

FOOD FOR THOUGHT: BOARD TRUSTEE EDITION

..... *VIRTUAL "BACK TO SCHOOL" FOR BOARD MEMBERS*



CORPORATE & FOUNDATION FUNDING: TAKING THE TEMPERATURE AS WE LOOK AHEAD

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Corporate and Foundation Funding- Taking the Temperature As We Look Ahead

Session Objectives

- To present a viewpoint regarding Chester County Nonprofits and *their* current view of the sector's financial stability
- To discuss the philanthropic response – today and looking into the future from our philanthropic partners – Foundations; Donor Advised Funds and Corporations
- To provide some tools and techniques to help NPOs address and respond to the philanthropic response



Taking the Pulse – CHESCO NPOS Financial Sustainability

- To better pinpoint the longer term financial ramifications of the COVID-19 pandemic on Chester County based nonprofits, the Community Foundation launched an ongoing survey on June 22. (The survey analysis is attached as background to this proposal.) To date, 77 responses from @350 actively engaged nonprofits in Chester County indicate that:
 - Most health & human service nonprofits are operating at higher capacity, serving greater numbers of people with less ability to pay for services;
 - Most environmental nonprofits are serving larger numbers of people seeking outdoor exercise & revitalization, and they are reminding those people that donations are welcome;
 - Nearly all the arts, culture, heritage & education nonprofits are struggling to discern how to pivot and refine their service offerings safely, offering limited virtual programs in the interim.
 - In general, our Chesco NPOs-
 - 59% experienced a decline in revenues from corporate/business donations
 - 58% experienced a decline in revenues from program services earned income
 - 36% experienced a decline in revenue from foundations
 - 35% experienced a decline in individual donations



IMMEDIATE PHILANTHROPIC IMPACT - NATIONALLY

- Global philanthropic response was \$ 11.9 billion through June, 2020
- Corporate giving 66% of dollars pledged or awarded (including in-kind donations); 57% of donors. Corporate Foundations comprised 14% of all Covid related giving by corporations
- Independent Foundations accounted for 14% of dollars and 16% of donors
- HNW (High Net Worth) Individuals estimated to gift 13% of dollars and 5% of donors
- Grantmaking charities accounted for 7% of dollars and 23% of donors

Source – CCS Surveys – May/June 2020; Candid; Center for Disaster Philanthropy



IMMEDIATE PHILANTHROPIC IMPACT ON NPOS - NATIONALLY

- One in four NPOs cite a decline in fundraising since the start of the pandemic. However, one in four saw no changes and 15% noted an increase, notably health and human service organizations
- Religious and cultural organizations have been most significantly impacted seeing a significant decline in donor revenue
- Over 50% of NPOs surveyed have launched special appeals in response to COVID-19
- Nearly 80% expect a decline in fundraising results for the remainder of 2020
- Most NPOs plan to continue with major pre-existing campaigns with appropriate modifications – mostly those already in process or contracted

Source – CCS Surveys – May/June 2020; Candid; Center for Disaster Philanthropy



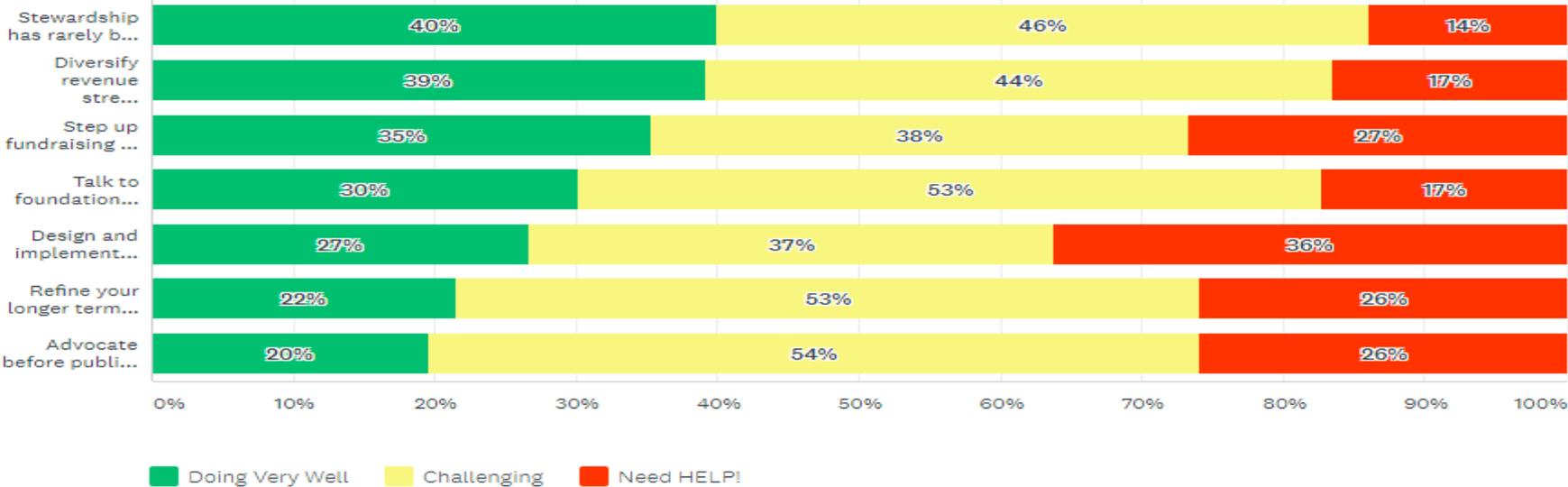
CHESCO NPO CRISIS MANAGEMENT - SURVEY RESPONSES

Survey = <https://www.surveymonkey.com/r/CCCF-nonprofitchecklist>

RESPONSE SUMMARY = <https://www.surveymonkey.com/stories/SM-83VLV3B9/>

RAISING REVENUES

Answered: 116 Skipped: 21



How much did Americans give in 2018?

\$427.71 billion

Americans gave \$427.71 billion to charity in 2018 in a complex year for charitable giving.

Where did the generosity come from?

Contributions by source (by percentage of the total)

Giving by Foundations **18%**
 \$75.86 billion
 (4.7% up when inflation adjusted)

Giving by Bequest **9%**
 \$39.71 billion
 (2.3% down when inflation adjusted)

Giving by Corporations **5%**
 \$20.05 billion
 (2.9% up when inflation adjusted)

Giving by Individuals **68%**
 \$292.09 billion
 (3.4% down when inflation adjusted)

Giving by individuals declined in 2018, comprising less than 70 percent of overall giving for the first time in at least 50 years.

* All figures on this infographic are reported in current dollars unless otherwise noted.



Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2019: The Annual Report on Philanthropy for the Year 2018*.

Giving to foundations decreased the most, after experiencing strong double-digit growth in the year prior.

Giving to international affairs showed the largest growth in 2018 of any sector.

Where are all the charitable dollars going?

Contributions by source (by percentage of the total)

	% of total giving in 2018	\$	% change from 2017	Inflation adjusted
29% to Religion	\$124.52 billion	↓	-15%	-3.9%
14% to Education	\$58.72 billion	↓	-13%	-3.7%
12% to Human Services	\$51.54 billion	=	-0.3%	-2.7%
12% to Foundations	\$50.29 billion	↓	-6.9%	-9.1%
10% to Health	\$40.78 billion	=	0.1%	-2.3%
7% to Public-Society Benefit	\$31.21 billion	↓	-3.7%	-6.0%
5% to International Affairs	\$22.88 billion	↑	96%	70%
5% to Arts, Culture, and Humanities	\$19.49 billion	=	0.3%	-2.1%
3% to Environment/Animals	\$12.70 billion	↑	3.6%	1.2%
2% to Individuals	\$9.06 billion	-	-	-

■ indicates growth in current dollars with a decline after adjusted for inflation

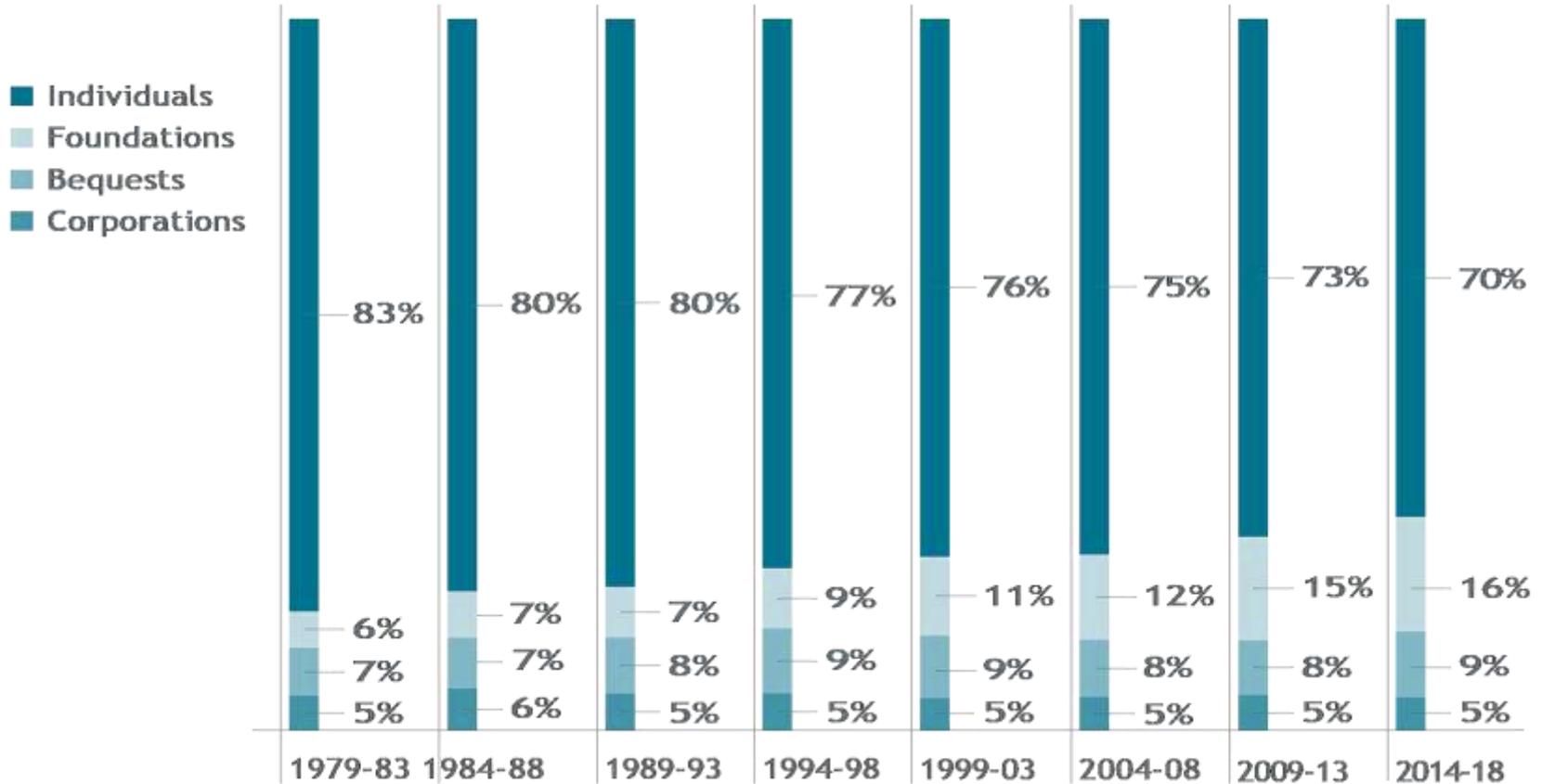


Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on the generosity of Americans and related historical trends on U.S. charitable giving.

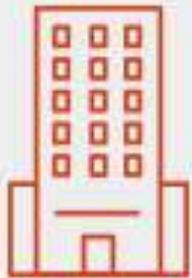


Giving by source: percentage of the total in five-year spans, 1979-2018

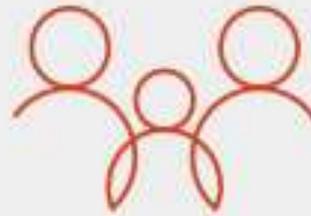
(in billions of dollars)



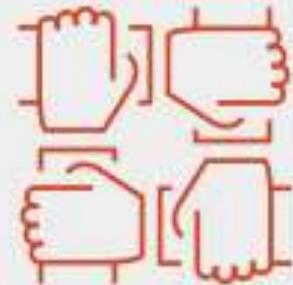
Setting the Philanthropic Stage – Foundations



Corporate foundations, also known as company-sponsored foundations, are philanthropic organizations supported by a corporation.



Family foundations are typically funded with a family endowment.



Community foundations are publicly supported charities receiving financial support from a broad portion of the public.

National Foundation Giving Patterns 2020

- 639 COVID -19-related funds established by 594 foundations primarily funding:
 - Human Services
 - Public Safety
 - Education
 - Community and Economic Development
- 2.2% of grants focus on minority populations
- 1.6 Million has been donated in IN-KIND Gifts
- 67% of COVID -19 Funds are sponsored by over 600 Community Foundations.
 - Over \$ 1.03 billion raised.



What are we seeing locally – Greater Philadelphia Area Foundation COVID-19 Funds

A complete list of regional funding resources can be found at philanthropynetwork.org

Funders in Chester County joined forces to provide much needed coronavirus (COVID-19) rapid response funds to organizations serving the community. Chester County based funders have awarded over \$1.5 million in immediate grants to Chester County based nonprofit organizations.

- The ***Brandywine Health Foundation (BWHF)*** launched the Healthcare and Economic Relief Fund in March to address the health and economic impacts of the pandemic on the Greater Coatesville community. BWHF granted over \$185,000 for immediate needs in their first phase of grants. In phase 2, BWHF's focus is on recovery. BWHF expects to award in total over \$350,000 .
- In addition to the nearly \$200,000 given in grants to local non-profits this year, ***Chester County Fund for Women & Girls (CCFWG)*** committed \$23,000 in Impact Grants towards response efforts to COVID-19 that are focused on the needs of women and girls such as gender-based violence and economic empowerment.
- The ***Chester County Community Foundation (CCCF)*** has awarded close to \$465,000 in COVID-19 grant funding via the Foundation's Rapid Response Fund and through the generosity of its 400+ donor advised funds.



What are we seeing locally – Greater Philadelphia Area Foundation COVID-19 Funds

- The **Phoenixville Community Health Foundation (PCHF)** awarded more than \$150,000 dollars to organizations in PCHF's catchment area. PCHF is currently engaged in a funding cycle to provide longer term support to qualifying nonprofits.
- **United Way of Chester County (UWCC)** raised almost \$840,000. Grants supported rapid response grants that provide relief for food insecurity, maintain critical service delivery, prevent homelessness, and provide financial stability for the financially insecure. The Chester County **STRONGER** Campaign will bring their COVID-19 related support to over \$1 million. Looking ahead, UWCC will be issuing a new, more responsive funding model that will help reimagine a better Chester County.
- **United Way of Southern Chester County (UWSCC)** raised \$118,000 for its COVID-19 Response Fund to deploy to local nonprofits who are addressing COVID-related critical needs among our residents. UWSCC was instrumental in working with La Comunidad Hispana (LCH), the American Mushroom Institute and United Way Chester County to initiate and fund a mobile testing unit for local mushroom farms.
- **Philadelphia Foundation in concert with United Way SEPA/NJ** through the PHLCOVID-19 Fund granted more than \$15.8 million to Greater Philadelphia nonprofits.



Setting the Philanthropic Stage – COVID-19 Pandemic and Donor Advised Fund Response

- There were 728,563 donor-advised fund accounts in 2018 held at community foundations and commercial institutions
- Donor-advised funds held ***\$121.42 billion in assets*** in 2018
- Annual contributions into donor-advised funds were \$37.12 billion in 2018
- Donors recommended grants from donor-advised funds totaling \$23.42 billion to charities in 2018
- Average donor-advised fund account size was \$166,657 in 2018



Donor Advised Funds Response to COVID -19 and Looking Ahead

- DAF donors have ramped up giving in response to the pandemic. Over 1/3 of DAF advisors surveyed in March expected to increase donations this year versus 25% of general donors. August, 2020, survey results confirm these increases at community foundations and commercial donor advised funds.
- 59% of DAF donors indicate that they will continue to support organizations that they traditionally support as they will likely be impacted by the pandemic.
- Nearly 70% of DAF donors feel that they have sufficient knowledge and information to direct their support – compared to 51% of general donors.
- What does this trend mean for your nonprofit?



Corporate Philanthropy's Response to COVID-19

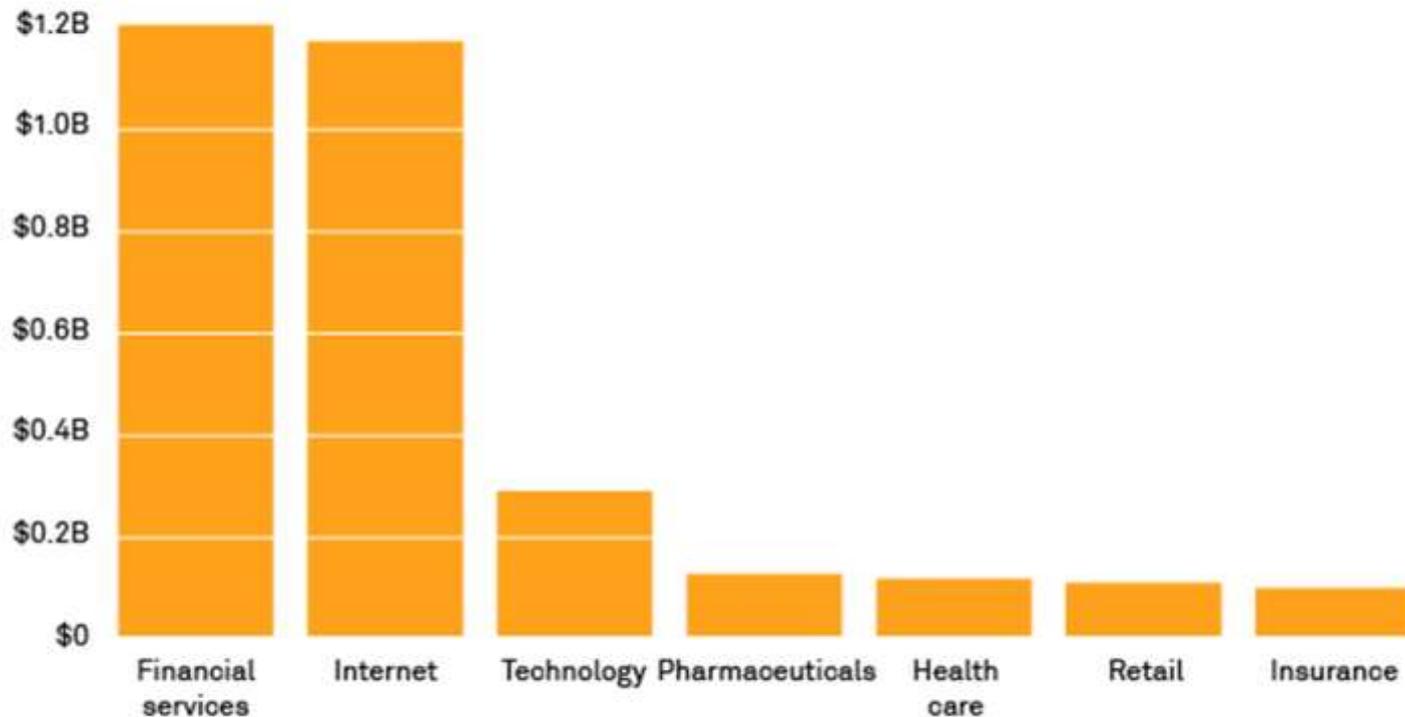
- Philanthropic funding worldwide in response to Covid-19 has reached \$10.2 billion, including \$6 billion from U.S. sources, according to Candid, a foundation research group.
- Corporate giving makes up the lion's share—65 percent—of contributions.
- Twitter co-founder Jack Dorsey and Google remain the largest funders, accounting for one-third of U.S. and one-fifth of global COVID-19 giving.
- Companies stepped up to support responders, remove barriers to healthcare, and provide services and products to those who need them most. List of corporate contributions available at

<https://ccc.bc.edu/content/ccc/blog-home/2020/03/corporate-citizenship-responses-to-COVID-19.html>



Corporate Philanthropy's Response to COVID-19

U.S. corporate donations by industry



Source: Candid



Corporate volunteerism during COVID Continues

Corporate volunteerism continues – with COVID protocols

- Donating blood.
- Collecting food donations from doorsteps and delivering them to food banks.
- Checking on elderly neighbors and offering to run errands or grab groceries.
- Coordinating a virtual book reading, exercise or entertainment hour for children (to help out parents who may not have childcare).
- Purchasing arts and craft supplies for parents who may need them while they are homeschooling their children.
- Taking part in digital support to address the digital divide



Corporate Philanthropy – What are we seeing locally?

Pause, reflect and wait it out.

- Some donor fatigue seems to have emerged following covid donations
- With federal and state funding reaching counties there seems to be a “wait and see where the needs emerge” approach
- Corporate giving is dependent on health of their sector
- Many are looking for guidance on how to continue corporate social responsibility initiatives and engage employees in giving when workforce is still remote
- “Election noise” is sucking up all the oxygen and making it difficult to get a clear picture of what is happening in community
- Companies recognize their responsibility to help community rebound but are still dealing with same issues as others



Corporate Philanthropy – Looking Ahead?

Can we fast forward to 2021?!

- Many things should become clearer for companies in 2021
 - Election results
 - Vaccine or other therapeutics?
 - Return of workforce to physical buildings from remote
 - Better understanding of long term needs of community as a result of pandemic
 - Every day brings more knowledge and clarity
- For many companies tough times won't end soon for their businesses
- Demand for charitable dollars from non-profit sector will continue to increase as demand on services continues to remain high
- Pressure on internal employee assistance programs may increase
- Shift to “all things digital” is here to stay



Looking Ahead – Council on Foundation ‘s Pledge

Learn from emergency practices and share what they teach us about effective partnership and philanthropic support

- Loosen or eliminate restrictions on current grants.
- Make new grants as unrestricted as possible to allow for maximum flexibility
- Reduce what we ask of our nonprofit partners - postponing reporting requirements, site visits, and other demands on their time during this challenging period.
- Contribute to community-based emergency response funds and other efforts to address the health and economic impact on those most affected by this pandemic.
- Communicate proactively and regularly about decision-making and response.
- Commit to listening to our partners and especially to those communities least heard, lifting up their voices and experiences to inform public discourse and our own decision-making so we can act on their feedback.
- Support, as appropriate, grantee partners advocating for important public policy changes to fight the pandemic and deliver an equitable and just emergency response for all.



Looking Ahead – Foundations Revising Policies and Exploring Grantmaking Alternatives

- Reviewing grantmaking policies and practices with a racial justice and equity lens
- Considering deployment of investment portfolio in a way that aligns with Foundation’s mission and focus
- Re-thinking the “spend-down endowment
- Increasing program and mission related investments
- Investigating NPO lending strategies



ASSESS NONPROFIT'S RESPONSE -

Doing Very Well Challenging Need Help

- **Stewardship** has rarely been more important. Reach out and talk to individual donors – Donor Advised Fund holders; Foundations and Corporations.
- **Diversify revenue streams** by seeking new sources of funding that will be available because of the pandemic. Keep an eye out for rapid-response/**RECOVERY** funding efforts by foundations, United Ways, and others during this crisis, and apply as appropriate.
- **Step up fundraising** to respond to this crisis, recognizing that economic market decline and uncertainty will concern most donors. Listen to donors; let their feedback guide you as to when to restart the solicitation of both big and small gifts.
- **Talk to foundation program officers**, both those who have supported you and those who might. Understand their funding considerations and viewpoint in this environment.
- **Advocate** before public officials to restore aid, provide new types of funding, or both.



What are effective stewardship strategies during COVID-19 ?

Thank donors of course!

- ❑ Think one on one
 - Call your donors (DAF, foundation and corporate)
 - Write personal notes
 - Be personal, empathetic
 - Engage your Board, volunteers, staff in this task
- ❑ Be mission centric in communications
 - Use videos, zoom, blogs ,visual images, info-graphics
 - Illustrate the NPOs mission in action
 - Share impact of their gifts today and share with them information on tomorrow's needs – at least what you know
 - Don't forget the “lighter” elements



RESOURCES

chescocf.org/virtual-board-trustee/

- The Center for Disaster Philanthropy, Candid, and the Indiana University Lilly Family School of Philanthropy report on US Household Disaster Giving: <https://www.issuelab.org/resources/34757/34757.pdf>
- More information about how Americans give after a disaster: <https://www.Theconversation.com/american-generosity-after-disasters-4-questions-answered-83277>
- A TechSoup Roundup for Fundraising in the Time of COVID: <https://blog.techsoup.org/posts/fundraising-in-the-time-of-covid-a-techsoup-roundup>
- Sources for COVID 19 Funding/Crisis Management Topics
 - Brandywine Health Foundation: www.brandywinefoundation.org
 - Candid - Funding for Coronavirus (COVID-19): www.candid.org
 - Chester County Community Foundation: COVID-19 Rapid Response Fund, www.chescocf.org
 - Philadelphia Foundation: www.PHLCOVID19Fund.org
 - Phoenixville Community Health Foundation: COVID-19 Special Grant Fund, www.pchf1.org
 - Philanthropy Network Greater Philadelphia: COVID-19 Philanthropic Response Funds for Greater Philadelphia, Additional Regional COVID-19 Rapid Response Funds. www.philanthropynetwork.org.
 - West Midland Family Center: Generational Differences in Philanthropy, www.wmfc.org
- Communicating with Donors During a Maelstrom: Practical Wisdom on When, What, Who, How and How Often - <https://blueavocado.org/fundraising/communicating-with-donors-during-a-maelstrom-practical-wisdom-on-when-what-who-how-and-how-often/>
- Nonprofit Fundraising Survey – Impact of COVID-19 – April 20 – May 1, 2020 – CCS Fundraising- <http://go2.ccsfundraising.com/CCSPhilanthropicClimateSurvey-1stEdition.html>
- Source: Nonprofit Crisis Management Checklist- Chronicle of Philanthropy, April, 2020 <https://www.philanthropy.com/article/Nonprofit-Crisis-Management-A/248467>



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THANKS TO OUR PRESENTING PARTNERS



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HOPE TO SEE YOU NEXT WEEK!

Register: chescocf.org/virtual-board-trustee/



INDIVIDUAL DONOR FUNDRAISING: LEAN INTO THE TRENDS

JOIN ON ZOOM | Tuesday, Sept. 29 at 4pm

Thought Leaders: Corrine Sylvia, CFRE, Constance Carter, CFRE, & Krys Sipple, CFRE



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