

Strategic Planning
Financial Development Data Executive Summary
May 2003

EXECUTIVE SUMMARY

The YMCA of Metropolitan Lansing fund development focuses on four main components: annual campaign (Invest In Youth), Capital Area United Way, Endowment (current and deferred) and Grants. Two of these categories, annual campaign and endowment funds, have steadily increased. United Way funds have consistently decreased. Grants have not been tracked by the Metro office.

In 1997, the Lansing YMCA association raised \$231,941 for Invest In Youth. The following years through 2002 the dollars raised through the annual campaign increased. In 1998, the campaign grew by 12% to \$260,998. In 1999, it grew 11% to \$287,366. 2000 had a 3% increase to \$295,064. 2001 grew by 5% to \$311,402. 2002 grew 3% over 2001 to \$321,282.

Annual appeal donors are the main source to find endowment fund donors. The annual appeal donors are identified then cultivated by executive staff. The Financial Development Director also solicits members, community participants, foundations and other friends of the YMCA to be an endowment fund and/or planned gift donor. There are currently no donors with life-income gifts (planned giving) to the YMCA of Metropolitan Lansing.

In 1997 and 1998, our endowment fund totaled 15 contributions with a total \$417,801 at the end of 1998. In 1999, no new funds were started but ten funds were added to which brought the total amount at the end of the year to \$549,898. Of that, \$14,160 were contributions and \$67,023 were in gains. In 2000, three new gifts were added and eight funds added to, brought the total to \$659,329, of which \$26,205 were contributions and \$79,729 were in gains. 2001 shows additions and losses. One new gift and six contributions to established funds added \$43,553. However, \$28,314 in losses brought the total to \$674,568. In 2002, one more gift was added and seven contributions to existing funds raised a total of \$43,553. However, with the hit in the market, the size of the fund dropped to \$603,818, a loss of \$82,243.

Not included in the endowment fund is a list of known future/deferred gifts. These gifts include life insurance and bequests. These totals also grew each year starting in 1999 with \$378,500 to 2002 with \$542,167.

Capital Area United Way has been the largest single donor to the YMCA of Metropolitan Lansing over the years. In 1997, they allocated \$178,592 which has been the largest gift to date. Each year these funds were slightly decreased. In 1998, they dropped to \$175,638. In 1999, the total received went down to \$169,921. In 2000, there was another minor drop to \$168,551. 2001 actually had a slight increase to \$168,920. Last year, 2002, was the biggest decrease of about 15% to \$145,138. Programs that CAUW have funded throughout these years have been: SPLASH, Youth Lobby, Teen center, Y Achievers, Kids Gym, Mystic Lake Camp, Camp Care-A-Lot, Camp Pa-Wa-Pi, Sports Leagues, Sports Camps, Y memberships for youth, children and families, Teen Leaders and Jr. Leaders Club, HEADSTART, Summer Vacation Clubs, Dance Step Team, and All Children Connected To Succeed (ACTS).

Foundation giving has occurred on an inconsistent basis within the association. That information has not been tracked through the Financial Development office.

NATIONAL FUND RAISING

The late 1990's brought about a new level of fund raising in the United States. One of the reasons was the rise in non-profits in the United States. The time span of 1987 to 1997 the population of charitable organizations grew at 50%. United Way's across the nation went from funding over 60% of non-profits to 18% in 2002. As competition for donor's dollars grew, the amount given dropped. Today, the average donor gives to 16 charities in one year, which means a smaller amount to all of them.

However, when the 1990's came to an end, so did the rise in population of non-profits. Since the start of 2000 to March of 2003, it is estimated that 14% of charities had to close their doors due to a lack of funding. Many charities spent the beginning of 2002 recovering from the extraordinary events of 2001 and sorting out how they and their donors were affected. Compounding the uncertainty around national security, terrorism and other volatile conditions in parts of the world, the economy was still faltering and the stock market was still not showing signs of recovery.

In 2001, most organizations experienced increases in fundraising at the end of the year when compared with year-end totals for 2000. Respondents to a national survey also were optimistic in their predictions for funds raised in 2002. A majority of respondents expected to raise more funds in 2002 than they did in 2001.

The expectation of raising more funds may have been too optimistic for some organizations in 2002. Fundraisers were faced not only with lingering challenges from 2001 (e.g. the economy), but also war in Afghanistan and in Iraq. There were more issues on the home front with a rash of corporate scandals and fraud affecting the mindset of most consumers. Congressional investigation into the charitable response to the tragedies of Sept. 11 created additional concern about charity operation and management.

In a recent survey by Association of Fund Raising Professionals (AFP), the findings showed that in 2002, 49 percent of charities in the United States raised more money than they did in 2001, a drop from the 60 percent of charities in 2001 that raised more money than they did in 2000. 39 percent of U.S. respondents said they raised less money in 2002, and 11 percent said they raised about the same amount.

Respondents said the economy was a key factor in their 2002 fundraising efforts: 81 percent rated the economy as having a "great" or "significant" impact on fundraising. In contrast, the aftermath of Sept. 11 was rated as having "great" or "significant" impact by only 31 percent of respondents, with 42 percent indicating it had "little" or "minor" influence on their fundraising operations.

Foundations including Community Foundations also struggled over the past 2 to 3 years. *The Chronicle of Philanthropy's* fourth annual survey of gift funds states contributions to many of the largest Donor Advised Funds fell last year. Comparisons of the largest foundations show the majority with declines to many gift funds and cumulative assets in the funds. The declines in contributions stem from a weak stock market and economy.

Across the nation community foundations fund assets declined: Washington (-24.9%), Baltimore (-20.3%), Pittsburgh (-16%), St. Paul (-14.2%), Cincinnati (-13.2%) and Texas (-11.4%). The same holds true for Michigan community foundations: Kalamazoo (-16.3%), Detroit (-13.2%) and the exception was Flint (+10.4%). All of these foundations added gifts to their funds, but the market still declined their assets.

Capitol Area United Way has stated in their 990's reports fund raising efforts consistent with these times. In 1997, they raised \$4,009,216, down in '98 to \$3,456,821 back up in '99-\$3,966,218 a large increase in 2000-\$6,034,617 and back down in 2001 with \$5,604,380. CAUW 2002 990 has not yet been filed.

PEOPLE

VOLUNTEER RECOGNITION

Volunteer Recognition was at its height in 1997 with just over 400 people. This annual event is an association wide dinner and program in which each branch recognized all volunteers and some extraordinary people. In 1998, the annual event drew 350 volunteers and staff. In 1999, the attendance dropped to 225 then back up in 2000 with 260 volunteers. In 2001, the total in attendance was 195 volunteers and staff. Last year, 2002, with the Financial Development Director position unfilled, the branches held Volunteer Recognition on a local level with an array of attendance at each branch.

WORKS CITED

The NonProfit Times May 15, 2003

The Chronicle of Philanthropy May 15, 2003

AFP State of Fundraising, 2002 Report

Contributions May/June 2003