



# Fundraising When Money Is Tight

*A Strategic and  
Practical Guide to*

**SURVIVING TOUGH TIMES**  
*and* **THRIVING IN THE FUTURE**

M A L W A R W I C K

FOR IMMEDIATE RELEASE

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## **New book gives hope to struggling nonprofits**

Berkeley, CA – Nonprofit organizations struggling to cope with today’s economic crisis will gain new hope from *Fundraising When Money Is Tight*, the 19<sup>th</sup> book from fundraising thought leader Mal Warwick.

As Warwick says, “Nobody can predict our economic future. But in tough times, whether driven by the economy or other factors, there are simple yet sometimes counterintuitive steps you can take to ensure that your organization will suffer the least possible damage in a down economy—and emerge healthy and poised for renewed growth when the economic crisis has passed.”

Written late in 2008 as the recession was gathering steam, and released March 23 by Jossey-Bass Publishers, a division of John Wiley & Sons, *Fundraising When Money Is Tight* is “A Strategic and Practical Guide to Surviving Tough Times and Thriving in the Future,” as the subtitle reveals.

After surveying the history of giving in America since 1929, Warwick employs a popular corporate strategic planning approach called “scenario planning” to probe the near-term possibilities. He envisions three sharply different possible futures—and three distinct approaches to fundraising. Projecting each of these three strategies in each of the three future scenarios, he concludes that a “selective approach” to fundraising is the optimal response to the recession.

*Fundraising When Money Is Tight* then spells out, chapter by chapter, the nine steps Warwick cites as the best possible defense against an economic crisis. The nine steps are:

- 1) Reassess the whole ball of wax: fundraising, marketing, communications
- 2) Strengthen your case for giving
- 3) Be content with one in the hand. Forget the two that may be in the bush.
- 4) Cut costs with a scalpel, not an ax
- 5) Fish where the big fish are
- 6) Stay close to your donors
- 7) Get personal with your donors
- 8) Step up your efforts online
- 9) Break down the silos

Crammed with examples and written in Warwick’s customary lucid and highly readable style, *Fundraising When Money Is Tight* has received raves from advance reviewers all across the globe.

Mal Warwick has been raising money professionally since 1979 and has gained worldwide recognition as an author, consultant, and trainer. He has written or edited nineteen books, including *How to Write Successful Fundraising Letters* and *The Five Strategies for Fundraising Success*. Mal is Founder and Chairman of Mal Warwick Associates and Co-Founder of Donordigital (Berkeley, Calif.), which specialize in direct response fundraising. He has been a top-rated speaker at fundraising conferences throughout North America for 20 years, and worldwide since 1999. Mal has taught fundraising on six continents to nonprofit executives from more than 100 countries.

More information about the book is available at <http://www.malwarwick.com/learning-resources/publications.html>.

## **Raves for *Fundraising When Money Is Tight!***

Brilliant! No nonprofit organization can afford to ignore the insightful advice Mal Warwick offers in this concise and eminently readable book. It's practical, down-to-earth, and addresses the complex, real-world challenges of raising money in tough times.

—*Ben Jealous, President, NAACP*

*Fundraising When Money Is Tight* is an important book in a difficult time for all. This is the right book for anyone who is committed to advancing the public good.

—*Jane Wales, Founder, Global Philanthropy Forum,  
Vice President, Aspen Institute*

This is a must read for all of us in fundraising. Mal includes practical approaches for difficult economic times, from zero-based thinking about our programs to strategies for relating to our donors and making certain our fundraising programs are prepared to succeed not only now but when the economy recovers.

—*Eugene R. Tempel, President, Indiana University Foundation*

For nonprofit organizations struggling in a difficult economy, *Fundraising When Money Is Tight* presents the road map to survival—and a bright future beyond. Mal Warwick's seasoned judgment can help preserve the vital role of the nonprofit sector in educating our young, feeding the hungry, sheltering the homeless, healing the sick, celebrating our diverse culture, and restoring the environment.

—*Congresswoman Barbara Lee, Chair, Congressional Black Caucus*

This little book feels like an hour's clear, easy conversation with one of the country's most experienced, wisest, most socially caring fundraising experts. Mal Warwick will leave you with a focusing framework and dozens of practical, immediately actionable how-tos. It is hard to imagine anyone in the citizen sector who will not breathe easier after reading this book.

—*Bill Drayton, CEO, Ashoka, and Chair, Youth Venture*

Professionals and volunteers in nonprofits looking for ways to weather this economic storm must digest Mal Warwick's timely book. *Fundraising When Money Is Tight* takes the panic out of today's uncertainty by offering up reasoned strategies to achieve organizational success in a declining economy.

—*H. Art Taylor, President and CEO, BBB Giving Alliance*

This is a valuable book because it details stuff you can actually do. Mal Warwick has given us a simple outline for making sure we stabilize our existing program, not lose sight of the need to be aggressive at times and cautionary at other times, while laying the groundwork for weathering storms in the future. And unlike many such guidebooks, this stuff can be accomplished by any organization regardless of size, complexity, or sophistication. This is a valuable tool for fundraisers.

—Kurt Aschermann, *President, Charity Partners Foundation, and Consultant*

As a practitioner, Mal Warwick has spent a lifetime learning and teaching how to fundraise more effectively. His latest book is another in a series of gems laser-focused to help us succeed—and his experience shines through again in this must-have guide for today’s economic climate.

—Dr. Mark S. Albion, *former Professor of Marketing, Harvard Business School, and New York Times best-selling author, Making a Life, Making a Living*

*Fundraising When Money Is Tight* is the book every fundraising professional needs to read immediately. It’s to the point, filled with both “the hard facts” and “realistic steps” that development shops, large and small, must understand and implement now, rather than later.

—Judith E. Nichols, *author, Pinpointing Affluence in the 21<sup>st</sup> Century*

Too many fundraisers will use the recession as an excuse for under-performing when there is actually considerable scope for optimism. Warwick shatters our misconceptions and maps out practical steps that all organizations can take to not only weather the storm but be in better shape because of it.

—Adrian Sargeant, *PhD, Robert F. Hartsook Professor of Fundraising, Indiana University-Purdue University Indianapolis*

I’ve been waiting for a book like this. It provides a step-by-step approach to maximize revenue in the current economy and prepare for better times to come. It’s filled with hundreds of examples and tips. There are 15 chapters, and each alone is worth the price of the book.

—Jerold Panas, *Executive Partner, Jerold Panas, Linzy & Partners*

*Fundraising When Money Is Tight* is the trifecta: Sound philosophy, practical strategies, and hands-on examples. Don’t put Mal’s guide on your bookshelf. Place it on your desk. Read it. Use it!

—Roger M. Craver, *Chair, DonorTrends, and Editor, The Agitator ([www.TheAgitator.net](http://www.TheAgitator.net))*

Mal Warwick doesn’t sell quick fixes and silver bullets—even in times of trouble. He offers specific, practical steps to cut costs and improve fundraising performance. He demands the best: donor-focused relationship building, strategic thinking, top-notch strategy, and competence. And he rewards us with both the “why” and the “how.”

—*Simone P. Joyaux, ACFRE, author, Keep Your Donors and Strategic Fund Development*

In *Fundraising When Money Is Tight*, Mal Warwick provides solid strategic and tactical insights of how best to lead our organizations during times of uncertainty. I found this book to be not only a quick, interesting read, but also an important guide for making critical decisions today and tomorrow.

—*Kory Christianson, CFRE, St. Joseph's Indian School*

Take Mal's "exercise in visioning," and use as many as you can of Mal Warwick's dozens of cost-cutting ideas—all to enhance your net revenue today and increase your program's potential for the future.

—*James M. Greenfield, ACFRE, FAHP, author, Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*

Whether you're working at the Board level or looking for specific tactics to get you through challenging times, this *Fundraising When Money Is Tight* is a must read. Full of smart advice and proven approaches that have always made sense, and never more so than now.

—*Phyllis Freedman, President, SmartGiving*

*Fundraising When Money Is Tight* is both timely and timeless. Development staff looking for creative ideas and encouragement in dealing with the current economic crisis will find them in this book. But every organization will face other crises. Donors will change priorities, board members will fade away, direct mail and online copy will lose its zing—and this book will come in handy once again. Its checklists, samples, and down-to-earth advice will reassure seasoned professionals that they are on the right track, and open new vistas for those on their way up.

—*Sandra A. Adams, Vice President, Grameen Foundation*

In this engaging and accessible book, Mal Warwick manages to distill and download over 30 years of social justice activism and professional fundraising expertise. *Fundraising When Money Is Tight* provides us with the tools to continue to dream for a better world.

—*Belvie Rooks, Board Chair, Ella Baker Center for Human Rights, and Board Member, Jessie Smith Noyes Foundation*

I've relied on Mal and his firm since 1997, and his advice has helped build and expand our grassroots operation through the years.

—*U.S. Senator Russ Feingold*

Tough times or high times, this is a book that every nonprofit should read. The strategies, tips, research, reminders, and challenges have been integrated into a readable, practical, and thoughtful book that will be relevant far longer than the current economic crisis.

—*Kay Sprinkel Grace, author, consultant and principal, Transforming Philanthropy*

When Mal Warwick writes a book, you should to read it. Mal's experience and insights are unparalleled. Although this book is written specifically to address the challenging times in which we find ourselves, there are timeless strategies here that will be all the more relevant in the good times which assuredly are ahead.

—*Christopher G. Cleghorn, former Executive Vice President, Easter Seals*

In *Fundraising When Money Is Tight*, Mal Warwick has managed to incorporate wise and complex concepts in easy-to-understand—and easy-to-read—language. Right after reading this book, I was able to put his advice to use at a planning session with senior staff and campaign volunteer leadership.

—*Roberta Zucker Catalinotto, Chief Development Officer, Jewish Community Federation of San Francisco, the Peninsula, Marin & Sonoma Counties*

Mal Warwick gives us some very useful suggestions on how we can meet growing need during difficult times. I highly recommend *Fundraising When Money Is Tight*.

—*Michael Welch, Associate Director, Office of Medical Development, Stanford University*

Fundraisers bring passion to work with them every day—that's why they're fundraisers. Mal Warwick has shown us how to take that passion, no matter how challenging the times, and use it in support of the causes that we work for. Mal's new book encourages all of us to recognize that our professional abilities are more relevant when money is tight and helps to provide the focus that we need to maximize our impact on the causes that we work for.

—*Andrew Watt, FInstF, Chief Programs Officer, Association of Fundraising Professionals*

## *Praise from Around the World*

This is a must read book by any fundraising manager. It's timely, it's a good read, and the moment I put it down I made sure my managers got focused, got real and got with the project today.

—Mark Astarita, *Director of Fundraising, British Red Cross (UK)*

You lose the right to complain about this economic downturn if you haven't read and put into practice the tips in Mal Warwick's new book. Regardless of the economy, this short book is a great read and embodies great fundraising practice. An essential read for all fundraisers and those they report to.

—Sean Triner, *Co-Founder, Pareto Fundraising (Australia)*

This is a wonderful, helpful book that should be on the must-read list for every board member and every fundraiser. Mal offers a thoughtful, strategic approach which will serve you well—in good times and in bad.

—Harvey McKinnon, *author, The Power of Giving (Canada)*

Fundraisers should work as if money is always tight. That's why I like this book a lot. It's timely, sure, but it's also well-informed, perceptive, practical, and well-written. There are lots of new thoughts and tips, yet much of what Mal sets out is simply good fundraising practice, reworked for now and the foreseeable future.

—Ken Burnett, *Managing Trustee, [www.sofi.org](http://www.sofi.org), and author, Relationship Fundraising (France)*

With this great book, Mal Warwick proves that fundraisers should always work on the basis of a solid strategy. Touching on all the important aspects of adapting and maintaining a strategy, enabling long term growth, and preserving the capacity to resist future crises, Mal shows the way out of this down period—and the way to avoid the next one.

—Jan Krol, *Co-Chair, Resource Alliance (Netherlands)*

Worried? I am, too. But after reading Mal Warwick's latest, I have some optimism. We *can* beat this thing.

—Steve Thomas, *CFRE, Chair, Stephen Thomas Ltd. (Canada)*

Some fundraisers are just starting to understand the economic crisis. Mal Warwick has analyzed it systematically. In *Fundraising When Money Is Tight*, he presents specific, concrete recommendations for an approach to fundraising that will be best for your organization no matter how severe conditions become.

—*Ole von Uexküll, Executive Director,  
Right Livelihood Award Foundation (Sweden)*

The advice in this book is plain good common sense—but then the best advice always is.

—*Simon Collings, Chief Executive, Resource Alliance (UK)*

When there is danger, some people react like rabbits, sitting in a hole and waiting. Others are like antelopes, running away (and it hardly matters where). This book kindly, simply, and effectively guides both rabbits and antelopes to act rationally to suit the circumstances and win their future.

—*Jana Ledvinova, Co-Chair, Czech Fundraising Center (Czech Republic)*

In case of economic crisis, break glass—and read this book. A solid document with a practical guide to survive in a storm.

—*Marcelo Iniarra, Tribe Chief, [www.marceloiniarra.com](http://www.marceloiniarra.com), and former  
International Fundraising and Campaign Innovation Manager,  
Greenpeace International (Argentina)*

I am relieved and empowered by reading *Fundraising When Money Is Tight*. It is not just for people who need a guide to fundraising in an economic crisis. This encouraging book provides a bottom-up approach to fundraising based on personal experience. You will enjoy Mal's humor, insight, and warm heart.

—*YoungWoo Choi, President and CEO, Doum & Nanum (South Korea)*

Brilliant! If you follow even half the advice Mal lays out so clearly in this book, you'll raise more money, and spend less on fundraising costs. As a professor in a post-grad college program in Fundraising and Volunteer Management, I can't think of a better book to explain sophisticated fundraising techniques in simple terms. Bravo!

—*Professor Ken Wyman, CFRE, Program Coordinator, Post-Graduate  
Fundraising and Volunteer Management, Humber College (Canada)*

Fundraising has always been unpredictable and imprecise—more so in difficult times. Prudence suggests applying the simple, logical, but vigorous steps suggested by Mal Warwick in his new book, *Fundraising When Money Is Tight*. Happy reading and applying! Why am I saying this? I have tried this approach, and it works.

—*Maj. Gen. Surat Sandhu (Ret.), Chair, South Asian Fund Raising Group (India)*

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## CHAPTER I

# What History Teaches Us

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“**O**nward and upward” appears to be the byword of the human race in the modern era. That’s why a massive interruption in the notion of progress, such as the near-collapse of the world’s financial systems late in 2008, has been so traumatic.

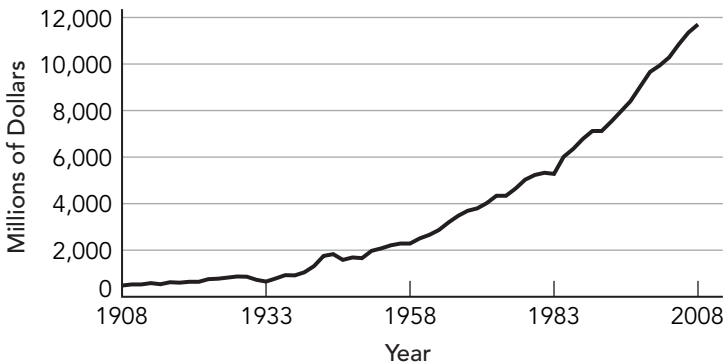
But history’s role is to put things in perspective. A historical view of these matters can help. And the single biggest lesson to be learned from economic historians and economists is that the U.S. economy—and the world’s—continues to grow over the long term.

In the United States, the increase in the gross domestic product above the rate of inflation averaged 3.25 percent annually over the 107 years of the twentieth century and the first 7 of the twenty-first. Such seemingly dramatic financial shocks as the OPEC oil embargo in 1973, the collapse of the

U.S. stock market in 1987, or the dot-com bust in 2000—even, ultimately, the crash of 1929—sooner or later come to look like minor setbacks. And, yes, the meltdown of 2008 will eventually be viewed as a hiccup from the vantage point of history. You can see the pattern in Figure 1.1.

Recessions by definition are always temporary. Even depressions, which are much more severe and longer lasting, yield to the long-term trend of economic growth. Of course, sometime later in the twenty-first century, we'll start running out of the resources that fuel economic growth. It's not only oil production that will eventually peak, if it hasn't already. Just as serious are the sharp and continuing declines in the availability of drinkable water and arable land, both of which will be greatly exacerbated by global warming even in the best-case scenario. Eventually the growth curve will flatten

**FIGURE 1.1 U.S. Real GDP in Millions of 2000 Dollars**



Source: <http://www.measuringworth.org/>; chart by amCharts.com.

and perhaps turn downward. At that point, humanity may need to dispense with the notion of progress itself, with unknown implications for everything from the way we live to how we think about ourselves. But for the foreseeable future, we can expect any recession that comes along to be followed by a recovery—even, possibly, a rapid one.

Unfortunately, as long as the current recession continues, that statement begs the question: What can we expect from our donors *now*, when money is truly tight?

## **Philanthropy in Recessary Times**

A growing body of research on fundraising has been pouring out of the Center on Philanthropy at Indiana University as well as other academic centers devoted to the study and advancement of philanthropy. We practitioners might have long memories and anecdotes to spare from decades of experience, but it's the scholars who tap into the raw data increasingly available about fundraising and philanthropy and put our work and our memories into a solid historical framework.

The lesson from the academics is profoundly simple: overall fundraising results roughly correlate with economic conditions, chiefly the trends in personal income and, in the United States, the Standard & Poor's 500 Stock Index (S&P 500). If the economy's up by these measures, fundraising tends to rise. If it's down, fundraising revenue slips.

But this cloud has a lining of silver, or possibly even a platinum one.

According to the Center on Philanthropy, economic reversals during the past four decades have had less of an impact on philanthropy than they have had on the overall economy. Before adjusting for inflation, charitable giving has increased in all years since 1956, with the sole exception of 1987. (Giving actually declined in that year, but just by 1 percent. And the scholars attribute that decline not to economic factors but to a change in the tax laws the previous year that altered the deductibility of charitable gifts.) From 1967 through 2007, the average rate of growth in giving was 2.8 percent in years of economic recession and 4.3 percent in years of economic growth. However, the story is a little different after adjustments for inflation. During the years 1967 to 2007, inflation-adjusted giving fell an average of 1 percent in years of recession. In years when the recession lasted eight months or more, the decline averaged 2.7 percent (again adjusted for inflation).

But we're more interested in the future than the past, right?

The S&P 500 is what economists call a "leading indicator," which means that it tends to predict economic conditions in the near future; fundraising is a "lagging indicator," which means it doesn't slip until a recession is well under way. By the time fundraising results have dropped, the economy may even be on the upswing. And in a mild recession, the recovery may get under way quickly enough to head off any significant decrease in giving—which may help explain the shallow effect of a slow economy on philanthropy.

In addition, economic conditions affect fundraising results in specific ways. The rise and fall of the stock market tends to indicate the ability and willingness of many major foundations and big individual donors to give generous gifts. Foundation grants may be especially prone to drop sharply, since most foundation assets are invested in securities, and foundation boards tend to limit their annual giving to the minimum 5 percent of assets required by law. During previous economic reversals, this effect was also likely to come later than the downturn itself, as grants are typically made on the basis of a three- to five-year average asset evaluation. At worst, foundations tended to allocate funds for the current year in accordance with their asset values at the close of the previous year. In other words, foundations in the past may not have cut back on grant making even in a severe downturn because the value of their assets was still set by an average that included previous boom years. It could take three to five years for the average asset value to decline sharply—and by that point, almost always, the securities markets had resumed their climb.

However, this current recession is like no other economic event in history. Although some foundations are responding to the stress on the nonprofit sector by giving more, many others are pulling back sharply. All bets are off at this writing. But don't take that cautionary news as cause for panic. It would be a mistake to assume that the bottom will drop out just because you're feeling (or fearing) some effects now.

Corporate contributions also tend to shrink as corporate profits decline, and more quickly than at many foundations, although the impact of a poor economy affects different companies in very different ways. Many companies manage to stay profitable through cost cutting even in a down economy. And there are businesses in “countercyclical” industries—ones that serve basic human needs such as groceries that don’t go away in a recession—which may even benefit from a downturn and might therefore increase their giving.

Similarly, there are countercyclical effects in the non-profit sector, helping to explain why a recession doesn’t typically hit all nonprofits equally. Difficult economic conditions underline the importance of services for poor people, such as food banks, homeless shelters, and urban missions, reinforcing the case for giving to such traditional charities, while other sectors, such as art museums, performing arts organizations, public broadcasting, and (in the United States) international aid and development, might suffer.

Except in cases of severe economic downturns, the effects tend to be much less pronounced on membership renewal rates, average gifts in direct mail and telefundraising, cash contributions in churches and on the streets, and other barometers of giving by people who aren’t necessarily wealthy. It’s possible that current demographic changes will eventually moderate or even eliminate that tendency of donors to continue supporting their favorite charities through thick and thin. An aging population that eats up its savings paying for

health care is one troubling sign of this potential. Another, its consequences unknown, is the increasing ethnic diversity of the U.S. population. For now, though, I'm banking on what seems to be the boundless generosity of the human race. Nevertheless, as a recession drags on, donor acquisition efforts may become even more challenging than they already are. Even people whose day-to-day finances aren't curtailed by a recession tend to become more cautious, and response rates in new-donor acquisition efforts may shrink because donors hesitate to expand their giving choices. Lower personal income and a bear market in stocks take their toll too.

In summary, here's what to watch out for in any recession:

- An economic downturn may—or may not—adversely affect your fundraising results to any great degree. It depends on the severity, length, and character of the recession.
- Even if nonprofits generally are feeling the pinch of a gloomy economic outlook, your organization might not be similarly affected. The effects you'll feel will depend on how you raise your money, what services you provide, and, ultimately, what you do in response to deteriorating economic conditions.

You may be asking yourself whether this current economic crisis is a recession or something much closer to the

protracted economic stagnation of the Great Depression. After all, the impact of most recessions tends to be focused on one country or region at a time, and there's no denying that today's meltdown in the financial markets is a global phenomenon. As I write, it is becoming increasingly clear that this crisis is no mere recession. Its ultimate depth and scope are yet to be seen, but it has already been under way for a full year, and commentators on economics and business are shying away from comparing current conditions to those in any previous economic reversal since World War II. It would seem that the more relevant comparison will prove to be with the Great Depression. What do we know, then, about philanthropy in the 1930s?

### **Giving During the Depression**

During the early years of the Great Depression, according to the limited data we have available, giving did indeed decline significantly three years after the Crash, though not nearly as precipitously as the economy as a whole. Philanthropy then recovered as the 1930s proceeded, even in the absence of significant improvement in economic conditions.

The best information I've been able to locate about philanthropy during the Depression years comes from Robert F. Sharpe Jr., a fundraising consultant widely known for his encyclopedic knowledge of planned giving. A 1991 paper published by the Sharpe Group, re-released in 2008, draws on both the contemporaneous studies of the legendary fundraising consultant John Price Jones beginning in 1931 and a 1950

study by F. Emerson Andrews characterized by the *New York Times* as “the most comprehensive survey of philanthropy ever undertaken in this country” up to that time.

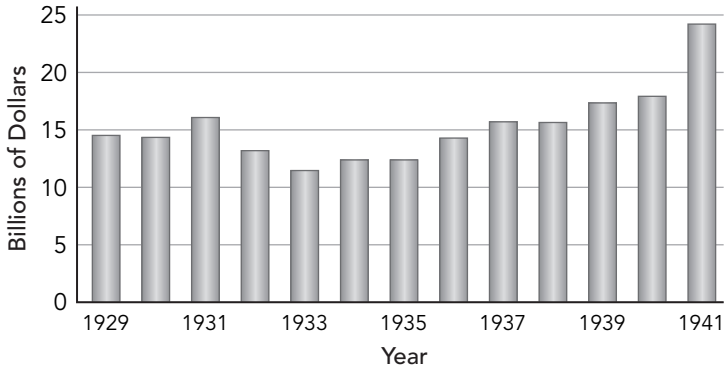
Summing up the overall picture gleaned from these two sources, Sharpe related that

the Andrews report showed a somewhat significant dip in total giving from 1931–33 at the beginning of the lengthy period of economic stagnation that characterized the 1930s. The report shows a slow annual rise in giving throughout the remainder of the 1930s, a time period when inflation was non-existent—and which might even be characterized as a period of increased giving were deflation of the period factored in.

Viewed graphically, the picture emerges very clearly, as you can see in Figure 1.2.

As you’ll note in Figure 1.2, giving didn’t begin its decline until 1931–1932, long after the Crash that most people today associate with the onset of the Depression. Although the dollar amount of total contributions did decrease from 1929 to 1931, giving actually rose when adjusted for the inflation (and deflation) that occurred during this time period. Similarly, taking deflation into account, the drop from 1931 to 1933 is not pronounced. (The dollar increased in value from \$1.00 in 1929 to \$1.33 in 1933.)

**FIGURE 1.2 Inflation-Adjusted Giving in America, 1929–1941**



Source: F. Emerson Andrews Sage Foundation Report.

Although it then took a full seven years before the level of giving in America returned to its peak before the onset of the Depression, there were only two years of significant decline (1932 and 1933). The recovery in giving began in 1934—long before the improvement in the overall economy was truly meaningful.

Sharpe notes that the John Paul Jones studies, working from a different set of raw data that was based on more limited surveys, showed a similar pattern. “They reveal, however, a more dramatic drop in initial gift activity from 1931 to 1933” and a recovery to earlier levels that was more erratic than shown in the Andrews study. However, “other more broad-based reports at the time of gifts to Community Chests

[the United Ways of yesteryear], Catholic Charities, and others also showed a continuous, though slow, rise in giving each year and tend to corroborate the Andrews study.”

Not all nonprofit organizations were equally affected by the Depression. The Sharpe paper reported on a study of giving to higher education that indicated that many colleges and universities — especially the largest and best known — fared relatively well during the 1930s. “Those organizations related to human services, religion, and health care also appeared from contemporary reports to have fared well,” the Sharpe Group noted.

During this period, there was another, highly significant trend: “A much higher percentage of individual gift income [was] derived from bequests and deferred gifts during the 1930s, with a return to more normal levels occurring as current giving mushroomed in support of war-related charity.”

In other words, during the worst financial crisis in the memory of any living person, there were a couple of significant declines for the nonprofit sector, or at least for most nonprofits. But philanthropy bounced back to pre-Depression levels far more quickly than the world economy in general.



It’s important to weigh this perspective in the balance against the many changes in American philanthropy since the 1930s. A far smaller proportion of the U.S. population then could be

counted as donors, so major gifts—and, as Robert Sharpe notes, substantial bequests—constituted a far larger share of overall giving than they do today. Only after World War II did a substantial middle class capable of sharing its prosperity begin to dominate the American economy. Direct mail fundraising—mass fundraising of all sorts—didn't begin coming into its own until the late 1940s. The number of charitable foundations was a tiny fraction of the more than 100,000 in the United States today. There were no computers, no Internet, no e-mail. Still, the fact that giving was less sharply hit than the economy as a whole seems relevant. The same pattern has prevailed through every subsequent economic downturn. It appears as though the philanthropic impulse is stimulated, not discouraged, by the widespread evidence of growing need during difficult times.

If the fundamental question at hand remains simply whether today's economic troubles constitute a recession (mild or otherwise) rather than a severe reversal that economists would call a depression, why don't we just put on our thinking caps, using all the magical devices in the economists' toolbox, and determine what's in store for us?

Since you already know that crystal-balling the future is a fool's errand, we'll take a look in the following chapter about a tested and proven method to anticipate—not predict—the future.

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