



TO: Our Clients, Former Clients, and Friends
FR: Bill Jaques, President - Jaques & Company
RE: **Doing Business in the Midst of Economic Tumult**
DA: October 27, 2008

Like you, we at Jaques & Company, Inc. are trying to make sense of the current economic crisis and the many issues and challenges at hand. Over the past few weeks, we have been in touch (in person and by phone and email) with clients, former clients, and many other institutions and related entities. We've talked extensively with trustees, CEOs, volunteer leaders (campaign chairs, etc.), donors, and development/advancement staff in various philanthropic sectors. We hope that what follows adds useful perspective to the dialogue and, perhaps, will help you to sharpen your evolving institutional advancement strategy and practices. We welcome your feedback; please be in touch directly with me, bill@jaquesco.com

- All signs point to this being a long recession. We should expect no near-term relief, and (right now) 2009 doesn't look much better. Don't mean to be doomsday; this seems to be the reality at hand.
- Bernanke, Greenspan, and other economists and financial industry leaders pretty much agree that we really don't know what the market %bottom+looks like or when it will occur. As we suggest below, there's not much use in waiting for the bottom; barring true economic collapse, all of us can and should do business as best we can.
- If you are an institutional officer or trustee, we encourage you to keep your institution focused on conducting its core institutional business. Reassure your key stakeholders . internal and external . that you're focused on meeting your mission imperatives and fulfilling your programmatic responsibilities to the best of your ability. There are a lot of good stories to tell, every day!
- Not surprisingly, lots of questions are being asked about the effects of the economy on institutional financial integrity/security. This is a good time to stay close to the financial brain trust of your organization and be knowledgeable about emerging financial strategy and current financial facts. Volunteers and especially donors expect you to be literate in this respect.
- **STAY IN BUSINESS!** That is, continue to conduct your advancement (constituency relations, communications, and fund-raising) agenda with as much vigor as you can. We've learned in past economic pullbacks that in various ways, strong, determined institutions are a great source of reassurance and comfort to individual stakeholders. Our advice to clients in recent weeks has been, %Do the business that you can.+ We will need to be sensitive to individual situations: listening to discover where a prospect is and being smart about what activity (volunteer involvement, ability to field a capital gift request, etc.) is or is not possible right now.

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- ~~Protecting operations~~ is our first fund-raising responsibility. Generally, that means that we should emphasize the primary importance of annual giving to insure operational integrity. In our current work in the educational and arts & culture sectors, ~~we're~~ finding that to be a reassuring and positive donor motivator. Annual funds are holding up well, with evidence of strong leadership from governing boards and steady, generous leadership gift support including many increased gifts.
- In capital campaigns, we believe that positive bottom line movement will largely depend on progress at the top of the gift pyramid. This makes sense because those donors and prospects are (in many cases) substantially insulated from any serious ~~change of life~~ impact on their day-to-day business and/or still have the ability to direct resources to their philanthropic agenda. Thus, ~~we're~~ advising our campaign directors to be selective in choosing who can be approached for gifts.

In several instances, when an institution is not sure about a prospect's willingness or readiness to have a campaign gift discussion, hesitation is the usual response. We are encouraging exactly the opposite course of action. ~~We're~~ advising clients to go ahead and make approaches/appointments and get into a live dialogue with the prospect about the realities of his/her situation. ~~We'll~~ be surer of our ground and, in many cases, will take an important step forward in building the relationship.)

- There is growing evidence of ~~list~~ shortening by donors as they consider their year-end philanthropy. Many donors have told us that they ~~will~~ still be making gifts and payments, but that in one way or another, they will focus support on a smaller group of their most important philanthropies.
- Per the above, personalized attention and top-level stewardship should be two non-negotiable elements of your fund-raising strategy. Above all else, such attention will keep your core giving audience with you and . when the economic blizzard finally relents . you ~~will~~ be at the head of the line when donors start renewing their broad scale philanthropic support.
- We are generally not in favor of institutions sending out broadcast emails/correspondence to reassure nervous stakeholders about operational or financial integrity. ~~We've~~ seen several such pieces and believe that most - despite good intent - actually alarm more than they reassure. Instead, we suggest using existing media (web sites, print collateral, events, etc.) and personalized communication to focus on ~~business as usual~~ with highlights of special accomplishments.
- The days ahead will be brighter, and we need to take the long view. Per *Giving USA* and other worthy sources, U.S. philanthropy is remarkably resilient, declining only once (1987) since 1980. This despite numerous economic and political crises, war, terrorism, etc. We are blessed to have a powerful, diverse market economy that together with the American spirit of generosity will continue to make philanthropy a societal priority.

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