

## TCF's Bazán: Charities may hurt in 2010

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Steve Wilson

Andrea Bazán is president of Triangle Community Foundation.

A new national study shows that fundraising was down significantly for U.S. charities in 2008 – though one plugged-in observer says the brunt of the trouble won't hit the Triangle until 2010.

“We're just now starting to see nonprofits feel the effect” of a downturn, says Andrea Bazán, president of the [Triangle Community Foundation](#). “A lot of them, though, are doing OK this year. They are starting to think about what we'll see next year.”

According to a survey by the [Association of Fundraising Professionals](#), fewer than half of charities nationwide raised more money in 2008 than in 2007. Overall, the figure was 46 percent, a new low in the survey's eight-year history.

In a typical year, about 60 percent of respondents raised more money than in the previous year. The previous low was reported in 2002, when 49 percent of organizations raised more money than in the previous year.

“The fact that donations are down to nonprofits nationally is not a surprise,” Bazán says. But the Triangle's economy, fueled by steady jobs in health care, education and government, has held up better than most.

As the larger economy has worsened, though, the troubles have trickled down to the Triangle. So problems are just now starting to manifest themselves here. And with 2009

projected to be a down year just about everywhere, Bazán says, nonprofits are worried about what they'll be receiving in the years ahead.

That concern dovetails with the national fundraising study. Looking ahead to the rest of 2009, just 28 percent of charities believe their organizations will raise more money this year than in 2008, the Association of Fundraising Professionals says.

That level of optimism is the lowest by far in the history of the survey. About one-third estimate they will raise less in 2009.

“We’ve got over 5,200 nonprofits in our region alone,” Bazán says. “There are not enough philanthropic dollars to support all of them, especially in this economy. We will see organizations have to compete for the attention of funds.”

### **Improving nonprofits’ operations**

The solution, Triangle Community Foundation has determined, is being pro-active about things nonprofits can control.

“It’s not just about dollars now,” Bazán says. “... We are not content with just seeing donations decrease and suffer. We’re really trying to make sure we’re being pro-active and making sure the nonprofit sector continues to lead in terms of serving the community.”

Putting its money where its mouth is, the foundation has cut \$200,000 out of its own operating budget of \$2.2 million. It’s also started aggressive outreach to other nonprofits to help them weather the storm.

Specifically, TCF, in consultation with groups including the [AJ Fletcher Foundation](#) and local universities, is offering free consulting that makes sure nonprofits know that now is not like other times. Bazán says the efforts include sometimes-tough tips on marketing, budgeting, investing and managing staff.

The foundation also has started to encourage nonprofits with similar operations to combine operations. That could entail back-office work, or it could entail full-fledged mergers.

That can be dicey for the same reasons corporate mergers are dicey: Melding different cultures is difficult. But TCF is putting together a grant program that could encourage such collaboration, Bazán says, particularly because it’s preferable to having organizations fold or severely cut back.