

BOULDER COUNTY BUSINESS REPORT: MAY 16, 2003

Search for donors never ends

If you're wondering how international upheaval and a dismal economy have affected Boulder County's nonprofits, you might want to talk to Terry Benjamin, executive director of Boulder's Emergency Family Assistance Association.

"I've been here since 1980, and I've never seen it like this," he says. "We've seen needs for help go up 60 percent in the last 18 months, but with expensive items like rent, those needs have increased over 100 percent." As a result, EFAA will be short about \$20,000 at the end of its current fiscal year, and its food closet is the emptiest it's been in years.

Or you might want to talk to Gretchen Minekime, development officer at The Community Foundation Serving Boulder County. In 2002 the Community Foundation had requests for funds to the tune of \$1.4 million from 148 local groups. Most reported losses of funding from individuals, corporations and governments. As a result the Community Foundation, which remarkably saw a 20 percent increase in its assets under management between 2002 and 2003, has upped its contributions to local nonprofits from 5 percent to 7 percent to try and make up for the shortfall in giving.

As for the reason giving is so paltry lately, Minekime cites a recent study by the Independent Sector, a Washington, D.C.-based coalition of philanthropic organizations. The study found that when individuals are concerned about their personal economic welfare, regardless of whether they are currently less well off, overall giving decreases by almost half.

Or you might even want to talk to Betsey Jay, vice president of the University of Colorado Foundation. "For the first time in 15 years, our funding has dropped," she says. "There are two factors, the declining stock market and a weak economy. The Boulder campus is down \$6 million compared to this time last year," she says. CU's local campus had received \$39 million in philanthropic donations by this time in 2002 and has received slightly more than \$33 million to date this year.

But nonprofits still have to soldier on. Even in tough times -- in fact even more so in tough times -- they must seek out, find and court donors. And in Boulder County, it's a more formidable challenge than many here would like to believe. According to at least one survey, county residents give on average 40 percent less than their counterparts down the road in Denver.

Finding donors, especially large donors, in a weak economy and in a county that hasn't yet developed a "core value" of philanthropy is clearly daunting but also must be done, according to officials with many county nonprofits.

Right now, corporations and many national foundations are reeling in their charitable giving, so for many nonprofits those avenues are closed. But the large individual donor is still out there, they say. And, "People who are philanthropic still want to be philanthropic," says Ami Sadler, director of planned giving at The Community Foundation and former vice president of planned giving at the CU Foundation. Courting them is the job of every executive director of every nonprofit in the county. And courting is all about building relationships, they say.

"You court them with a great deal of persistence and patience," EFAA's Benjamin says. "You have to build trust and an open relationship. You work from the perspective of where the marriage is between

the values and beliefs of the organization and the individual and you have a conversation. Over time, people either choose to invest in you or not.”

Lisa Pederson, development director at the Humane Society of Boulder Valley, agrees. “It goes back to the relationship,” she says. But not just the relationship built between potential donor and the organization. It also can be the relationship between a current donor and one who's on the fence. “We certainly saw in our capital campaign that people made gifts because of the people who were asking them.” The Humane Society got its first major individual donations during its capital campaign, which occurred just before the stock market crashed and which raised the funds for the society's new Boulder facility.

Who's doing the asking, as they say, has always been key to charitable giving. The more widely connected the asker, the more likely the answer will be yes. At The Community Foundation, the asker often is President Josie Heath. “She has really built this foundation,” Sadler says. “It's very helpful to any organization to have someone who's recognized and admired and who represents the community in lots of ways.”

At CU, the ask can come from President Elizabeth Hoffman. “Any big donor is going to have to have a belief in our mission and in the organization's leadership that brings that mission to fruition. Betsy Hoffman is a visionary leader,” Jay says.

But large donors don't always start out that way. Often potentially large donors will test an organization with smaller gifts. “In my experience, it's not very often that, pop, you have a huge gift,” Sadler says.

They also may come seemingly out of nowhere. It happened for Boulder County Safehouse. “She wasn't a big donor kind of person,” recalls Executive Director Anne Tapp. “She'd been a teacher in the community and had bought a house here. By the time she passed away her property was worth a lot and she identified Safe House and a couple of other nonprofits to be recipients of her estate.” The gift, used to create Safehouse's crisis line, was an affirmation of community support, Tapp says. “For most folks working in non-profits, when the struggle gets wearing it's important to know that there are folks in the community who are quietly cheering for us.”

For the most part, however, the large donor in the Boulder Valley seems to be coming from a different breed of philanthroper. That being the younger successful entrepreneur. What this means for local non-profits is learning how to work within their entrepreneurial ethic.

“The entrepreneurial spirit means being very hands-on, getting very involved,” Minekime says. Through its Social Venture Partners, The Community Foundation seemingly has successfully tapped some of that energy. SVP uses a venture capital model, but looks for a social rather than financial return on its investment. Lately it invested in Project Yes in Lafayette, Teens Inc. in Nederland and, in Boulder, Burbank Middle School and Boulder Day Nursery.

“There is a large amount of wealth in this community that in time is going to come to bear on local issues,” EFAA's Benjamin says. “Our job is to provide opportunities for engagement that are meaningful for the people who have it.”

Right now, patience and figuring out how to do that may be the best tack nonprofits can take.

Published date: May 16, 2003

Byline: Nancy Nachman-Hunt