

PHILANTHROPY®

Social-Service Groups Fight to Reverse a Slide in Donations

BY DEBRA E. BLUM

The video features music with deep bass, an ominous voice-over, and black-and-white footage of a bombed-out neighborhood, a car fire, and a domestic dispute. Not typical fare for United Way campaign promotions, whose hallmarks are smiling faces and an upbeat soundtrack. But United Way Worldwide (No. 2) has gone “gritty and raw,” according to a top official, in what it calls its “brandscape” video, part of a broad new communications effort to spread the United Way brand and message.

“We have always illustrated how we are part of the solution to problems, but now we are getting people’s attention by first showing the harsh realities of those problems,” says Lisa Bowman, United Way’s chief marketing officer. “We are bringing awareness and relevance to our work.”

United Way’s efforts to shake things up come as social-service organizations face a tough fundraising landscape, rife with challenges to stay fresh, prove impact, and capture and keep donor interest. For many organizations, fundraising has grown especially tight as a roiling political climate has turned donor attention to nonprofits doing work in advocacy or hot-button areas like the environment.

At the same time, the biggest and oldest nonprofit groups, including the United Way, continue to face the delicate task of ensuring that new generations of donors know and understand their brand.

According to a fundraising index tracked by Target Analytics, a division of the software company Blackbaud, social-service nonprofits this year have seen decreases in revenue, overall donors, new donors, and reactivation rates — this as most other sectors are experiencing postelection gains after many years of doldrums.

“Giving USA,” the annual snapshot of American philanthropy, reports that fundraising gains for social-service groups from 2014 to 2016 lagged those in other sectors. Among the nation’s biggest social-service groups that The Chronicle’s Philanthropy 400 tracks, fundraising is also lackluster. Donations are essentially flat at those that appear in both this year’s ranking and the 2016 report. Groups registering gains are generally smaller organizations, particularly food banks, which typically receive most of their support as gifts of products and services.

The list’s perennial social-service giants are faltering most, a trend evident for the past four years. Only four of the top 10 increased giving in 2016: Feeding America (No. 5), Habitat for Hu-



CITY YEAR

WHAT SLUMP? City Year, now operating in Detroit and more than two dozen other cities, defies the downward trend in giving to social-service organizations.

manity International (No. 17), Catholic Charities USA (No. 20), and Lutheran Services in America (No. 26).

Here’s a look at some strategies that Philanthropy 400 social-service groups are employing. These organizations include groups that are trying to turn around their fundraising fortunes and others defying the sector’s downward slide:

Getting Edgy

A new marketing video produced by the national office of The Y (No. 13) features a cacophony of sounds with images of a bullied kid, a family fighting, and unrest in the streets. It hits just the right notes for Jen Harman, senior marketing director for impact and development at the YMCA of Greater Charlotte. A year after a police shooting of an unarmed black man prompted protests, she says, the edgy video “will create the buzz we continue to need.”

“We can’t pretend that there are not serious issues in our city,” Ms. Harman says, noting that her YMCA is part of a committee responding to the protests. “I’m so glad that The Y is not shying away from anything, and we demonstrate that in the video.”

The video, which was released in September, is part of the national Y’s For a Better Us Campaign, meant to help the organization shed its stodgy “gym and swim” image and recast itself as an organization addressing social issues and offering an array of youth,

health, and community services.

Officials at United Way Worldwide say its video, which debuted earlier in the year, is drawing attention and interest. In Milwaukee, a locally produced version of the video may be helping to spur increased contributions so far this year. Brian McKaig, vice president for marketing and communications at the United Way of Greater Milwaukee & Waukesha County, said in an email message that the video offers a “hard, realistic look” at the problems facing the area and has been well received at businesses that run workplace campaigns.

“People,” he wrote, “are appreciating the sense of urgency to donate funds or volunteer.”

Innovation as a Mantra

Local Initiatives Support Corporation (No. 245), a nonprofit that invests in struggling neighborhoods nationwide, will turn 40 in a couple years, but it aims to change and grow like an enthusiastic start-up. That mixture of eagerness and maturity, says senior vice president Beth Marcus, appeals to supporters.

Just this year, LISC became the first community-development financial institution to issue bonds, a \$100 million offering to help accelerate revitalization work in distressed areas. And the group received money from a tech-industry giant for the first time, \$18.5 million from Facebook to manage an affordable-housing development fund. The group has traditionally received much of its support from businesses in the financial-services fields. Maurice Jones, CEO of LISC, suggested tapping Silicon Valley not long after he joined the organization in 2016.

Bringing its longtime donors along for the new ride is critical to LISC, too. The MetLife Foundation, the philanthropic arm of the international insurance company, had been giving LISC about \$100,000 a year for decades for its programs in affordable housing and homes for military veterans. When the foundation changed its strategy four years ago to focus on providing financial products and savings to those in need, it found that LISC had a program that fit. A few years earlier, LISC had created and started opening Financial Opportunity Centers that offer job and personal-finance services to low-income people.

Now MetLife gives about \$1 million a year to LISC to support programs old and new. “As MetLife has evolved, LISC has evolved,” says Dennis White, the foundation’s president. “LISC has acknowledged they need to be more than housing, and we see the same need for a more comprehensive set of services and tools to build the health of a community.”

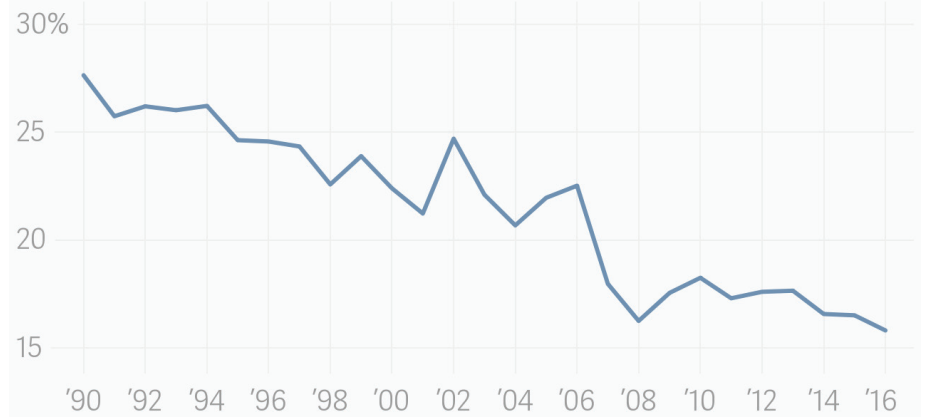
MetLife was especially impressed, he says, that LISC had the know-how and resources to expand the financial-services program.

“We still have a focus on bricks and mortar,” Ms. Marcus says. “But we also have the relationships, the credibility, the experience to bring new and different products, ideas, and tools to address the issues we care about.”

Wearing Impact on Their Sleeves

City Year (No. 346), which turns 30 next year, is a rising star in the nonprofit world, having climbed onto the Philanthropy 400

A Long Slide



△ T L △ S | Data: The Chronicle of Philanthropy

Each year, giving to social service organizations accounts for a diminishing share of total contributions to Philanthropy 400 groups — even though 49 groups made the list for 2016 compared with 29 for 1990.

three years ago. AmeriCorps members working for the organization in schools nationwide stand out thanks to the signature red jackets they wear.

According to City Year’s literature, the jackets are imbued with a “little bit of magic” and signal that “help is on the way.”

Recently, the jackets have started conveying another message: Donor dollars make a difference.

Starting this year, when a donor makes at least a \$100,000 gift and joins its Red Jacket Society, City Year puts a patch with the donor’s name on the jackets of corps members at the school the donor supports.

“It shows others we are supported by the philanthropic community,” says Michael Brown, City Year’s co-founder and CEO. That’s key, he says, because the organization relies on support from AmeriCorps, school districts, and private donors — a fundraising triad that City Year wants to make more visible to potential supporters.

The idea is borrowed from a longstanding City Year corporate-sponsorship program in which company names are sewn onto corps members’ jackets. City Year has expanded that effort, too: Companies now get reports with test scores and other metrics, access to the school principal, and invitations to visit.

“Before, a company might do a community garden one day and something else somewhere else the next,” Mr. Brown says. “Now the idea is to bring more value to the relationship between companies and specific schools so they can have ongoing ties, feel an investment in the community, get to know the young people we work with, the teachers, the staff, the students.”

Individual donors who sponsor a school also get personalized notes four times each school year from corps members.

Sandy Edgerley, national chair of City Year’s three-year-old Red Jacket Society, says the one-to-one connection created between donors and schools is at the heart of the group’s success. Since the society got its start in 2014, the number of donors giving at least \$10,000 — which covers sponsorship for one corps member — has doubled to about 500.

“It’s not about the patch,” Ms. Edgerley says, “but seeing your family name on the red jacket makes you feel that much more invested in the work, and having other people see those patches and names may help them see what kind of investment this work needs and deserves.”