

This Was Printed From Puget Sound Business Journal

BUSINESS OF NONPROFITS

BUSINESS OF NONPROFITS: Strategic hires happening even as budgets slashed

Premium content from Puget Sound Business Journal - by Aislyn Greene

Date: Thursday, October 28, 2010, 4:09pm PDT

With organizations around the state facing severe across-the-board budget cuts and significant decreases in donations to community and not-for-profit organizations, it may seem counterintuitive that nonprofits are hiring.

But, for those very reasons, organizations that receive much, or all, of their funding in the form of donations are currently seeking fundraising talent.

A recent search of Philanthropy Northwest's job bank revealed that at least 25 Puget Sound nonprofits are looking for development directors, major gifts officers and membership managers — all positions that emphasize bringing in money and building relationships with donors.

Heather Eddy, senior vice president of the Alford Group, a national consulting firm that works solely with not-for-profit organizations, said that she has noticed a national trend toward increased hiring at nonprofits.

"Starting in April of this year, hiring began to start again," she said. "We're definitely seeing a lot more job openings, a lot more nonprofits hiring — for both new jobs and (because of) retirements."

Eddy said she's also seen many nonprofits merge positions, instead of creating new ones.

"I think some companies are saying, 'I'm just going to create a new (combined) position, and get more talent out of the same number of bodies,'" she said, adding that some nonprofits that downsized in the midst of the recession are beginning to realize that maybe they acted too aggressively and cut positions they needed to maintain relationships with donors.

"Major gift jobs are so relationship based that if (a nonprofit) eliminates an employee, they're never going to be able to hire back the relationship (with the donor) they had," she said.

Many of the Puget Sound area nonprofit positions are new ones, developed specifically to rebuild long-term relationships and address corporate and foundation donations, which dipped significantly during the recession.

Jane Pryor, vice president of development and public relations for Northwest Kidney Centers (NKC), said that this occurred because corporate gifts are usually made based on a percentage of the company's profits, and foundation gifts are typically based on a three-year rolling average from investments. As both corporate and investment earnings are down — and expected to remain low even as the economy rebounds — corporate and foundation giving will continue to be sluggish.

Despite this, **Scott Garrepy**, board president of the Washington chapter of the Association of Fundraising Professionals, said nonprofits are beginning to hire development (a.k.a. fundraising) executives as the economy recovers because it takes time to develop mutually beneficial philanthropic relationships.

"People are starting to think about corporations as philanthropic partners again," he said. "But they must realize that just bringing in a corporate fundraiser right now is not going to make money rain out of the sky ... but that if nonprofits establish and develop relationships with corporate giving officers and foundations officers, when the economy does turn around, they'll be better positioned."

The NKC is counting on the creation of a new position — a major gifts officer, who will be responsible for gifts over \$5,000 and planned gifts, such as those from an estate — to increase funding for the organization, which expects contributions to reach \$2 million by fiscal year 2011. Pryor said the NKC is adding the position now as part of a three-year development plan because it is so relationship dependent.

"(These relationships) may take longer to acquire, but are typically significant in terms of the dollar," she said.

Cathy MacCaul, associate director of community affairs for the YWCA Seattle King Snohomish, said the venerable nonprofit has also witnessed a decline in corporate giving, as well as record demand for services and a rising number of homeless families.

"We had committed to building (the Family Village)," she said. "But many corporations had shifted away from capital investments toward donations to support programs, and so we recognized the need to engage the corporations again."

In response, the organization created a new position, director of advancement, to head the Women Empowered campaign, which raised nearly \$5 million last year to build the Family Village at Issaquah, a complex comprising 148 units of affordable family housing, a community center and a child care center scheduled to be completed in 2011. Responsibilities for the new director will include raising funds and awareness for the campaign, and building a more secure funding base for the YWCA.

Lori Montoya, director of development at the Seattle Aquarium, said the nonprofit was affected in a similar fashion. She said the aquarium, which averages \$3 million in donations each year, saw only a slight dip in donations during the recession, primarily on the part of corporate donors. The aquarium is currently seeking a grants and sponsorship development officer, a new position, to build the annual fund and work with major donors. Montoya said the new hire will pursue relationships with donors who contributed to the 2007 \$42 million capital campaign to expand the aquarium, as well as build relationships with potential donors.

AJGREENE@BIZJOURNALS.COM | 206.876.5434