009.
- AHP members' whose health care organization's CEO have philanthropic goals decreased slightly from 41 percent in 2008 to 35 percent in 2009.
- The number of development organizations that raise less than \$1 million a year in donations remains the same as last year (25%). Organizations raising between \$1 million and \$5 million increased from 42 percent in 2008 to 47 percent in 2009, and respondents reporting donations over \$30 million decreased from 7 percent in 2008 to 4 percent in 2009.

Development professionals spent more time focusing on annual gifts in 2009. We saw an increase from 12 percent in 2008 to 17 percent in 2009. Development professionals also continue to spend more time focusing on major gifts; 36 percent in 2007, to 39 percent in 2008, and 38 percent in 2009. We continue to see a decline in time spent on special events: 9 percent in 2007, 8 percent in 2008 and 6 percent in 2009.

#### Member Participation

The results of this year's Membership Satisfaction Survey reveal that the primary reasons individuals seek and retain membership in AHP is to strengthen their professional development and network with their peers. Members in AHP recognize that AHP membership includes a variety of resources to help them accomplish both of these goals and AHP members identified the following resources as the most valuable:

1. AHP Resource Center (90%)
2. AHP Web Site (88%)
3. AHP Regional Conferences (86%)
4. AHP Report on Giving (86%)
5. AHP Journal (86%)
6. AHP Salary Report (79%)
7. AHP E-Connect (78%)

## NEWS

Posted on February 2, 2010

### Funding Woes Push Nonprofits to Consider Mergers, Closing

Hit by a drop in donations and cuts in government funding, nonprofits of all types and sizes are being forced to make painful choices, including cuts in services, restructuring, mergers, collaborations, and/or closing, the *Wall Street Journal* reports.

After more than doubling between 1987 and 2007, private giving declined by 6 percent in 2008, the largest drop since Giving USA began tracking the data more than fifty years ago. At the same time, state and local government funding, which in some cases can represent more than two-thirds of an organization's budget, has also been falling. States paid out 5 percent less in 2009 and 4 percent less in 2010 for education, health care, and human services, according to the Center on Budget and Policy Priorities — yet state governments still owe nonprofits more than \$15 billion in back payments, according to Independent Sector.

While one-time events such as the earthquake in Haiti can result in a surge of donations, nonprofit leaders are planning for a future in which securing long-term support for their organization is even more challenging than it is today. And with growing demand for a relatively flat supply of donor dollars, more and more organizations are arguing that there is too much duplication and overlap in the sector. At the same time, many nonprofit leaders are concerned that essential services would be lost should the number of nonprofits shrink, while others question the savings and efficiencies to be gained by combining different organizational cultures and forms of governance through mergers and alliances.

Those concerns aside, donors have begun to provide incentives to encourage nonprofits to collaborate or merge with other organizations when it makes sense. In 2008, for example, the Arizona-based Lodestar Foundation launched a \$250,000 annual collaboration prize, and when world leaders and philanthropists gather for former eBay president Jeff Skoll's annual forum on social entrepreneurship in April, the theme of the conference will be catalyzing collaboration for large-scale change.

"This is a wave of the future, not just a result of these times," said Lodestar Foundation president Lois Savage. "The sector is realizing that running a nonprofit isn't a God-given right. It's a privilege. Leaders need to look beyond their organization and focus on the mission they're trying to accomplish."

*Banjo, Shelly. Kalita, S. Mitra. "Once-Robust Charity Sector Hit With Mergers, Closings." Wall Street Journal 2/01/10.*

Primary Subject: Philanthropy and Voluntarism

Secondary Subject(s): Economic Crisis

Location(s): National

# Development Dialogues

Helping your development team improve their knowledge and skills

## Development Dialogues: Philanthropy in the News

NEIL YOUNG HONORED AT MUSICARES SHOW -- A musical artist, Neil Young, was honored at the 20th MusiCares Show as 2010's Person of the Year for his singing and his giving. Especially, Young was honored for his long-term commitment to Farm Aid and the Bridy School for Children with severe speech and physical disabilities. Artists such as Elton John performed at the show and many dollars were raised from the 2,200 in attendance - all of which goes to help musicians with financial and medical needs. -- USA Today, February 1, 2010, p. 2D.

PASADENA PLAYHOUSE TO CLOSE -- After more than 90 years, the Pasadena Playhouse in California closed on February 7th. The Playhouse has been the theatre for many Broadway bound productions such as "Looped" which is scheduled for New York this year, will explore bankruptcy and financial reorganization, but, for now, it will be closed. What a loss. We hope the Playhouse can make a comeback. -- The New York Times, February 1, 2010, p. C2.

MERGERS AND CLOSINGS HIT NONPROFITS HARD -- In the face of the current economic crisis, many nonprofits are either closing or merging with other nonprofits. Merging is not a bad idea for many charities where money can be saved and put to a better use. Five Indiana Girl Scout Councils merged in 2007 and the savings enabled the new merged Council to hire fundraisers that increased donations by 25% in 2008. And, more importantly, 44,000 girls were able to attend workshops at Purdue University as to only 4,000 who participated before the merger. Big Brothers Big Sisters of North Texas and in Chicago have been able to mentor more crisis children and raise more money after merging with other Big Brothers Big Sisters groups. -- The Wall Street Journal, February 1, 2010, p. A14.

RALPH LAUREN SUPPORTS HAITI RELIEF -- I hope we all can see many people wearing Ralph Lauren t-shirts with the HAITI RELIEF emblem on the front. The shirts for both men and women will be sold with 100% of all proceeds from the sales given to the Humanitarian Effort in Haiti through the United Way Worldwide Disaster Fund. I hope to see you wearing your polo shirt. I intend to wear mine. Thank you, Ralph Lauren, for this philanthropic effort to help others in need.

SMALL NONPROFIT HELPING 100,000 HAITIANS -- After watching a disaster unfold in 1999, Tom Henderson came up with the