

# The United Way: *Missed and Missing Goals*

by the editors

ONE OF THE MOST IMPORTANT BAROMETERS of the recession's impact on nonprofits—and how nonprofits have adjusted to this increasingly terrible economic downturn—can be found in the 1,400 affiliates and chapters of the United Way. During the past few months, the *Nonprofit Quarterly's* NPQ Newswire has covered an apparently new practice among United Way campaigns. United Ways in Sudbury, Ontario; Stanly County, North Carolina; Belleville, Ontario; Lee County, Alabama; and Kansas City, Missouri have eschewed the long-standing tradition of establishing fundraising targets for their annual campaign in favor of no-target or no-goal campaigns.

**Ditching fundraising targets is a major cultural shift in the United Way system.**

Ditching the common practice of setting a fundraising target is a major cultural shift in the United Way system. Explanations of the shift vary among agencies. In Sudbury, Ontario, the UW has substituted a target of increasing

the number of individual donors from 9,000 to 12,000 in place of a dollar goal. Oddly, this is not because of poor campaign totals in 2008; Sudbury actually did well, surpassing its 2007 total by raising \$2.4 million. But entering 2009, the locality faces layoffs at two major employers, thousands of job losses in the mining supply and service sector, and labor turbulence between local employers and locals of the United Steelworkers and others.

## **New Times, New Strategies**

The new campaign strategy in Kansas City is similar, targeting the recruitment of 25,000 new donors rather than a dollar-based fundraising target. Obviously relevant is increasing unemployment in the Kansas City metro area, which between July 2008 and July 2009 increased from 6.0 percent to 8.9 percent. A spokesperson for the United Way of America described the Kansas City and Sudbury no-dollar goal strategies as “a growing trend.”

In Brown County, Wisconsin, home of the

Green Bay Packers, the United Way traditionally set its campaign goals in the spring or summer, but this year it announced it would delay setting a goal until the fall, after soliciting feedback from local employers about economic and employment conditions.

Obviously, in a system of 1,400 affiliates, practices vary widely. But in the midst of a recession, the manner in which a United Way determines how to set a campaign target is itself a challenge that may elicit creative thinking. Baldwin County, Alabama, for example, announced that it reached its target of more than \$1 million last year, but it did so by extending the campaign from its usual fall wrap-up and accounting to January 2009. Whether donors who were tapped in early 2009 will be available for contributions to reach this year's \$1.1 million target is anyone's guess.

Last year the United Way of Central New York fell \$500,000 short of its target and has set its 2009 campaign target at the amount it last raised: \$8.5 million. This is now a fairly common strategy, but last year the recession had not hit the depths that it has now, particularly in terms of joblessness. In July 2008, during last year's United Way campaign, the unemployment rate in metro Syracuse was 5.6 percent; as of July 2009, unemployment had grown to 8.1 percent. If last year's campaign fell short in reaching \$8.5 million, how can it hit this number this year, when unemployment has increased by one-third? In Central Alabama, serving the Birmingham area, the goal is also last year's total of \$37.26 million, despite the one-year doubling of the unemployment rate to 9.9 percent. As a United Way executive explained, the organization will have to raise more money from new donors to make up for donors who have lost their jobs.

This raises real questions and perhaps concerns about where these new donors will come from. Over the years, the United Way has moved further afield from its base of workplace giving, at times angering affiliates with strategies that directly compete with the fundraising strategies of community groups.

Some regions, however, have clearly taken their local jobless conditions into account.

- Greater Lorain County, Ohio—where unemployment now hovers near 14 percent—has reduced a \$2.6 million goal down from last year's \$3 million goal (on which only \$2.83 million was raised).
- Forsyth County in Winston-Salem, North Carolina, where unemployment has increased from 6.3 percent to 10.3 percent, reduced its goal from \$18.4 million to \$17 million.
- Knoxville, Tennessee, set a target of \$11.8 million, a reduction from \$1 million from the previous year since unemployment has increased from 5.6 percent to 9.0 percent.

In any case, in regions such as Columbus, Ohio, the task of setting a reasonable United Way goal is increasingly an exercise in hitting a moving target. In December the Central Ohio United Way said it would be \$1.5 million under its campaign target and, in March, \$3.5 million, but the final total was \$4.3 million short of the \$56.1 million campaign target.

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During the upcoming campaign seasons, it remains to be seen how the United Way will fare. In some areas, campaign totals are increasing or steady, but many other factors are at work in terms of the United Way's impact on community organizations and communities: including a narrowing of focus, growing numbers of affiliates and grantees that conform to the national impact agenda, and individual givers' increased use of the donor designation option.

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