

Fear of Fundraising

Why a Down Economy Should Not Prevent a Successful Event

By Jay R. Fiske

The economy takes a down turn, so a charity decides to postpone or cancel its annual fund raising event. If the economy is in a 'funk,' does that mean that the charity no longer needs to raise money? Are the needed services, research, or other valuable benefit they provide no longer necessary because the economic situation has made it more difficult to rally supporters? Of course they are still needed. Furthermore, in a down economy, many of these same charities might actually need more funding for services.

How is not holding the fundraiser going to benefit your organization, or the clients you serve? The answer is quite clear: It won't. Yet many charities, schools and not for profit organizations have been postponing or even canceling their events "until the economic climate gets better." If you don't need the funding now, why will you need it in the future? And if you do need it now, how is postponing your event going to help you in the short term? Won't you just need to raise all that much more in the future to make up for what you did not earn today? Postponing a fundraising event until the "economic climate improves" is NOT a sound business practice.

Look at it this way. If I was a patron of a charity that postponed their event that I would have supported, I won't hold on to my money until they decide to resurface after the economy improves. I will merely move my donations and generosity to another worthwhile cause. While your organization is waiting it out, another is winning me over. The next time you need to raise funds, you are going to have to win my patronage all over again. That is a very costly path for you to take, especially since you "already had me in your court." If you cancel or postpone your fundraiser, my immediate thought is that you really didn't need the money this year, and I will wonder if you really needed it last year when you asked me to help. The next time you ask me for support, I am going to question why you need it now when you didn't before.

Why do some people cancel or postpone their gala? Fear of failure is a big contributor. Success in a down economy is more difficult to come by or even measure, so fear of failure allows some to use the 'convenience' of the down economy to avoid being measured against results in better times. This need to 'out-do' the prior event is illogical and unnecessary.

For example, if your event has earned \$100,000 in the past, and because of the economic conditions it may earn only \$80,000, isn't it better to go ahead and have the event anyway, and put the \$80,000 in the bank, rather than raise no funds at all? Having the event, even with a lower yield, has many positive outcomes. It provides continuity for your supporters and maintains the relationships you have built with them, so they will not migrate to other causes. It also gives you an opportunity to talk about your cause, and perhaps gain new supporters. You will have money you don't have to make up from other sources, and services are still able to be provided. If you postpone or cancel, then the next time you have a fundraiser you will need to raise twice as much, just to catch up! You will have to work doubly hard to regain your core support, to convince them all over again why they should contribute, and you will need to regain the momentum that comes from having regular events. In some cases, getting back to where you left off might take years to achieve.

What about still having a fundraiser but scaling it back? Some organizations go this route and although it is better than canceling, it still misses the point. If you don't really need as much money, why are you asking people to support you? And if you really DO need the money, how is "scaling back" going to help? A long-time patron will assume you must not really need the money you have been asking for in the past, since you are not seeking as much now! That is not a very positive message upon which to build support.

Since the middle of last year when the economy began to slow, many of my clients have taken a "full speed ahead, let's go for it" approach to their galas and have done very well. Nearly all have achieved or exceeded their goals. A few others took the more cautious path by scaling back, downsizing their event, or limiting their "asks" only to find that their results were less than expected. If you send a message that you don't expect much, then don't be surprised if the don't deliver much. A downsized event tells supporters you aren't serious about your cause or your need for support.

Of course a down economy makes fund raising more of a challenge. There are no easy paths or magic tricks to overcome a tough situation. "When the going gets tough, the tough get going" is particularly true in fund raising. The good news is that there is money available, and support is still there for the taking. In good times, patrons might attend seven to ten galas per year. In tougher times they may only attend three or four. But they DO attend, and they DO spend money. Your challenge is to get them to come to YOUR EVENT as one of the select few they plan to attend. Patrons have choices. Make your event the "go to" event, send a message that you really need their support, and you are pulling out all the stops to gain their attendance! You may be surprised at how well you are rewarded for your effort.

Don't be fearful of fundraising. Support is out there, you just have to send the right message. Patrons love a winner and having a winning attitude will allow you to keep and grow your support, even in a down economy.

Jay Fiske is the CEO and co-founder of MaestroSoft, Inc. He is also a nationally recognized auction consultant and charity auctioneer with twenty years of successfully managing charity events, and training auction committees. He presents Workshops nationally on how to create and manage successful charity auctions. Along with his wife Corinne, Jay recently wrote "The Big Book of Benefit Auctions" (Published by Wiley & Co) which is available wherever books are sold.