

## Fundraising in the agenda of non-profit organizations

Nou post a <u>Nonprofit.Xarxanet.org</u> "Fundraising in the agenda of non-profit organizations"

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One fact that strikes me about the non-profit sector is the little relevance (initially!) that is given to money. A group of people identify a social, educational, environmental, and cultural or community need and starts doing things: they create an entity, they programme a series of activities, events, parties... and, at a given time, they suddenly realise that to carry out all they have planned they need... money! What a difference compared to the for-profit sectors! If there is no money, or the possibility of having access to money in the short term, it can't be done. The decision-making parameters are totally different.



There comes a time where the need for money arises at all work meetings:

- We need to extend the room for the activities or adapt our facilities...
- We want to set up a new project...
- So that the activities we carry out don't cost so much money for the people we work with, we need additional resources...

It would be very nice to have the money and spend it accordingly... but the reality is much more complex and **there** is a need to include fundraising in the organization's **strategy**. Some of the questions we must answer are:

- Who will be paying the activities? The Administration? The users?
- Who takes responsibility for what we do?
- How would we like our financing structure to be: public or private?
- If it is private: does the money come from companies, physical persons, is this regular or a one-off event?

It becomes difficult to find data on the financial structure within the non-profit sectors. In Spain, the social sector is funded up to 70% from public funds, and 30% from private funds[1]; on the contrary, in the sectors of cooperation and human rights, the figure show a much lower dependency, where 42% of funds are public and 58% are private[2]. If we take a look at other countries, we see for instance that in the United Kingdom, 75% of the population made an economic contribution to a non-profit



organization in the last year, while in Spain this figure is only 35%[3]. Currently, in Spain, only 9% of the population make economic contributions regularly to non-profit organizations[4]. According to a study, the ideal funding of non-profit organizations should comprise 33% of public funds, 33% of company funds, and 33% of own funds and from their members[5].

Maybe the first step could be to start a reflexion, debate and put on the table what financial structure we consider necessary and best suited.

Raising funds does not mean starting actions and seeing which of them bring in more for us. One needs a direction, a method and consistency. It requires investing time and also money, even if this may seem a contradiction. Without forgetting the need to communicate before raising the funds.

Culture, the environment, elderly people, children, youth and solidarity are all important, necessary and essential, but we need money so they can be sustainable in time, and it is therefore necessary to include fundraising in the agenda of non-profit organizations.

- [1] Estudio sobre el presente y futuro del Tercer Sector social en un entorno de crisis. [Study on the present and future of the Non-profit Sector in a crisis environment]. PwC, ESADE & Obra Social La Caixa. https://www.pwc.es/es/fundacion/assets/presente-futuro-3sector.pdf
- [2] *Informe anual* [Annual Report] coordinadora ONGD, 2012. http://informe2012.coordinadoraongd.org/
- [3] Fundraising in Europe, 2015. European Fundraising Association.http://www.fundraising.cz/wp-content/uploads/2015/11/EFA-Survey-Fundraising-in-Europe-2015.pdf
- [4] El perfil del donante en España, 2014. [Donor profiles in Spain, 2014] Asociación Española de Fundraisinghttp://www.aefundraising.org/upload/92/16/Resumen\_Prensa\_Estudio\_Perfil\_Donante\_2014.pdf
- [5] Estudio sobre el presente y futuro del Tercer Sector social en un entorno de crisis. [Study on the present and future of the Non-profit Sector in a crisis environment]. PwC, ESADE & Obra Social La Caixa. https://www.pwc.es/es/fundacion/assets/presente-futuro-3sector.pdf