



CONNECTIONS

COMMUNITY OUTREACH THINK TANK NEWSLETTER MAY 2016

ON DOING GOOD

It's not always enough to do good. To attract support and build trust one has to be seen to be doing so. This has certainly been true for American nonprofits working to address urgent problems and answer pressing needs. After all, contributions to a cause depend to a large extent on the visibility (and visible impact) of a charity and on the effectiveness with which it is perceived to be using its resources. The need to communicate clearly to donors and to the general public the seriousness and care with which funds are being spent has taken on an added urgency in recent years, as a poll conducted by **The**

Chronicle of Philanthropy in 2015 demonstrates.

Sixty-four percent of those surveyed described themselves as having a high degree of confidence in charities. Over 80% believed that charities did a very good or somewhat good job of helping people. While

“Every man must decide whether he will walk in the light of creative altruism or in the darkness of destructive selfishness.”

Martin Luther King Jr.

“We are responsible for the world in which we find ourselves, if only because we are the only sentient force which can change it.”

James Baldwin

this would seem reassuring, in fact confidence levels have not increased by much since a poll taken in 2008. And, alarmingly, half of the 1000 adults queried by the **Chronicle** expressed some concern about the manner in which donations were used,

saying that it was very important to them to know that charities to which they give hold down costs on salaries, administration, and fundraising. Thirty-five percent said that they “had little or no confidence in charities.” Only 13% told the

Chronicle that they were convinced that charities “do a good job of spending money wisely.” And 68% said that it was very important to them that a charity had evidence that its programs were effective.

“**Money for Good,**” a 2015 report from the **Camber Collective** on trends in philanthropic donations based on a survey of 3000 adults detected similar concerns. Forty-nine percent of those queried said that they were uncertain how nonprofits used their money. Twenty percent were unclear as to who

benefitted from their donations. These uncertainties and suspicions have a real and challenging impact on charities. While donations have rebounded since the worst years of the recent recession the level of giving has been stuck at 2% of the GDP since the 1970's. The **Collective** report suggests that this lack of growth in giving is due in part to an inability or unwillingness among many nonprofits to investigate donor preferences and motivations or to address donor concerns, such as the appropriate use of donations.

When asked to rank nonprofits among other national institutions, 15% of those surveyed for the **Chronicle** poll said that they had "a great deal of confidence" in nonprofits. This may sound alarming, but given that only 4% had confidence in Congress, and 9% in big business, nonprofit's aren't doing badly (top scorers were the military, at 42%, and small business at 34%).

But the suspicions among many donors or potential donors that charities are spending too much on salaries

and other backroom costs and too little on their missions must be addressed. The need to explain their budgets, methods, and expenses in greater detail seems, given these poll results, to be something that nonprofits are going to have to incorporate as a regular part of all of their interactions with donors and potential donors. Some nonprofits already do so. But many have been shy about admitting that a significant amount of the money they raise must go to expenses only indirectly related to the mission. After all, nonprofits need to compete with private industry to attract talented staff and be able to reward exceptional staff members to retain their services. They need adequate resources to carry out their programs effectively even if some of those resources have to be used in unglamorous ways. (It's hard to make the necessity for office supplies dramatically appealing, but try getting along without them.) And they need up-to-date technology to more efficiently pursue their mission.

The logic driving those needs isn't always clear to

donors. Some expect, unrealistically, that every dollar they give will go directly to a program, a group, or an individual in need. The necessity the nonprofit faces of paying utility bills, buying gas for vehicles, or making salaries for a small but loyal staff—all crucial elements in making any initiative or service possible--don't hold much appeal for such donors.

The endless effort to attract and keep supporters is not helped by stories in the media about charities under investigation for fraud. The unfortunate examples that appear occasionally in the news of nonprofits pursued by state or federal prosecutors for the misapplication or outright theft of funds are in fact very uncommon, representing a miniscule percentage of charities. But they receive media coverage wildly out-of-proportion to their importance. Sadly, it's easier to write about such gaudy cases than to report on the often unglamorous gritty everyday labors of charities. It's also easier to ignore that fact that nonprofits are in truth subject to rigorous

oversight by a variety of government entities.

Even if the media covered nonprofits and their extraordinary accomplishments routinely and vigorously, though, it would not resolve the larger question of public confidence. Regrettably, nonprofits already pressed for time are going to have to step up their efforts to communicate the hard truth that while they work rigorously to be responsible in the use of every donation dollar basic costs can only be pared so far. And the point needs to be made that while every dollar raised isn't going to go directly to relieving suffering and changing lives each dollar does count toward that goal. Nonprofits need to remind their public that, much like household budgets or the budgets of profit-making enterprises, basic unglamorous costs are a part of life. It's time, these polls suggest, that nonprofits put aside any reticence and talk frankly about being a business, about making payrolls and keeping the lights on. Unrealistic expectations about charities being run on slender budgets

have to be gently challenged, and the budget put within a context that donors can grasp: they too, after all, have budgets filled with unglamorous but necessary line items as do the businesses they work for or run.

The **Camber Collective** report suggests that nonprofits “change the giving conversation to make it more joyful, dynamic, connected, and simple.” Others writing on the subject in blogs or newsletters have stressed the need for nonprofits to become more proactive by sharing more details about their conception of their mission and the plans to realize it, by celebrating accomplishments, and by circulating quantified records of the results of their campaigns and the impact on a community, town, or region. Which would seem to suggest that the mention of budgets should be set within the wider context of the mission and shown to be an integral part of it. Donors would be less concerned about the money spent by a nonprofit if they could see the real and specific results of that organization's campaigns while being

reminded that actual human beings, who need to be able to buy food and pay a mortgage, are carrying out that work from offices on which rent must be paid. Program results are always more compelling when they are connected to hard numbers and to vivid tales of success.

Our budgets can't be hidden and shouldn't have to be defended—attempting to explain the allocation of each dollar only serves to make matters sound more suspicious or confusing. But they must be acknowledged. By acknowledging costs while tying the budget clearly to outcomes, nonprofits can dissipate suspicion and foster donor confidence. Every story a nonprofit tells the public about its labors has to remind those who read it that the judicious use of funds for a variety of support functions was required to achieve a goal.

After all, charities, like small businesses (which, as noted above, are looked upon favorably by a significant number of Americans), need to spend money to achieve their goals and thrive and charities should not be ashamed to say

so. We live in the same world as every other kind of business and like them need to use money effectively to achieve our goals. We should not be afraid to insert the subject of how we spend money into discussions about our work.

There is an additional bonus to such a specific results-driven presentation. The greater the number of positive stories circulating about nonprofit successes, the more likely it is that those doubting the impact of charities can put into perspective the few tales regarding failed nonprofits.

There will, of course, always be excuses for not acting for those unwilling to help. But speaking confidently about the fact that we need to spend money, sometimes in unglamorous ways, to have an impact and linking the overall budget to results can only help to dissipate the confusion and suspicion some donors or potential donors feel about our work. Which might, in turn, make more funds available as reassured donors return to help and new ones step up. The more they know, the more likely they are to feel good about helping.

Nonprofits are an essential element in healing neighborhoods, binding communities together and improving street by street the quality and vitality of life in America at a time when the nation is facing unique stresses and challenges. To raise the money we need to continue to serve our fellow citizens we must be even more transparent and proactive in explaining what it takes for us to carry out that crucial labor.

Richard Nicholls COTT
Program Director

The Chronicle of
Philanthropy's report on its
poll can be accessed at:
<https://philanthropy.com/article/1-in-3-Americans-Lacks-Faith/233613>

The Camber Collective
Report can be accessed at
<http://www.cambercollective.com/moneyforgood/>

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RESOURCES

Webinars

April 27th at 1 p.m. **The Secret Sauce of a Data-Driven Campaign.**

<http://nonprofithubforgood.org> (Best practices for online fundraising campaigns.)

May 12th 2 p.m. **How Data Standards Can Save the World.** www.guidestar.org (The effective use of data for nonprofits.)

Webinar series: Nonprofit Tech for Good (<http://www.nptechforgood.com>)

May 3rd **10 Website Design and Email Marketing Best Practices for Nonprofits.**

May 31st **10 Online Fundraising Best Practices for Nonprofits.**

June 15th **What Your Nonprofit Needs to Know About .NGO, .ONG and OnGood.**

July 7th **10 Social Media Strategies That Increase Engagement and Inspire Donors.**

August 2nd **10 Emerging Trends in Digital Communications and Fundraising.**

(All 5 webinars presented at 1 p.m.)
Apps and Online Tools Social Media

Buffer (buffer.com) A tool allowing you to schedule your posts ahead of time on social media. Comes with a tool enabling you to identify the time when your post will have maximum impact.

RiteTag (ritetag.com) Tool giving you the ability to track the number of times your hashtag for a fundraising campaign is getting used on Twitter and Instagram.

Design Tools

Canva (canva.com). Design tool for creating graphics and documents.

Creatives Without Borders (creativeswithoutborders.org) Nonprofits seeking help with design-oriented projects can use the site to post their needs and connect with artists and designers willing to take on a project without charge.

Piktochart (piktochart.com) Tool for creating professional looking infographics.

Relay (relaythat.com) A graphic design tool for those without professional training. Useful for a variety of online design needs.

Photo and Video Editing Tools

PicMonkey (picmonkey.com) Photo editing tool that can be used to do such things as create a photo collage or even embed text in your website photos.

WeVideo (wevideo.com) A video editing tool allowing a user to add a variety of sophisticated effects to a video.

These apps and tools are among those listed in the annotated list of “**36 Useful Apps and Online Tools for Nonprofits**” which can be accessed at the Nonprofit Tech for Good website (<http://www.nptechforgood.com>). Check out their other free resources while you are there.

Free Reports and Research

How Nonprofit Fundraising Performed in 2015. A worldwide survey of trends, available at the

Blackbaud website (<http://www.blackbaud.com>). Click on Resources/Industry Research, and while you are there check out some of their other free reports.

Ultimate Guide to Peer-to-Peer Fundraising.

Downloadable on the CauseVox website (www.causevox.com). Click on the Resources tag, and check out some of their other guides, including a video series on the “Basics of Fundraising” and a step-by-step guide on crowdfunding campaigns.

The Pew Research Center (<http://pewresearchcenter.org>) is a goldmine of data and lucid analysis on major trends in American life. Click on their “Internet and Tech” and “Social Trends” headings to call up a variety of recent studies packed with research that can be adapted to buttress your arguments about local needs and trends in your grant applications.

A disturbing report published this month in the Journal of the American Medical Association, on “**The Association Between**

Income and Life Expectancy in the United States, 2001-2014” has been receiving considerable attention in the national media. The full report can be accessed at <http://jamanetwork.com> and a 4 page executive summary of the study, touching on its major findings, can be downloaded from <https://healthinequality.org>.

The report provides an exhaustive account of the stunning rich-poor gap in life expectancy in the United States. “In America,” a feature on the report published in The Washington Post observes, “the richer you are, the longer you live. But what’s especially striking is that the poor live even shorter lives in some places than others. They have longer life expectancies in affluent cities with highly educated populations, such as San Francisco.” They live shorter lives in areas without the complex services available in some urban areas, and where riskier behaviors (such as smoking) are more common. The data in the report is of vital importance for

any nonprofit working with health-related issues or involved in poverty-related initiatives and looking to shore up their arguments for their missions with the best data. For everyone else, it is profoundly alarming. This is a report that you are going to see cited often, and debated about, for some time to come.

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For more information about membership in **COTT**, please contact **Paul Blackstock** by emailing paul@pfpfoundation.org or by phoning the People for People Foundation at [856-579-7561](tel:856-579-7561). For questions regarding the content of the newsletter, please email **Richard Nicholls** at ricknichollspfpf@gmail.com

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