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Strategies for Surviving in a Changed Economy

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NewLevel Group

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Purpose

For nonprofit organization leaders to explore changes taking place as a result of current economic conditions, and what may be required for success in the future

1

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Agenda

- ✓ Welcome, Agenda, Ground Rules
- ✓ Introductions and Challenges
- ✓ What's happening in the world today?
- ✓ Panel Discussion
- ✓ Q & A
- ✓ Exploring strategic options
- ✓ Wrap Up & Next Steps




2

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Logistics and Ground Rules

- ✓ Contribute
 - Share experience, expertise, questions
- ✓ Honor confidentiality
- ✓ Observe timeframes
- ✓ Share what you learn with your organization
- ✓ Cell phones off
- ✓ D.W.Y.G.D.
- ✓ Evaluation Form



3

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Introductions

- ✓ Name and role
- ✓ Organization's name and mission
- ✓ Biggest challenge facing your organization over the next two years
- ✓ One thing you'd like to learn today

1 minute report-out

4

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"It always seems impossible until it's done."

- Nelson Mandela

5

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Trends Affecting Nonprofit Organizations

Economy

- ✓ Consumer spending
- ✓ Federal & state revenue and spending
- ✓ Spent demographic dividend
- ✓ Unemployment & underemployment
- ✓ American-style Capitalism

6

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Trends Affecting Nonprofit Organizations

Nonprofit Sector

- ✓ Declining funding
- ✓ Flailing organizations
- ✓ Shifts in donor capacity and focus
- ✓ Staff burnout and turnover

7

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Trends Affecting Nonprofit Organizations

Program Needs

- ✓ Growth of demand
- ✓ Demographic pressures
- ✓ Redundancy/overlap
- ✓ Sector differences (social services, environment, arts)

8

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Fundraising Trends

U.S. Nonprofit Sector Statistics

\$3.7 Trillion in assets controlled, **\$1 Trillion spent**
 – would be 9th largest economy; > GDP of 94% of world's nations

According to Giving USA, in 2008:

- Americans donated more than **\$308 billion** to charitable causes
 – a 2% decrease over 2007, but still 2.2% of GDP
- **75%** of total giving (\$229 billion) comes from **individuals** down 6.3% (adjusted for inflation)
- **Foundation** grantmaking was flat at **\$41 billion**
- **Corporate** giving fell 8% but was still almost **\$14.5 billion**

9

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Challenges of Fundraising Today

U.S. Nonprofit Sector Statistics - 2008

- ✓ **2/3** of nonprofits **reported a decrease** in donations received
- ✓ Gifts to human services, health, and aid organizations dropped by 12% to **\$25.8b**
- ✓ 54% of HS agencies saw increased demand
- ✓ Gifts to arts, environmental, and educational organizations fell by anywhere from 5% to 7%

For more information: givingusa.org
 To research corporate giving sources online: foundationcenter.org

10

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"Change is inevitable - except from a vending machine."

– Robert C. Gallagher

11

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Strategic Thinking

- ✓ Holding an image of the vision or ideal future
- ✓ Drawing on and being shaped by the organization's core values
- ✓ Continuously scanning the environment for opportunities and threats
- ✓ Seeing patterns and relationships in events and circumstances
- ✓ Recognizing the interconnections and interdependencies before making decisions and taking action
- ✓ Making decisions and taking actions for the long term shaped by the organization's vision, core values, and awareness of the environment and interdependencies

12

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Keeping a Strategic Focus

13

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Panel Discussion

How is the world changing?

Mayor Mark Barron – Town of Jackson
 Carrie Kirkpatrick – Friess Family Foundation
 Ted Ladd – Hewitt Ladd, Inc.
 Karen Terra – Jackson Hole Real Estate Associates

14

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“Hope for the best but prepare for the worst.”

– English Proverb

15

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Dealing with a Changing Economy

Continue to be proactive!
 Don't expect things to get “back to normal”

Examine:

- ✓ expenses/revenue
- ✓ earned income projects
- ✓ social venture capital
- ✓ mission clarity
- ✓ communications and donor relations
- ✓ pooled resources
- ✓ consolidation opportunities

16

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Next Steps

- ✓ What's one thing you can do right away to apply what was learned?
- ✓ How will you communicate what you've learned to other board and staff members not present?

17