

Recession-Proofing Your Nonprofit: How to Build Revenue Resilience in Uncertain Times

Recession fears are in the air again, and nonprofit leaders are starting to feel the squeeze. Inflation, donor hesitation, and shifting government priorities have many organizations asking the same question: how will we keep the lights on if the economy dims?

The instinct is often to double down on what's commonly perceived as the right answer—launch a new program, apply for more grants, or cut operational costs by trimming staff. But if we're being honest, most of those strategies are either short-term fixes, major energy drains, or simply ineffective. I've found it striking how many nonprofit leaders reach for what feels like common

knowledge in times of crisis, only to discover those very strategies fall flat. Having led nonprofits through financial turbulence and political instability, I'd like to offer a different lens: resilient leadership. It's not about panic-driven pivoting—it's about making smart, strategic decisions that prioritize long-term stability and sustainability.

During the COVID-19 pandemic, many nonprofits received a sudden influx of funding—through government aid, emergency grants, and increased donor generosity. While that temporary relief was a lifeline, it also masked a deeper issue: the erosion of long-term fundraising discipline. Several organizations I've worked with used that period to expand quickly or ease off their development efforts, only to find themselves now scrambling to reestablish a sustainable revenue plan—just as they face the looming threat of economic recession.

It's time to rebuild with intention. Here's how:

1. Stop Chasing Grants That Don't Make Sense

Now is not the time to chase big grants as your primary source of salvation. While the idea of is appealing, most grants—especially federal ones—come with a mountain of requirements that create more work than reward. They require significant preparation, rigid compliance, and often produce limited flexibility in how funds are used. Federal grants in particular are risky right now, as budget priorities in Washington remain deeply volatile.

Local or foundation grants may feel more accessible, but they seldom result in transformative funding. And even small grants come with disproportionate administrative overhead. Organizations often fall into the trap of pursuing grants because it feels easier than asking someone face-to-face for money. But in a recession, you can't afford to be shy. Fundraising is a relationship business.

2. Double Down on Donor Relationships



When economic uncertainty hits, the temptation is to assume donors will retreat. But not all of them will. In fact, some donors give more during uncertain times—if they feel deeply connected to your mission. Relationship-building is your most valuable strategy right now.

This is where the idea of “care calls” comes in—a simple, personal outreach to re-establish rapport with past donors by putting the focus entirely on them. The goal isn’t to ask for money. It’s to rebuild the relationship.

Here’s a sample script to help guide that call:

“Hi [Donor Name], this is [Your Name] from [Organization Name]. I wanted to take a moment just to check in. I know the world has been unpredictable lately, and I’ve been thinking about the people who’ve supported us along the way. How have you been?”

(Allow space for conversation. Listen. Allow yourself the time to genuinely be interested. Ask follow-up questions where appropriate.)

When it feels like to right moment (don’t rush into it) continue. *“I’m so glad we got to connect. I also wanted to share a quick update—not a fundraising ask, just a peek into what’s been going on at [Organization Name]. I thought you might be interested, especially since you’ve helped make so much of it possible.”*

“Our (XXX program) recently [insert short, vivid story: helped 200 families find safe housing, got teens access to mental health care, helped veterans secure jobs]. It’s one of those moments that reminds us why we do this work—and why support from people like you really matters.”

“I’d love to keep you in the loop as we move into this next chapter. If you’re open to it, I can send you a quick follow-up email with a few updates or ways to stay connected. And of course, if you ever want to drop by or hop on a Zoom, we’d love to have you involved in whatever way feels right.”

This kind of engagement deepens trust and reminds donors that they are more than just a source of funding—they are part of the mission.

According to FreeWill’s recession fundraising playbook, donors who receive personalized attention and impact-driven messaging are far more likely to maintain or increase giving, even during economic dips.

3. Evaluate and Streamline Operations

Conduct a thorough assessment of programs and services to determine their effectiveness and alignment with the organization’s mission. Streamlining operations can lead to cost savings and increased efficiency. You’d be surprised at how often leaders and program directors tell me they never thought about how much time, supplies, and personpower it takes to run a certain program vs the impact and revenue it generates for the organization. It is very likely your organization is committing a tremendous amount of resources to some activity or program that doesn’t pay you back in terms of high impact, adequate funding. Find those programs and either put them on hold for this fiscal year or eliminate them entirely. That should be your only focus when it comes to streamlining, cutting costs. The Journal of Accountancy

highlights the importance of adapting to shifts in labor market conditions and tightening donor environments by reevaluating organizational strategies.

Other things you can try to create more income from what you are already doing:

- - Fee-for-service programs, where applicable
 - Local government contracts (notice I said contracts, not grants. They are two different things).
 - “Membership” or recurring giving campaigns
 - Donor affinity groups and strategic corporate partnerships

4. Know How to Communicate and Articulate Your Impact

In times of uncertainty, clarity becomes your most valuable asset. It’s not enough to say your work matters—you have to show it. Donors, funders, and community partners want to understand what outcomes their support is producing and why it’s making a difference. I’m not talking about past metrics. I’m talking about what your donor’s \$100 will buy today. What impact today will that \$100 make in your mission. You have to be clear on that and articulate it at several different levels of donor investment.

Tailor your language to different audiences: some people respond to numbers, others to human stories. Your ability to communicate results with confidence and emotional intelligence is what keeps people connected during times of economic pressure.

If you haven’t already, prepare a short list of recent wins or major milestones—real, tangible results. Practice saying them out loud. Share them in meetings, care calls, and newsletters. Put them into a future context for “donors-as-investors.” This isn’t self-promotion—it’s stewardship. People want to feel their investment is part of something real.

5. Educate and Stabilize Your Board

One of the most overlooked sources of organizational chaos during economic downturns is board anxiety. When board members aren’t equipped with the right information, they can become reactive, overly directive, or disengaged.

Keep your board grounded by sharing consistent, transparent financial projections and involving them in proactive scenario planning. Help them understand their role as strategic partners—not micromanagers. Their stability influences the tone of the entire organization.

6. Realign Spending with Mission, Not Fear

Cost-cutting is often the go-to strategy in tough times. But slashing admin staff or gutting programs that have the most impact can cause long-term damage if done out of panic. Instead, audit your operations through the lens of mission alignment. Ask:

What investments are producing meaningful impact?

Which programs are moving us toward our strategic goals?

Are there efforts we can pause or scale back without derailing outcomes?

Being fiscally responsible doesn't mean abandoning your vision. It means protecting your mission by being precise.

7. What Other Experts Are Saying

The Nonprofit Risk Management Center encourages organizations to broaden their donor base and revisit contingency plans now, before financial strain escalates. The Journal of Accountancy urges nonprofits to adapt to labor shortages and funding volatility by doubling down on scenario planning and internal infrastructure. Brady Ware & Company emphasizes the importance of financial reserves and board training as cornerstones of recession readiness. ([Sources: nonprofitrisk.org, journalofaccountancy.com, bradyware.com])

8. Anticipate These Common Challenges

Donor fatigue: Avoid repetitive asks without new messaging. Focus on impact. And DON'T forget to say thank you! Set aside time to give a "care call" to any donor who invests a minimum amount that makes sense to you. Send a short, nice email of gratitude for those who invest lower amounts.

Internal resistance: Staff may be overwhelmed. Communicate the "why" behind changes.

Competition: More nonprofits will be chasing fewer dollars. Your clarity and consistency will set you apart.

Final Thought

Resilient leadership doesn't mean having all the answers. It means having the courage to ask better questions, make focused decisions, and communicate with clarity. Economic downturns will always test us, but they also refine us.

Lead with purpose. Stay close to your mission. Trust in the relationships you've built. If you do, your organization won't just survive—it will lead others through the storm.