

## **Heifer reports pastures greening back up**

*LR-based organization among charities seeing donations cloud lifting*

By Andy Davis, Thursday, July 8, 2010

LITTLE ROCK Democrat-Gazette

After a year in which Heifer International shed more than 20 percent of its global work force in response to a drop in donations, officials at the hunger-relief organization say they have evidence that brighter days are ahead.

Although final numbers have yet to be tallied, it appears that donations and other revenue in Heifer's fiscal year that ended June 30 were "flat" compared with the previous year's total of \$106.3 million, said Steve Stirling, the organization's executive vice president in charge of branding and fundraising.

And Stirling said he's "cautiously optimistic" that donations will pick up slightly this year, meaning the organization won't have to make any further cuts. It might even add a position here and there.

"Thank God for generous donors because without generous donors, we would not be here," Stirling said.

According to a report released last month by the Giving USA Foundation and Indiana University's Center on Philanthropy, donations to charitable organizations nationwide dropped 3.2 percent last calendar year compared with the year before.

But Melissa Brown, associate director of research at the center, said many nonprofits have more recently reported upticks in donations, beginning with a surge in late December.

A survey of 1,400 nonprofits by Blackbaud Inc., which makes fundraising software, found that donations in the first three months of 2010 were up by 12.1 percent compared with the same period a year earlier, thanks in part to support for relief efforts in Haiti.

Brown said the increase also appears to be linked to an upward trend in the stock market that began last year.

"When the stock market is up, it's also an indirect measure of economic feeling in the broader economy," Brown said. "It creates a sort of perception that maybe things aren't as bad as we keep hearing."

Kim Evans, director for the Center for Nonprofit Organizations at the University of Arkansas at Little Rock, said she has heard mixed reports from Arkansas charities.

"There are some who continue to see a slowdown in their donations, but there are some who are seeing an increase or who don't feel like they're in free fall anymore."

Kathy Barbeire, spokesman for the Salvation Army's Central Arkansas Area Command, said her organization has yet to see an improvement in giving. Donations last Christmas, a major fundraising time for the group, were "abysmal," she said.

In response to the drop, the command, which covers Pulaski, Saline, Lonoke and White counties, has been shrinking its staff through attrition and has been relying on the volunteer group Feed the Hungry to provide breakfasts at its Little Rock shelter. A two-

family shelter in Saline County has been shuttered for the past few months because the command has no one to staff it.

“Last summer, we had people coming to us saying that they used to be regular donors, and then they were having to apply for assistance through us,” Barbeire said. “It’s gotten to where we’ve had to turn people away for utility assistance or food assistance because we just didn’t have the funds.”

At Heifer, which provides livestock and agricultural training to poor families, revenue in the past fiscal year included a less than \$10 million installment of the \$42.8 million total awarded in 2008 by the Bill and Melinda Gates Foundation to expand dairy farms in East Africa. Heifer also received more than \$1 million to help with recovery efforts in Haiti, where Heifer had been working even before the Jan. 12 earthquake.

Stirling said Heifer also benefited from an increase in giving from “major” donors, those who contribute \$10,000 or more, which he credited to a decision to assign additional staff members to cultivate wealthy donors.

Internet giving, another area where Heifer beefed up its staff, was also up, Stirling said.

One example of the online effort was a campaign encouraging fans of American Idol winner Kris Allen to make donations in honor of Allen’s birthday on June 21. The effort generated \$26,000 in donations, as well as mentions on the websites of USA Today and MTV.

“We constantly have to think of new ways to create opportunities that are efficient and don’t cost money,” Stirling said.

“We are very mindful of what it costs us to raise \$1 in terms of revenue. We have to do it in a much more efficient way.”

While donations are holding steady, they are still expected to be below the \$128 million Heifer received in its fiscal 2008. To compensate for the drop in donations last year, Heifer laid off 230 of its employees worldwide, including 28 in Little Rock. Heifer also implemented a salary freeze for employees and cut top executives’ pay by 3 percent.

After 12 months, the salary freeze was lifted in April, when all employees received raises of 3 percent, Stirling said.

At the end of June, Heifer had 919 employees, including 197 in Little Rock, spokesman Joedy Isert said.

Stirling said Heifer could add a few “strategic” positions, but he doesn’t foresee any significant expansion in the near future.

“It’s going to be challenging,” Stirling said. “These economic times are not going to be changing in the next 12 months or so.”