

Notes: Fundraising Impact of COVID-19

1.30pm, Tuesday 14 April 2020

Please see below for the notes from the 'Fundraising Impact of COVID-19' webinar hosted by Fundraising Institute of NZ, with speakers Gavin Coopey (More Strategic) and Fiona McPhee (FM Fundraising Strategy), including a discussion around the current fundraising situation in NZ, and what we can do moving forward.

Speaker 1: Gavin Coopey, More Strategic (Australia)

- The survey was carried out in Australia and New Zealand (week of 23 March – a week after Australia) and achieved 472 (AUS) and 47 (NZ) responses. Numbers from NZ mean the results are not statistically significant, but rather give an idea of sentiment currently.
- NZ had a lot of smaller organisations respond, with over 50% generating less than \$1 million pa. 6% generated over \$10m pa.
- Reflective of organisation size, NZ had more CEOs respond while for Australia it was predominantly fundraisers. In NZ most organisations had less than five team members.

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An overview of concerns saw that most were worrying about:

1. Practical things such as their limitations, access to funding streams and ability to hold fundraising events.
 2. Economic things such as the impact on the overall economy, job losses and the shock to the stock market.
 3. Public confidence issues and whether COVID-19 would result in a less generous public.
 4. Psychological things, self-preservation and fear of the situation.
 5. Consequences, e.g. lower income, increased competition for scarce resources, impact on fundraising when many funds were now targeting COVID-19 support.
 6. Leadership – noted that Australia was very envious that we have such a great leader in Jacinda!
- On a scale of 1-10 in terms of their concern over the impact, over 25% were 6-8, with smaller organisations scoring higher (8-10). NZ had a flatter curve, which might reflect that Australia was ahead of us in terms of the trajectory of the virus. Due to the small nature of NZ organisations, we also scored higher in the 8-10 range.

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- In terms of the duration of the impact on fundraising, most felt it would be for the remainder of this year at the least. Recovery was expected to last for two years and beyond. For both the duration of impact on fundraising and the length of recovery, NZ was more pessimistic than Australia.
- 50% of respondents felt that the impact on their income would be a reduction of 20% or more. NZ was more pronounced, with an impact of over 30% or that they had no idea now. Larger organisations expected better outcomes than smaller ones.
- 34% of respondents had adequate funds to continue for the next few months, 17% expected to reduce mission related programmes/services and 9% thought they would have to reduce fundraising staff levels. NZ tracked similarly to Australia in this respect.
- Areas most impacted were ticketed events / galas / mass participation events, face to face acquisition and corporate sponsorships. For NZ, it was primarily corporate sponsorships, relationships with trusts, gala/ticketed events and the risk of losing profile in the NZ marketplace.

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- In terms of the change required, all had delayed large events and most had investigated moving into virtual events. There was a warning not to just jump on the bandwagon, but to ensure it was the right platform that delivered targeted, quality messages.
 - Need to have a strong focus on protecting less impacted channels, maintaining existing investor relationships and looking for new opportunities.
 - Actions so far: postponed events/training/conferences, working from home, investing in technology, revising forecasts and planning for reduced investment.
 - NZ more prepared for new working relationships and taking an action focused approach – may be due to the timing of the survey, a week after Australia.
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Speaker 2: Fiona McPhee, FM Fundraising Strategy (NZ)

- Take a practical approach to moving forward, learn from history, and be weary of the 'toilet paper' view of board members. It is incorrect that people will stop giving in a crisis.
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Speaker 2: Fiona McPhee, FM Fundraising Strategy (cont.)

- People want to help – make sure you communicate well, maintain your relevance and make approaches that are appropriate in these times.
- Keep fundraising and you will keep raising funds – stop fundraising and you won't. Engaging with your donors and undertaking effective fundraising are the most important things.
- Don't put your personal situation onto donors. Be transparent with stakeholders. Silence is deafening, so make sure you communicate with those that are important to you.
- Who is your confident leader? What is your organisational continuity statement? E.g. continue, pause, what's on the other side?
- Your teams are important – make sure you communicate well, that everyone knows what the key messages are, that you have actions in place to mitigate. Plans are no longer relevant; budgets won't make sense and you may have to spend your reserves if you are lucky enough to have them.
- Fundraising: what are the potential fundraising impacts – risks & opportunities.

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Speaker 2: Fiona McPhee, FM Fundraising Strategy (cont.)

- The key is to protect your base. Who is your core? The 80/20 rule – focus on your most important 20%.
- Consider if an emergency appeal is relevant to you.
- Three level approach:
 1. Stay liquid – plan and the ‘right now’ case for support, the role of fundraising.
 2. Protect your base, consider an emergency appeal, adapt where you can.
 3. Plan, adapt, be agile, invest for growth, e.g. is TV the right channel to recruit for new donors during this period?
- Talk so you understand people, make sure you contact your key donors to thrive/survive.
- Invest in building your relationships with clients and stakeholders. Make wellbeing/relationship calls – there could be an ask involved but mainly just to maintain relationships.

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Responses to Questions:

- Fundraising increased through the GFC and there was a recovery.
- Consider other revenue sources.
- People will still support the things they are passionate about.
- Gambling funds will still be available – previous downturns have seen people continue to gamble for entertainment – small amounts, more often.
- Some people may give more to charities as they are not spending money on other stuff (dining out, gym etc).
- Contact regular donors to see if they want to skip a month or put their payment plan on hold.
- For fundraising, direct reference to COVID-19 makes for easier messaging but you need to be respectful, responsible and honest.
- Leaders will behave differently. Some will adapt and connect straight away; others will change after a period. Adaption is necessary.
- Authentically lead and engage your team, be honest, find solutions with your team, collaborate.
- Upgrade your technology, take on board what young people know and can contribute in this respect.