

Nonprofits

Continued from Page 1A

“Maybe the kids don’t realize what’s happening to them, but it’s teaching them we all have a part to play, and when we do our part and we work together, we are a hit.”

Calling himself a “cradle Episcopalian,” Kelsey says he’s always had “an ingrained sense of altruism,” which is partly due to his upbringing and partly his responsibility as a parent and grandparent.

“Family motivates my philanthropic streak for me. My parents were very good about being philanthropic,” Kelsey said. “I feel it’s my responsibility to do the same for my kids and grandkids. It’s parental responsibility to not raise kids where the only thing that is of value to them is a thing.”

He also supports a second Episcopalian church near his lake house where his family spends time in the summer. In addition to financial support, he gives his time leading a weekly group for that congregation over Zoom video conferences.

“Part of the reason I was put here is to help people,” Kelsey said. “It doesn’t have to be dollars, but it helps if you have it to give.”

Nonprofits work to bring giving back up to pre-pandemic levels

Charitable giving dropped significantly after the coronavirus pandemic, posing challenges for local nonprofit organizations on the frontlines in Seacoast communities.

Nationally, charitable giving rose 3.8% in 2020, the year the pandemic struck, according to the Chronicle of Philanthropy. But a report released by Giving USA says in 2022 the number of donors nationally declined 10.5%. Fundraising Effectiveness Project data agrees, finding donors dropped by 10% and the amount of dollars donated fell by 1.7% in 2022. The donor decrease was mostly among donors that give less than \$500, according to FEP.

A 40-year-high inflation rate of 8% in 2022 was one of the challenging economic conditions that affected charitable giving that year, according to the Indiana University Lilly Family School of Philanthropy press release about the Giving USA report, which it researches and writes. Another factor was a 19.4% drop in the S&P 500, adjusted for inflation, that affected individual donors and foundations, which were likely invested in the stock market. The steep declines also happened toward the end of the year when a lot of charitable giving takes place, according to the release.

Donations of \$1 million or more were down significantly in the first nine months of this year compared with last year, according to the Chronicle of Philanthropy. In 2022, there were 478 gifts. In 2023 so far, there have been 408. In 2022, the dollar amount of large gifts was \$16.5 billion. This year so far, it’s \$8.3 billion.

In New Hampshire, 59.4% of the population donated \$25 or more to a charity from September 2020 through 2021, according to the 2021 Volunteering and Civic Life in America report by the U.S. Census and AmeriCorps. In Maine, 53% of residents did the same, according to the report.

Local nonprofits from food pantries to churches worry about how the drop in donors and donations will affect their ability to meet the demand for their services.

Smaller congregations bring challenges

Exeter Christ Church Rector Mark Pendleton said Kelsey is one of “the greatest generation of givers,” people who faithfully donate to a church on a regular basis and also give financial support to capital campaigns to address specific needs.

“Our giving stayed consistent throughout the pandemic because by and large people saw the need to continue to give to what they had known as their church,” said Pendleton. “One of our challenges now is we’re not back to the same kind of membership we were (before the pandemic). We’ve had more families who just stopped and broke the habit of attending worship in person.”

He said young families are having the hardest time coming back to church after the pandemic.

“What I call the greatest generation of churchgoers — 75 and above — it’s just what they do. They go to church because they don’t have sports events for their kids and they’re not juggling two jobs and they can focus on just being present, but that busy generation that everyone is caught up in, that’s been the hardest piece in all honesty. We’re just living in a different era. Let’s face this and manage it with grace and and just



Leslie Pendleton, a consultant working with charitable donations, and her husband, the Rev. Mark Pendleton of Christ Church in Exeter, know the challenges of the world when it comes to giving. DEB CRAM/SEACOASTONLINE

understand what it’s about.”

When the church communicates about giving he says it focuses on why a church member cares about the church community.

“What people missed about church in the beginning parts of the pandemic was the singing and seeing one another,” he said. “And when they returned to it, they realized that is the importance. It is the people and it is having that place.”

He said people respond to the church’s local and global outreach, citing its annual mission trips to Cuba the past nine years, and the Thanksgiving and Christmas meals it provides to 30 families each year.

“What I go back to is we won’t be what we were (before the pandemic). We will be something new. And that’s been my message because church folks can get very nostalgic about what was, but we have to not stay there. Because that’s not very a life-giving place,” he said. “As we look around, some people are not here. But others are, and we’re just going to reshape the community and ... move forward.”

He said his church improved its technology and skills during the pandemic so congregation members could view worship services on its YouTube channel and via Zoom, both evolutionary changes that were needed and continue today.

The church is also creating a video series for its upcoming fundraising campaign.

“We’re not connecting at all with our financial need. We’re having them speak about the importance of community,” he said. “We ask them one question: Talk to us about why this community matters to you.”

He thinks that “why” is more important than ever and that churches have been facing that question for a decade or more.

“Why? Why does this matter? Why are you here? What if it were to disappear tomorrow? What would that mean to you?” he said. “I think nonprofits in general have to make that case more and more. There’s so much competition for a philanthropic dollar. It’s either dire need that they’re giving to or importance in their lives. So trying to be heard above all those voices is that personal connection to why it matters.”

Linking giving with mission

Leslie Pendleton, the church rector’s wife, is a capital campaign consultant for churches nationally and principal of Pendleton Consulting. She works on campaigns raising money for large capital projects for institutions, primarily churches, to pay for a major need, often a physical building or facility.

“The key to raising money is to always link it with mission and ministry,” she said, noting she communicates to donors the reason for the campaign and why it matters. Capital campaigns usually ask people for larger sums of money pledged over several years. She said her job is “90% anxiety management,” adding “I would say that anxiety has increased.”

“People are still committed, and they want to do right. They want to improve their space and be ready for the future,” she said. “When you’re asking people to commit to something financial, there’s now just a bit less confidence about how everybody is doing and where they are emotionally and financially.”

She said capital campaigns mostly stopped during the pandemic, but for some campaigns in progress “the generous were more generous,” she said. “But in general, it became, ‘We’re cutting back.’”

She thinks capital campaigns might be even more important post-pandemic “whether you’re raising the money or not, it’s the connection. You’re reconnecting with people and talking about the future ... That invitation to partici-

pate is reconnecting.”

The nonprofit landscape

Kathleen Reardon, chief executive officer of New Hampshire Center for Nonprofits, says nonprofits in the state are aware of the uncertainty and working hard to address it.

“Looking at today’s landscape, nonprofits are working hard on advancing their mission, on communicating the need for support and the impact they make on the community,” Reardon said.

She said New Hampshire also saw an outpouring of giving in the aftermath of the pandemic from corporations, foundations and individuals.

“People contribute when they are aware of a specific need,” she said.

Nationally there was a decrease in donors and in the amount individuals gave in 2022, she said, noting even before the pandemic, an increasingly larger portion of donations came from the most affluent donors, something which really began after the Great Recession.

“This is very notable because a drop in charitable giving has only happened three times before. It had been growing every year,” Reardon said. The other drops were in 1987, 2008 and 2009, according to Giving USA.

“Nonprofits are on the frontlines in New Hampshire. They’re creating the communities in which we want to live,” she said, citing examples that from historic preservation to nature conversation to the arts, and critical human needs. “Nonprofits are vital to everything we do in the state.”

She noted they have a variety of sources of income from federal government funds to selling tickets, not just charitable giving. She said donors “are still fueled by the desire to help, to be a part of something larger than themselves,” but other factors affect giving. “It also can be the economy and how wealthy people feel at the time they are giving.”

She said some nonprofits are looking more at sustaining donors who give a monthly gift, and at events like the upcoming Giving Tuesday, which is an international day of giving at the beginning of the holiday season that falls on Nov. 28 this year.

Reardon thinks there’s a lot of giving in the state that isn’t reflected in data.

“In New Hampshire, we have a lot of tight-knit communities and a general sense of helping our neighbors. This philanthropic spirit is not accounted for in data. There is a lot of generosity out there that doesn’t get captured.”

Worry about donor fatigue

Anne Hayes, executive director of Gather, said she thinks there is “donor exhaustion” with people feeling the pressure of inflation, with rising gas, utility and food prices.

Gather raises about half its budget through cash donations and the other half through in-kind food donations.

“We’re seeing a decline in in-kind food. That’s been really tough because I think there’s not as many food drives, there’s not as many people donating to the New Hampshire Food Bank, which we get food from as well,” Hayes said. “I don’t think people have it as top of mind as it was during the pandemic.”

With food donations down, Gather is simultaneously seeing the amount of people it serves rise dramatically and the price of the food it needs to purchase remains high.

In August of this year, the number of people Gather served was over 10,000, that’s an all-time high for one month for the nonprofit.

“We’re seeing that demand go up and up, and the amount of incoming food go down at the same time that the prices of food are much higher,” she said. “Even for us buying wholesale, the prices are a lot higher, so we need to raise that much more money so we can offset some of

that loss and make sure we can still provide people with enough as the demand increases.”

Development director Patti Gormley believes the growing demand is due to high food prices and the ending of COVID emergency funds.

“We’ve seen a huge escalation in membership, and the timing is not great because we also have a de-escalation in in-kind donations of food,” Gormley said. “Thankfully, we also have several wonderful donors in the community who are loyal. We have recurring donors who give us support monthly. We are so grateful for them.”

Gather is going to be embarking on a capital campaign in the next six to 12 months, according Gormley, who said an exciting announcement will be coming soon.

Optimistic about donor giving

Alan Cantor has decades of experience as an executive, board member and consultant to nonprofit organizations and is the principal of Alan Cantor Consulting in Concord.

“During the pandemic was an interesting reset for nonprofits and their donors,” Cantor said. “Donors weren’t distracted by other things and they didn’t have expenses because they couldn’t travel or do their own thing. Their own cost of living was lower. They seemed to appreciate how much they liked the nonprofit organizations they supported and they were extraordinarily generous.”

Charitable giving rose, he said, noting stories he’s heard from nonprofits, even places that weren’t able to deliver their services during the pandemic, of donors helping them because they wanted them to survive. He thinks “a lot of that flavor has continued” and hopes it continues now that the world is back to business as usual.

“I think there has been a commitment. There was a significant drop last year in charitable giving that most people ascribe to the lower values in the stock market,” he said. “People just felt a little less wealthy.”

“In this country, we’re really dependent on the generosity of private donors. I just hope private donors recognize that, dig in, and in their lifetimes and in their estate plans make provisions for the important institutions they love,” he said.

There are some strategies he suggests to nonprofits.

“I work with smaller nonprofits. I try to encourage them to set a higher anchor point in the jargon of behavioral psychology, a higher asking point, so people can say people who give at this level are very special friends, and give them the opportunity to do it,” he said. “I think nonprofits need to be a bit more assertive about saying what they need and getting people to up their game a bit.”

For smaller donors, GoFundMe accounts and limited period online giving campaigns have become increasingly popular as a way to give.

“A GoFundMe is almost never for 501(c)(3) public charity,” Cantor noted. “So it’s interesting because the label of a tax-deductible charitable nonprofit isn’t as important to people as it was.”

Cantor said relatively few people claim a charitable deduction now since the Tax Cuts and Jobs Act of 2017, which adjusted the standard deduction for individuals.

“It’s no longer an incentive. That’s a significant change,” Cantor said. “The other thing that has changed over the last 20 years is the percentage of family households that give to charity has dropped.”

Cantor thinks that’s partly due to wealth inequality and economic downturns from the Dot-Com Bubble to the Great Recession and then the pandemic.

NH Gives is the state’s largest day-of-giving, according to its host NH Center for Nonprofits. This year it raised more than \$3.3 million for a new record of 610 participating New Hampshire nonprofits. Almost 14,000 individuals donated in a 24-hour period June 6-7.

“I think a small portion of nonprofits have figured out a way to actually make a lot of money from those. ... it has been a way to expand their donor list. They’ve met new donors because it is easy and accessible,” he said. “But it’s not a get-rich-quick scheme for nonprofits.”

Cantor remains optimistic about donor giving.

“Through all of this, charitable giving is mostly emotional. People give because it makes them feel better and that’s a very genuine, real emotion,” Cantor said. “The world is not always a pretty place and some forces beyond our control make it a pretty ugly place. But there’s actually a demonstrated benefit for people, their health and their longevity when they connect with organizations and when they are philanthropic. It feels good to give.”