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Fundraising goes creative

Nonprofits find new ways to earn means

WALLETS AND POCKETBOOKS

By Cassidy Quinn SPECIAL TO THE TELEGRAM & GAZETTE

Tough financial times are leading nonprofits to get creative with fundraising.

As corporate, institutional and individual donors become more conscious about spending, traditional fundraisers are becoming less lucrative.

Seven Hills Foundation in Worcester, a human services agency, is packed three nights a week for a pastime that brings in hundreds of thousands of dollars annually. The big event: Bingo.

William C. Stock, vice president for government and community relations at Seven Hills, said bingo is one of the foundation's biggest fundraisers.

"We run bingo nights here three days a week. We get up to 300 people a night, but that number is small compared to a year ago," said Mr. Stock.

Seven Hills Foundation is among Worcester's 617 nonprofit organizations. In all, the city's nonprofits hold about \$4.9 billion in total assets, and generated \$3.9 billion in revenue in 2007, according to the Boston Foundation's 2008 report on Massachusetts nonprofits.

But with annual revenue expected to be lower this year, nonprofits need alternative ways to increase donations as they face mounting need.

It has recently been estimated nonprofits in the Worcester area can expect to receive \$6 million to \$8 million less in funding this year from the city's charitable foundations as they cope with declines of about one-third in their asset values.

Seven Hills Foundation helps people with life challenges ranging from drug addiction to mental disabilities. It has experienced tremendous growth over the past decade, increasing its operating budget from \$9 million 15 years ago to \$150 million today, operating more than 126 programs serving 26,000 clients annually in two states.

But despite its growth, Seven Hills has seen declines in revenue generated by its live auctions and golf

tournaments.

“We’ve definitely see a change in spending,” said Mr. Stock. “We saw a definite change last year at our live auction event. Items we had valued at \$12,000 or \$14,000 we saw go for half that.” The foundation cited the weak economy and competition from other fundraisers.

About 22 percent of the Seven Hills Foundation’s operating budget is supported by donations, fundraising, bingo, rental income and private subcontract work. The rest comes from the Department of Mental Retardation, Office for Children and Medicaid.

“People can give only so much,” said Joseph L. Tosches, Seven Hills Foundation’s senior vice president and chief operating officer.

The foundation’s annual appeal, sent out after Thanksgiving, has so far yielded fewer responses. “The numbers are down and some of the dollars are down,” said Mr. Tosches.

But bingo remains steady.

Games are played Monday, Thursday, and Saturday nights at Seven Hills Foundation, 81 Hope Ave. Most players are senior citizens, who spend an average of \$27 a night. With more than 300 players at each game, bingo nets the foundation \$500,000 annually.

That is down from about \$1 million to \$1.5 million that the game generated 10 or 15 years ago, said Mr. Tosches, who is in charge of bingo nights.

“Our games have been stable for the last seven or eight years...it’s not like the fundraising part of our agency, which is down substantially” said Mr. Tosches. “We’re not seeing players change their spending habits. This is a part of their routine. It feels a lot different than cutting a check every year. It’s part of their entertainment.”

But keeping bingo nights running is a challenge.

“It’s a tough operation to man because you need volunteers...getting people to volunteer on a regular basis is the hard part,” said Mr. Stock. Bingo nights require 20 volunteers to help manage game operations and serve \$3 dinners to players.

Heavier reliance on volunteers is another way nonprofits are stretching tight finances. According to the Corporation for National and Community Service, nearly 88,000 Worcester residents volunteer annually, providing more than 10.6 million hours a year. That’s about 23 percent of the city’s population.

Timothy J. Garvin, president and chief executive officer of the United Way of Central Massachusetts, believes volunteering is greatly underestimated. “The value of volunteering in America is a hidden economy, and could be the saving grace,” he said.

Nonprofits need volunteers more than ever as resources decline. Worcester volunteers saved the city’s nonprofits \$207 million last year alone, according to the Corporation for National and Community Service.

To keep agencies afloat in trying times, nonprofits are creating contingency plans in addition to out-of-the ordinary fundraisers. Many are focusing more on core services and reducing aspects of their work that may be less needed in the community. Some may merge; others may go out of business. The Worcester Center for Crafts, for example, announced last week that it might close if it can’t raise \$1 million by the end of the month.

The United Way of Central Massachusetts is looking to increase attention on longtime donors, no matter what level of their giving. The national nonprofit is recognizing those who have donated small amounts, to show appreciation for all gifts, not just big ones.

“We are trying to recognize those who have been with us for decades. It’s not all about how much has been given, but how long you’ve given” said Mr. Garvin. “We’re celebrating longevity. Some people have donated \$5 or \$10 every year for 25 years, and we want to say thank you,” he said.

While people are cutting back, said Mr. Garvin, “on the other hand, (among) those people who still have the means we’ve seen an increased level in donations and care. I believe that people in these positions understand the stresses of others who are less fortunate.”

Yet nonprofits as a group may prove resilient in this financial meltdown.

“The severity of the economy is more extreme than anyone could have anticipated” said Mr. Garvin. “Every single nonprofit will be stressed. But nonprofits are a lot more nimble than other businesses. They already know how to stretch two dimes into two dollars.”

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