



## Creative Volunteering during an Economic Downturn

### KEY ISSUES:

- Corporations are losing \$ and employees. They don't have as much to give.
- There has been a decrease in donations to non-profits from corporations, foundations.
- Foundations hit hard because their giving is dependent on ROI.
- Volunteering is seen as a way to gain skills, network, and transition to a non-profit job if out of work.
- Lack of time, resources for unemployed – need to focus on finding a job rather than volunteering.
- Cost of gas keeps people home.
- Economic downturn references from 2002 – 2008
- Ways to keep employees during downturn is to let them volunteer their skills – loaned executive programs.
- Issue is not only in United States, but in UK, Canada as well.
- Recent and previous tax code changes impacted levels of giving by various income levels.
- Some still giving same amounts despite downturn because they feel it is their duty to do so because the community needs it more than ever.
- Non-profits have to get creative in utilizing volunteers in order to keep them.
- Boomers and retirees still want to volunteer despite downturn. However, they are finding it hard because of inflation and having fixed incomes.

### BEST PRACTICES:

*Risk Management Institute,*

<http://nonprofitrisk.org/library/articles/strategy09002003.shtml>, *Sustaining Non-Profits During Economic Downturns*, by George L. Head, PhD., 2008.

An economic downturn may bring to a nonprofit's door a very talented, motivated, college-graduating job applicant who in more prosperous times might have channeled his or her career into the generally more lucrative private sector. To reach its full potential, a nonprofit must be prepared to grasp opportunities whenever they arise, whether from sudden changes in the nonprofit's outside world or from innovations that originate within the nonprofit.

Hard economic times make good risk management especially important to a nonprofit's short-term survival and ongoing mission fulfillment.

A nonprofit may seize the opportunity to streamline functions, cross train long-term employees or combine functional areas to better serve clients. Or the organization may learn that one of its entry- or mid-level staff members is capable of taking on increased responsibility and is well-suited to a more responsible — and more fulfilling — position within the nonprofit.

Economic downturns also offer special opportunities for truly innovative nonprofits to increase their incomes above normal, prosperous levels by, for example, broadening the client base to embrace people newly distressed, appealing to new groups of contributors, or marketing new types of goods or services that, when prosperity inevitably returns, can be important new sources of significant income for a nonprofit that proved itself innovative in difficult times.

Economic downturns offer opportunities to expand their property holdings. Equipment which was previously unaffordable may become available at distressed prices, as may real estate that its owners must sell to meet their own debts. In depressed times, some people may be increasingly willing to bequeath property to a deserving and stable nonprofit.

A nonprofit can greatly enhance its reputation by being of special public service to others who are in economic trouble or by being upfront about the challenges it faces.

*The Boston Globe, as reported on <http://www.volunteermatch.org/pressroom/?id=125>, "The family that volunteers together...", November 21, 2002, By Carolyn B. Heller*

Volunteering can open the eyes of both children and adults as they get to know about the issues affecting their community. However, for families who want more tangible paybacks, there's Serve New England. "If you do two hours of community service per month, we're your reward for volunteering," says Ann Adams, CFO of the Canton- based nonprofit organization.

Serve New England runs a food cooperative that provides significantly discounted grocery packages to anyone who meets the monthly volunteer requirement. For example, the Family Meal Package for this month includes enough food to prepare four meals for a family of four - all for \$18.

Although Adams says that their volunteer base draws from a cross- section of area communities, the agency's food co-op is particularly valuable for families who might otherwise not have the resources to volunteer.

*Federal Reserve Bank of Minneapolis: <http://www.minneapolisfed.org/pubs/fedgaz/06-07/trends.cfm>, FedGazette, Charity Case: Trends in Giving, July 2006*

Any analysis of charitable giving trends also needs to look beyond the balance sheet, because nonprofits leverage significant resources through the use of volunteers. Mark Hiemenz from Hands On Twin Cities, an organization that helps match volunteers with nonprofit organizations, stated that volunteers "are more important than ever for nonprofit organizations," particularly at a time when budgets are tight and organizations "are looking to do more with less."

Nonprofits devote a lot of time and attention to applying for grants and pursuing other charitable giving in an effort to compete for limited funding. Nonprofits have to adopt the same mentality when utilizing their equally precious volunteer resources.

*Business NH Magazine: [http://findarticles.com/p/articles/mi\\_qa5343/is\\_200310/ai\\_n21336614](http://findarticles.com/p/articles/mi_qa5343/is_200310/ai_n21336614), Giving By the Numbers, October 1, 2003*

If volunteers tend to give more, why aren't more nonprofits asking volunteers to also donate money? Some organizations don't want to overtax their volunteers. However,

organizations are missing a great opportunity. To get creative with fundraising as well as volunteer recruitment, nonprofits can:

- Better communicate the needs that exist in the community
- Relate people's stories about how their lives have been directly affected by the work of nonprofits
- Improve outreach to new people in the community
- Reach out to "up and comers" in the business community
- Realize the value of both younger and older volunteers

*My College Calendar Blog, Volunteer Your Time and Earn Thousands of Dollars, <http://blog.mycollegecalendar.org/2008/06/volunteer-your-time-and-earn-thousands.html>, June 10, 2008*

Here's a real-life example of how a student got "paid" for volunteering. A 2006 high school graduate was a student volunteer during her senior year at a hospital two hours per week for 40 weeks. She applied for the local Hospital Auxiliary Scholarship and won \$2,000. In effect, she earned an untaxed wage of \$25 per hour (\$2,000 for 80 hours) as well as excellent credentials that helped her get accepted to her top choice university.

*Business for Social Responsibility: <http://www.bsr.org/research/issue-brief-details.cfm?DocumentID=4976>, Volunteerism and Release Time Issue Brief, December 2003*

To cope with excess capacity in an economic downturn, companies are developing unique approaches to keeping employees and their skills through innovative volunteer programs. These programs help non-profits become stronger organizations and employees to develop leadership skills while donating their time and talents.

Cisco created the Cisco Community Fellowship Program. This program sent select Cisco employees to work full-time for one or two years at nonprofit organizations at no cost to the nonprofits. The Cisco Fellows agreed to accept 30 percent of their salaries (plus benefits) instead of a severance package. They brought their skills, mostly technical and Internet-related, to improve the ability of nonprofit organizations to help their communities. The Community Fellowship Program allowed Cisco to weather a difficult economic period without losing valuable employees the company hoped would be needed after a year. Due to its success, Cisco is developing the program into a leadership-development initiative.

**Use of Technology to Facilitate Volunteering:** Nonprofit groups are using the Internet to facilitate volunteering by matching volunteers with opportunities based on the volunteer's unique interests, skills and circumstances; for instance, from their home or office, someone can be a "virtual volunteer," giving technical or e-mail support to another person or a charity. On a larger scale, Network for Good, a website created by AOL TimeWarner, Cisco Systems and Yahoo, facilitates donations of time and money by using the Internet. The site also encourages people to get involved with issues that they care about.

*The Mercury News, [http://www.mercurynews.com/opinion/ci\\_9308575?nclick\\_check=1](http://www.mercurynews.com/opinion/ci_9308575?nclick_check=1), What Corporate Employees Can Learn From the Non-profit World, By Teresa Briggs, 05/19/2008*

Corporate executives often say that acquiring and developing the right talent is a high priority, and U.S. companies spend heavily on it. The recent economic squeeze is coming at

an inopportune time as companies are also facing a looming talent crunch. So developing the skills of existing employees has become critically important. Companies are finding innovative solutions to this conundrum in unlikely places and nonprofits are incredibly receptive to this type of specialized support.

According to the 2008 Deloitte Volunteer IMPACT Survey, the vast majority of human resources managers believe that volunteering business skills to nonprofits can be a powerful tool for cultivating business and leadership skills, and that the intentional integration of volunteer activities into talent development would add value to their programs. Of significant importance in tough economic times, they also believe it would be a cost-effective option.