

# The Future Is Now:

## *Interactive Technology in the*

### *Community Foundation and Non-Profit Arena*



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~ **Betsy Covington**, Executive Director  
of the Community Foundation of the  
Chattahoochee Valley

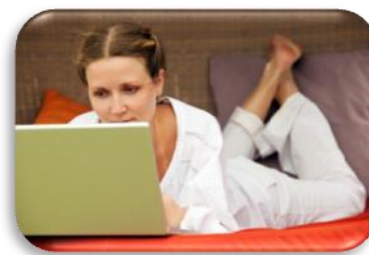
Interactivity is imperative in today's financial services marketplace. While non-profits are significant players in the investment arena, when it comes to servicing their donors, too often they lag behind in adopting and capitalizing on the tools regularly employed by commercial financial services organizations. As online commercial banking and investments continue their technological trends, community foundations and non-profit organizations are falling farther behind the interactive curve.

According to Tim Gassert, Director of Web Communications and Corporate Secretary at [The Boston Foundation](#), “For people who have wealth to manage, there is an **expectation** that when they begin to pursue some of their philanthropic ventures they will find the same **convenience** and the same **tools** that they use to manage their non-philanthropic finances.” He continues, “They expect to be able to go home and make an online donation at 10:00pm if they have read something during the day that has inspired them.”

High net worth individuals who represent the majority of non-profit donors are most definitely using Internet based tools to manage their portfolios, transfer money from one account to another, monitor mutual funds, apply for loans and more. In fact, there were more than 51,372,000 online banking customers at the end 2008 up from 47,311,000 at the end of 2007 (source: [comScore Online Bank Benchmark](#)). The result is web-savvy consumers experiencing more convenience and **control through online financial management**. It is understandable that they would expect the same level of interaction in their philanthropic endeavors.

Betsy Covington, Executive Director of the [Community Foundation of the Chattahoochee Valley](#), knows this to be true. “Donors have more experience online. They expect to be able to set up an account so that they can return to the website and, with ease, log-in to manage their accounts. Community foundations must move in this direction in order to **keep donors engaged**.”

**Keeping donors engaged is one of the keys for retention.**



According to the Association of Fundraising Professionals, “donor **retention** remains the biggest stumbling block for most charities’ fundraising efforts.” Their study reports that new donors represented slightly less than 26% growth rate while money raised from recaptured and upgraded donors was more than 63% (source: [Fundraising Effectiveness Project Report, November 2008](#)).

With statistics like that, community foundations along with all non-profit organizations must **take advantage of technology** to engage and connect with donors who have come to rely upon and expect web-based tools. But some organizations are reluctant to embrace this new technology, believing that an older generation prefers a more relational approach to donor management, and that high-tech and high-touch are mutually exclusive. They are not.

While the need for human relationship is important for all generations, statistics prove it is not just the younger generation who takes advantage of online interactivity. Boston's Gassert knows that increasingly the general population looks to the Internet for information and tools and reports,

**“The 50+ age bracket is the fastest growing segment on Facebook.”**



Covington concurs with Gassert's trend assessment, and observes, “We are moving from a relationship-based giving environment to more outcome-based giving. Donors are choosing to invest in the missions of organizations rather than simply give money to their friend at the XYZ non-profit organization.”

That means that information about an organization, its mission and its accomplishments become increasingly important factors in decision making. **Web based technology** that allows interaction among and between donors and beneficiaries **enhances the process** and the resulting relationship significantly.

Gassert sees this increased interactivity as positive. “Philanthropy is motivated by passions and people don't really get passionate about an organization per se, but rather about the mission of the organization. And to the extent that you are able to facilitate online exchanges with program officers at the foundation, or enable donor-to-donor interaction

through blogs to share and stir up passions, you can help **motivate people** to be philanthropic.” He continues, “Hearing from other philanthropists making a difference, learning the human interest side of the story – that seems to be what motivates people and that's technological interactivity allows to happen on its own, organically.”






“Providing access to relevant information is a **win-win** for everyone,” Covington concludes. “Currently, the burden is on the donor to find out about organizations. Anything we can do to facilitate sharing information about grant-making opportunities will help everyone.”

Clearly, the non-profit sector must take advantage of the technology, the tools and the approaches that provide far-reaching interactive service to their constituencies.

**The question is, when will we realize that the future is now?**

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