

# **United Way Of Sarnia-Lambton**



**United Way**  
Sarnia-Lambton

***Fifty More Years***

2007

The United Way of Sarnia-Lambton  
Long Range Plan

July 2007

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2007

## The United Way of Sarnia-Lambton Long Range Plan

The United Way of Sarnia-Lambton is proud of its long history of making Sarnia-Lambton a great place to live, work and play for 50 years. More recently, the United Way of Sarnia-Lambton has had a decade or more of successes in terms of its annual campaign, its financial health, and its proven impact on life in Sarnia-Lambton.

Our slogan this year, “50 years of Leading the Way” says it all. The United Way of Sarnia-Lambton has, over the years, been innovative in its thinking and has used a variety of methods to keep its fundraising costs as low as possible while at the same time has made its allocation decisions as forward thinking as possible. This guarantees the best return on investment as possible in community programs and services.

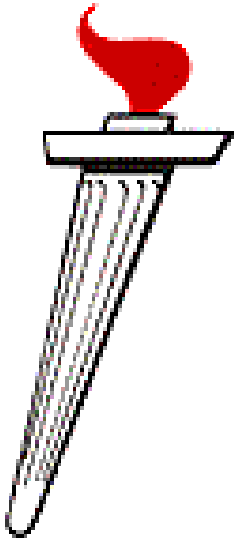
The United Way of Sarnia-Lambton has consistently met its goals and objectives as an organization committed to best practices and providing donor value. Certainly, these successes are a testament to the Board of Directors, the Staff, Committee Volunteers, and the Community as a whole. Later in the Long Range Plan, we highlight the past giving habits of our citizens and examine why it has been said over and over that Sarnia-Lambton is a caring community.

Since this is the United Way of Sarnia-Lambton’s 50<sup>th</sup> anniversary, let’s reflect on our beginnings.

In 1957, five local visionaries, George William Parker, Bernard James Highfield, Fred Harris Walker, Edwin Ralph Rowzee and Leroy D. Smithers incorporated the Sarnia and District Community Chest. At the time, it was located at 150 ½ Front Street. One year after, what we know now as the United Way of Greater Toronto, and a few years after, the first United Way in Canada was founded in Windsor, Ontario.

In 1970, the Sarnia Community Chest changed its name to the Sarnia and District United Appeal, a name still used by many in our community. The name United Way of Sarnia-Lambton was officially adopted in 1981.



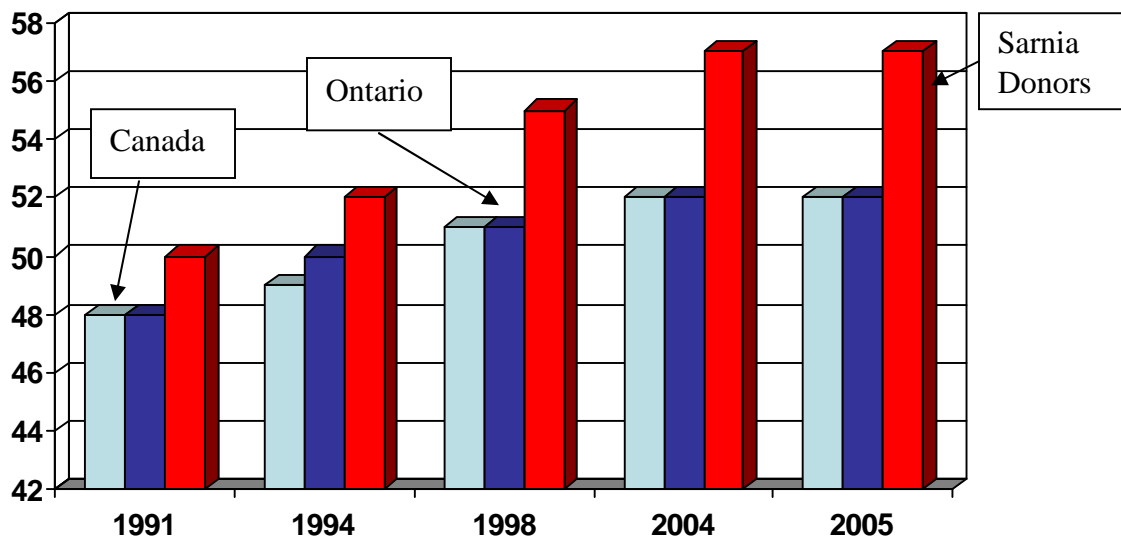


Not only is 2007 a milestone for Sarnia-Lambton as it celebrates the United Way's half century of community support, but 2007 is also the year that the first Baby Boomers reach 60 years of age and if they haven't already, begin to seriously consider retirement living.

*Fifty More Years* is the title of this, the United Way of Sarnia-Lambton's 5<sup>th</sup> Three-Year Long Range Plan. Like the others before it, *Fifty More Years* will focus on some local and national trends and identify what our community's United Way needs to do in order to prepare for the future in terms of sustainability in these ever changing times. The lack of revenues for community agencies, and the need to address our aging community including the growth of our Baby Boom generation will provide both challenges and opportunities for the United Way of Sarnia-Lambton.

In fact, our working age population is growing older at a quicker rate of speed than in the past when compared to the Ontario and Canadian populations. This Boomer generation will have a profound effect on the way United Way of Sarnia-Lambton does its business in terms of both the Community Investment process and the Resource Development program.

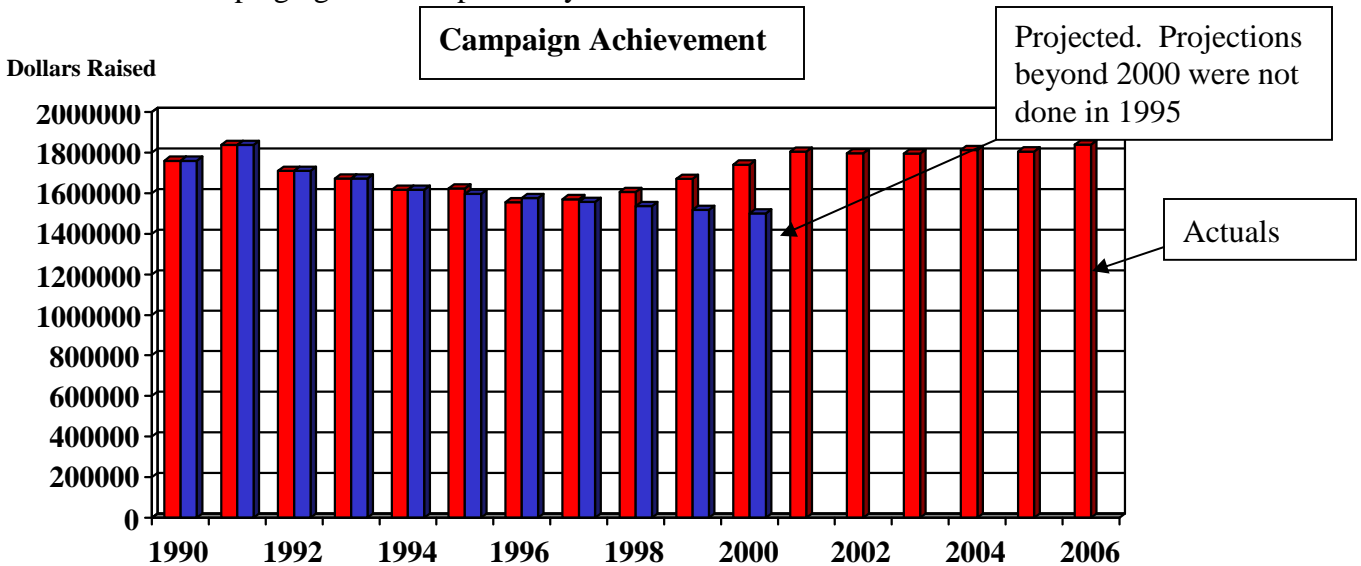
### Average Age of Donors in Canada, Ontario, and Sarnia



**Note:** Information above is obtained from Statistics Canada based on annual Tax Returns

## Campaign Achievement.

While it is now commonly known that we measure our success as an organization in many more ways than the Campaign thermometer, campaign achievement overall is what makes things happen in our community. On this note, while it appears that our overall campaign has not grown in absolute terms, in effect, it has grown at an impressive rate when you compare the job losses our community has experienced in the industrial sector; the source of approximately 70 per cent of our revenue. (Workplace participation and average donations have increased). The chart below shows the campaign achievement in the past 16 years and it should also be noted that the United Way of Sarnia-Lambton has reached its campaign goal in the past ten years.



As stated in previous Long Range Plans, 1995 was the birth of our new direction; to formalize the way in which the United Way will conduct its business to help ensure sustainability and ensure campaign contributions are being used in the most cost efficient and effective way possible, meeting the greatest community needs.

In 1995, our whole new direction became formalized with the publication of our first Long Range Plan, *Building for our Future Today*, (published in April, 1995). This first plan began to examine in a more formalized way, the new direction of the United Way of Sarnia-Lambton as we began with measurable objectives and a new mandate. It was at this point in time, we began to measure our success using different tools.

Three years later, in April 1998, we published *Building for the Millennium and Beyond*. Again, more creative measurement tools were developed to identify strengths and weaknesses of the United Way of Sarnia-Lambton as well as challenges and opportunities. It was at this stage that our funding decisions became based on Outcomes and Impacts in our community; not simply what programs appeared to be effective and efficient.

In April 2001, *Strengthening our Future* took a closer look at technology and the opportunities and possible pitfalls that it can provide.

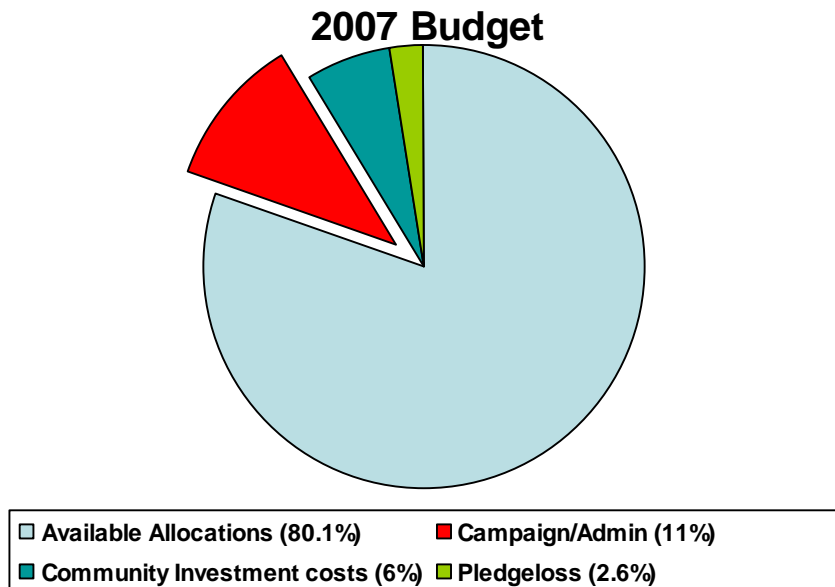
The most recent Long Range Plan, *Our Future is Now*, published in April 2004, brought all the pieces together and consistent to our best practices and continuous improvement philosophy built on the momentum we had.

*Fifty More Years*, the current Long Range Plan is one step further down the road to *The New Way United Way*, whereby we focus on prevention, root causes to the most pressing Community Needs, and to identify the best return on our investments as possible through programs and services.



## *50 years of Leading the Way*

The past ten years may well have been the greatest success years the United Way of Sarnia-Lambton has had. Not only have the campaign goals been met, as stated above, but the Wes Thompson Endowment Fund has now grown from \$7,691 in 1990 to now just under \$1,000,000. The fund is a key component of the United Way of Sarnia-Lambton long term sustainability plan and to providing donors the best return on their donations as possible. At the same time, campaign and administration costs have continued to decrease (as a percentage of campaign donations) resulting in a greater



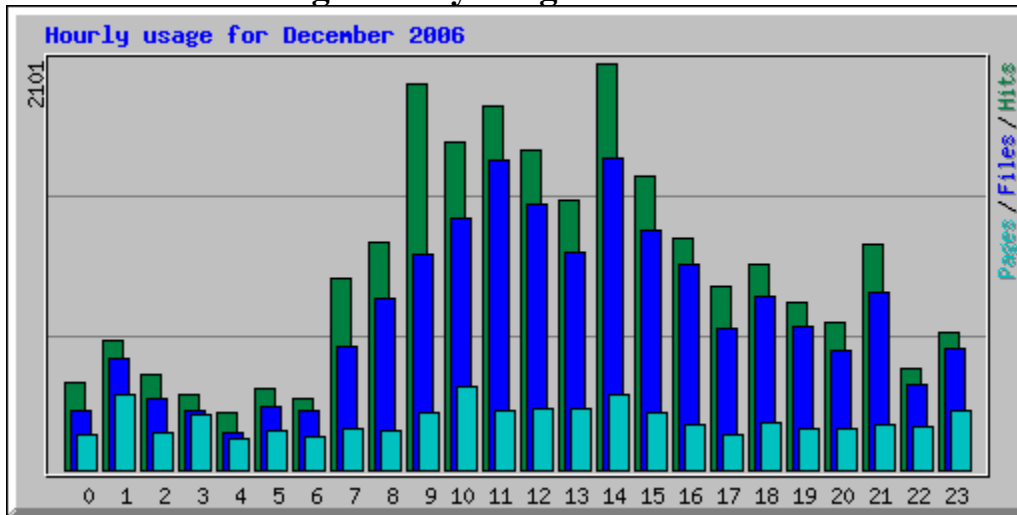
amount of donated dollars being invested in community programs and services. Our objective has been in recent years to invest a minimum of 80% of the announced annual campaign directly into outside, community programs and services. (Allocations and Vetnre Grants).

The United Way has taken an even more proactive role in measuring its own outcomes and impacts as well as those it invests in within both Funded and Venture Grant agencies. The United Way has taken a continuous improvement philosophy in identifying actual outcomes in the short, medium, and long term. The *Old Way United Way* focused on funding programs and services that assisted those in need. The *New Way United Way* is making lasting changes in people’s lives and the community. We are going, and need to go from “measuring outcomes” to “measuring results!” The difference is rather than use Agency performance indicators, we use Community performance indicators.

These activities, perhaps among others, have enabled the United Way the honour to be accepted as members of the Western Ontario Better Business Bureau; the first in Ontario, and one of few not for profit organizations in our region.

Technology has historically been a large piece of the Long Range plans and this plan is no different. With the so-called Web 2.0, and other technology based solutions, the United Way of Sarnia-Lambton’s reliance on technology has grown. Later in this plan, additional information is provided illustrating the continued and increased use of the internet among all demographics in Canadian culture. It is reported that Canadians are the biggest internet users in the world. Our investments in technology have been sound, and have resulted in our organization becoming a more effective and efficient operation. Technology has enabled the United Way to form longer term, more year-round relationships with our customers, but technology is far from just a campaign tool.

### Average Hourly Usage of our Website



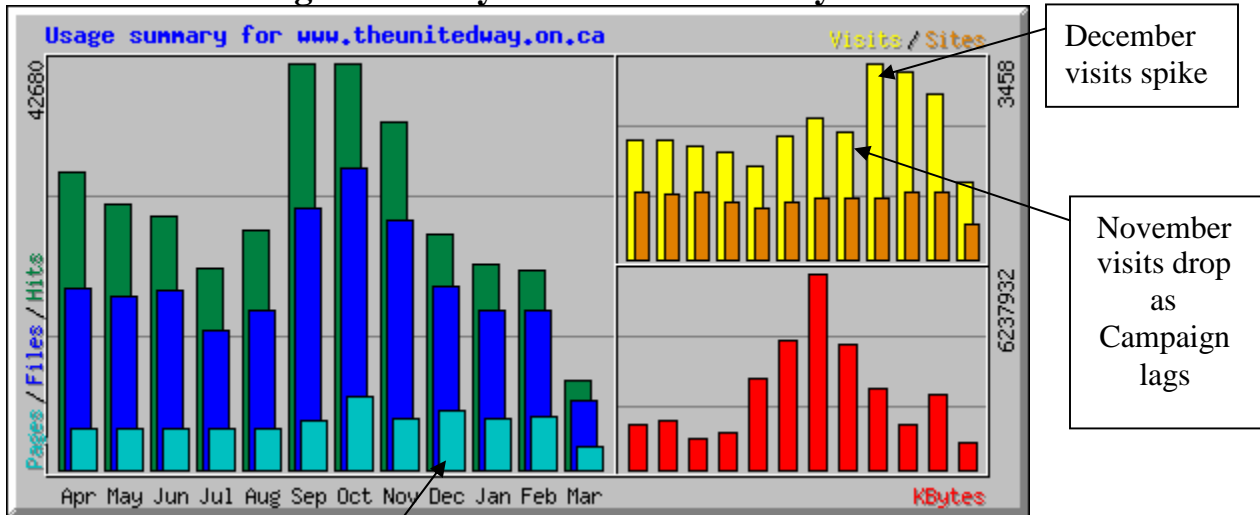
While online giving has grown through the United Way website; [www.theunitedway.on.ca](http://www.theunitedway.on.ca), paper pledgecards remain the most important campaign tool.

In fact, while online donations for the United Way of Sarnia-Lambton continue to grow, surveys with Fundraising Professionals in Canada indicated a drop in online donations last year.

The growth in Sarnia-Lambton online donations has risen for a couple of reasons. More national companies are using online systems in their corporate offices and have expanded their online canvass to manufacturing sites. This is a dangerous trend as Manufacturing Site employees do not have the same relationship with their computers as office administration staff do. Secondly, we have experienced increasing traffic to our own website. (www.theunitedway.on.ca)

Interestingly, traffic patterns to the United Way of Sarnia-Lambton website mimic closely the growth pattern in the 2006 campaign. Strong start with growth in traffic from the previous year, then a major slow down in October/November, a huge increase in traffic AND campaign revenue in December.

### Overall Usage Summary: www.theunitedway.on.ca



Number of pages increases after a drop in November following a yearly high in October

December visits spike

November visits drop as Campaign lags

### United Way – Giving Histories

The National Post reported that according to the Canadian Survey for Giving, Canadians donated nine billion dollars in 2004. The Post in late 2006 also reported that 22 million, 85% of the Canadian population over 15 years of age, donated. In addition to the personal contributions of Canadians, Canadian corporations donated \$1.3 billion to non-profits each year according to Statistics Canada. Canadian corporations support of the non profit sector has become more strategic in nature.

Scott Mullin, TD Financial Group’s Vice-President of Community and Government Relations said late last year, “The number of requests this year is double what we had in

2004. And, that is why we have to be more strategic in our giving. You just can't give to everyone." In fact, according to the National Post, Canadian companies estimated that they were able to support less than 5% of requests from non-profit and community organizations, according to Measuring What Counts, a study commissioned by the federal government's roundtable on the Environment and the Economy. (NRTEE). On average, these companies receive more than 2,000 requests a year, with some receiving almost double that amount.

We know that individual donors are also experiencing "Donor Fatigue" more than ever from increasing fundraising resources and sophistication among charities in Canada. At the same time, we are seeing increasing donor sophistication and control, thanks in part to the access of information.

Mullin says TD tried to aid organizations and projects which they can really have an impact, where they offer expertise and, that align with their priorities.

The public looks kindly to non-profit/corporate partnerships. "Nearly 90% of people now believe that corporations and nonprofit organizations should work together to raise awareness and funding for charitable causes", according to a new report by Boston based Cone Inc. About 80% said that if they heard about a particular partnership between a corporation and a charity, they would be more likely to buy a product that supports the charity, and 70% would be more likely to give money to the charity.

When corporations and non profits work together, to address charitable issues, the public thinks quite highly of them. In this era of growing accountability, it seems a logical win-win. Certainly, in 2006, the first year in which the United Way of Sarnia-Lambton aggressively recruited partnerships, the results were positive in terms of awareness for both the United Way and the corporation, but also in terms of additional money raised. BLINDeye, Great Canadian Fly-in and Snow Birds Dinner, The Health Awareness Fair, and the partnership between the United Way and the local Diabetes Society with the Three Royal Tenors.

**Recommendation:** The United Way of Sarnia-Lambton must continue to aggressively identify partnership opportunities in our community that meet with our values and to provide a win-win situation for both partners. The objective is to create a minimum of two new creative partnerships per year beginning in 2007.

With such increasing competition in the fundraising business, we need to tell our story in a different way. We need to ensure that our work involves bringing people together, focusing on root causes and creating lasting changes in people's lives and the community.

According to the Muttart Foundation's study, *Talking about Charities*, about 93% of Canadians agree charities are important to Canadians, and 86% agree that they improve the quality of life. United Ways may be one of a few charities that measure their performance relative to community priorities.

The United Way of Sarnia–Lambton needs to be thought of more than just a funder, but as an organization that forms partnerships for community solutions. Our United Way has shifted from Agency funding, to Programs and Services funding, to most recently, Program Outcomes. We must continue that shift to funding community programs and measure those program(s) against Community indicators.

**Recommendation:** To proceed with the community consult process “Drug and Alcohol Abuse Forum in April 2007, and to document and measure the learnings and outcomes of this activity to put in place a more formal approach when examining future community needs.

**Recommendation:** To provide funding to conduct an annual Community Profile similar to the two previous Community Profiles outsourced to the Sarnia-Lambton Training Board to best keep abreast of community needs on an annual basis beginning January 1, 2008.

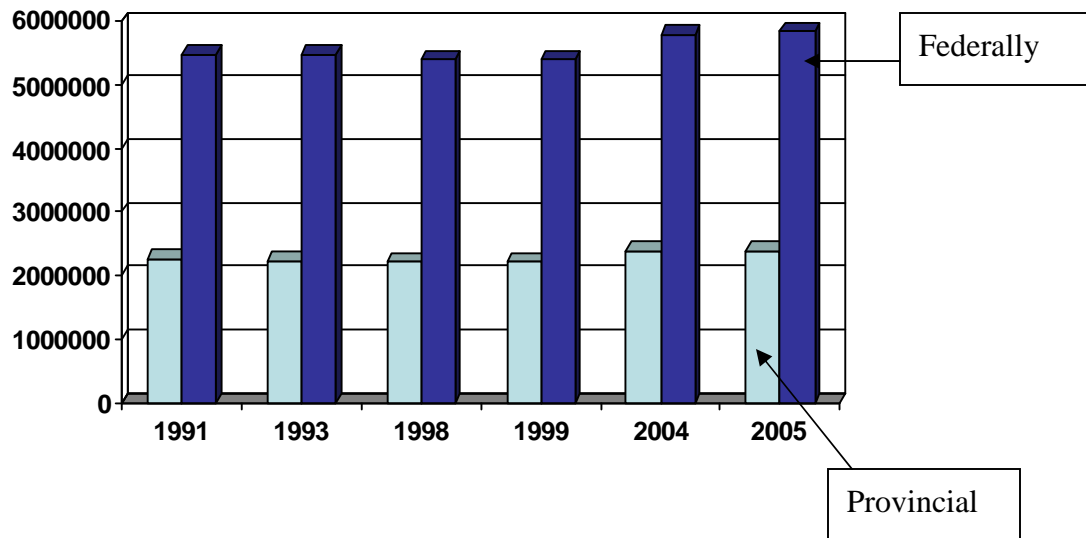
The Muttart Foundation survey also revealed that a large majority of Canadians, 87% believe more attention should be paid to the way charities raise money. 73% of those surveyed believe there are too many charities trying to get donations for the same cause. Essentially all Canadians, (94%) think charities should be required to disclose how donor contributions are spent.

Canada Revenue Agency earlier this year revealed that as of December 2005, there were 82,243 charities in Canada, 32,859 of which were religious organizations. The next largest group was welfare organizations (16, 511), followed by organizations that benefit the community (13,879). More than 13,000 were education organizations. CRA also revealed that in 2005, they received 3,449 new applications for registration as a charity. Of those, 3,117 were registered, (although this includes charities who were re-instated), and revoked 963 for not filing their annual registered charity information return on time, and 11 charities were revoked “for cause.”

As a result of this over crowding, Canadians are continually encouraged to give smarter. Canadians are continually reminded to look at the non-profits’ financial records and success stories. Where is the money going? Who sits on their Board? What have they accomplished? Canadians are encouraged to “make certain the organization they are investing in has ways to measure the outcomes they have set out to achieve,” says Sylvia LeRoy, Director, Social Studies at the Fraser Institute in Calgary. “It may seem difficult when you are talking about transforming lives, but there are ways to measure and benchmark goals. Donors should ask to see that kind of information,” she said on December 16, 2006.

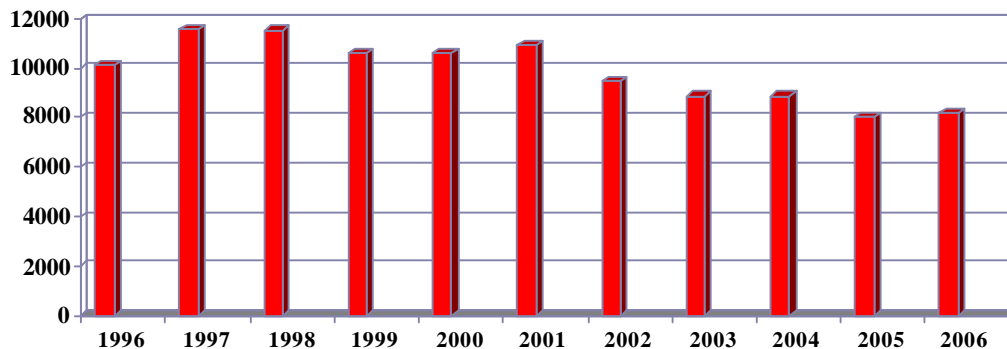
## Number of People who report making donations to Charities on income tax returns

Trend was decreasing until recently (Thailand Tsunami and Katrina?)



Overall, we know that fewer Canadians are giving more up until recently. This trend has been shown in Sarnia-Lambton in recent years by Statistics Canada, and the United Way's own donor numbers. (Perhaps because of job losses and retirement). However, it was encouraging to see that in 2006, the United Way of Sarnia-Lambton had more donors than it had in 2005 when you eliminate those participants in United Way special events such as Food Fair, Poorboy Lunch, and the traditional Touchdown Day with Swiss Chalet.

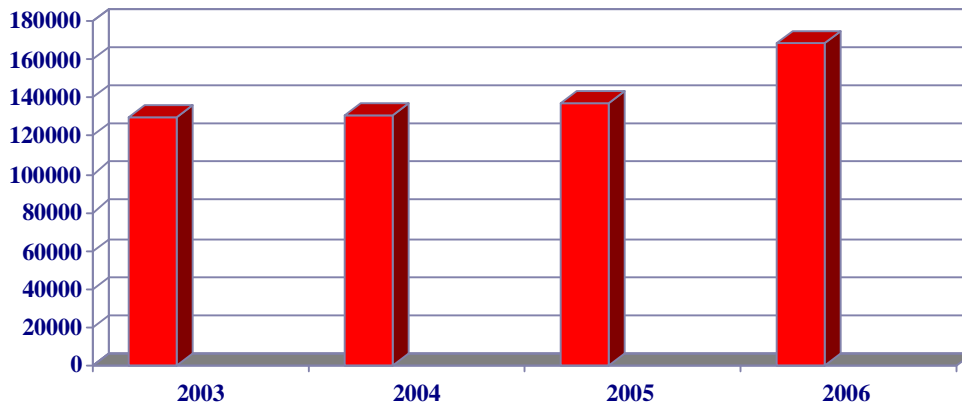
## Number of United Way Campaign Donors over the past decade



United Ways throughout North America state that Leadership and Major Gifts donors are vital to growth. The United Way of Sarnia-Lambton saw measurable growth in 2006 in a year where more focus was provided to this sector. The chart below indicates a SLIGHT annual growth in donors making donations of \$500 or more in the recent years, but then shows a dramatic increase from 2005 to 2006 after more strategic emphasis was put in this initiative by the Resource Development Manager.

### **Leadership Gifts**

*The chart above indicates a 23% increase in total donations of \$500 or more.*



**Recommendation:** Proceed with more emphasis both in the workplace, and beyond the workplace to promote the Leadership Program at the United Way.

As a result, it is vital for United Ways to value the donor more so than the donation. We need to build long term relationships with donors and be more, much more focused in our approaches. In addition, we must focus on demonstrating results and impact on our community.

In the September/October issue of The Futurist Magazine, an article entitled “8 Supertrends shaping the future of business,” the first two supertrends identified have a huge impact on United Way.

1. The micro segmentation of the Market Place. Customers are becoming ever more differentiated in their lifestyles. Interests with more specialized groups responding to more narrowly targeted commercial messages. This is likely to mean the recognition that specific programs and services appeal to a specific demographic. As a result it may also mean the printing of different campaign tools (brochures) for that group.
2. Value Targeting. Enterprises that have traditionally offered a broad range of products or services are now facing specialized competitors who provide more specific targeted solutions, often in new ways and at lower prices. The customary “one size fits all” packages are losing their appeal as customers increasingly “cherry pick” the offerings, selecting preferred options, a la carte.

#### **Current United Way of Sarnia-Lambton Priorities are:**

- Poverty and Working Poor families
- Medical Programs and Services (Preventative in nature)
- Senior’s Programs
- Rural Programs
- Youth with Physical, Mental, or Social Challenges

**Recommendation:** That the United Way of Sarnia-Lambton take the next steps necessary to community Outcomes and Impacts and to focus more narrowly its priorities to less than five. For the sake of discussion, the United Way of Sarnia-Lambton may choose the following three Community Impact areas in which to focus its funding:

- *Safety Net; Foundation of crisis Services*
- *Provide independence to older people and people with Disabilities to promote life long health and healing*
- *Strengthening children, youth and strong, safe families*

**Recommendation:** That the United Way focus more on its results and community outcomes rather than its entire family of agencies where it can have the greatest impact on the greatest needs, and to demonstrate its successes on a year round basis.

**Recommendation:** That the United Way explore opportunities to form year round relationships with its donors, (value the Donor more than the Donation). United Way must prove its successes on a cost efficient and effective basis beginning in 2007 and strive to increase its results annually based on the continuous improvement philosophy.

## **Community Outcomes.**

Currently, the United Way of Sarnia-Lambton is heavily involved with outcomes at the program level. Presently, we rely on agencies coming to United Way, outlining to United Way what the need is in the community, and propose what they can do (with funding) and how it will be measured. Community Outcomes calls for measuring the collective impact of like programs and collaborations through a cluster of community evaluations and measurements.

Agencies will need to work more closely together.

## **Fundamental differences between Outcomes at the Program level and Community Outcomes:**

Community Outcomes:

1. United Way has a narrower focus; less concern with the “all things to all people approach”.
2. Clear belief that a prime goal is to leverage dollars and results.
3. Decision making process now includes agencies, residents, and consumers. United Way is less about being just a funder, and more of a catalyst – the place people go if they want something accomplished.
4. Role of volunteers is different because more groups are involved in the process.

Our aging population is and will have an affect on United Way in many ways.

## Special Gifts Division of the United Way of Sarnia-Lambton Campaign

In 1995, the average tax filer in Sarnia was 52 years of age; three years older than the average Canadian taxfiler, and two years older than the average Ontario tax filer.



By 1999, that gap had risen to four years older, and by 2004, the gap has risen to five years older. Last year, the average tax filer in Sarnia was 57 years of age.

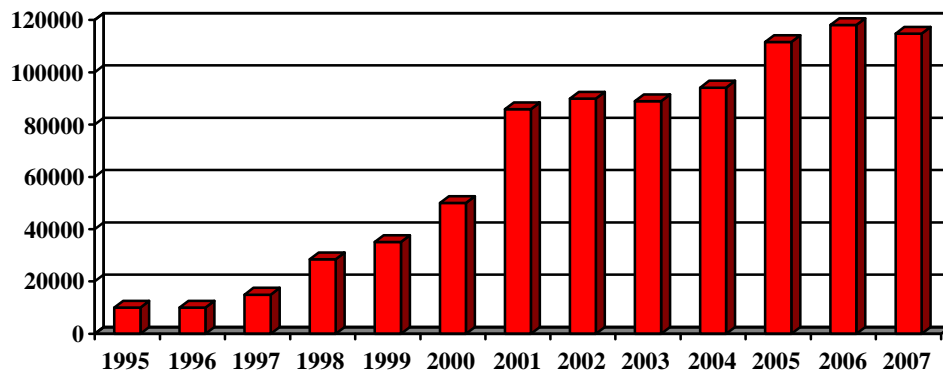
The average age in Canada has climbed from 26 years in 1971, to 39 years today, and is expected to climb to 45 years of age by 2030. (This calculation includes all Canadians, not just taxfilers as indicated in the above paragraph).

It is widely documented that the Baby Boom Generation will have a huge impact on the economy as a whole in North America as that generation born between 1946 and 1964 has just started to reach age 60. According to the National Post, 70 per cent of these Boomers plan to work into retirement and some 66% do plan to change careers in retirement years. Historically, these retirees have on average volunteered more than the general population, and this is not expected to change. As a result, the level of volunteering should increase largely by Boomers.

We know that an aging population will affect the demand for various charitable services. This will also impact the availability and distribution of government funding to the charitable sector; which may result in less money available for programs and services for youth and other vulnerable people in our community. Given that Canadians usually rank Health Care as their number one social priority, again, suggesting that charities outside of health care will have to campaign hard to attract and maintain non-government funding. Look no further than the many local non-profits that have recently announced huge cash crisis'; most are youth based agencies and none are programs for senior's health services. It is noteworthy to point out that the demand for health-related expenditures balloon late in life and this is bound to put strains on the health care system and on social services targeted at older Canadians in general. Further evidence that the United Way needs to focus on prevention, keeping seniors healthy, early intervention, and supporting seniors to live independently in their own homes for as long as possible. *Preventative* health services will grow in terms of importance.

It has been reported that growth in government spending on health related programs could rise 6 to 9 per cent annually over the next 10 to 20 years and can represent 19% of the Canadian economy by 2030; up from about 10.4 per cent today. Even with this additional government funding, many charities will find it very difficult to meet the demand for their services and therefore the need for additional private and corporate funding including funding from United Ways will intensify.

### Venture Grant Fund



**Recommendation:** As a result of the data above, and given that the Sarnia community is ageing at a faster rate than the Canadian average, we may in fact already be seeing this need for increased services and funding. Programs for seniors are one of the priorities for funding.

**Recommendation:** Continue with the policy to set aside 6% of the gross Campaign revenue for the purpose of Venture Grant Funding to continue to provide flexible, short term funding to meet the changing needs of our community.

On the Resource Development side, the aging population will likely support the trend towards philanthropic capitalism, in which giving is increasingly treated as social investing with donors becoming more strategic in their involvement with charities. There will likely be an impact on the nature of donations with financial assists and Gifts in Kind becoming more important. Foundations, (perhaps similar to what the United Way is technically classified as with CRA), are likely to become more popular vehicles for the distribution of charitable funding.

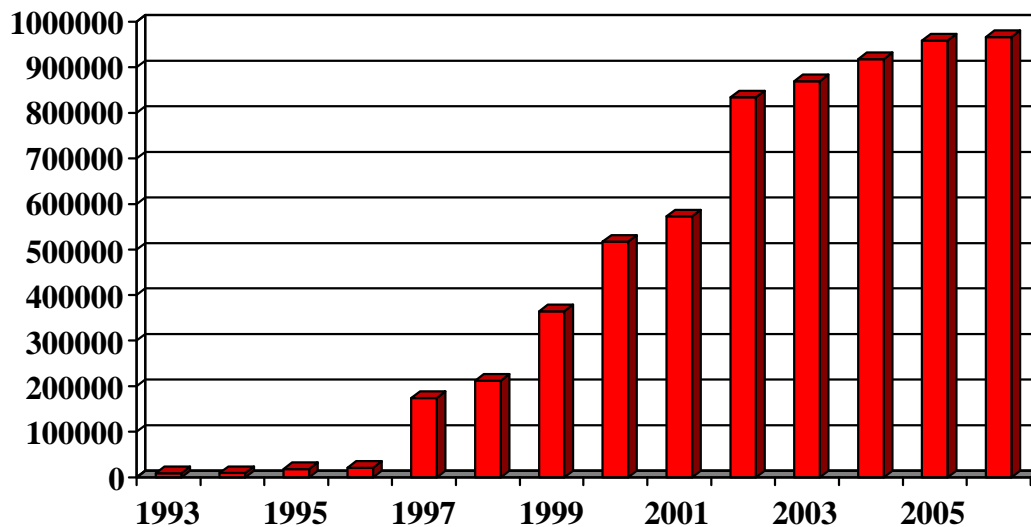
Boomers will receive a large wealth transfer from their parents who were considerable savers. According to the TD Group, a rough estimate is that a wealth transfer of almost 10 trillion dollars could occur in the United States over the next few decades. A comparable estimate in Canada would likely be in the \$800 Billion to One trillion range.

If this occurs, there is a real possibility that charities can benefit from additional donations from estates or from inheritances.

Baby Boomers themselves hold a great nest egg of financial assets. The growth of mutual funds and even direct holdings of stock are great examples. In addition to the inheritances above, and considering the holdings of financial assets, it is very likely that donations of stocks and other financial products will become an increasingly important source of charity financing in the coming years. Additionally, recent tax changes will encourage this trend. In the May 2006 federal budget, the government announced that donations of publicly listed securities to charities would be exempt from capital gains taxation, but would still be entitled to the tax credit for charitable giving. This tax change can provide a huge incentive to give; not only as a boom to charities, but it also minimizes the tax implication that occurs when liquidating a portfolio. *Would this have an impact on charities?* Consider that, depending on market calculation, the total value of shares held by Canadians is roughly \$1.3 Trillion; about half of which is capital gains.

1. **Recommendation:** That the United Way aggressively expand its current Planned Giving Program and develop policies and strong practices regarding how United Way will deal with donations of equities and other gifts in kind. That a complete plan be prepared and completed by June, 2007.

### Wes Thompson Endowment Fund



In 2006, the United Way had received its first gift of equities and more emphasis will be put on future contributions of equities. The United Way of Sarnia-Lambton has already opened a brokerage account.

**Recommendation:** That the United Way target a specific approach with the objective of attracting contributions of equities and other financial assets with a goal of attracting at least two gifts of equities in 2007, and expand by more gifts in 2008 and beyond.

While it is true, the goal of the Wes Thomson Endowment Fund, (Vision 20/25) is to generate enough revenue to completely cover the Campaign and Administration costs of the United Way of Sarnia-Lambton, the reality is, every dollar of Endowment Fund interest earned, is an extra dollar going directly to fund programs and services.

**Recommendation:** That the United Way recruit an investment committee to meet up to twice yearly to discuss the investments of cash and equities to maximize return while at the same time maintain safety of the principle as its primary goal. This committee in place by the end of the second quarter of 2007 and would have met at least once in 2007.

**Recommendation:** That any non-cash donations, (equities etc.) be put towards the Wes Thomson Endowment fund and that the annual interest and dividend income is used for Community Investment purposes annually in perpetuity.

According to TD, there is a more fundamental change underway in the relationship that donors have with charities. This can be seen in the increasing trend towards “philanthropic capitalism, venture philanthropy and the rise of social entrepreneurs”. Generally, these terms refer to a more active style of charitable giving that is likely to put pressure on more professional and business like conduct from the charitable sector, which the United Way of Sarnia-Lambton may be well positioned.

According to TD, donors, particularly those at the Leadership level and above, want to ensure that the maximum amount of funds are reaching the recipients of charitable services and the minimum goes to paying for administrative and other overhead costs of charities. TD goes on to say that the result of this has put increased pressure on charities to be more transparent, to adopt more business like accounting standards and governance requirements, to minimize costs, and to accept more program specific funding.

It is the opinion of TD that these trends will persist and even intensify. More and more attention is being given to the idea of treating donations like any other financial investment. Instead of maximizing the return on investment, the goal is to maximize the “Social Return,” on the contribution.

From an agency perspective, to decrease costs, this may well lead to consolidation for charities that have overlapping activities, and may also lead to more strategic partnerships between charities, the United Way, and as mentioned earlier, corporations.

(Craig Alexander, VP and Deputy Chief Economist, TD.)

## Technology

In a recent Ipsos-Reid research study, 61% of Canadian adults 55 years of age and older have access to the Internet. While younger generations spend more time blogging and listening to online radio, those 55 and older spend more time taking an online course, and buying and selling investments.

A recently released Statistics Canada survey of internet use found that Canadians are increasingly addicted to the Internet, though usage does vary significantly depending on education, income, and geographical location. The highlights include:

- 68% of Adult Canadians used the internet in the past year
- 58% Internet use among rural residents
- 88% Internet use in households with incomes over \$86,000
- 61% Internet use in households with income less than \$86,000
- 80% usage of adults with post secondary education
- 49% without post secondary school education
- 91% of adults who use the internet for e-mail
- 55% of users pay bills online
- 12% use the internet to download movies or watch TV
- 81% of households who use the internet have children
- 61% of households without children use the internet

The Globe and Mail reported in August 2005 that Canadian youth are now spending more time surfing the internet than sitting in front of the television. In fact, for the first time since data was collected, Canadians between the ages of 18 and 34 are spending more time on the internet than any other media. These statistics have increased as activities like Instant Messaging and Blogging have grown in recent years. This demographic is thought to have the largest disposable income according to the Globe.

According to the World Futurist Society, (WFS) despite the fact that 62% of Internet users don't know what a blog is, the weblog ( a "first persons" journal posted on the web for discussion of personal or professional topics or business matters), has become wildly popular at home and at the office. It has been reported that a new blog is started every second.

According to the WFS, blogs are becoming less of a business elective, but more of a business prerequisite. An October 2005 survey showed that 89% of corporations either are blogging or are planning to do so and about 4% of major US corporations now operate blogs that are facing out; (available to the public). They list five reasons for blogs:

1. *Publishing content*
2. *Promoting thought and leadership*
3. *Building a community*
4. *Delivering information quickly to customers*
5. *Getting customer feedback.*

One additional reason for United Ways to consider “blogging” may be to provide recognition to contributing organizations and partners, and perhaps, reach a younger audience.

The WFS reports that a skillfully written, regularly updated, content rich business blog can be a very effective way for organizations to position executives (or organizations) as industry leaders, gain customer’s trust, and facilitate productive two way communication with colleagues and customers.

**Recommendation:** To research problems, benefits, etc., of blogs and to publish an online blog in time for the 2007 Campaign.

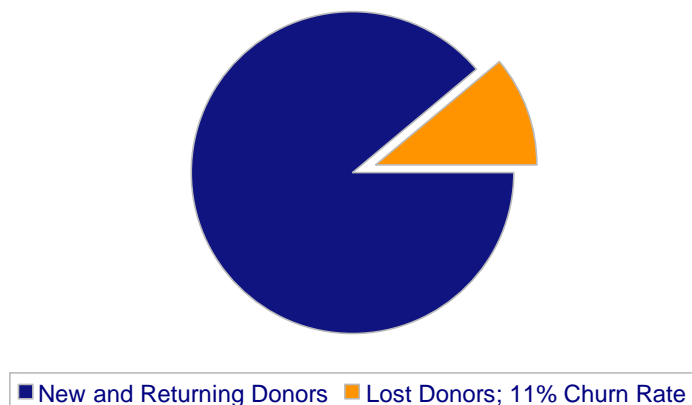
**Recommendation:** Research blog monitoring tools to track what has already been said about United Way of Sarnia-Lambton on blogs.

## Churn

The “Churn” Rate among United Way Investors is significant.

*(The “Churn” Rate is defined as the gross replacement rate for donors...i.e. the percentage of last years’ donors who are lost and do not invest in the current year.)*

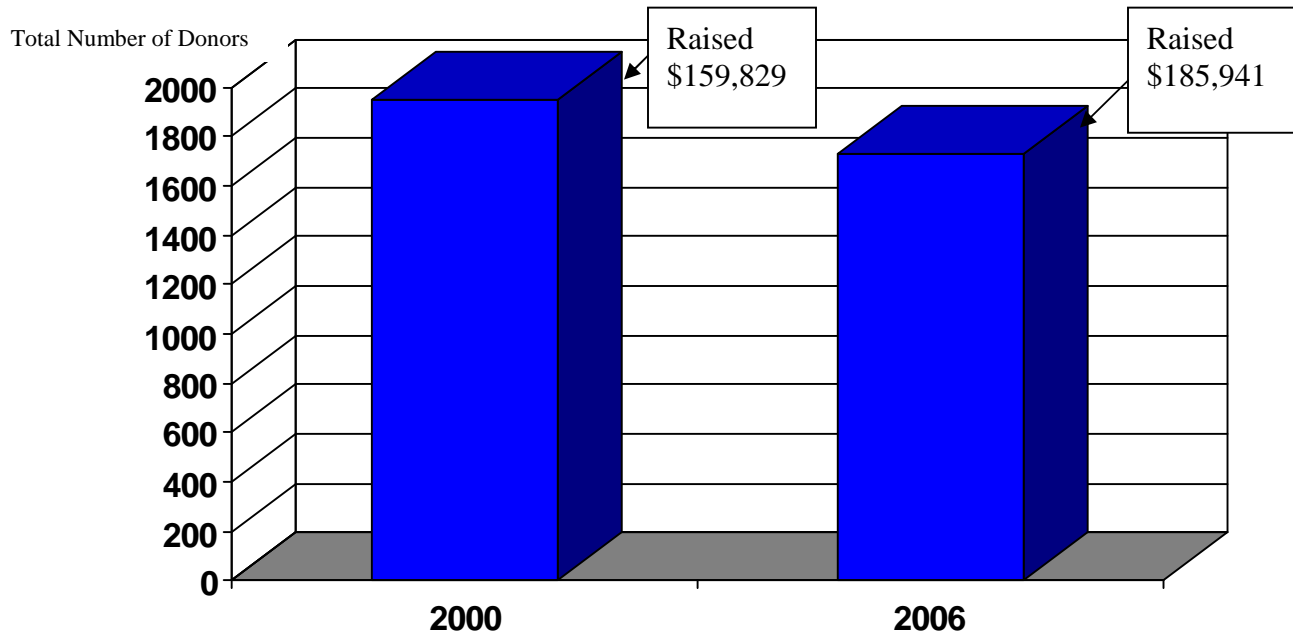
### Churn Rate for United Ways in The United States



United Way of America research now has 2 data sources from which to estimate Churn – DB2 (A Resource Development Survey involving the larger United Ways in the United States) and the Public Opinion Poll (POP) **Unfortunately, there is no Canadian “Churn Data so the studies done in the United States may provide some clues to the Canadian “Churn rates.**

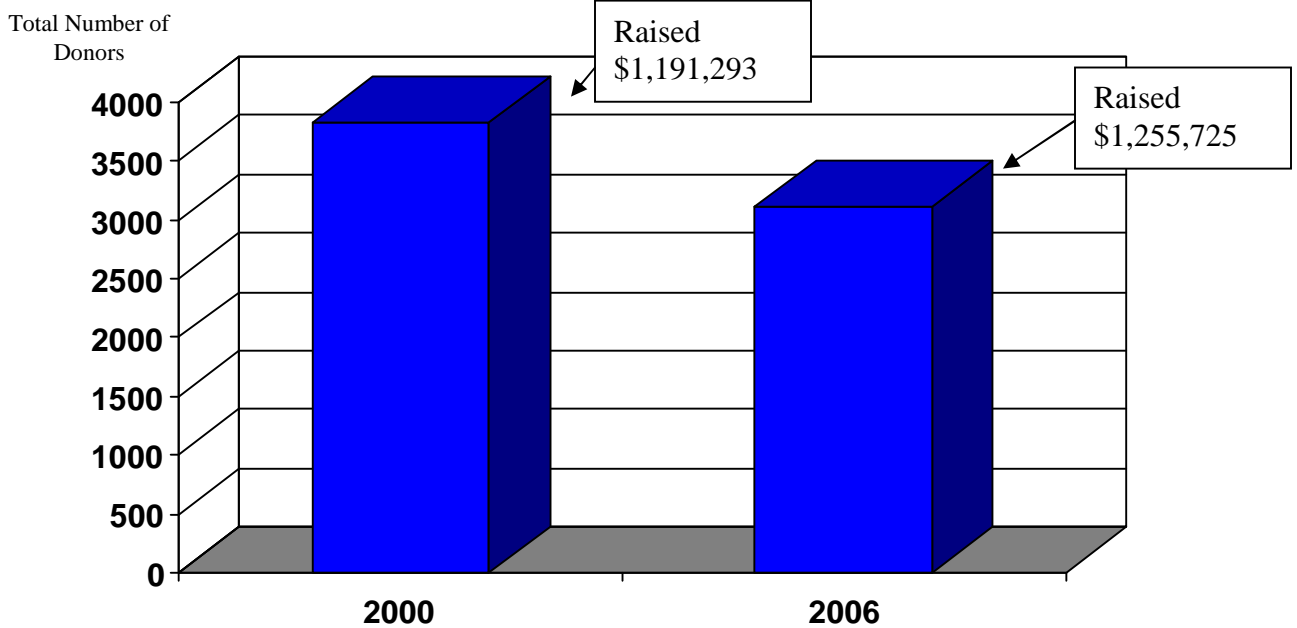
- DB2 (the Resource Development survey) indicates Churn for Metro I United Ways at roughly 15%
- The POP is showing Churn as high as 30% nationally
- The “True” rate is probably somewhere in between and a serious problem either way you look at it

### Number of "Special Gifts" Donors from 2000 - 2006



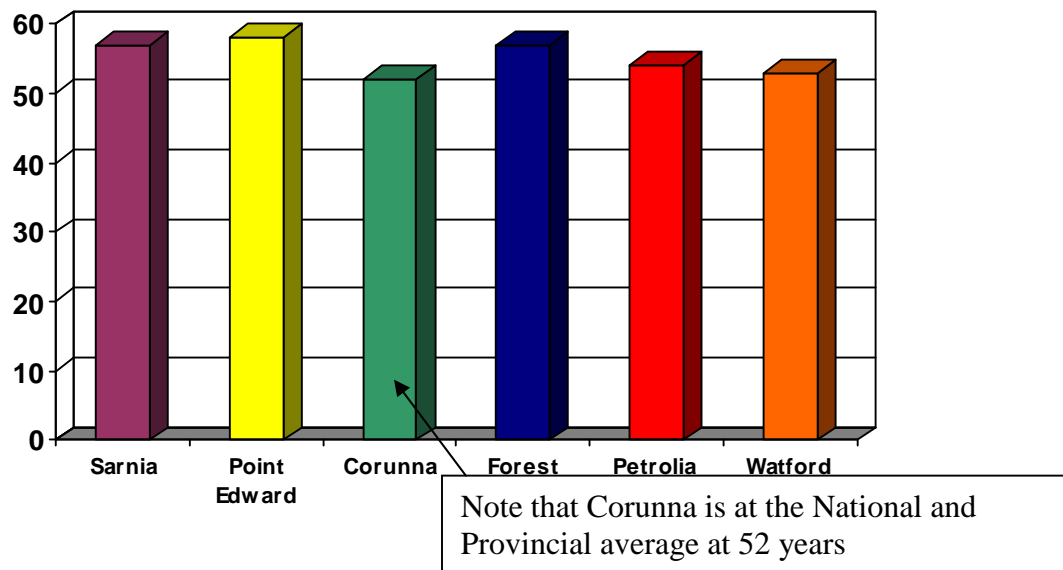
- 1) In general, "Churn" Rates among Leadership Givers are as high as "Churn" Rates for donors overall. United Ways have not been able to reverse the trend on the donor loss even among leadership givers where United Way presumably has a stronger relationship.

### Number of "Industry" Donors from 2000 - 2006



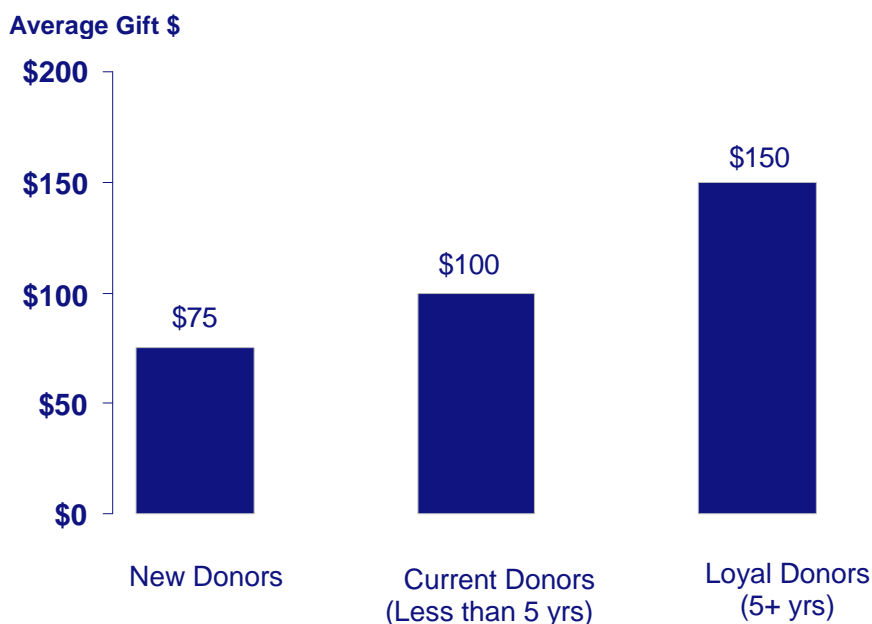
- 2) Those United Ways that establish year-round relationships with a higher percentage of their investors have lower “Churn” rates on average.
- 3) “Churn” among United Way investors in the United States translate to a loss of over 1.4 million investors per annum to United Ways in the USA.
- 4) According to POP findings, the primary reason lapsed Donors did not give this year is because they were not asked to give or contacted.
  - *When United Ways take the steps to build a personal experience and communicate with people, thank donors and tell them how their gift is being used, the likelihood of future investment and donor satisfaction is high.*

**Average age of Donors across Lambton County to all Charities as reported on the 2005 Individual Tax Returns. RETIREMENT MAY HAVE AN AFFECT ON CHURN IN LAMBTON COUNTY**



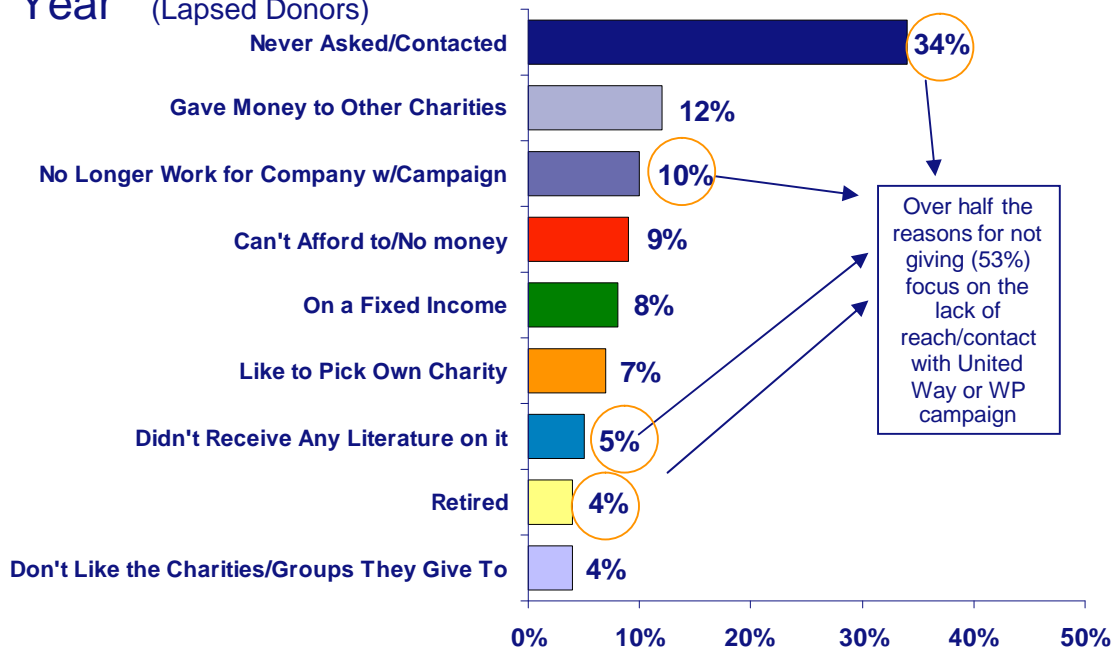
- 5) It costs United Ways more to replace lost donors than to secure and maintain the base of existing donors.
- 6) Parts of these costs are opportunity costs. Previous and Loyal donors give higher gifts, on average, than do new donors.

## Existing Donors Give More than New Donors –



- Compared to Donors (and other Non-Donors), Lapsed Donors are more likely to be Retired or to be found in Companies with 50 or fewer employees.
- Lapsed Donors are already favorable towards United Way; United Way continues to have high brand stature among Lapsed Donors.
- While Lapsed Donors are likely to have seen United Way ads in the past year, they are less likely to have received any kind of personal communication from United Way.
- Reach plays a critical role in reducing “churn.” Lapsed donors were less likely to experience a United Way workplace campaign and were much less likely to be asked to give.
- When Lapsed Donors were asked why they did not give to United Way this year, the majority of reasons provided were related directly to issues of Reach.

## Reason for Not Giving to United Way This Year (Lapsed Donors)



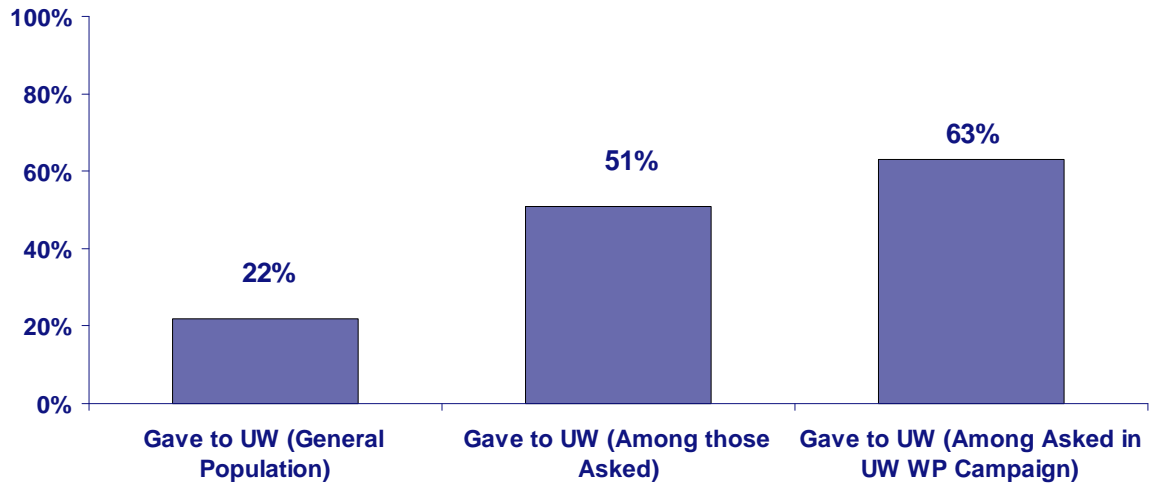
- The relationship established between the donor and the United Way needs to be strengthened, particularly when there is no workplace campaign opportunity.
- **Asking people to give is critical.** When people believe they have been asked to give to United Way, there is a much greater chance that they will in fact do so.

While there is no Canadian Data, much less local data, I would suggest that a “Churn Rate” in Lambton would be similar to those rates indicated here; however, given our higher average age, plus retirement incentives in the recent past in Sarnia-Lambton, greater than 4 per cent of lapsed donors is as a result of retirement as shown in the chart on the preceding page.

**Recommendation:** Develop a plan to acquire employees’ home email and/or street addresses to keep in contact with existing donors prior to retirement.

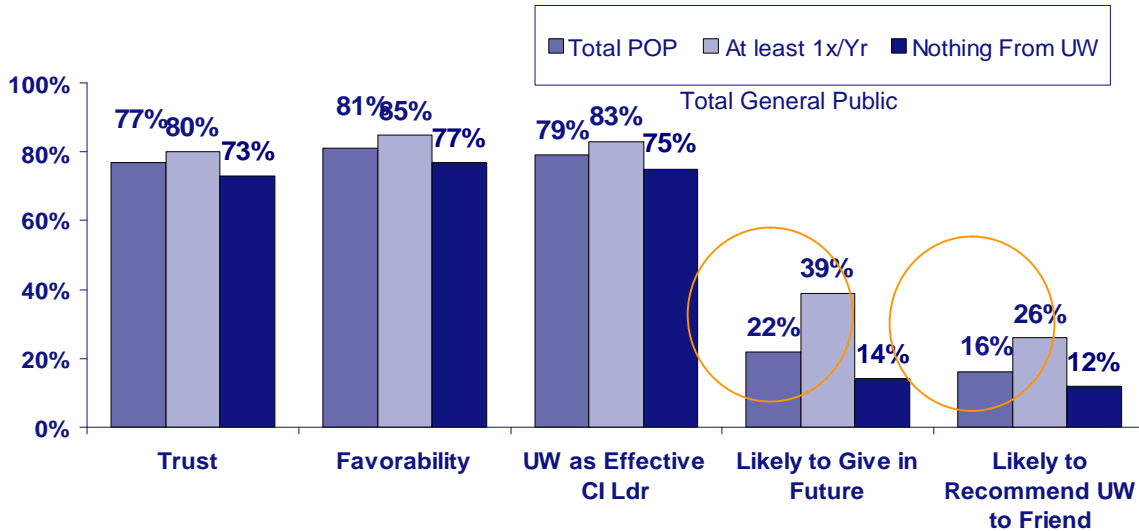
Time and time again, research data throughout North America strongly suggests that the number one reason why people do not donate, (lapsed donors or otherwise), is because they feel they were not asked.

Get the Ask Out: When people feel they are asked to give, there is a 50% chance they will. In a UW Workplace Campaign, the odds improve significantly.



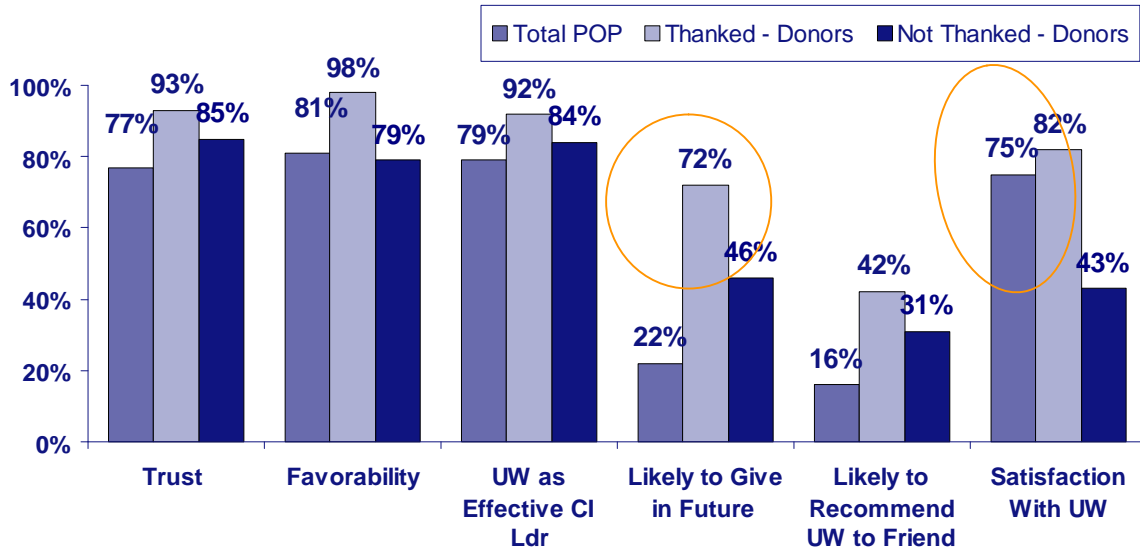
- **Communicating with donors and potential donors is critical.** Those donors who received communications from United Way at least once a year were much more likely to give to United Way and much more likely to recommend United Way to a friend.

When people received communications from United Way AT LEAST ONCE in the past year, the odds Increase for a future gift and a brand ambassador increases.



- Thanking donors early and often is critical.** Those donors who were thanked are much more likely to give to United Way in the future and are much more satisfied with United Way overall. United Way can not thank donors too early, or too often!

Thank Early and Often: When investors are Thanked, they are 2 times more likely to be satisfied and the odds are nearly as great that they will give to United Way again



**Recommendation:** To develop an improved effort to thank donors for their contribution and to form a year-round relationship in a measurable way with as many donors as possible, as sincerely, and as personally as possible.

**Recommendation:** To develop an adhoc committee or focus group to examine methods to increase the number of donors year over year with particular focus on retirees.



***50 years of Leading the Way***

## Review of Recommendations:

1. **Recommendation:** The United Way of Sarnia-Lambton must continue to aggressively identify partnership opportunities in our community that meet with our values and to provide a win-win situation for both partners. The objective is to create a minimum of two new creative partnerships per year beginning in 2007.
2. **Recommendation:** To proceed with the community consult process “Drug and Alcohol Abuse Form in April 2007, and to document and measure the learnings of this activity to put in place a more formal approach when examining future community needs.
3. **Recommendation:** To provide funding to conduct an annual Community Profile similar to the two previous Community Profiles outsourced to the Sarnia-Lambton Training Board to best keep abreast of community needs on an annual basis beginning January 1, 2008.
4. **Recommendation:** Proceed with more emphasis both in the workplace, and beyond the workplace to promote the Leadership Program at the United Way.
5. **Recommendation:** That the United Way of Sarnia-Lambton take the next steps necessary to community Outcomes and Impacts and to focus more narrowly its priorities from five to three. For the sake of discussion, the United Way of Sarnia-Lambton may choose the following three Community Impact areas in which to focus its funding:
  - a. *Supporting Life Long Health and Healing*
  - b. *Supporting older people and people with Disabilities*
  - c. *Strengthening children, youth to support strong and safe families*
6. **Recommendation:** That the United Way focus more on its results and community outcomes rather than its entire family of agencies where it can have the greatest impact on the greatest needs, and to demonstrate its successes on a year round basis.
7. **Recommendation:** That the United Way explore opportunities to form year round relationships with its donors, (value the Donor more than the Donation). United Way must prove its successes on a cost efficient and effective basis beginning in 2007 and strive to increase its results annually based on the continuous improvement philosophy.
8. **Recommendation:** As a result of the provided data, and given that the Sarnia community is aging at a fast rate than the Canadian average, we may in fact already be seeing this need for increase services and funding. Programs for seniors are one of the priorities for funding.

9. **Recommendation:** Continue with the policy to set aside 6% of the Gross Campaign Revenue for the purpose of Venture Grant Funding to continue to provide flexible, short term funding to meet the changing needs of our community.
10. **Recommendation:** That the United Way aggressively expand its current Planned Giving Program and develop policies and strong practices regarding how United Way will deal with donations of equities and other gifts in kind. That a complete plan be prepared and completed by June, 2007.
11. **Recommendation:** That the United Way target a specific approach with the objective of attracting gifts of equities and other financial assets with a goal of attracting at least two gifts of equities in 2007, and expand by more gifts in 2008 and beyond.
12. **Recommendation:** That the United Way recruit an investment committee to meet up to twice yearly to discuss the investments of cash and equities to maximize return while at the same time maintain safety of the principle as its primary goal. This committee in place by the end of the second quarter of 2007 and would have met at least once in 2007.
13. **Recommendation:** That any non-cash donations, (equities etc.) be put towards the Wes Thompson Endowment fund and that the annual interest and dividend income is used for Community Investment purposes annually in perpetuity.
14. **Recommendation:** To research problems and benefits, etc., of blogs and to publish an online blog in time for the 2007 Campaign.
15. **Recommendation:** Research blog monitoring tools to track what is already been said about United Way of Sarnia-Lambton on blogs.
16. **Recommendation:** Develop a plan to acquire employees' home email and/or street addresses to keep in contact with existing donors prior to retirement.
17. **Recommendation:** To develop an improved effort to thank donors for their contribution and to form a year-round relationship in a measurable way with as many donors as possible, as sincerely, and as personally as possible.
18. **Recommendation:** To develop an adhoc committee or focus group to examine methods to increase the number of donors year over year with particular focus on retirees.