

# Can Communication Overcome Donor Burnout?

PENELOPE BURK

Burk & Associates, Ltd. Operating As

**Cygnus**  
APPLIED  
RESEARCH, INC.



## Can Communication Overcome Donor Burnout?

March, 2006

by PENELOPE BURK

Is donor burnout real? I'm asking myself that a lot lately as the fundraising industry takes stock of its performance in 2005. This has been an unusual and volatile year for raising money. For some organizations, revenue is way up, especially for NGOs on the front lines in natural disasters. For other not for profits, however, giving is down, and "donor burnout" is often cited as the reason.

If donors are burned out, does that mean they're broke? That's a legitimate question, given the relatively meager response in October to Pakistan's earthquake when compared with the outpouring of generosity for Tsunami and Katrina relief efforts earlier in the year. The answer seems to be "no." In fact, overall philanthropy is up, and many non-aid organizations that initially braced themselves for a migration of their donors to disaster relief charities, have not seen that happen.

So, what is "donor burnout" then? The dictionary defines "burnout" as exhaustion of physical or emotional strength usually as a result of prolonged stress or frustration. There's no doubt that Americans were feeling the stress of wrenching disasters at home and abroad; but "burnout" defined as "prolonged frustration" – that's another matter entirely.

To consider why they might be suffering from prolonged frustration, it helps to understand what causes donors to be in the opposite state – one of prolonged satisfaction. Satisfied donors can be easily distinguished from their frustrated counterparts. Satisfied donors behave differently. They are loyal longer and they can be counted upon to make increasingly generous gifts over time. Frustrated donors, however, give once or twice and disappear, and the value of their gifts is often too modest to be profitable.

In-depth donor research conducted by our company (Cygnus Applied Research, Inc.) investigated why donors stay loyal and give more generously to some causes while abandoning others. The majority of donors we studied said that indefinite loyalty was the product of receiving prompt and meaningful acknowledgment whenever they gave and getting meaningful and measurable results on their last gift at work before being asked for another one. Eighty-seven percent of Study donors said that this is all it takes for them to be fully and indefinitely satisfied.

Cygnus Study Donors also described what it feels like to give and, once again, vividly articulated what it means to be a satisfied donor. They identified two points of tremendous emotional connection – an initial rush when they make the decision to give

(or give again) and an even greater exhilaration when, later on, they learn that their giving had some meaningful outcome.

This fluid cycle – considering a request, making the commitment to give, learning later that the gift achieved something, being ready to consider another request – is the process of progressive philanthropy. But it's only possible if not for profits and their fundraisers recognize that they play an indispensable role at the back end of the giving process as well as during the front-end ask.

According to Study donors, this is the most significant deficiency in fundraising today. Fifty-five percent of respondents said they never or rarely get measurable results from the charities they support. This lack of appreciation for the needs of donors is responsible more than anything else for high attrition and artificially low gift averages among donors who do continue to give.

According to our research, lack of meaningful communication is an issue across the entire not for profit sector, even among organizations that do not over-solicit and which seem to have fundraising budgets that could meet donors' basic need for information. So, it stands to reason that donors' frustration would be accelerated in emergency fundraising situations.

How does a disaster relief agency acknowledge gifts promptly when it is overwhelmed by a giving stampede? How can an NGO report meaningfully on how funds are being used when it is jockeying for position among dozens of other aid organizations?

Working tirelessly in response to three successive natural disasters in 2005, aid organizations that were the beneficiaries of billions of dollars from donors may now find themselves in a fundraising disaster. Because so much money was raised (initially offered unsolicited by frantic donors wanting to help, and then encouraged through aid organizations' own fundraising and media campaigns), it has been impossible to allocate it all to relief work. This leaves organizations open to questions from donors about whether funds are being used for their originally intended purposes.

As media reports and NGOs' own internal assessments of their relief efforts emerge, related questions about fundraising are also on the table. One particularly thorough exposé on how Tsunami relief funds have or have not been used some twelve months later, caught my attention. Particularly, the President of one national relief organization, when questioned about why 75% of Tsunami relief funds were still being held in trust accounts, said that it will likely take ten years to spend it. As the mission of this NGO states that their programs and activities are meant "to provide help immediately", this is somewhat of a stretch of their mandate, and undoubtedly not why donors thought they were giving when they made the commitment.

Fundraising in 2005 for disaster relief raises three questions which, if not dealt with in a way that is satisfactory to donors, causes frustration and leads to donor burnout:

1. Should organizations continue to encourage donors to give beyond a level of funding that can actually be allocated within the parameters of their mandate?
2. Should not for profits be forced to use funds raised for the explicit purpose for which donors contributed the money?
3. If funds are redirected, how should donors be engaged on the issue?

These are huge questions, but they can be addressed. Médecins sans Frontières (Doctors Without Borders) demonstrated that last year when they handled an outpouring of post-Tsunami philanthropic giving in an atypical way. The Asian Tsunami hit on December 26th; on January 4th Doctors Without Borders around the world announced that they would not take any more contributions for this relief effort as they could not guarantee that funds received could be spent as donors intended. In countries where their governments were offering matching funds, these monies were also declined. DWB could provide clear direction to donors because they knew what it cost to set up and run an emergency medical operation and they knew how many sites they could establish and sustain. They were on the ground immediately – by December 27th they were reporting from the front lines – but they were realistic about what they could accomplish in the face of a monumental disaster, which also meant that they were realistic about their limitations.

DWB also knew what it cost to deliver their service, so on January 4th, knowing that their Tsunami relief effort was “fully subscribed”, they said so. That open transparency piqued my curiosity and, two months later when the intense fundraising activity had subsided, I met with David Morley, the now retired Director of the Canadian Branch of Doctors Without Borders.

He told me that while the number of donations started to decline on January 5th, many donors gave anyway, and those gift averages were higher. It seems that some donors, including experienced donors of considerable means, were quite willing to see their charitable gifts directed to relief efforts in Darfur, for the AIDS pandemic, and for other less publicized but just as urgent crises, and that the dominant issue was one of trust. In Doctors Without Borders, donors found an organization that they could count on to do exactly what they said.

The immense size and comprehensive mandate of some NGOs, however, make it more difficult to assess need quickly or predict what it will cost to provide emergency relief. In cases where organizations raise more money than can be applied as per donors' original understanding, donors will be flexible if they are given the option to voice their opinion.

Ninety-seven percent of contributors to Médecins sans Frontières in Great Britain agreed to reassign their Tsunami-generated gifts to other under-funded initiatives when asked. And, it's because they were asked that cooperation was so high. As there is a direct correlation between lack of meaningful information and high donor attrition, organizations that feel they have too many donors to warrant communication, will soon have too few – and a brand new problem.

“Donor burnout” is real; but it’s not the hunkering down of an emotionally exhausted population unable to respond to one more crisis. It is the reaction of a philanthropic, yet concerned, public suffering from a crisis of confidence in fundraising.

The situation can be turned around. We just have to want to do it.

**UNITED STATES**

444 North Michigan Ave, 12<sup>th</sup> Floor  
Chicago, IL 60611  
t: (800) 263-0267  
f: (905)546-9774

**CANADA**

69 John Street South, Suite 410  
Hamilton, ON, L8N 2B9  
t: (905) 546-5335  
f: (905) 546-9774

Original article published in Contributions Magazine

March, 2006

Other articles written by Penelope Burk can be accessed on our website at:

<http://www.cygresearch.com/publications/articles.shtml>