



Strategies for Taking Care of MainStreet During the Economic Downturn

ORGANIZATION

1. **Develop an up-to-date list of MainStreet's activities and accomplishments.** Circulate the printed lists to all downtown business and building owners, city officials, members/donors, and volunteers. This will help to remind key supporters and participants of all the good work that your organization does.
2. **Start an email newsletter for MainStreet.** An e-newsletter is a quick (and cheap!) way to inform people about what the organization is doing. A short but informative weekly or bi-weekly email blast will reinforce MainStreet's activities and its importance to the community. Use Constant Contact, Emma, or Mail Chimp paid services, or simply develop your own email distribution list, including all key stakeholders listed in #1.
3. **"Meet and greet" with your elected officials,** especially your mayor, city council, and city manager/town clerk. In hard times, government often looks to cut funding to external organizations. If your elected officials understand the importance of MainStreet, you will be less likely to wind up on the financial chopping block. Invite them to lunch to learn about MainStreet's recent work, and make sure MainStreet's staff and volunteers make quarterly presentations to council. And, you'll get "bonus points" if you stress the economic development work and successes of Main Street.
4. **Be persistent in your requests for help.** While everyone's belts are tightening, this *is not* the time to stop asking for money or for volunteers. If supporters are reluctant to contribute at previous levels, ask persistently (but politely!) if they will contribute at a reduced level. If a business or individual simply cannot spare any funding for MainStreet, ask them for their time – which has zero cost and is easier to garner when people are feeling guilty! When asking for time, be ready to ask them to participate in a specific project now, rather than making a general appeal that you have to "cash in" later.





5. **Make a special appeal to MainStreet's funders.** If you can create a compelling case about why Main- Street needs money *today*, you likely will get a positive response. A sense of urgency can drive donors to give, even in hard times. Perhaps you have a limited-opportunity project that has to be completed in the next 6 months, or a matching grant opportunity. Maybe your very survival is at stake. Create a motivational "pitch" for funding and make your appeal. You may be surprised at the response!
6. **Invest in organizational planning by creating a strategic plan and annual action plan.** If MainStreet is forced to cut some projects, make an investment of time to map out the priorities and activities that you will take on when money starts to flow again. Taking time for organizational planning will help to keep volunteers engaged. Defining an inspiring future scope of work may cause people to donate today to support that work. And, you'll be poised to launch the plan once resources are available.
7. **Partner up.** All nonprofit organizations face funding threats during economic tough times. Review your activities, and determine what other local nonprofit organizations could assist with specific projects. Hint: they'll be most interested in the projects that actually help them meet their mission. For example, if you need to cut your entertainment budget, invite the school band, church choral group, or other local musicians to perform at an event. Ask the scouts or a local Head Start group to arrange children's activities for an event. Collect canned goods at MainStreet events and donate them to the local food pantry. Even organizations that might have been reluctant to partner in the past may view partnerships differently today, and Main Street can build goodwill by reaching out to other organizations.
8. **Make your organization economically relevant.** Key supporters will demand to know what Main- Street is doing for them during this tough economy. By expanding and/or highlighting your work in this area, you'll earn the loyalty of key participants, such as businesses and city officials. Develop some low- or no-cost promotional events that generate foot traffic for businesses, such as a "passport" drawing or frequent customer reward card. Work with your area Small Business Development Center or other specialists to teach businesses new skills or survival techniques during the credit crunch. And, be sure to publicize these activities to show that MainStreet is a great resource and a needed program.





9. **Prepare for a potential crisis.** While your organization should remain as positive as possible and aggressively pursue the above strategies, it's also smart to prepare for the worst. The executive committee (or a board subcommittee) and staff should study MainStreet's budget and identify budgetary items and projects that could be pared if the organization falls short of funds. To be prudent, develop reduced budget scenarios for 5%, 10%, and 20% cuts. That way, the organization is prepared to *manage* a funding crisis, rather than having to scramble at the last minute to figure out what to do.

10. **Remain optimistic.** While the media publish stories of doom and gloom daily, nonprofit organizations historically weather economic downturns quite well. According to the Center on Philanthropy at Indiana University, charitable giving in the U.S. tends to be recession-proof, demonstrated by the fact that U.S. charitable donations have increased during thirty-nine of the past forty years. The Giving USA Foundation reports that even in years that had eight or more months of recession, individual giving (the source of much of MainStreet's funds) declined only 2.4 percent. A recent survey by Giving USA found that 46 percent of people "whose own situation had deteriorated over the past year" still planned to make charitable donations. "If an organization is providing a worthwhile service, individuals [who] have a passion for that mission will continue to give," says Jim Yucker of Giving USA. This recession should not mean the end of your organization, and donors will be more comfortable giving to MainStreet if its board and staff are publicly optimistic. (Consider developing talking points for board members to use in discussing MainStreet's "party line" about its position during the recession.)

11. **Bonus: Idea! Conduct a cost-benefit analysis of *all* of MainStreet's activities.** If your activities – especially promotions – aren't meeting your goals and are no longer worth the time or effort, it may be time to say "good-bye" to the project. No one likes to cut projects, but unproductive activities have no place in Main Street's workplan, *especially* during these challenging times. And, the economy can be the perfect excuse to shed activities that no longer perform.

The Bottom Line: There are never any guarantees in the nonprofit world. While the current economic crisis offers a challenge to Main Street, organizations that are aggressive and active (versus reactive) will be able to weather this crisis and can forge a stronger organization as a result.

NMMS 12-5-08

