



## FGI RCOE Webinar Transcript Philanthropy with Bill Stanczykiewicz June 1, 2023

**Michelle Day:** [00:00:00] Good afternoon everyone, and welcome to The Fletcher Group Rural Center of Excellence's webinar series. Today's session is scheduled to run from 2:00 PM to 3:00 PM Eastern Standard Time. My name is Michelle Day and I'm your moderator for the session along with Janice Fulkerson and Erica Walker. A couple of brief housekeeping items and then we'll begin.

You enter today's session on mute and your video was off and we'll remain so for the entirety of the webinar. Your chat feature is located at the bottom right of your screen. Use the dropdown feature to communicate with either the panelists only or panelists and attendees. Please direct all questions regarding the webinar content to the Q and A Section. Be advised that this meeting is being recorded and will be available to you on our website once it has been transcribed. You can access our website at [www.FletcherGroup.org](http://www.FletcherGroup.org). Also, at the conclusion of today's session, there will be a short survey regarding the [00:01:00] webinar content. Your participation in that survey is greatly appreciated and will only take a few moments to complete.

Our speaker today is Dr. Bill Stanczykiewicz, serving as assistant dean for external relations. Bill Stan, as many of his colleagues refer to him, oversees communications and fundraising for the Lilly Family School of Philanthropy while directing the fundraising school. Bill also serves as a core faculty member teaching graduate and bachelor's level courses in philanthropy, fundraising, and leadership. Bill the floor is yours.

**Bill Stanczykiewicz:** Well, thank you. And hello everybody, wherever you are in these United States. Welcome. I know for some of you it is, uh, the, um, and my slides are not advancing for some reason. This is really interesting. Let's try this. Here we go. There we are, um, where we are in the United States. I know some of you're still in morning time if you're out west. Afternoon, if you're out [00:02:00] east, and somewhere in between in the middle, uh, of our great country. I'm delighted to be with you on behalf of The Fletcher Group, uh, to be talking about raising financial support. In small towns and rural communities, uh, you are frontline experts knowing the exact conditions in small town in rural America, wonderful people, the wonderful opportunities, but also some particulars, uh, associated with your fundraising efforts.

And what we're gonna do today is work through some data, work through some information, and end with, uh, an exercise that you can do at your nonprofit to help identify donors and make your case for fundraising support. As we move along, I would invite you to enter your questions in the chat section, uh, here on Zoom. Janice Fulkerson will interrupt me. She'll just interject, uh, to make sure that we're addressing your question while the relevant slide is up on the screen. And Janice also could interject from time to time to help translate, uh, the [00:03:00] information very specifically into the rural and small town context. So again, thank you so much for being with us.

Thank you for the work that you're doing, uh, on behalf of people who are transitioning, uh, back into stable lives because of your important work. And, uh, my hope is that in this hour, this can help you raise more money for the life changing and community strengthening efforts in which you're a part of.

All right, so let's take a look at the data. The most recent data on charitable giving 485 billion dollars in 2021. The new data come out later this month for 2022, so be set for that. And one of the first takeaways that we have here is that, um, two thirds of the money comes from individuals, but the percentage is actually greater than that.

Because if you look at about half of this slice for foundations, that is people putting money into and out of their donor advised funds. And those, uh, when money comes out of a donor-advised fund, that's known as a grant, which is why the dollars are [00:04:00] put in the foundation category, but they're still being influenced, uh, by the person who put the money into the donor-advised fund.

So if you take about nine percentage points there, and of course bequests are another nine per percentage points, 67 plus nine is 76, plus another nine is 85. 85% of charitable dollars come from individuals. And that's where you need to start. Uh, and, and really try to found, uh, you know, build the foundation of your annual fund fundraising that then can lead to major gifts, comprehensive campaign, planned giving, fundraising and the, and the rest of your activities. Uh, and I know you're probably saying to yourself, self, well, I live in a small town. There aren't a lot of people, and this is where varying, uh, various vehicles of fundraising need to be your friend. Not just the folks who live in your small town or in your rural county, but finding others who perhaps are alums of your program, people who've been on and previously served on your board.

Uh, people who are [00:05:00] donors, locally and anywhere they might live. And also digitally reaching out through digital fundraising. Through peer-to-peer fundraising, uh, to find these folks who are most interested in your work. And then ideally, foundations and the business world supplement your fundraising because, you know, most foundation grants are just one year.

You can have multi-year grants. I've had a few of those and those are wonderful. Uh, but oftentimes it's a one year grant. Oftentimes it's a one year sponsorship from a business. And one of the questions they're gonna ask you is, okay, what about day 366? When our funding is no longer there. They want to know about sustainability, how you're going to continue, when you've used the, the funding that they've provided.

And a key answer is, is that you have a lot of support from individuals that continues from one year to the next to help you with your annual fund. Now, where does this money go? Uh, we kind of start at 12 o'clock here and work across the pie, nine different sub-sectors in Giving USA. Religion [00:06:00] has, uh, always been this first area here.

Now, if, uh, you work with a faith-based provider, and I know many of you do, The, Fletcher, Group, uh, has a, a wing of their activity devoted specifically to faith-based outreach. Uh, this is not you. Religion here is specifically the place of worship or the denomination, not the faith-based social service provider.



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You would be here with the rest of your providers in The Fletcher Group in Human Services. So religion, education, and human services, always the top three. Always more than half of the giving pie. All right. So we see where the money has come from. 85% from individuals predominantly to religion, education, and human services.

Now, you may have heard this, um, issue that we have fewer donors. That were seeing a decline in household giving. And a lot of headlines were made just in the last couple of months by our very good friends at the Fundraising [00:07:00] Effectiveness Project, where they are trying to capture charitable giving in real time from one quarter to the next. And the data lag by about oh, 15 weeks or so, right?

Because it takes time to collect the data. One of the wonderful aspects of the Fundraising Effectiveness Project is they do not include higher education or hospitals in the medical field in their data set, because those two sectors alone are responsible for at least, if not more than half of all charitable giving.

So the Fundraising Effectiveness Project has said, if you're not Eds and meds, as they like to say, that's the rest of us. And, and that's the vast majority of nonprofits. And it gives you more accurate understanding of where we are with charitable giving. And the, the big headline that they made here, uh, at the AFP Conference back in May, I believe it was, maybe April, was that, uh, here are donations and here are dollars.

[00:08:00] And this is for the fourth quarter of 2022. So October, November, and December, the most recent data. And you can see that donations are lower and the dollars are lower than 2021. And so that is cause for concern. We see dollars and donations declining compared to the same fiscal quarter the year previous. But something we need to keep in mind, and this is why I'm a bigger fan of a multi-year view, to look for trends as opposed to a one-year snapshot. And I had a wonderful, constructive dialogue with the folks at the Fundraising Effectiveness Project about this. And they've given us permission to use this slide and this analysis of this slide.

I think it's important to remember that 2020 and 2021, can we say we're unusual. There's a gentle way to describe the worldwide pandemic and the way our lives were turned upside down. And whether you lived in a small town or a big city and you know, conversations about [00:09:00] masks and about vaccinations and can we gather for the holidays or not? And what about my dear mom who's 80 and can I go see her? And you know, remember early on, should we wash our groceries? Remember that? I did once or twice until they said, yeah, no, don't worry about that. Don't wash our groceries. Right? All of these things were going on. We also saw what would be unusual behavior and charitable giving. Which actually demonstrates the generosity and philanthropy that's inherent in each of us as people.

We have the Worldwide Pandemic folks stepped up and they donated in larger numbers than ever before. In fact, according to Giving USA, 2020 was a record year for charitable giving. The second best year were the data that I just showed you, that 485 billion, 2nd best year ever in charitable giving after adjusting for inflation.

So it's what we know in the data world as outliers. And we would hope this will continue. We hope we do our donor, stu donor stewardship. We hope that people continue to [00:10:00] donate after maybe that first touch with our organization in 2020 or 2021. But we also know there was a lot of special giving going on because of the worldwide pandemic and also, uh, because of the increased awareness around racial and social justice and reconciliation issues.

And so one way to say were, were those some special circumstances? Uh, and therefore, if they were making a one-year comparison, might not be the only or best way to take a look at this. Instead, another way to look at this is to say, well, how do these data for the fourth quarter, 2022 compare with the fourth quarter of 2019? Remember the fourth quarter of 2019, boy, the national economy, people were feeling great. Unemployment was at historic lows, inflation was down at 2%. Um, you know, there had not yet been the Russian invasion of Ukraine, which was disruptive to the world economy, for example. And so how do we compare 2022 to [00:11:00] 2019, right?

As you can see here, the number of donors is down from 2020 to 2022. But when we look at 2019, there still is a decline. And that's that red arrow that you see, but it is not as steep. And take a look at the dollars comparing 2019 to 2022. That arrow is moving upward. And so it's not to say, you know, rose-colored glasses, everything's fine. But this analysis, we kind of take out what could be special circumstances of 2020 and 2021 and say, let's compare back to two 19 when, when, when we thought things were better. And the difference is not really all that dramatic. Yes, the decline in donors continuing that is concerning, while the, uh, number of dollars, uh, is moving in an upward direction.

So something to keep in mind when you, when you hear about these data. I also need to say, [00:12:00] when we talk about economic conditions, I want to assure you that I, I present this and our school presents this with great awareness. That we have more than one economy in the United States. We know that there's a diploma divide and that that's a big area.

And I know that this hits our smaller towns and rural communities, perhaps harder than some of our urban and suburban communities. Uh, that we know that, you know, folks who have some kind of post-secondary education could be college, could be a training certificate, could be military service. They tend to do better economically as a result. Folks who stop at high school or less, uh, tend to have less earnings. And, you know, the folks who analyze the data often put the economy into kind of five parts, five quintiles. And we think about, you know, middle class and upper middle class being quintile three, four, and five, meaning that folks in Quintiles one and two are often going to be struggling economically regardless of the condition of the economy.

So even though in 2019 the economy was [00:13:00] doing well on so many measures, there certainly is this awareness that at quintile one and quintile two, there's still significant challenges, let alone now when inflation is so much higher and there's this threat of the recession. So just know if that's your heartbeat. That is ours as well. So we're looking at then is, is who can donate and who is available to donate, especially when we're hearing about this, what about this declining number of households who donate? The declining number of

donors? And so the statistic from our school is that we're down to 55% of households that donate.

We want to make sure we understand this data point. Number one. The, the overall decline in donations has been from folks in those first two economic quintiles. You know, we're kind of in those lower, uh, economic areas, uh, here in the United States that, uh, they have less money to give. What we want to make sure though, is that this isn't on fundraisers, not asking all people to [00:14:00] donate.

If we as fundraisers are only going to the middle and upper classes for giving, we shouldn't be surprised that our lower income neighbors aren't donating. That we need to give all folks an opportunity to express their gen generosity and not just focus on middle and upper income folks. And here's an example for you.

How do we explain to Damar Hamlin and what happened after that tragic incident on January 2nd? In Cincinnati. You probably are very well aware of the story. Damar Hamlin plays for the NFL's Buffalo Bills. They had a big game against the Cincinnati Bengals. At Cincinnati Playoff implications. And you know, it's January 2nd, people are still celebrating the holidays. Big viewership, two great teams during a holiday time and in the first quarter he gets hit and his heart stops. The medical folks rush out, they revive him, and his heart stops a second time. And they revive him again. And there's a question, would he [00:15:00] even live? And if he lived, would he come back with full mental capacities, uh, let alone his own physical health?

And we now know, um, he says he is coming back, right? That he did recover physically and mentally and he's gonna try to continue playing football. But you heard about the, the philanthropic response. Heading into the game, Damar Hamlin had a Crowdfunding site and his goal was to raise \$2,500 to purchase toys for children in a developing neighborhood with which he was familiar. Well, when folks heard about this, there was this huge outpouring of philanthropic support. And the last time I checked a couple of weeks ago, the fund had raised around \$10 million from 275,000 donors, and the average gift was \$40. And that average is skewed by some of the NFL players who gave large sums of money, uh, so that the average was actually raised.

So what does that tell us? The folks who could donate 10 and 25 [00:16:00] and \$50 all stepped up. Can we take something away from this? I think we can. People saw a need. People want, they were made aware of a need. People wanted to help. They didn't want to feel helpless, like they couldn't do something. People wanted to be part of something bigger than themselves.

All of those attributes are available to you with your work in recovery housing, and other social services you're providing in small town America. Now, please don't die and come back to life. Don't do that, right? I'm not asking you to do that, something that dramatic. But you can make people aware of your need.



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You can make them aware of how they can help. You can make them aware of how they can help alongside others who share the same values and the same concerns. You can make them aware how they can make a difference and how they can make a difference with others in a bigger way than they could ever [00:17:00] do by themselves. And people of all income levels and gift sizes can be invited to do so. So again, it's not a direct comparison, but there are still lessons to take away that you can have an abundance mentality of fundraising, even when we hear these data points about declining donors. Okay, so in your rural recovery house fundraising, here's the number one predictor moving forward. You ready? Your relationship with your donors.

You continually invite new donors into your nonprofit organization. And we just don't receive a gift and send 'em a thank you letter and move on. We maintain a relationship with them, that's called stewardship. Donor stewardship is staying in touch with our donors in ways that don't always involve continually asking them for more money.

What the research shows is they often then will give the next year [00:18:00] when there's good stewardship in place. And then again, the year after that. And when people start giving to us consecutively from one year to the next, our school teaches that those folks are inviting you to invite them to start making larger gifts. So if they were giving at a hundred, a hundred, a hundred, now they're signaling that maybe the next time you ask them for \$500. Or they're giving a thousand, a thousand, a thousand, they're signaling that you could ask them for a larger gift, maybe \$2,500. You're doing your research. Your donor database should have some wealth screening capabilities.

As you get to know donors, you kind of have an idea of where they like to give. And I can tell you nearly 25 years of fundraising, I've never had anybody do anything less than what they were already doing when confronted with that larger opportunity. If you're a smaller nonprofit and you wonder how do folks grow, that's [00:19:00] a key way they grow. Sure. Some new donors can give a four figure, a five figure, six figure gift. Some foundations can give larger gifts, corporations can as well. But the key process is continually inviting new donors into your nonprofit and over time asking them for a larger dollar amount consistent with what they can give.

And, and I can tell you somebody's given a thousand dollars and I've asked that person for 2,500, they might not donate 2,500, but they might donate 1500. And I have 500 more in receiving from them gratefully than they were giving previously. Uh, I've never had anybody say, you're ungrateful. Forget it. Now, it's zero. Right. Um, so that's a th, your relationship with your donors is always going to be driving your current and your future success. Janice?

**Janice Fulkerson:** Yeah. Bill, there's a question from, uh, uh, one of our listeners about what does some of that, um, connection with the donors look like, uh, outside asking for money, like, can [00:20:00] you give some examples of what that might look like?

**Bill Stanczykiewicz:** There are ways that are formal and informal. Um, informal are more, uh, the outreach that you do to a large number of people. So asking them to follow you on social media and following them back. Um, if you still send out, you know, the monthly e-



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newsletter, make sure that they're subscribed. Invite them to events that you might be having or, you know, maybe you're speaking at the local Kiwanis club and you, you just send that word out to all of your donors, uh, to let them know that that's happening.

Maybe you put a, an op-ed in the local newspaper, or you may be on the local radio station current affairs show. You're going to have your table at the county fair, you know, whatever the case might be. You just keep sending that information out there to stay in front of folks and, and in their inboxes.

Now, if you're meeting with somebody in person, and we can't do that with all of our donors, but you're gonna identify some who you want to spend in person with. Now we need to tailor the stewardship [00:21:00] based on that one person. So I can go to Kohl's, let's say, and I can buy a sport coat off the rack, or I can go to a tailor and I can have a sport coat made specifically for me.

Now, it's gonna cost a lot more money, but it's going to fit perfectly. Stewardship when we have a deeper relationship with the donor, is that tailored sport coat. And I'll give you an example. I know a major gift fundraiser. Uh, she actually fundraises for a homeless shelter, um, in a, a homeless ministry here in central Indiana. And she has donors who are donating at \$5,000 a year. And she has stayed in touch with them and has sent communications to them and visited with them. And one time she received an email and they said, somebody has given us a gift of a large jar of home harvested honey, that somebody has beehives. Maybe some of you do, right?

Have that as a hobby or maybe as a vocation, and maybe you sell honey. Um, and [00:22:00] so they said, it's just the two of us and we can't eat all of this honey. Does the homeless mission want the honey? And the fundraiser said yes. And so she drove to their house. She picked it up, this big jar of honey. She took it to the, to the homeless mission and she gave it to the chef. And the chef said, boy, the timing is great. We can make honey glazed chicken. We can roll this with oats at breakfast time. There's all sorts of uses for this honey. And she said, if I turned on my camera, my phone, uh, and recorded a video in 30 to 45 seconds, could you say the donor's first names? Thank them for this gift.

Let them know how the gift is going to be utilized, uh, here by you, the chef. Uh, and then say their names again and thank them. And the guy's like, Yeah. Okay. Is that fundraising? And she's like, yes. It's donor stewardship. So he does. Oh, okay. So Sam, the chef does this, you know. Thank you Mr. And Mrs. Thanks for the honey.

Here's how we're gonna use the honey. [00:23:00] So, Mr. And Mrs, we couldn't have done this without you. Thank you. Boom. Done. The fundraiser then sends that via email to the two donors who are just so appreciative to see the direct impact of their, what they consider a very simple gift, something they couldn't use anyway.

They kinda were re-gifting it. That couple increased their annual gift that year without even being asked to do so. We have a podcast on our website. Uh, with a fundraiser from Los



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Angeles. It is an urban example. She raises for the LA, uh, Symphony, I believe it is, where she talks about a donor who is elderly, lives by herself, who is ill. And people in the nonprofit are saying, well, you should send her flowers. And uh, Pamela is her name, Pamela the, our guest on the podcast says, send her flowers? She doesn't eat flowers. She needs food. I'm gonna send her soup cause she needs food, she needs to eat cause she's sick. Send her soup instead. That donor stayed with a nonprofit at increasing amounts over time.

[00:24:00] That podcast is archived on our website. So Janice, that's the key. We can have some kind of big broadcast widespread approaches as we get to know people, we can tailor that more particular to their situation.

**Janice Fulkerson:** That's fabulous Bill, because it is about that donor stewardship, you know, it's customizing, but then also having that broad reach. Thank you. We've got more questions. I'll, uh, interject as we go along.

**Bill Stanczykiewicz:** Yeah. Do, do you wanna have some right now before we continue?

**Janice Fulkerson:** Yeah, yeah. You know, uh, one, uh, uh, uh, webinar participant is asking, as we think about donor stewardship is, do you have suggestions for getting board members of the nonprofit more active in the fundraising?

**Bill Stanczykiewicz:** A thousand percent correct. We need to have donor stewardship parties at our board meetings. And this can be that you give each board member, say, five note cards or 10 note cards, and you give them the, uh, names and [00:25:00] addresses of, you know, five, 10 of your donors, however many note cards they have. Um, and you even give them a script and say, can you copy this in your penmanship onto this note card?

Um, and address it. We'll stamp it, we'll, we'll send it off. Um, or here's a, here's a template to use. Just, you know, adapt that, riff off of that. Um, and put that in the Thank You card. Same thing with emails. Hey, here are 25 donors. Can you just, here's a copy paste for you to send them an email as a board member, uh, or adapt that if you'd like.

So I have a journalism degree. I'm on a board, my local food bank, uh, I adapt from the script that the food bank gives me, right? Other board members just might want to copy paste. Phone calls, Hey, in the middle of the board meeting we're gonna take a 15 minute break. Here are 10 donors. Would you please call them and just say thanks.

So you're probably going to end up leaving a voicemail. Uh, so just please do that. Uh, and when you do mention their name, mention the size of their gift, the impact it made, mention their name again and say thanks. And I cannot tell you Janice, how many times when, [00:26:00] when we're in class and we bring up these examples and somebody will raise their hand and say, yeah, we do that.

And our board members come back, especially like when making the phone calls and they say, you know what? I got Bill Stan on the phone. And he was kind of blown away that I

called as a board member and that I didn't even ask for another gift. And like this, we should do this fundraising thing. You know, the fundraiser like, oh yeah, good.

Yeah, yeah, yeah, let's do that. So, yes, from a board member is much more powerful cuz you know, if you're staff, you're paid, you should be doing those thank yous and such. But it's also sort of kind of expected, right? Cause we're on staff. The volunteer board member does it. The donor's like, whoa. This must be a big deal cuz this person took time from their family, from their hobbies, from their work.

If they're living robustly in retirement, caring for their parents, whatever they're doing in life. They took time to email me. They took time to call me. And I can tell you at the food bank, we've been doing this for about three years and donors are now and they send their next gift, including a little note like, Hey, I heard from board member Bill Stan. And I just want to say, that was so nice that, that he gave me that voicemail message. So absolutely, [00:27:00] Janice, involve your board members.

**Janice Fulkerson:** Those are great ideas and I, it's true. I have received a couple of those phone calls over the year and, and they stayed with me and I remember them whenever the board members call and say, thanks. Thanks for that. You know, we've got a couple more questions. I'm just gonna push on with those if that's okay with you, Bill.

**Bill Stanczykiewicz:** Yes, please.

**Janice Fulkerson:** Um, uh, crowdfunding sites or Facebook donation buttons are a good way to find new donors or reach out to a new population?

**Bill Stanczykiewicz:** So followers do not equal funding. What we want to do with digital fundraising is watch for engagement. You want to watch on who's liking, who's sharing, who's commenting. Facebook, Insta, Twitter, whatever the case might be. Um, and so that's, it's kind of a 2.0, you know, back in the days. Well, let's have our Facebook page and let's, let's, as the nonprofit send word out on Facebook, what we're really doing is watching for engagement.

The second thing we need to [00:28:00] do, um, and we have a podcast coming up, I believe in August, uh, with Floyd Jones and our September webinar will feature Floyd. It's the second Thursday in February, or excuse me, in September, 2nd Thursday in September. Uh, cost is \$19 and 74 cents, cause that was the year we were invented 1974.

And it's gonna be on this peer-to-peer fundraising. What we need to think about is social media is social. People don't go onto social media looking for a nonprofit to make a gift too. They're looking for their friends, they're looking for their family, they're looking for pictures, they're looking for videos, maybe with their hobbies, you know, so I'm a baseball fan.

I'm looking for my favorite team and what are they posting, you know, those kinds of things. I enjoy fishing. I'm going get at a fishing site online. You know, those kinds of things. And so

in addition to watching engagement, we need to go to our board members, our staff, our donors, our volunteers, when [00:29:00] appropriate, our former participants, and when appropriate.

I don't mean to leave people out, I just mean somebody might not be ready to tell their story yet or or be very public that they receive services from you, right? But when appropriate, and you look at those folks and just like we talked about with the board, you prepare social media content for them. And by the way, it needs to be quick, needs to be couple paragraphs, tops.

Here we are. Here's the need. Here's how you can help. Click here. Like boom, boom, boom. Quick. Have a photo, have a very quick video, one or the other. And have that link be to your nonprofits donate here webpage, because Facebook doesn't always tell us who the donors are when we use the Facebook donate button.

Right? Um, and so this peer-to-peer fundraising, uh, the gentleman that we had on the podcast, Floyd Jones, he hoped to raise \$5,000 for his youth sports program. He raised \$30,000 his first tryout simply by [00:30:00] engaging board members, volunteers, donors, program participants, to send it out to their networks. Um, cause social media is social.

**Janice Fulkerson:** Thank you for that. Does it matter if an organization is for-profit or non, not for-profit?

**Bill Stan:** Well, to receive a charitable gift, it is, um, be, you know, for a donor, the, the gift is not tax deductible, uh, or eligible for tax deduction if, if you're not a qualified 501c3. Um, it's harder to receive a foundation grant if you're not a qualified 501c3, in fact, you might not be able to at all. Um, and corporations, same thing might not want to give, if that is you. If you are set up as a for-profit company, I would highly recommend that you set up a nonprofit organization alongside your private sector company. And what you can do when you incorporate is just [00:31:00] have all the board members be people from the private sector company, right?

So, you know, you can have that healthy control over the nonprofit and set up the, the public service mission of the nonprofit is to receive gifts that then can be sent to the private sector company. Uh, think about donor advised funds in the private wealth sector. So, Charles Schwab, how can, how can Charles Schwab have a nonprofit organization that holds these donor advised funds that then make grants to our nonprofit organizations? And the reason is Charles Schwab and the others, Fidelity, Vanguard, Wells Fargo, all of them, they have their private sector corporation and the donor advised funds are held in a nonprofit that is set up in the way that I just described. And so, if to increase charitable support, I would highly recommend you establishing that nonprofit alongside your private sector company.

Now, I've taken you kind of the edge of my knowledge on this there's a lot of legal details. [00:32:00] Make sure you have a lawyer on your board or a law firm. Double check, dot the i's, cross the T's. Make sure you do it right, uh, when you incorporate your nonprofit



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organization. But it is very doable and could be a way to increase charitable support for your important work. Okay.

**Janice Fulkerson:** Got it. Let's keep going.

**Bill Stanczykiewicz:** All right, let's keep going. And, and thank you for those questions and I can get through some of these economic data a little more quickly to help us catch up. And I don't want to dissuade more questions cause we want to make sure this is tailored to your particular needs through The Fletcher Group.

So inflation, yeah. This is a thing. It's, it's kicking us in the shins. All of us who are going to the grocery store and buying gasoline and paying our rent and all the different things. Fortunately, inflation is moving down, uh, but is still at a historically high level, right near 5%. A little bit under 5%. Uh, and so this certainly is concerning as we're buying things as our nonprofit. We know this can affect our donors. And the other thing we have to be careful about is even though inflation is [00:33:00] down, um, you know, even if inflation were to go to zero, we'd still have today's high prices, right? So think about if gas back in the day was \$2 or 50 cents a gallon, and now it's \$4 a gallon.

And then inflation goes to zero. Well, gas is still \$4 a gallon. Zero doesn't mean it went back to \$2 and 50 cents. And so it's just kind of this new normal, that's this beware of the base effect. That's what that means. So what does inflation mean for charitable giving? Basically, when inflation is higher, charitable giving can't go down. That's also one of the thoughts about the reported decline in the fourth quarter of 2022 from our good friends at the Fundraising Effectiveness Project, that inflation was slowing down charitable giving. So again, for my colleague, Dr. Patrick Bruning, when inflation is at 5% or higher, that tends to have a negative effect on charitable giving.

And okay, we're under five, but we sure are pretty darn close. And yes, wages are up. That's good [00:34:00] news, but they're not up at the same level of inflation. So people's buying power is declining. So inflation right now is a flashing yellow light for charitable giving. The stock market is one of the most closely identified economic factors associated with charitable giving. Again, remember your relationship with your donors, and the donors values and the donors philanthropic motivations aligned with your nonprofit are always the top predictors of charitable giving. But then there's this idea of the wealth effect, right? People when they have more money, they can spend more money.

When they have more money, they can donate more money. So that's why we look at these economic conditions. And you look at, uh, the data show that when the S & P 500 goes up from January to December, charitable giving goes up the following year, not by the same percentage number, but at least the same trend direction. Well, the opposite is also true. When the market goes down January to December, charitable giving tends to go down the following year, and sure enough, in 2022 [00:35:00] we were down 19%. That is a flashing yellow light for charitable giving in 2023, but it's also not gloom and doom. But again, one year snapshot. Okay?

But let's go back to 2019, when we were feeling great, stock market was kicking it, unemployment was low, inflation was almost nonexistent, all these things, right? We're still 19% ahead of where we were at the end of 2019. We just need to keep even some of these flashing yellow lights in perspective and know that there is still plenty of possibility to fundraise, and fundraise effectively.

Now, I don't have the most recent data. The folks at The Fletcher Group, they had me on my toes getting stuff to them in advance, and so I had to get this to them a couple of weeks ago. But we're still in the ballpark here. Uh, we're 7% up for this year, so that's great news. And we're under 9% up compared to 2020. So, uh, again, we'll watch that through the end of December, but so far, so good this year. [00:36:00] Uh, and people want to know like, are we in a recession or are we going to be in a recession? You know, we look at the G D P numbers and so far we're not technically in a recession, and people are saying if we are in one, it's probably going to be mild.

Now, mild is in the eye of the beholder, right? If you lose your job, I think it's a mild recession. If I lose my job, it's a major recession, right? So we need to be careful about this mild, I understand that, right? Depends on effects differently and you know, different regions of the country, different industries, things of that nature. I will say, I do know from reading the national news that it is a great time right now in the farm economy, right? Our rural economy tends to be doing well. Uh, we see that from, you know, just ask John Deere and Caterpillar and all the implements that they've been selling lately. Um, and we also know that the farmer does receive the smallest amount in the economic food chain, right?

Everybody who touches the crop asks for a little bit more for their profit. So I'm not saying it's easy and wonderful to be a farmer, but we do know the farm economy is [00:37:00] doing well right now. Uh, comparatively speaking. Uh, that could be helpful to you with your fundraising, by the way. And, uh, also when we teach and there's a wide range of people, both, you know, urban, suburban, and rural. I'd love to have our small town rural people talk about donations of crop and donations of livestock, right? Uh, and things of that nature. And that's a thing, right, that some of your, uh, agriculture industry donors might be able to provide. Meanwhile, back at the recession, if we have one, it very likely will be also caused by world events like the War. Russia, Ukraine, and how that's hitting Europe's economy, China's economy, slowing down, things of that nature.

But we're not in one just yet. Technically speaking. Here's something to keep in mind. This is one of my all time favorite graphics. And basically what this shows is over the last 40 years, charitable giving continues to go up. Whether we look at this line, which is the so-called current dollars, the year, the value of the dollar, the year the dollar was donated, or constant dollars when we adjust [00:38:00] for inflation to give us a little bit more of an apples to apples as opposed to apples to oranges comparison.

Um, and as you can see, however we draw the regression line, it's positive. Also, these gold bars are when we're in a recession and we have gold bars. So charitable giving continues during recessions. We need to keep that in mind. Um, and the declines in charitable giving

usually aren't all that steep. Every recession is different, but this gold bar here, if, if the silver bar of the healthy economy was here, it'd be, it'd be just a little bit higher than in 81.

We see a small decline there, small decline there. Charitable giving actually was going up at the start of the great recession before the huge decline. But then of course we had the huge increase, and of course in 2020 we had a record amount of charitable giving despite the recession that year. So we also know that when recessions end, charitable giving tends to bounce back and bounce back quickly. So all that is captured in that illustration there. So some advice as you think about a [00:39:00] recession, um, you know, one of the things you need to do is scenario planning. Like if, if good, good way to go is, think of three scenarios. No recession whatsoever, major recession, and somewhere in between. And put together a fundraising strategy for each of those three realities.

A key to leadership. Leadership is never just choosing the one, 100% right way to go. We wouldn't need leaders if that were the case, we'd let the robots do it. I've been saying that for years. It's even more true now with Chat GPT and all the other AI functions, right? If there was this one thing, we'd just let the robots do it. Leaders, we need to prepare for scenarios, and that includes in our fundraising. So think about, boy, the last time we had a rough recession, what did fundraising look like? That's going to be one of our plans for 2023 and 2024. Um, what does fundraising look like when the economy is good, not great, but just, okay, well that's another plan.

What happens if we have a mild recession? That's another plan. And have those scenarios at the [00:40:00] ready. So if the economy does change, you can adapt accordingly. Try to budget an operating reserve. We teach this at the fundraising school, how to, how to budget to develop an operating reserve every year. Keep that stewardship of current donors while you're identifying new donors, because during an economic downturn, donors tend to stay with a nonprofit with which they have the strongest relationship. Fundraising happens at the speed of trust, so continually, deepening trust with your donors is just the right thing to do, but also has the benefit of folks staying with you when times are tough. Uh, don't hesitate to talk about how the recession is hitting you. I think some of our nonprofit friends, and I've been working in and around the nonprofit sector, like I said, for about 25 years.

I think people feel like we're the noble people. We're the righteous people. We can't admit when we're having a difficult time. No. Talk to your donors about the challenges that they're having in a recession, but talk to 'em about the challenges you're having as well, right? Uh, if you don't, they'll know you're fibbing or hiding something, we, [00:41:00] everybody knows you have to tighten our belt.

So you tell your story there. And public advocacy. There's actually interesting research on this that shows when we're out in the public square, again, we're writing that newspaper op-ed, getting on the radios, community service shows, speaking at the service clubs, having the event, sometimes a demonstration, you know, whatever the case might be. That public advocacy can be connected to increasing your fundraising as well. So scenario planning and the tips that you see there as we think about, uh, fundraising and a recession. Alright, well



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we're going to conclude with a couple of skillsets here, but Janice, before we do, do we have some more questions?

**Janice Fulkerson:** We do. Bill, um, we have someone who's asking, they're curious if the reduction in household giving has been greatly influenced by the changing in the tax laws. You know, the slide that you just showed, showed, you know, like an increase of philanthropy. Um, but have the cha the tax laws changed the ability to deduct?[00:42:00]

**Bill Stanczykiewicz:** Yes, that is an astute point. Whoever asked that. Um, and our school has very specific research on this, that when we have a universal charitable deduction, charitable giving goes up. And it goes up in all income ranges, including and especially our neighbors, in those lower income ranges. So, what did we have in 2020 and 2021?

An individual could itemize up to \$300 of their charitable giving. A household could itemize up to \$600 of their charitable giving. Those went away. Those deduction, the U C D, Universal Charitable Deduction, U C D went away. They're now is a bill in Congress. I just tweeted about this by the way, on Twitter, I'm @\_BillStan, uh, also on LinkedIn. If you wanna follow me, I'll follow you back on both of those, um, formats. And I only tweet in LinkedIn about fundraising and leadership. [00:43:00] So, um, there's now a bill in Congress and there's a proposal that we have a Universal Charitable Deduction of \$4,500 per individual and \$9,000 per household. And what's also remarkable about this legislation is get this, you ready? You sitting down?

**Janice Fulkerson:** Sitting down.

**Bill Stanczykiewicz:** Supported by both Republicans and Democrats. What? Even today? Yes, there's agreement across the aisle on this. So a, a charitable deduction makes a difference. It went away. And that might describe some of the changes we saw in 2022. No doubt. The other thing that happened is the government in 2017, they increased the standard deduction, making it harder to itemize.

Now again, we need to be careful how we talk about that. It made it harder to itemize, but more individuals received a higher standard deduction and therefore got to keep more money in their households to pay their bills. So, you know, it would be too critical people being able to pay their own bills. Um, but yeah, keep an eye on this Universal Charitable Deduction moving through Congress, but at [00:44:00] taxes, do, here's the thing about taxes too.

We do surveys and we do these at our school. Do taxes matter? And 75% of them, no taxes don't matter. Taxes don't matter, right? They wanna make sure they're being seen for their altruism. Then you follow the data. And when we have these special things in the tax code and charitable giving goes up, hmm, coincidence, probably not. Janice.

**Janice Fulkerson:** Is so great. So it sounds like there's some advocacy we could all do related to, uh, supporting this, uh, legislation.



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**Bill Stanczykiewicz:** Something to keep an eye on and, uh, and I know there's, we have to do that with great care as nonprofits, as nonprofits that are funded with federal money. Again, The Fletcher Group can help you navigate all of those details. You are able to advocate, though. It doesn't mean it has to be zero, you just have to watch how much and, and how you do so. But, uh, something to keep in mind, keep that standard deduction higher, but maybe we bring back that universal charitable deduction to encourage more giving. Janice.

**Janice Fulkerson:** Thank you. Let's keep going.

**Bill Stanczykiewicz:** Okay. So [00:45:00] 17 years of leading a nonprofit called the Indiana Youth Institute. I only showed one slide to my board of directors. And I had a hundred percent board giving all 17 years and board members giving us prospect lists and we went, when I started, the Indiana Youth Institute had zero funders. Zero. Had nine months of money in the bank, and I took the job anyway, had two babies in the house. I, I look back and I'm like, what were we thinking? My wife and I, right when I left, we had, uh, 6 million annual budget and about \$3 million in the bank in operating reserves. And a big reason was we were all hands on deck with our board and with our staff with fundraising. And the slide you see now is the only slide I ever showed them.

Um, and all of us can do this. We can break down all the technicalities and skills and principles and techniques of fundraising into this equation. The right person, [00:46:00] asking the right person, for the right amount, for the right reason, in the right way, at the right time. And we ask everybody associated with our nonprofit, they are that first right person.

It's not just the CEO, it's not just the Chief Development Officer. It's not just the board chair. It's all of us. The entire staff, the entire board volunteers, other donors, when appropriate program participants, former program participants, each of them can be the right person reaching into their contact lists to identify that second right person that they can have that relationship with. Or at the very least, if they're not comfortable making the ask to that other right person, at least making the first phone call, sending the first email, sending the first text and saying, Hey, I'm associated with this nonprofit. [00:47:00] Would you please take a meeting with our executive director? Would you please take a meeting with our board chair?

Can you please take a meeting with our chief development officer or some combination? And I can tell you in my career when that board member or staff member did that, I always got the meeting, didn't always get the gift, always got the meeting. If they never did that, which was rare cause they knew they were expected to do so.

I didn't even get my phone call returned. I was Bill Bagga Donuts. You know, they knew I was just a nonprofit guy and they didn't know why I was calling them. So this is how we created Culture Philanthropy across our organization, in person, digitally, any way that people have relationships with folks, bringing them into our nonprofit at any giving amount.

Again, we, we just need to remember all donors are important, all gift sizes are important. And then we maintain those relationships over time to either maintain that gift size or when

possible, increase that gift size as we continue to look for more new donors. For the right amount there are specific ways that we can [00:48:00] determine this. You go to different events and you see people's names listed at different giving levels for the event. Uh, you know, gold, silver, bronze, you know, whatever, however it's listed. Maybe you see annual reports of other nonprofit organizations. Um, you know this from meeting with them. You know this from, uh, talking to people who know them.

Um, you know this, even in our, our small towns or rural communities, like we know who, uh, you know, in cities we talk about different zip codes. Well, we know who has so many acres and so many heads of cattle or so much land or, you know, uh, just from their lifestyle, we can have some signals. So, uh, you know, we, we can take a look at a particular amount for the right reason. And you could have 10 people who all support your work, but for 10 very different reasons. Maybe they're an alum of recovery housing, maybe a family member is, um, maybe, you know, housing and homelessness. Um, and the substance abuse and mental health issues that lead to those conditions affect their business somehow, you know, affect their, their view.

Maybe some [00:49:00] people do out of religious belief, maybe some folks do it for tax reasons, right? Different people have different reasons, even though they support the same nonprofit. And this is what you're doing is you're learning about that donor. Uh, in the right way, almost always in-person. Now again, if you're doing that broad annual fund fundraising, you can send up a blanket request through written letters and digital means and special events and so forth, uh, and the right time.

Right, so the right time, um, on an annual fund, you're doing this, uh, on your calendar. Maybe it's a giving day. Maybe it's the end of the calendar year when a lot of, uh, donating happens. If we're getting to the major gift level, now it's more personalized. Oh, the person just got a promotion. Oh, uh, the person, just all their kids now moved out of the house. That's the case for Carmen and I. We have four kids, they're all adults. They're all out. We just got a raise. I used to go to Costco twice a month. Now I think we go like twice a year, right? Because there's only two of us. We got a raise our food bill is lower, our electric bill is lower. All the things right?

Um, so, and it [00:50:00] also cuts the other way, right? I'm approaching retirement. I might back off on my charitable giving for a while just to make sure my plan is in place. Um, so these are the types of things that, you know, the right person. Asking the right person, for the right amount, right reason, right way, and right time. Janice?

**Janice Fulkerson:** Yeah. Question. Um, is there a difference, or when you talk about in the right way, um, a difference between mailing versus, you know, traditional mail versus electronic, um, and if one doesn't work, can you flip into another?

**Bill Stanczykiewicz:** So direct. Yep. Yep. Direct mail still works. And people say, well, uh, Bill, have you heard of the interweb? Yes, Bill has. Um, but think about it, because we receive less mail these days. Snail mail, your letter is more likely to stand out. So direct mail still works. But here's the key. Different donors will respond differently. Like we have a

donor, he's a millennial, he's very much technology person. He told us like, don't ever send me a letter. Like, Ugh, I don't, you know, that's not [00:51:00] me. So in our donor databases, don't send him a letter. It's all, you know, email, it's all, uh, text, it's all electronic. So, uh, do both is the answer. And watch for donor preferences and, you know, future requests move forward accordingly.

**Janice Fulkerson:** All right. What about cold Calling? Is cold calling. Okay. For example, seeing someone donate to another organization and thinking, well, they might like ours too.

**Bill Stanczykiewicz:** Cold calling must still work because people still do it. Uh, I know I still receive some calls, not as many as before now that we no longer have a landline, uh, in our home. And that's the case for so many people. You know, some of us, when we were growing up, the phone was bolted to the wall and had it dialed, didn't it push buttons? Remember that back in the day? I love teaching my undergrads. They're like, what? I'm like, look, we had that and Neil walked on the moon. Okay, so we're not as backwards as you think. Um, but yeah, it must still work.

Uh, it is harder though. More and more people are using their cell phones. Um, and it's just making sure we [00:52:00] have that accurate information. But, um, you know, try it. Maybe you can have a phone campaign, see the results and see if it was worth the time, or if maybe digital means, uh, can be more effective here in the 21st century.

**Janice Fulkerson:** Thank you.

**Bill Stanczykiewicz:** All right. So the six rights of fundraising. Keep this close. And then when we get to the point of asking, and this is the, the last slide here today. Is we can structure our ask in the categories that you see here. What is the big compelling idea of your recovery house nonprofit? You know, and, and this is where you really need to think big, don't just say, well, we give people shelter while they're recovering.

Yes. But are you doing things like, we are giving folks an opportunity to thrive? We are strengthening our community by helping people become more contributing members of that community. Right. You know, thinking in big terms, and I use an example from corporate. My, my wife and I are Southwest Airlines travelers, [00:53:00] cause they have this thing called the companion pass, where if you, you earn enough points, the other person gets to travel basically for free. It's like 11 bucks a round a trip. Um, and you know, a lot of us fly Southwest, the prices are lower, two bags fly free, easier to cancel, you know, all these different kinds of things. And Southwest has one big compelling idea and that is giving all people, regardless of income, the freedom to fly. Giving all people regardless of income, the freedom to fly. Isn't that good?

So every decision, they make lows from that one big compelling idea. What's yours? What's yours? Yes. And we'll get to this later. We know the services you're providing, but are there big reasons why that are compelling that you can use to describe your work? And then you describe the problem that you're solving or the opportunity that you're trying to fulfill. And

this is good where, this is where data are your friend. Studies and reports are your friend. You know, we know we, X percent of people in our county need recovery housing compared [00:54:00] to other counties like ours we rank poorly. We have less of this than some other places. For example, studies show that when people have recovery housing done well, they tend to do better in life, right?

You can find it. You have this, I'm sure The Fletcher Group helps you find it and provide it for you. Uh, but the more ways you can just not say, because I said so. Because I saw it and I noticed. That, that that's what you're trying to stay away from here. And you, you're not writing like some academic dissertation that needs to be 250 pages long. But in a paragraph or two, can you describe the problem you're trying to solve? And maybe it's a story of a person. Maybe it's a person who's encountering this particular challenge, right? So the big idea that's inspiring the problem you're trying to solve with some supporting evidence. Now your solution, this is where you talk about your programs and services.

We have this recovery house or this network of recovery houses while people live with us. Here's what we do and here's how we help. And here's the standards and requirements that we have. If somebody's going to stay with [00:55:00] us, and all the different things, and by the way, here's what it costs. Here's what it costs per person, but ta-da. There's our solution. And then you talk about your results. People who are in our program and stay with us start to finish. X percent have this happened to us after they leave, you know, positive, they're on their feet, they have their own place, they're working. You know how they're sober, they're, they're getting the mental health supports that they need, whatever the case might be.

Um, and I know it's different for every single person. Not all of them have addictions. I get that. Um, but how whatever success looks like, you're talking about those results because donors want to fund impact. They want to be part of that solution, right? So tell them the impact and solution that they're a part of. And then why this particular donor should care. Oh, this donor, it's because of their religious faith. This donor, it's because they went through the program, or a family member did. This donor, they're an employer in town and we're helping provide more employees as people gain stability through our program.

However, that can be tailored for that donor. [00:56:00] Ask this series of questions and write out even one paragraph for each of these five areas. Tie that together. That's your fundraising case for support when you're making the philanthropic request. When you are need, need bullet points to have everybody on the same page.

Your board members, your volunteers, your staff. Um, use this framework when you're writing your grant proposals. Same type of thing. You can use this framework. Okay, so let me conclude there. We do have about two minutes left for questions. Janice, do we have any others before we conclude?

**Janice Fulkerson:** You know, we have a couple of people who are interested in the bill number that you referenced. Maybe that was going to increase the federal charitable deduction. So if you don't have that handy, we can include it in the follow up that we always do. This recording and the slides are always available. Uh, one week after the webinar on The



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Fletcher Group website at FletcherGroup.org. So we can always put it there, bill, if you don't have it off the top of your [00:57:00] head.

**Bill Stanczykiewicz:** I, I don't have the bill number. It's the Universal Charitable deduction. If somebody goes on my Twitter, okay, I see. @\_BillStan, you can link to a news article that I forwarded or on my LinkedIn, same thing. Those might, that news story might have the bill number, but just look for Universal Charitable Deduction 2023. That's what I would Google search, uh, to be able to find that bill number.

**Janice Fulkerson:** Terrific. We have time for one final question and then we'll conclude the webinar for, uh, today. And the que, the question, um, is how much detail about the problem is the right amount to share with donors?

**Bill Stanczykiewicz:** Different for every donor and the ex, the example I like to use is, uh, one of my favorites is Jimmy Johns, and they've got the Vito, the Italian sandwich with all the Italian lunch meats and cheeses, the lettuce, tomato, the onions, little bit of oil, vinegar, and then they sprinkle like this, something like some seasoning, some kind of Italian seasoning on there, but it's just enough.

Just enough. If they took the shovel and put it into [00:58:00] the bin of the powder and poured it on the sandwich, it'd be like eating my backyard. Ooh, right. So just enough. It's good to start with a little bit less maybe, then a little bit more. And if you run into the pointy head, data geek like me donor, you can always have more data, more reports for them. So just use enough data to tell your story. Just use enough research findings to tell your story. Just have that one great testimonial that tells your story. And then have some additional in your satchel for that donor who says, well, I'd love to see more data on that.

**Janice Fulkerson:** Terrific. Thank you, Bill. Thank you so much to all of our attendees today. Um, thank you Bill for this fabulous, uh, webinar and the information. This will be available next week on our website. Thank you and have a great day everybody. Thanks for being here today.

**Michelle Day:** This concludes our webinar session. Thank you so much for joining us today. Also, please tune in on the first Thursday of each month from 2:00 PM to 3:00 PM [00:59:00] Eastern Standard Time, where we will be hosting subject matter experts from across the nation to bring you valuable tools and resources for rural recovery house operators and SUD professionals.

If you would like information on technical assistance, you can go to our website again, [www.FletcherGroup.org](http://www.FletcherGroup.org), which I have also copied in the chat, and submit a technical assistance request. Lastly, please take a moment to respond to the survey questions once they become available on your screen. Your feedback is very important and greatly appreciated. Thank you and have a blessed day.