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- By Amy Lane

‘We Have A Lot To Be Thankful For’: Nonprofits’ Roller-Coaster Ride Eased By Funding, Donors, Creativity



After projecting a \$1 million pandemic-related loss, Goodwill Northern Michigan got creative.

Like other nonprofits, it turned to new funding sources, donors and community to keep operations strong and serve its population.

“It’s amazing,” said Executive Director Dan Buron of his organization’s current projected loss of \$70,000. “I never would have envisioned this outcome.”

This spring’s forced closure of Goodwill Northern Michigan’s nine thrift stores dealt a major blow.

Gone was money that helps support Goodwill’s mission-critical services like shelter and food rescue, as the state-mandated closing shut down store sales that, combined with online and other sales, supply 70% of Goodwill’s total revenue.

The impact was profound, said Buron.

“We were operating in the dark about how to move forward, both as a business and a social service entity,” he said.

The impact was swift.

“Overnight, your financial situation is being challenged, is being stressed, and your operational ability is being challenged,” he said. “So we had to kind of find our way through it.”



Dan Buron

Finding a way through the COVID-19 landscape is what many area nonprofits have had to do. Revenue streams dried up; traditional in-person fundraising was up-ended.

At Goodwill – where operations include the Goodwill Inn homeless shelter, Street Outreach for people experiencing unsheltered homelessness, and Food Rescue, which distributes surplus food to more than 70 food area sites – “we felt it was important to continue” those vital services, Buron said.

Goodwill shored up finances by reducing expenses like \$70,000-a-week store costs through refinancing building mortgages and other steps; applying to a rapid-response fund set up by the Grand Traverse Regional Community Foundation and receiving \$45,000 in grant money; and launching a community appeal to donors that reached its \$500,000 goal, providing needed money for operations.

People were generous during a difficult time, Buron said.

“I think we have a lot to be thankful for,” he said.

Buron said Goodwill has increased engagement with the community, like Zoom meetings with major funders

Urgent Needs Fund Awards \$669,000 in Grants



Dave Mengebier

Helping Goodwill and other nonprofits maintain services during the pandemic has been the Community Foundation's Urgent Needs Fund.

Established in March, as of early November it had awarded \$669,000 in grants to nonprofits providing vital services in communities across Antrim, Benzie, Grand Traverse, Kalkaska and Leelanau counties.

"I think we recognized at the Community Foundation and (after) talking to other partners like Rotary Charities and United Way and Oleson Foundation and others ... that the nonprofit community was going to be hit hard in the region," said Dave Mengebier, Community Foundation president and CEO. "So I think we kind of put our heads together and said, 'What do we want to do about it?'"

Initially seeded by the Community Foundation, Oleson Foundation, Rotary Charities of Traverse City, United Way of Northwest Michigan, DTE Foundation, the Herrington-Fitch Family Foundation and Jim and Diana Huckle Family Foundation, the fund's gifts totaled \$729,000 as of early November.

Supporters include the Brookby Foundation, the Beers Family Foundation, Cherryland Cares, Team Elmers, the Les and Anne Biederman Foundation, the Art and Mary Schmuckal Family Foundation, the Frey Foundation, HP Foundation and Consumers Energy Foundation.

Mengebier said that while the fund drew about 75% of initial donations from major philanthropists and the foundation community, the remainder came from individual donors giving small amounts like \$50, \$100 and \$200.

"The community's response was amazing," he said. "In a relatively short time, we raised almost (\$775,000)," he said.

As of October, grant applications had slowed. Mengebier said the fund will be spent down on nonprofits in need of help, but it could raise money again if crises re-emerge.

Kalkaska Area Interfaith Resources

One nonprofit grateful for the assistance is Kalkaska Area Interfaith Resources (KAIR). When COVID-19 hit, KAIR had to close its thrift store and stop taking donations, losing revenue that helps KAIR purchase food to distribute to families in need, said Director Cathy Somes.

The Urgent Needs Fund helped with \$5,000 for food but a stroke of bad luck hit: A freight lift used daily to move food around to KAIR's pantry plummeted to the basement and at the same time, the lift on KAIR's truck went out.

"Those two things were just crazy," Somes said.

The Urgent Needs Fund provided money to fix the vital equipment, granting KAIR \$21,200 for the year.

"They really came through for us," Somes said.

She said KAIR's store sales will be down for the year and donations probably will be too, but she was hoping KAIR's annual Festival of Trees in November would again "be a great fundraising event."

She said KAIR is grateful, particularly during the pandemic, for the help it receives through financial donations and volunteer hours.

"We have a wonderful community that supports our mission through various channels," Somes said. "Our mission's always strong, I've got awesome staff and we're here for the right reasons. You just do what God asks you to do. We're not going anywhere."

Leelanau Christian Neighbors

In Leelanau County, Leelanau Christian Neighbors (LCN) saw its Samaritans' Closet resale shop close due to the pandemic but community pocketbooks open, with individuals sending LCN donations that included economic stimulus

grant helped with increased food pantry expenses including food purchases, bags and other supplies to accommodate a new drive-up service model with pre-packed food bags that replaced the pantry's traditional shopping experience.

Mary Stanton

Executive Director Mary Stanton said the nonprofit didn't do an appeal to raise funds; the community reached out to LCN.

"People came to us and asked, how can we help," she said. "It was very humbling for us to have a community trust us with their support for other members of the community."

And since Samaritans' Closet reopened, it's had a wealth of donations – some perhaps from home-stay closet-cleaning – that generate profits to boost LCN community services.

Stanton said LCN is on track for its programs to meet budgets for 2020, but 2021's landscape is an open book.

LCN was slated in November to send out a year-end appeal letter and Stanton said "we certainly hope people send us back something. But I don't know. I wish I had a crystal ball."

The Father Fred Foundation

The pandemic caused The Father Fred Foundation to shift its food pantry to drive-up food distribution and halt donations for clothing and household items. But financial donations increased and came from many directions, like an individual who came to the foundation's door and, when executive director Candice Hamel asked how she could help him, he replied "how can I help you, and gave me \$100," Hamel recalled.

Candice Hamel

The foundation received \$5,700 from the Urgent Needs Fund to purchase laptops for staff to work remotely and to buy a glass-top freezer for safe and socially-distant shopping when its food pantry reopens to visitors. An appeal in its newsletter brought in donations large and small, including from new donors, Hamel said. "We've got a phenomenal community."

Father Fred has continued to offer financial assistance and food and clothing drives, and Hamel said the nonprofit is finishing the year financially strong and is on course helping individuals and families with essential needs.

"I think this is when our mission rises," she said. "Our job is to be there for individuals when they don't have other places to turn."

Benzie County Community Chest

Many nonprofits and organizations that support them – like the Benzie County Community Chest – are weighing what 2021 might bring for the populations they serve.

Brooke Trentham Popp, Community Chest executive director and treasurer, said she expects nonprofits in the predominantly low-income county will show heightened need as they submit grant applications to Community Chest by the end of December.

Community Chest has a year-long fundraising campaign that typically funds around a dozen nonprofits operating in areas that include food, shelter, crisis services, abuse prevention, senior services, life-skills building and education. It will disburse grants in early 2021.

In its annual campaign that ended in September, Community Chest raised \$90,000 of its \$100,000 goal. However, Popp said the new campaign that launched in October – also with a \$100,000 goal – may draw fewer donations due to the pandemic, economy and unemployment.

"We do have a little bit of reserve from the year before, so we'll use that if we need to," she said. "We know we're going to have additional needs, so that's where we're hoping people can join us and help us reach that goal."

Peace Ranch

At Traverse City's Peace Ranch, which provides equine-assisted therapy to people of all ages needing mental health services, the pandemic brought cancellation of fundraising events but a swell in

Director Jackie Kaschel.

Jackie Kaschel

Peace Ranch cut expenses by reducing all independently contracted staff hours, leaving the two salaried staff – program developer Jan

Stump and Kaschel – initially handling all work with clients and horses.

Typically, a three-member team of horse, licensed mental health professional and equine professional works with each client, with both the horse costs and the equine professional's compensation coming from events, fundraising or grant writing.

An Urgent Needs Fund grant of \$10,000 helped with Peace Ranch finances, as did donations received through a new quarterly newsletter and reallocation of some grant money.

Going forward, Kaschel says she will develop deeper relationships with sponsors interested in making an impact and investing in the ranch's therapy model, which incorporates horses for emotional growth, learning and rehabilitation.

The ranch is offering a new program in which individuals and corporations can sponsor horses, an initiative Kaschel hopes will do well and includes, for annual business sponsors, the opportunity to receive equine-assisted team building for staff.

"The upkeep and care of the horses and facility that we need for the program is a huge budget item," she said. "By sponsoring a horse you're really sponsoring every minute of therapy and everything that's going on here."

The pandemic has revealed two things for nonprofits like Peace Ranch, she said.

"(W)ell obviously, it has revealed a tremendous need in our community. With all that's going on, we don't see that changing any time soon," she said. "We also don't see being able to go back to event-driven fundraising as we have in the past. Since those opportunities aren't possible, we'll be trying something new."

Engaging Donors Differently

Indeed, many nonprofits have had to move away from or reduce their reliance on special events and are engaging donors differently to make up for revenue loss.

Amid the pandemic it's been important to continue to fundraise, even if it might seem harder to ask, said consultant Christie Perdue, member of a COVID-19 crisis support team created by Rotary Charities. The team of specialists offers limited free consulting in a variety of topics to nonprofits serving Antrim, Benzie, Emmet, Grand Traverse, Kalkaska and Leelanau counties.

Christie Perdue

Perdue, principal at CP Consulting in Gaylord, said "our advice to clients in the crisis was stay your course. Still try to engage. Your mission still needs to be funded, even though we're in economic uncertainty."

She said she sees nonprofit messaging becoming more specific: Laying out a specific problem, what the nonprofit needs and how donors can help.

"It comes down to real good communications to donors," Perdue said.

And both events and giving have gone virtual, she said, with nonprofits doing "a lot more email, video, strategic engagement online."

Grow Benzie

One organization to do a major shift was Grow Benzie in Benzonia, a community nonprofit connecting people to healthy food, jobs and life skills.

Grow Benzie lost income when it could no longer rent out its event space and lost its annual summer fundraiser, a live musical celebration that has drawn more than 1,000 people and supplies about a third of Grow Benzie's budget, said executive director Josh Stoltz.

Like other major gatherings in northern Michigan and throughout the country, the Benzie Bayou became a virtual event.

membership drive, Stoltz said, "to encourage people to make a donation to be a member to stick with us for the future."

Other steps to bring in income include renting out office space and services to other nonprofits and providing support services to a local education network – pre-pandemic revenue streams that Grow Benzie had been working on. Despite being about \$50,000 short in traditional fundraising income, Grow Benzie is hoping a strong response from its year-end appeal will sustain the organization until its spring membership drive, Stoltz said.

Traverse Symphony Orchestra

Innovation has been key – literally – to the Traverse Symphony Orchestra (TSO). As a performing organization confronted by an abrupt halt in how it performs, the TSO has undergone the most significant revamp in its 70-year life.

COVID-19 "really changed everything about what we do and how we do it," said Executive Director Kedrik Merwin.

"We were forced to cancel concerts and fundraisers through the spring and summer," Merwin said. "This gave us a great opportunity to take a look at ourselves ... and really recraft how we engage with our community. It made us look at how are we something that adds value to our community."

Kedrik Merwin

With its big fundraising events, elbow-to-elbow concert-going and ticket sales out the window, symphony staff and board worked together to chart a new course, informed in part by community focus groups that provided feedback on practical and philosophical questions, like how the TSO and its relationship to the community was envisioned.

What emerged was a multi-faceted plan forward, including pop-up concerts featuring small numbers of TSO musicians in impromptu settings like Traverse City's Front street, as well as socially distanced, small-ensemble concerts at First Congregational Church.

Events like these are free and a way "to remove barriers to enjoying the orchestra," Merwin said.

The TSO Brass performing in downtown TC.

The reconfigured season also includes a Dec. 19 holiday video concert with the TSO brass quintet, as well as members of the full orchestra playing from their own homes and edited into a combined musical Christmas greeting. There will also be

Interlochen Public Radio Christmas Day-broadcasts of TSO brass quintet members playing Christmas carols.

TSO is also expanding its online content to include musician videos, archived concerts and other recordings. A new "play a part" membership model will offer patrons varying contribution levels to receive benefits that include merchandise discounts, access to premium online content and to VIP events featuring Maestro Kevin Rhodes, as well as other perks.

The membership program is an approach to sustainability that Merwin said has been received well in the community. It prompted an anonymous donor to match up to \$80,000 of new or increased donations to the TSO, potentially bringing in \$160,000 to the organization.

Another TSO twist is online fundraising, like an October event filmed at Bonobo Winery with jazz great Bob James and Rhodes performing works for two pianos, which also features the TSO's principal flutist. The event was to be posted on the TSO's website in mid-November and while it will be free to viewers, "ideally they will watch this fundraiser ... and they will be motivated to join," Merwin said.

Other online concerts will be a premium for high-level donors.

"We've had to look for every innovative new way of working with our audience that we can," Merwin said.

The new funding model looks to go beyond immediate season operations. Donors can become sustaining members by pledging a three-year commitment at the membership level of their choice.

"That's really giving us a way to look forward and say ... how can we begin to make long-range planning that will

The TSO ended its fiscal year in August “in the black, and that is extraordinary,” Merwin said. “It makes all of us happy and hopeful for the future.”

Amy Lane is a freelance journalist and former reporter for Crain’s Detroit Business, where she covered business, state government, energy and utilities for nearly 25 years.

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