

Financial Stability by Eliminating Fund Raising

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by Glenn S. Easton

The organization I walked into was \$1 million in the red, had a \$4.5 million cost overrun and mortgage from a recent, disastrous renovation, “borrowed” \$1 million from their endowment fund to make ends meet, had two decades of year-end operating deficits, and lost the confidence of its major donors due to perceived organizational and financial mismanagement.

Today, the organization has a \$23 million endowment, an annual balanced budget with a \$500,000 operating reserve, a mortgage free building, a \$3 million annual giving program, and is in the midst of a \$16 million fully-funded building transformation.

What happened in the last twenty years to go from the brink of bankruptcy to a thriving, financially stable institution? We eliminated fund raising!

We didn't eliminate financial development, we merely eliminated the constant “nickel- and-dime” fundraising solicitations that generally raise little money but consume large amounts of volunteer and professional time.

First, of course, we had to put our financial house in order. Through the leadership of lay leaders and professional staff, we created a realistic financial plan to eliminate debt, instituted a strict balanced budget policy committed to living within our means, and met with major donors to begin rebuilding their confidence in the institution.

The “Ah-Ha Moment” came one day in the form of a call from one of our members. Not a major donor to the organization, the member called me to complain that the front page of our monthly newsletter had three articles about fundraising programs and only one article about an upcoming program central to our mission. He asked if we were a fundraising organization or a sacred community whose stated mission is to provide religious services and education for children and adults, community service, social action, and involvement, celebration of life-cycle milestones, and counseling and support at difficult times.

With embarrassment, I admitted to him that he was correct. While we were created to fulfill a meaningful mission and service to our members, in our newsletter and allocation of time, it seemed as though we were focused more on raising funds than engaging souls. Surely, the funds raised went to support our mission but the time spent on raising and worrying about fundraising was disproportionate to the time, focus, and energy spent on our sacred enterprise.

By meeting individually with our members – both major donors and occasional givers – and engaging them in the true purpose of our mission, we have managed to raise more funds than any bake sale, concert, or gala could possibly raise. By focusing on our mission and doing what we do best, our annual giving, endowment fund, and bequests have grown to enviable levels. By talking to people rather than about projects we have learned what is important and meaningful to our members which has translated into their support.

Programs and events previously strained and burdened with high fundraising expectations are now slated to break-even with high “Fun” raising and community building expectations.

Perhaps I am just uniquely blessed to be working in an organization with extraordinary volunteer and professional leaders and members deeply committed to our mission. Through the elimination of fundraising, our financial future is secure.

By the way, that fellow who called to complain about the newsletter who had never made a major contribution in his thirty-plus years as a member just left us a \$5 million bequest.

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