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Industry ROUNDTABLE

PRESENTED BY:


Hodgson Russ
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NONPROFITS

The nonprofit sector is finding new ways to get funding, whether it's through private donations from social media or partnering with for-profit businesses. The key? Focusing on mission while finding new ways to market themselves. Law firm Hodgson Russ and *Albany Business Review* recently convened a panel of seven industry leaders to talk about the trends in the sector. Cindy Applebaum, market president and publisher of *Albany Business Review*, moderated the discussion.



What role does local, state and federal government play in nonprofit funding today?

DAQUETTA JONES: They play a big role. At the YWCA GCR, our budget is about \$1.4 million. Of that, 65 percent of that budget is through local, state and federal government. We also rely on foundations, as well as donations, but definitely it's very significant. And with our association, as well as with YWCAs across our nation, we're looking at seeing how we can create social enterprises where we have more of a self-reliance versus having to rely on the government, because we know that any minute, any day, we can lose it.

DIANE CAMERON PASCONE: With each of the populations we serve, it's different agencies, both state and federal, passing the funds through. But we are very mindful that that money can change at any time, and the particular strategy that those agencies are directing the money with, because it's not just that they give you money and say, "Do good work." It is "Do this effort in this way with these people for this period of time." So it's the most restrictive as well.



Do you find that the private sector is replacing the gap?

CAMERON PASCONE: I would say absolutely supplementing it, and supplementing in very generous ways. Not replacing, because federal dollars are so big. That's the baseline that's supporting it. But corporate and individual support is what actually creates match; those federal and state dollars require a match. And also it does provide the services that those very targeted grants wouldn't let us do.



What lessons have you learned when it comes to marketing campaigns and differentiating your organizations?

CAMERON PASCONE: I think one of the things that

we've learned over time is that we do have to invest a certain amount. One of the things we are finding is "communicate the mission." Who are these people that we serve? What is the real need?

JOHN EBERLE: For a while, we went to just outcomes and talking about outcomes and data, and it didn't move people to give. And now we're going back and saying, OK, we can put the numbers in context if we tell stories of people's lives that we've touched and changed.

STEPHEN MANNY: Social media has become a very significant channel. One example that we had was a 19-year-old girl who wanted to get married, was actively dying. And we were able to put together a wedding, which was widely covered. And the picture of her wedding dress that was donated went up on our Facebook site and got 700,000 likes. And the overall wedding that, again, was posted on Facebook, got 1.3 million views. So it was just an enormously powerful way for us to talk about mission.

JONES: For the YWCA, I feel that we have been doing a great job by stating our mission and differentiating ourselves from other not-for-profits. On every single document that we send out, our mission is on it. Back in January, we had a branding campaign that started. And that was really to show the collective power that we have in this nation in our mission, as well as to differentiate ourselves from the YMCA. And it's not in a negative way. Most people don't know. They think the YMCA and the YWCA are affiliated, and we're not affiliated. We're more so a racial social justice organization. Our mission is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom and dignity for all.

VICTORIA BAECKER: As a funder, the things we're looking for is certainly mission. I always want to hear who is being helped by this money, how is it helping, how is it helping to create change in the community of people you're serving?



How do you balance the need to build and maintain your brand awareness with the risk of annoying people with too many emails, phone calls, and fundraising appeals?

CAMERON PASCONE: One of the things I'll say to people is, "If you're involved in a faith community, how many times a year do they ask for money? What's the minimum number?" And it's 52. We never see somebody say when the basket comes, "They did this last week." The reason that doesn't happen is they're already committed to the mission. They're already believers. So if we have persuaded people that our work is good and they're interested in our work, we can keep asking.

TONY IADICICCO: If you have an ongoing relationship with the community, it won't seem like you're only going to them when you need money. You're sharing successes, you're sharing things that are happening besides just, "We want, we want, we want."

SHARON PHILLIPS: As a funder, we have a budget that we have to adhere to. So there is a level of encouragement to reach out to us before our fiscal year, which is January to December, because we certainly want to hear everyone's story. We want to hear everyone's mission. We want to be able to provide if we can. However, if the dollars are already allocated, we do encourage to have – we often take from September into November to have meetings with whoever wants to come and partner with us. So let's talk about it for next year. So that would be a recommendation as well, to meet up with whoever you're interested in working with.



Back row, left: Daquetta Jones, Stephen Manny, Sharon Phillips, Diane Cameron Pascone
Front row, left: John Eberle, Victoria Baecker, Tony Iadicicco

PHOTOS BY DONNA ABBOTT-VLAHOS

? What are the hallmarks of a good pitch versus a bad one?

BAECKER: A good pitch is when your passion comes through. When you have concrete evidence that the program you're running or the gifts that come in are helping to support the people that you say you support.

PHILLIPS: Understanding how our missions align is also very important. The hardest part of our job is having to decline a request. So the more we can align our missions, the more we'll be successful.

? Has your organization considered merging with a similar group to cut costs and reduce overlapping services?

CAMERON PASCONE: We've had one merger with Bethany Hospitality Center in Troy. We merged with them and we brought the soup kitchen into our new building a couple of years ago. The wonderful benefit of that was cost savings all around, but it also meant we could do more effective interventions in our building.

? How does social media change the way organizations raise money?

CAMERON PASCONE: One of the things we found is be very thoughtful of the content of social media. It's not always asking, asking, asking, asking. We have learned over time to be a resource for human services. People come to our Facebook page for information, and then we can place those and

here's what we need and here's how you can help us and here's how you can volunteer. The asks have to be placed within the education of that social media.

PHILLIPS: The beauty of social media I think is really the ease in which you can contribute.

EBERLE: As a funder, we love being able to brag about nonprofits that are doing great things. We get to tell those stories, and those get tweeted out or put on Facebook. And we get to join with you.

? Have you used crowdfunding tools to supplement your traditional campaigns?

CAMERON PASCONE: It's certainly an area of experimentation for us. We are very dependent on income contributions. So we always have a diaper appeal and may do some crowdfunding methods on Facebook and MySpace as well.

? Do sites like that make it harder for you to gain donors because of the increased competition?

CAMERON PASCONE: It's really an add-on at this point. We do very traditional on-paper appeals. And that's just another piece.

JONES: If you're going to do a new way of fundraising, you have to make sure that you're going to have the staff support to be able to respond to that, because there's updates and things that you have to do. So it can be a huge undertaking.

▶ MEET THE PANEL



VICTORIA BAECKER
Company: CDPHP
Title: Community Relations & Corporate Events Manager



DIANE CAMERON PASCONE
Company: Unity House of Troy
Title: Director of Development



JOHN EBERLE
Company: The Community Foundation for the Greater Capital Region
Title: President and CEO



TONY IADICICCO
Company: Albany Center Gallery
Title: Executive Director



DAQUETTA JONES
Company: YWCA of the Greater Capital Region
Title: Executive Director



STEPHEN MANNY
Company: The Community Hospice Foundation
Title: Director of Development



SHARON PHILLIPS
Company: CAP COM Cares Foundation
Title: Vice President of Marketing & Public Relations

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Do you think the phrase “nonprofit” is detrimental to your cause? Is there another, better way to describe your organization to the public?

CAMERON PASCONE: One of the things I hear so often, nonprofit people will say we should be like businesses. We are businesses. We’re a form of corporation. The only difference is where the income and excess goes, and that we return to mission and services. But there’s still that misunderstanding I think across the board that we’re approximating a business. We’re either successful businesses or not successful businesses, but we are, in fact, businesses.

JONES: Why is it that a not-for-profit cannot, in a sense, have extra money? We have to always look to sustain what we have because we can’t rely on the funding that we have. So really, we have to start a conversation on how is it that we can diversify funding where we have more of a self-reliance on our not-for-profit and less on the government, because, again, it’s competitive. We need to be able to have money to recover in the event if we lose funding, or in order to sustain what we have.

EBERLE: There’s an education that needs to take place because administrative overhead is mission. I think there was a move for a long time for people to say, oh, only 5 percent, 10 percent goes to administrative overhead. Well, that was absurd in many ways because you were shooting yourself in the foot. You really need to have strong leadership, strong administration, so that you can do all the things you need to do to achieve your mission.



Victoria and Sharon, how does your organization have a structured giving program, and why was it created and what is the mission?

PHILLIPS: CAP COM was at one time giving to many, many organizations. I would venture to say about 100. A little here, a little there. We weren’t really forming true partnerships. And in 2003, our president and CEO had a great vision to really connect the dots, connect our charity organizations, and build our mission around education, around children and families, and also support some of the medical charities locally. What we have found is that it helps us stay true to our mission and make a larger impact.

BAECKER: CDPHP was founded in 1984. We’ve been giving back since then, but a great example would be our former CEO, Dr. Will Cromie, was one of the founders of the Ronald McDonald House here in Albany. And our current CEO, Dr. John Bennett, continues that tradition. He believes in philanthropy. And we’re a community health plan and we recognize that we are part of the community, and giving back is just part of what we do.



After all these passionate pitches that you receive for months on end, how do you ultimately decide who gets the funding and who doesn’t?

BAECKER: There’s certainly criteria as to how we give. You have to be a 501(c)(3). We would hope that your pitch for your organization aligns with our mission. We’re a health and wellness insurance company, so

things that align within health and wellness. And there’s a full range. You know, if someone comes to me and says we’re asking for money to replace light-bulbs in all of the conference rooms, I understand that’s important, but that doesn’t pull at my heart strings as much as something else might. So certainly the passion is a big thing for us, too.

PHILLIPS: The story, the mission, the reach is very important. Again, any time we’re able to co-brand or co-partner with someone to benefit the larger entity, those are things that we’re readily looking at.



So do your employees and customers contribute or participate at all to your cause? And the other side of that is, how much is funded through the company alone?

BAECKER: At CDPHP, our employees are heavily engaged in giving back. We do something called the charity of choice. Each year, our employees, from Jan. 1 to Dec. 31, will fundraise for one specific nonprofit organization. This year, we’re changing it up a little bit. We’re giving the employees the opportunity to choose who that nonprofit’s going to be. So they fundraise all year with a number of different fundraisers. Our budget for giving is around \$700,000 a year. That doesn’t include the charity of choice money that goes out. It doesn’t include Workforce Team Challenge money that’s going out. That’s coming in from other sources.

PHILLIPS: Very similar, our staff is heavily engaged. I will tell you, the reason it’s successful is because our employees are involved and because they feel like a part of it. We’ve also found that it’s also a great reten-

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Tony, tell us about the Albany Center Gallery's upcoming move to your new location downtown. What will all this mean for the gallery?

IADICICCO: Our mission is to showcase artists within 100 miles of Albany. Part of the challenge was staying in Albany, in downtown specifically, because we see the investment that's being made. We're going to be relocating to the Arcade building, which is on Maiden Lane across from the Alive at Five entrance. And there are 60 residents upstairs. There's also a new coffee shop that just opened up. I like that kind of synergy, because those are the people that are here 24/7. And if the city really wants to embrace the arts and the culture we're trying to build, it can't just be a 9-to-5, then everybody goes home. I'm excited for it, because we get to have an actual brick and mortar space that we'll have for the next 10 years. And hopefully, we'll continue to stay there, because, obviously, if we're around for five to 10 years, it doesn't really help show the strength, but being here for 40 years, I think that really is what will help us going into the future.



Stephen, most people don't want to contemplate the death of a loved one, let alone their own mortality. How does Community Hospice overcome those obstacles to succeed?

MANNY: I think that our donors recognize the value of what we provide. We get a tremendous number of gifts, about 23,000 individual gifts a year. Our database of donors is just enormous and is incredibly loyal. It is a bit of a challenge on the higher end, because once there's a passing of someone, people feel very emotional about giving and they'll usually give a much larger gift. But in terms of follow-up, that gift usually reduces dramatically or goes away. What we're finding is some of them become real advocates for what we provide. We were very grassroots for many, many years because hospice is very community based. We're getting a little bit more sophisticated in terms of how we raise money. And we, again, are centering a lot on program and mission. We're doing well, but there's always the challenge to your point in your question. Because of the nature of what we do, it has a tendency to be cyclical in terms of the giving. But we're very blessed in terms of having a very strong donor base who believes in our mission.



Do you use financial instruments such as annuities to help?

MANNY: We have not done annuities, but we're moving in that direction because we are now within the Center for Philanthropy within St. Peter's Health Partners. And there's five foundations operating not as one entity, but under one umbrella. We're excited about doing an annuity program. We think it's a sweet spot for us.



Daquetta, the YWCA raised nearly \$47,000 at this year's awards luncheon, which broke your record by \$12,000. Tell us about the organization's growth and how you've been able to raise the profile. What lessons have you learned that others can follow?

JONES: My national office did a great job at providing me with the resources to run a local association. I live in the city of Troy. I have lived there since 2008 and



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fell in love with it in 2001 when I started attending Hudson Valley Community College. So understanding the work that the YWCA of the Greater Capital Region does, what I realized is that the community really did not know what we were doing. It was my mission to make sure that our community in the Greater Capital Region knew the YWCA. Partnering with new partners, collaborating, is something that has gotten us out. Saying yes to things that we maybe haven't said yes to has allowed us to move forward. Listening to feedback. Feedback has led us to get to \$47,000. Listening to feedback, putting out surveys, it struck so many great ideas that our community, our supporters, provided to us, and we implemented. We can't implement everything. We may not agree with everything.



John, tell us more about the Community Foundation. How much money is available to disburse annually and how many requests do you receive? What criteria do you use? How do you differentiate yourself from other large charitable foundations in the area?

EBERLE: The Community Foundation does work to help the community through philanthropy. We do that with many partners who have set up funds through the years and those funds are then disbursed out into the community. I've been with the Foundation three months, and I've learned a lot and have met so many great people. And some themes keep coming up. People, preservation, and partnership.

People. There's this value of people matter most, and every interaction is an opportunity to love people, love community, and to give back.

Preservation. We want to keep the regional wealth in the region if at all possible. There's a great transfer of wealth that's going on across the country. It's ending up in other communities. So I think that's a theme that all of us can connect to. The Foundation is one way people can do that.

Partnership. We just want to grow philanthropy. I would venture to guess that the Capital Region is under-endowed in many ways, and that should be a concern to all of us. What do we do to make sure the wealth stays here and is giving back and supporting great causes? And the other thing is, really, the power of endowment. We manage and grow funds that live and give back to the community in perpetuity.



Diane, Unity House provides a wide range of services in Troy. Tell us how the need has grown and how your organization has been able to raise funds to provide the services, and what's the biggest challenge that you face as a nonprofit?

CAMERON PASCONE: The center of our organization is people living in poverty, and then all of the specific things that either put people in poverty or keep them in poverty. One of the things we know with those populations is they all carry stigma. What we have to do, while we're soliciting and providing services, we're also educating people. We have to be very mindful that there are a few quick fixes here. Food, clothing, shelter. But then what? Where we're also educating our funders at the same time is, this person isn't employed, so here's some money for an employment program. But there's a lot between being unemployed and getting a job: Soft skills, your mental illness, your medical treatment. We are able to raise significant amounts of money because we do that work and we've been around a long time.



Sharon, Victoria, any final thoughts?

PHILLIPS: Why we're all here is we're trying to make tomorrow better for someone who's in need today. The Capital Region is beautiful. It's thriving. But we do need to come together a lot more than we are. I know we each try to work with colleges and we try to bring the young adults in.

BAECKER: I think that can be as easy as starting in your own life. So often, people want to do something. They don't know what to do. So do that within your own circle and build this culture of philanthropy from day one and let it grow.

PHILLIPS: A lot of the Capital Region school districts are building those types of opportunities as well. We need to keep talking and we need to keep meeting and having great opportunities like this to learn from each other and adopt best practices.