



FOR IMMEDIATE RELEASE

For More Information:
Amy Rome, 314-533-0930
Jim O'Donnell, 636-530-0659

Surveys Find Area Nonprofits Finding Creative Ways to Deal with Down Economy

ST. LOUIS, July 18, 2007..... Local nonprofit leaders and area donors are turning to creative approaches to meet the growing demand for their services at a time when resources are shrinking. Recent surveys conducted by The Rome Group, a local consulting firm serving the nonprofit sector, and the Gateway Center for Giving found that organizations are cutting unnecessary expenses, focusing more on personal and frequent contact with donors and prospects, ramping up marketing and communication efforts, and actively investigating opportunities for partnerships, alliances and event mergers. As a result, only about one in five organizations has had to cut programs or staff so far this year.

“Nonprofit organizations are facing a double whammy,” said Amy Rome principal and founder of The Rome Group. “On the one hand, demand for their services is rapidly increasing, as more individuals and families find themselves hard hit by the recession. At the same time, donations are declining, especially among corporations and foundations, which have long been a steady source of support for many. As a result, they are finding more creative ways to attract and retain donors and deliver programs and services more efficiently.”

The Rome Group’s survey found that 84% of nonprofits have reduced unnecessary expenses; 51% have increased their focus on individual donors, including major gifts; 48% are testing new strategies such as social networking; and 46% have ramped up marketing and communication efforts.

“What is really critical is that the majority of nonprofits we surveyed said that the one thing they would not cut are mission-critical programs and staff,” added Rome. “Only about one in five organizations has had to cut programs or staff so far.”

Seventy-one percent of respondents to the survey of nonprofits said they met their fundraising goal in 2008. Forty-three percent said their contributed income grew last year, by an average of almost 10%. Those local results compare favorably to national giving statistics published by Giving USA, which found

that overall giving in the U.S. declined about two percent from 2007, the first drop in overall giving in more than 20 years.

Local organizations are less optimistic about 2009 and beyond, however. About one-third expect contributions to increase this year, another third expect decreases and the rest expect 2009 to stay the same as 2008. To date, however, 68% say their contributed income is down anywhere from less than 10% to more than 25%. Only 15% say they have seen an increase so far this year.

“For many agencies, the real impact of the recession may not be felt until later this year,” predicted Rome. “So many organizations rely on year-end appeals, so we can only hope the economy picks up before then.” In fact, 54% of donors responding to her group’s survey do not expect economic conditions to improve before the first of the year at the earliest. Almost one-third admit they are unsure when things will improve. Better than 80 percent, however, believe that the nonprofits they support are strong enough to survive the downturn.

Other results from the donor surveys include:

- 15% of donors say their contributions increased last year; 20% saw decreases; and 46% stayed the same as in 2007. 55% expect donations to stay at the same level in 2009; only nine percent expect an increase. 42% expect lower giving levels for the foreseeable future.
- 25% of donors expect to have less money available for event sponsorships.
- 60% of donors expect to see more mergers among nonprofits and two-thirds are willing to provide financial support to make more collaboration happen.
- Two-thirds of donors say between 80% and 100% of their gifts go to local organizations, with an average grant size: \$10,000-\$25,000.
- Half of the individual donors surveyed said they are more likely to give to general operating support, while 41% said they are less inclined to support capital campaigns currently.
- Donors said they are focusing on •a charity’s impact and how their money is used, an organization’s efforts to cut costs and operate more efficiently; and its annual and financial reports. 23% are also relying more heavily on what friends and colleagues say about a charity.

“Donors are spending more time making sure that their gifts are going to be put to good use,” said Rome. “Times are tight for everyone, so it’s important to show that you have made every effort to squeeze the budget and do more with less.”

“This is clearly the most difficult year most organizations have faced in a long, long time,” said Rome. “The good news is that St. Louis has a long tradition of generosity, we are seeing more board members and volunteers stepping up to help, and we are blessed with many outstanding nonprofit leaders who are finding creative ways to overcome these challenges. That, I think, is cause for optimism.”

The surveys were completed by 316 nonprofit representatives and donors in early June. The results of the surveys were presented at The Rome Group's annual Philanthropic Landscape presentation, which was held at Washington University's Edison Theater on July 23. Nearly 500 people attended. A copy of the complete survey results can be viewed by visiting The Rome Group's website at www.theromegroup.com.

The Rome Group is the St. Louis area's leading consulting firm serving the nonprofit sector. It specializes in helping nonprofit organizations build capacity by planning for the future, focusing their development and fundraising efforts, and identifying opportunities for leadership, growth and success.

-30-