

# Mission, Message, *and* Damage Control

by Kim Klein

To get all nonprofits funded will require rethinking national priorities, but there is no shortage of money.

**Editors' note:** The following article has been adapted from Kim Klein's new book, *Reliable Fundraising in Unreliable Times*, published by Jossey-Bass. In it, Klein shares strategies for surviving and thriving in any economy. The book is filled with practical advice on short- and long-term fundraising strategies and on issues that have an impact on fundraising, such as the role of nonprofits in working for the common good, the role of taxes in creating a just society, and the need for new organizational forms to accomplish nonprofit work.

IN HARD TIMES, PEOPLE BEGIN TO POSE FALSE CHOICES: "We cannot go to the movies until there is world peace, we cannot have a ballet until there is no homelessness, we cannot save birds until all children are well fed." They see cutting funding, pulling back, as the only way to respond to the economic downturn. The more people react in this way, the more it seems they have taken some kind of sourpuss vow: they will not laugh until oppression has ended.

In fact, there is enough money for all our nonprofits. Granted, to get them all funded will require rethinking national priorities and a redistribution of wealth, but there is no shortage of money.

The case statement is the cornerstone for raising money effectively, the message is specific to the moment; it simply shows the world that

you have read the paper, listened to the news, and are conscious of what is happening around you. It places your work in the context of the larger world. It faces current reality squarely.

An affordable-housing group believes people should be able to live in the community in which they work. When the organization launched, its community had low unemployment, but people commuted from nearby towns because housing near their workplace was so expensive. Two years later, the community has high unemployment and people are losing their homes because they can't pay their rent or mortgage. The affordable-housing organization maintains the same mission: "People should be able to live where they work," but now it institutes other actions to fulfill its mission. To help people stay in their homes, for example, the organization creates an emergency loan fund so people can borrow money easily for housing costs and works with local banks to stop foreclosures. Its message is "We make sure that losing your job

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does not mean losing your home.”

The organization’s mission is the same, but the message reflects what is happening with housing in the community. It also reflects some very hard work on the part of the board and staff to create these new programs.

Here’s another example of a distinction between mission and message that a youth symphony orchestra uses to avoid a crisis. This well-regarded group serving a large geographic area has as its mission: “We believe children who have musical talent should be able to develop it as fully as possible and the community should benefit from the talent of its younger members.” Suddenly, two sources of funding are threatened: a state arts endowment grant is cut, and a foundation the organization had counted on has more pressing needs to fill. Just as the group loses its funding, the number of children signing up for its summer music camps and trying out for its programs increases. The organization realizes that many kids are eager for a musical education that the public schools no longer offer. While the group’s mission remains the same, it adjusts its message to be more compelling during these times: “Children should be musically educated. We augment the work of the schools in providing musical education for children.” This message puts forth the organization’s belief that the public schools should provide music and art education.

Next the organization forms an advocacy task force with parents and board members to pressure the legislature to find money for music education in the public schools. In the meantime, it continues to meet an immediate need. When it presents this point of view to its funder, the funder reconsiders and restores the grant. With its new message, the group can also attract donors who may not be that interested in music but who agree that music should be part of children’s education.

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Underlining all my recommendations about developing your message is my firm conviction that you are always best off telling the truth and only the truth. But you may not be telling the whole truth until you are sure that you know it. In big crises, truth has a way of changing with time and who does the telling.

## When Message Is Damage Control

When an organization is in an internal crisis, the message is more along the lines of damage control: explaining what happened and making sure that everyone who should have the information he or she needs.

An organization has a history of sloppily kept or nonexistent donor records. Gifts are often not recorded properly, people are not thanked or are thanked for the wrong thing, donors are “reminded” of pledges they have not made. A new development director has been hired to improve the situation, and the message has gone out to board members that these problems have been resolved. But early in the new development director’s tenure, several events cause the board to question whether record keeping has actually improved. First, a major donor tells a board member that his pledge form commits him to a \$10,000 gift when he pledged only \$5,000. The executive director speaks to all parties; though the development director insists the pledge was for \$10,000, the donor is equally sure it was for \$5,000. The executive director changes the pledge form, reassures the development director that this donor has been inconsistent in the past, and alerts the board member that this was probably not a record-keeping issue. Next, the development director seriously overstates the return on a direct-mail appeal. When the discrepancy surfaces, he claims that his math was faulty because he was so busy entering respondents into the database that he figured out the percentage of response in his head. The third month, the development director announces an impending grant for \$25,000. When the executive director calls to thank the foundation funder, she learns no such grant has been proposed, nor is one forthcoming.

Now the executive director realizes that the previous “truth” of bad systems has been overshadowed by a bigger current truth: the development director is a liar. She fires the development director immediately and calls the board chair, who informs the board members of what has happened. The executive director talks to the two other staff members. They and the board chair agree that the message will be as follows: “We were unable to get accurate information from the development office. Since the development

director was on probation, we have terminated his contract.” The board members and the staff will know more specifics, but no one else needs to.

The executive director lets the foundation funder know that the development director has been terminated because he gave misleading information and asks the funder to pass the information on to anyone who needs to know. This funder is a reliable and trusted member of the funding community and likes this group. Her word among funders and major donors that things are being handled properly is important.

This organization averted a more serious crisis by handling the situation immediately once it understood what had taken place. During this crisis, only a few people really needed to be involved, but they were kept informed all the way. By enlisting a trusted messenger—the foundation funder—the organization controlled fallout from the development director’s actions.

### Getting the Board and Staff on Board

In crises, we often focus on the opinions of people outside the group: donors, clients, even the general public. Yet our greatest difficulty in forming a message and relaying it is often at the board or staff level. It is critical that board and staff believe their opinions are welcome; further, they must not feel that they are being asked to lie or be evasive with others. Board and staff must be involved in the process of exploring options and discussing all the points of view, or they can quickly feel stifled. In one such situation, the board chair explained to a major donor, “I’ll tell you what I am supposed to say and leave you to read between the lines.” His explanation was lost; the message “I leave you to read between the lines” overshadowed other information. One funder reported to a small group, “Even the board chair just says, ‘Read between the lines.’” Needless to say, this is not good message development.

Your message should not be evasive or vague. If there are legal issues involved, ask your lawyer what you can say and what would be legally dangerous or off limits. But if there are no legal issues, figure out how you can tell the whole truth but also emphasize the mission of the group. Message development may take some time and may bring

important discussions to light as the crisis develops and is worked through. The process of developing the message can also be part of the message, particularly when part of the board has divergent opinions, as in the following example.

An after-school program for teenagers provides a basketball court, a bank of computers for doing homework, an art room, and volunteer adult counselors. Half the funding for the program comes from the local department of parks and recreation, and the other half from the business community and a cross-section of parents. The program has one paid staff person and 50 volunteers; its budget is \$150,000.

The parks and recreation department is forced to make serious budget cuts in its programs, resulting in a cut of \$50,000 of its grant of \$75,000 to the after-school program. Because of the economic downturn, some businesses also cut back on donations to the program. In a matter of months, the organization suffers a 40 percent decrease in funding.

The board calculates that it can run the program at its current level for six months while it figures out how to raise more money. It announces to the parents and students, “Everything is fine right now. We are seeking other sources of funding, and we encourage each of you to give and help raise money.”

As the board works with the executive director to create a fundraising plan, philosophical differences develop. Many board members worked hard to advocate for government funding for the program. The mission of the organization—“Teenagers are a community asset and need to be nurtured”—implies that the government has a role. These board members feel that even if the program could be sustained with private donations, it shouldn’t be. It would be more principled to close it. “That’s not fair to the kids,” says the other faction. “We have to try to run the program on less money or raise money elsewhere.” The board is further split when one member suggests renting part of the space to Armed Services recruiters, supporting the view that the Armed Services offers good jobs and scholarships for kids, along with possible income for the program. Longtime peace activists in the group are appalled at the potential sellout. Two months pass, with each faction becoming

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more firmly entrenched and with no money being raised and no plan formed for cutting expenses. The message "We are exploring options" has worn thin, particularly as the various arguments are put forward to the parents, students, and business community. Everyone has an opinion.

The board decides on a bold course: get community input on the various options. The board writes a short letter to parents, teachers, businesspeople, and the community at large presenting the dilemma and inviting them to a meeting: "How do we best show how much our teenagers mean to us? We believe our program deserves government funding. But in these times, that kind of funding is not available. If we are to replace our lost grant, we must have help from the entire community."

About 50 people attend the meeting and meet for four hours. At the end, consensus is reached: the program will seek private funding, but the city council will be asked to pass a resolution declaring the program a city treasure. Seeking government funding will be a top priority. The center will not be available to the Armed Services or other recruiters. As has always been true, employers can post job announcements and anyone can post announcements of scholarships, internships, and volunteer or job opportunities.

The message generated during the meeting is simple: "We have chosen to put teenagers ahead of all other concerns. We believe teenagers are a community asset, and we as a community pledge to keep this program open." By going public with their differences, this organization ensured that differences of opinion about the future of the center could be reviewed in one place at one time and be resolved.

### Delivering the Message

The process of creating a message cannot be separated from the process of creating a response to the crisis. But groups usually cannot wait until a full response is put in place before putting forth a message. Donors, staff, and the public need information about what is going on with the organization.

The message that you start with, then, should involve the least amount of truth you can deliver without appearing to hide something. In fact, part of your message can be that you will send out additional information as it becomes available. Don't be

nervous to admit that you don't know everything yet. It is better to have "not knowing" be part of the message than to say something that turns out to be false and have to issue a correction. Further, the message cannot be separated from the messenger. Finding well-respected and trustworthy people to help you deliver your message is just as important as the message itself. They can deliver the message and then conclude (assuming they feel this way), "I think everything will be fine" or "I have a lot of confidence in the team of people who are working on this." Finally, fundraisers always have to take into account that there is an order in which the message will be delivered. Make sure that you don't inadvertently alienate someone simply by not informing that person of the situation early on.

Like the response to the crisis itself, the process of delivering the message involves several parts. Make a list of those who need to hear about the crisis first. In addition to board and staff, think about anyone who considers themselves close to your organization: that is, the organizational "family." This includes active volunteers, longtime funders, longtime major donors, and former staff and board. In choosing whom to tell first, don't create such a long list that you then spend time calling people rather than planning. These close-in people are also often those you will approach for donations. Remember, you can always tell someone, but you cannot untell that person. When in doubt about telling someone, wait.

Next, identify who should deliver the message to these people and how they should get it. Generally, those who are told are told through a call or a visit. Avoid e-mail, which can be forwarded easily, may take on a life of its own, and can create meanings that would not be present if the message were delivered personally. Longtime donors, funders, and volunteers make great messengers. Board members—particularly the chair of a board—can deliver the message but may be perceived to be too close to the situation, possibly involved in creating the problem, and too defensive. Major donors are usually told by those who have solicited gifts from them in the past. The people who are told first can be enlisted to tell others. Since these people will probably want to tell someone anyway, this approach provides some control over message delivery.



Institute a regular way to keep the people on the list updated about what is happening. As in many crises, if the situation unfolds over time, create a phone tree to keep people up to date. At this point, you can create an e-mail newsletter, but remember: anything you write in e-mail can wind up anywhere—at the office of the FBI, on the front page of a newspaper, or in the inbox of the person you have fired. E-mail needs to be considered public information and no amount of marking it “CONFIDENTIAL” can change that.

### Talking with Major Donors about the Crisis

In a crisis, major donors need attention and reassurance. When an organization is in a crisis, the donors who agree to talk with you—even on the phone—need reassurance that their gift won’t go down the drain. Will you raise the money you need? Will you be back next year with yet another crisis? Do you know what you are doing? How did you get into this mess in the first place?

Even if they are not able to articulate it, most donors realize that a crisis is not just a big problem in an otherwise smoothly functioning organization. While what caused the crisis may not be your fault, a crisis has a longer history than the crisis event.

The following four tips can reassure almost all major donors; and you may need just one or two to reassure them effectively. These four elements are an explanation, a plan, evidence of other donors, and an escape clause.

**An explanation.** Major donors are like family. In a family, when someone has a heart attack or a couple decides to separate, relatives expect more information about the situation than, say, a neighbor. And part of major donors’ insecurity is that, if it could happen to you, are their other beneficiaries far behind? Explain to these donors what has been told to others close to the organization. Don’t launch into a long explanation, but allow the donor to ask you what he wants to know and be open to the donor’s questions.

**A fundraising plan** is a source of reassurance because it shows that you have thought through what is required in the coming months to move beyond the crisis. Your plan should be as realistic as possible. But plans also shape reality, so your plan needs to be optimistic. Be prepared to show

the prospect your cash-flow chart and a strategy-by-strategy description, including gross and net incomes for each strategy. Show your gift-range chart, and talk about how many other prospects you have.

**Help from other donors.** Evidence that others have bought into this plan is important. As you receive gifts, ask whether you can share the donor’s name and size of gift with other prospects. If a donor knows that Manuel has given \$5,000, and he respects Manuel, he is more likely to make a gift. For donors that are reluctant to share their name and gift amount, you can always tell a prospect, “Two other donors have given \$10,000” without using their names. Having board buy-in is also critical. Even if board members cannot be major donors, you need to be able to say, “One hundred percent of our board members have made a gift that is significant for them to demonstrate their faith in our future.”

**An escape plan.** Some donors need a contingency; they will give only if certain things happen. But a way out should be offered only when a donor indicates that’s what it needs to pledge a gift. If an organization follows through on the three elements above, most donors do not require this fourth element.

What does an escape plan look like in fundraising? Let’s say you approach someone for a lead gift of \$10,000 on a \$100,000 goal. The person is committed but hesitates, asking questions about where the other \$90,000 will come from. Ask how close to the goal of \$100,000 your organization must be for the donor to believe that the campaign will succeed. Some will say, “If you had half of it, I would feel better.” Others will say, “If you get one more big gift, I would feel better.” Offer the donor the option of pledging conditionally. A challenge gift is a great motivator. Sometimes the challenge is not about the amount of money but who gives it. A donor may say, “I’d feel better if I knew Fred was in. He is so smart about these things.” You would then say, “Can we get back to you after we have talked with Fred?” Go even further and say, “Can we tell Fred you said this?” When you approach Fred, tell him that his leadership gift will lead to another gift. Finally, some donors want to give some now and some when you raise additional monies from other donors.

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## Financial Scandals

Simply getting more donors is not reassuring to a prospective donor that wonders how your executive director managed to skim off \$75,000 over three years without anyone noticing. Moreover, it's not helpful that the treasurer of the board knew about and tried to deal with the problem quietly. In the second scenario, how can a donor trust an organization's veracity or judgment when it turns out that a program staff member filed a false report—a report that was signed by both the executive director and board chair? Their protestations that they didn't have time to read the report do not make anyone feel better. In both cases, an enterprising young reporter has scooped these stories for the local paper, and they are the talk of the town (or that part of town that cares about these organizations).

Scandals are difficult to deal with because they break trust. Now, the question is not whether your plan will succeed but whether you really can fix an organization that has allowed such behavior. Returning to message, you should identify those who can say that your organization can be trusted and the problems are being addressed. Talk with these people. What would they need to see in the organization to confidently say good things about it or put money into it?

In a scandal, finding the context of the problem goes a long way in reassuring others that the problem can be solved. The executive director who skimmed \$75,000 from his organization had a gambling problem, for example. The treasurer of the board and a staff person knew the director was stealing but tried to deal with the problem quietly so as not to embarrass him. The director has now been fired and is in a recovery program. The organization learned a lesson in how to deal with painful situations and has even allowed a consultant to write up its situation as a case study for other organizations. While context does not excuse anyone, understanding the context allows for compassion.

In the second scenario, context is even more important. The newspaper story rightly said that a staff person filed a false report. But what was the nature of the falsification? The staff person lied about the progress the organization had made on creating an earned-income venture. She claimed that a business plan was almost complete and the

organization was ready to hire a staff person when those accomplishments were at least six months in the future. The executive director signed the false report—and the board chair went along—because he thought the project delays might cause the funder not to pay the second half of the grant. The executive director should simply go to the funder and say the project is behind. This will not be the first time the funder has heard that! Instead, he tried to operate in secret and in turn a newspaper reported that the organization had lied when in fact the error resulted from bad judgment. When the program officer of the foundation finds out what has really happened, she gives an extension on the grant and pays for the executive director to get executive coaching to help him make better decisions in the future.

In a scandal, donors need to know that the circumstances that created the scandal no longer exist and that the organization is thoroughly evaluating itself to ensure that nothing else is amiss. From a fundraising viewpoint, a scandal is hard to deal with and requires even more reaching out than other kinds of crises. Tell the truth, and tell it to those whom other people trust.

In the end, donors are your friends, and major donors are your family. They may not like what you do, but they will generally stand by you if they have enough history with you to know that this scandal is something you did—and not something you are.

## Everything Comes Back to Mission

Creating a message during a crisis is relatively simple once the organization recommits itself to its mission. Program or fundraising direction may have to change because of the crisis, but that step is possible as long as a group of people cares deeply about the organization. If you see telling the truth as the only option, it limits what you can say. Don't make something up or pretend something is true that is not. You will figure out who needs to hear the truth from whom, and when they need to hear it.

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