

BOULDER COUNTY BUSINESS REPORT: MAY 16-29, 2003

Nonprofits find themselves innovating for funding ideas to keep them in business



COURTESY BOULDER DAY NURSERY ASSOCIATION

Children from the Boulder Day Nursery Association let businesses along the Pearl Street Mall in Boulder know where they are from when they trick or treat on Halloween. Steve Callander, executive director of the association, is launching a new program in which donations will be placed in an interest-bearing account, and the interest earned goes to the nonprofit. At the same time, donors will receive tax breaks and credits on their donation, he said, and if necessary the donor can pull their money from the pool.

As the economic slowdown still lingers, most nonprofit organizations are suiting up to work harder in their fund-raising efforts. Many area nonprofits are blazing new trails in an attempt to bring in those precious donations.

One such organization is the Boulder Day Nursery Association at 1518 Spruce St. in Boulder. The nursery provides child care, early learning programs and family services primarily to low-income families.

“I have to devote at least five to 10 hours to innovation in fundraising each week if I want this Association to weather the economic hard times we are seeing right now,” said Steve Callander, executive director of the Nursery Association.

“Unfortunately, if the economy continues as it is, we are going to see a survival of the fittest situation. This might be OK in the long run because the organizations left standing will be in a

better position to fulfill their mission. But no one likes to see helpful nonprofits go away only because they haven't grown big enough to be able to weather an economic downturn like we are experiencing right now," Callander said.

The Association is targeting June to start phase one of a new donor program, which has yet to be given a name. The association teamed with Social Venture Partners and Mobius Venture Capital in Superior to develop a donor-pooling program. The idea, Callander explained, is for the Association to pool donations into one account, and then interest earned on the account goes to the nonprofit. At the same time donors will receive tax breaks and credits on their investment, he said, and if necessary the donor can pull their money from the pool.

Callander said the association will aim for an initial pool of roughly \$2 million that will be earning approximately \$50,000 in interest each year. This figure is just the first benchmark at which the interest on the investment becomes significant for the association, he noted.

"This new program is only possible because of the time and expertise donated by SVP and Mobius," Callander said. He hasn't heard of other nonprofits attempting a similar effort because of the commitment involved and the difficulty of finding the financial experts willing to invest their time to work out details. The research and development of the program, he said, has been going on for more than a year already.

"We are trying to give people a variety of options to help us," Callander said. "Even an expert volunteering their time and expertise for a few hours saves us on thousands on professional and consulting fees."

Another nonprofit organization stretching its fund-raising imagination is the Boulder County Safehouse at 835 North St. in Boulder.

"We are seeing cuts from state, federal and significant losses from city funding," said Anne Tapp, Safehouse executive director. "But still the number of our individual contributors and their participation in our events has remained the same, but the economic squeeze can be felt through the shrinking size of their donations."

Tapp said the Safehouse started thinking about creative revenue sources last year.

At that time, Astrid Koch, a graphic design artist who works at TeCito Design Inc. in Denver, approached Safehouse officials with an idea for an inspirational deck of cards called Journey Cards. Koch came up with the idea for a design competition through Sappy Paper Co., which sought artists to use the company's paper and help local organizations.

Koch said the cards have a word on one side, for example HOPE, and on the other side, reflecting the meaning of the word, is artwork created and donated by a local artist. She was awarded a \$20,000 grant for the project.

Tapp said the grant paid for all of the design, production and printing of the cards. The cards come in decks of 32 and sell for \$17 in local stores. The first printing of 3,000 decks is now being sold. If the project succeeds, she said, another 5,000 decks will be printed. Koch also heard interest from online distributors.

Tapp said the Safehouse hopes to raise \$15,000 from sales of the first printing of cards. "This project is going to accomplish three very important tasks for us," Tapp explained. "It's going to educate the community of the issues addressed by and the mission of our organization, and it's going to increase awareness to individuals who could use our services all while raising money for us.

"During this economic downturn our ability to meet our mission is really being challenged," Tapp said. "We have to be creative if we are going to survive."

Lindsey Delaplaine, vice president for programs and administration at The Community Foundation, located at 1123 Spruce St. in Boulder, said there is a trend of nonprofit organizations moving toward self-sufficiency as foundation and donation dollars are becoming harder to bring in. The Community Foundation is a nonprofit organization promoting philanthropy and opportunities to improve the quality of life for Boulder County residents. Teens Inc. in Nederland is another example of a nonprofit getting creative. Social Ventures, an organization that matches successful entrepreneurs with nonprofits, helped Teens Inc. develop a business plan to purchase and operate a coffee cart in Nederland. Besides providing employment opportunities for youth, the project also brought in revenues for the nonprofit. In recent years, Delaplaine said, nonprofits have gone from 30 percent of their budgets coming from earned income to 50 percent. She believes it's a good trend for nonprofits to become more self-sufficient because it allows them to weather economic storms.

But there is a concern, she said, that nonprofits are achieving more independence because they're deciding to raise "sliding-scale fees" for their clients. If nonprofits' fees increase too much, then those same nonprofits may find themselves turning away clients who can't afford their services. It hasn't happened yet, she said, but it is a potential problem to watch. "But with creative solutions to bringing in earned income like these nonprofits have developed," Delaplaine said, "it is always going to be a win-win situation for them."

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