

Brace Yourself

- Mar 31, 2009
- By Boyce Upholt

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Fundraisers are preparing for a rough year. While fundraising is usually harder in off-years, there are some early indicators the recession will affect political war chests fairly dramatically. Over the first two months of 2009, individual contributions to the six major-party campaign committees were down nearly 40 percent from that same period in 2005. Final numbers for individual campaigns won't be clear until later this month. But it's clear that donors, tapped out after economic turmoil and an extra-long campaign, have become stingier. "I can't report numbers because we just don't know them," says one Democratic fundraiser, who asked to remain anonymous. "All I can do is report feelings and emotions." The primary emotion: worry. Many campaigns have lowered their first-quarter fundraising goals, the fundraiser said, since donors who reliably max out with a \$2,300 donation may now give just \$1,000. And the decline spares no party. At Eberle Associates, a conservative direct-mail firm based out of McLean, Va., vice president of marketing Bob Eberle says that while the number of donors has held steady, average donations have declined about 15 percent. "That's just the economy," he says. The recession, which began in late 2007, did not slow giving last year. Presidential candidates brought in \$1.8 billion, nearly three times what candidates raised in 2004. Riding the coattails of the ticket-toppers, congressional candidates brought in another \$1.4 billion, up from \$1.2 billion in 2004. And early data suggests that 13.5 percent of Americans donated to campaigns last year, up from 12.6 percent. Fundraisers think that by the time the 2010 federal races are in full gear, the economy—and donors—may have recovered again. But state races—2009 elections and 2010 elections that normally use the off-year lull in federal campaigning to grab money early—are inspiring the most worry. Still, many fundraisers—with a strong dash of the salesmanship the profession requires—say that despite the inevitable decline, their own numbers have held steady. Their coping strategies vary. Some consultants are excited by the lower overhead of online fundraising where, without the cost of paper and postage, more voters can be reached for less money. In the recession, action e-mails, which used to out-raise other e-mails 2-to-1, are now up to 3-to-1. "You have to tell people point blank what you're going to use their money for, because they're thinking more about their money than they were last year," explains Steve Castleton, who works with Republican candidates at Dionysus Consulting. He's also found that a video of the candidate talking to donors while their transaction is processed can help boost a donation dramatically. A donor planning to give just \$25, for example, may end up giving \$100 after watching the video. Others, though, say that proven strategies—hand shakes and phone calls and the solid, personal relationships that inspire trust and loyalty—are needed now more than ever. Talking with someone in person is the best way to impart a sense of urgency. "In congressional fundraising the Internet has not been as productive as the old standby of being on the phone and asking for money," says Doug Jaraczewski, president of Campaign Finance Group Inc., a Democratic firm. "It's a direct message." And if you're targeting, direct mail can still work for the right small donors. Many direct-mail donors, especially for conservative campaigns, are retired and live on fixed incomes. Without many investments in the stock market, their net worth, though it may be limited, hasn't much changed. But whether the money comes by mail, phone or Internet, all consultants agree on one thing: Get started now. "Get off your hands and commit early," Jaraczewski says. "It's going to take more effort to convince individual donors." Fundraisers think Democrats, likely to maintain their congressional majorities through the 2010 election, will fare better since they hold control of legislative committees. The party's congressional committees have seen an increase in money from PACs. Republicans, though, may be able to tap into voters' unhappiness over bank bailouts—

and fear of oncoming socialism, real or imagined—to their advantage. Harlan Crow is a Texas businessman who has donated thousands of dollars to conservative candidates over the years, including both Bushes. For now, he says, he sees no leader that deserves his money. “It’s throwing money down the drain,” he says of giving. But that could change. “If I can find a group who can lead us out of the woods back onto a successful tack, then I’ll be a generous contributor,” Crow says. “I’m willing to spend whatever it takes, even during the recession, to avoid the train wreck I see coming.” *Boyce Upholt is web editor at Politics magazine.*