

Effective Fundraising Helps Ensure Long-Term Stability But Are Our Seniors Centers Up To The Job?

By Linda Tara Flynn

While the baby boomer generation may be doing all it can to hold back aging, the reality is that those 85 and older are the fastest growing demographic, with quintuple the number of octogenarians expected in 2050 than we see now. These individuals will be discerning – yes, even demanding – consumers of care. Such care will be expensive. More expensive than it already is, with our record high food costs, gas costs, labor costs, medical costs and technology costs. As the cost of senior care continues to rise, effective fundraising will become increasingly important.

Even if there were no increasing need, fundraising is vital to senior care centers because it provides the opportunity, through meeting people's expectations and values, to build a strong connection between our organizations and the communities we serve. Such a relationship allows the growth and development of a solid financial support system for our centers.

Fundraising essential but staff, programs and budgets lacking

Miami nonprofit management consulting firm CoreStrategies for Nonprofits Inc. recently conducted a survey of the infrastructure of Jewish senior care centers, including staffing, and perceived fundraising success. At the same time, it reviewed several similar studies regarding fundraising, board development and marketing within the senior care industry in general.

The CoreStrategies survey found that although senior care center employees may give their organizations fairly high marks for their capacity to raise funds (74 percent), there are obvious gaps in staffing, budgets, donor relations and opportunities for giving at these centers.

Regarding staffing, many of the surveyed senior care centers in the CoreStrategies report lack the high-level positions that may be needed to access key decision-makers and philanthropists in their communities, or potential corporate or foundation funders. Only 32 percent of the centers surveyed reported having a vice president or director of development and none reported having a major gifts or planned-giving officer position, although 61 percent reported having a planned-giving program. In a number of cases, individuals were tasked with multiple complex responsibilities, such as serving as Director of Development and Director of Marketing – positions which require very different skills. Without appropriately trained and dedicated staff in place, the effectiveness of the fundraising program must come into question.

Budgets were also reported lacking. In 53 percent of the cases, respondents to the CoreStrategies study said their budgets for fund development were under \$50,000; another 11 percent were between \$50,000 and \$100,000. For communications, the numbers were 68 percent under \$50,000 and another 26 percent between \$50,000 and \$100,000. While a study released by the American Marketing Association (AMA) and Lipman Hearne, a marketing company, reported that most charities spend less than \$100,000 on marketing, making these responses typical, again one has to wonder about the wherewithal available for doing the job right as the demands increase.

Board engagement is crucial

Both a comprehensive survey of mid-sized nonprofits conducted by the Urban Institute and the AMA surveys found that the level of board engagement is a major influencing factor in campaign

success. In the Urban Institute survey, board engagement ratings were determined by how actively a board seeks support, the level of their own donations and their involvement with fundraising activities, among other things. Boards that are actively engaged received higher ratings from staff.

Unfortunately, CoreStrategies' survey respondents were dissatisfied with their boards of directors. Specifically, more than 30 percent of those surveyed were dissatisfied with their board's performance. In excess of 40 percent were unhappy with the lack of age diversity on their boards, leading to a concern, the authors believe, for support in years to come.

These results actually appear better, though, than findings in the Urban Institute study. While the CoreStrategies study surveyed more than just CEOs – perhaps accounting for the significant difference – findings in the Urban Institute study showed that more than 60 percent of CEOs – the individuals with typically the most contact with board members – were unhappy with their boards when it comes to fundraising.

Few undertake annual giving campaigns; other campaigns demonstrate mixed results

Among the senior care centers surveyed, 89 percent agreed that fundraising is critical to the growth of their organizations, but only 11 percent reported that they undertake an annual major gifts campaign and only one organization had a staff member dedicated to annual giving. Twenty-two percent have never conducted such a campaign and 17 percent reported that they implement campaigns on an “as-needed” basis.

Of the organizations that implemented a major gifts or planned-giving campaign, 39 percent did not meet their goals. However, *all* of the organizations that used campaign counsel and/or conducted pre-campaign studies did meet their goals.

According to survey respondents, besides the use of expert advisory counsel and pre-campaign studies, campaign success factors also include a dedicated board, the longevity of executive management and staff, and donor recognition.

Fundraising + active board + counsel = campaign success

In summary, with the aging population, senior care centers provide indispensable services to their communities. However, with the rising costs of care, ensuring their continued operation through long-term financial stability should be their number-one priority. To accomplish this, senior care centers must develop solid community and donor relationships, and implement frequent and effective fundraising campaigns using best practices. They also require a strong, empowered staff and an active, fully engaged board of directors. Finally, senior care centers should consider securing campaign counsel and conduct pre-campaign studies to ensure the success of their fundraising efforts.

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