



USAID
FROM THE AMERICAN PEOPLE

The Role of Donors and the Crisis

Moderator: Conan French (USAID)

Panelists: Sandra Adams (Grameen Foundation)
Dennis Ripley (Opportunity International)
Kate McKee (CGAP)

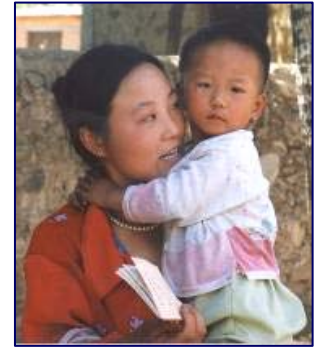
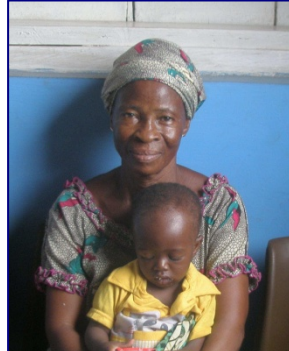
Second in a *Microfinance Learning and Innovations After Hours* mini-series on the impact of the global financial crisis on MFIs & their clients.

January 7, 2009



**GRAMEEN[®]
FOUNDATION**

*Empowering people. Changing lives.
Innovating for the world's poor.*



Donors and the Financial Crisis

Sandra A. Adams, Vice President, External Affairs

January 7, 2009

What happens to charitable giving during economic slowdowns?

- Total giving in the United States has risen every year but one in current dollars since recording began in 1969.
- Adjusted for inflation, giving declines 1-3% in recession years
- Charities with a clear and compelling case and an established loyal donor constituency will continue to succeed, even in difficult times.

“Giving During Recessions and Economic Slowdowns”

September 2008 report from Giving USA Foundation written by the Center on Philanthropy at Indiana University

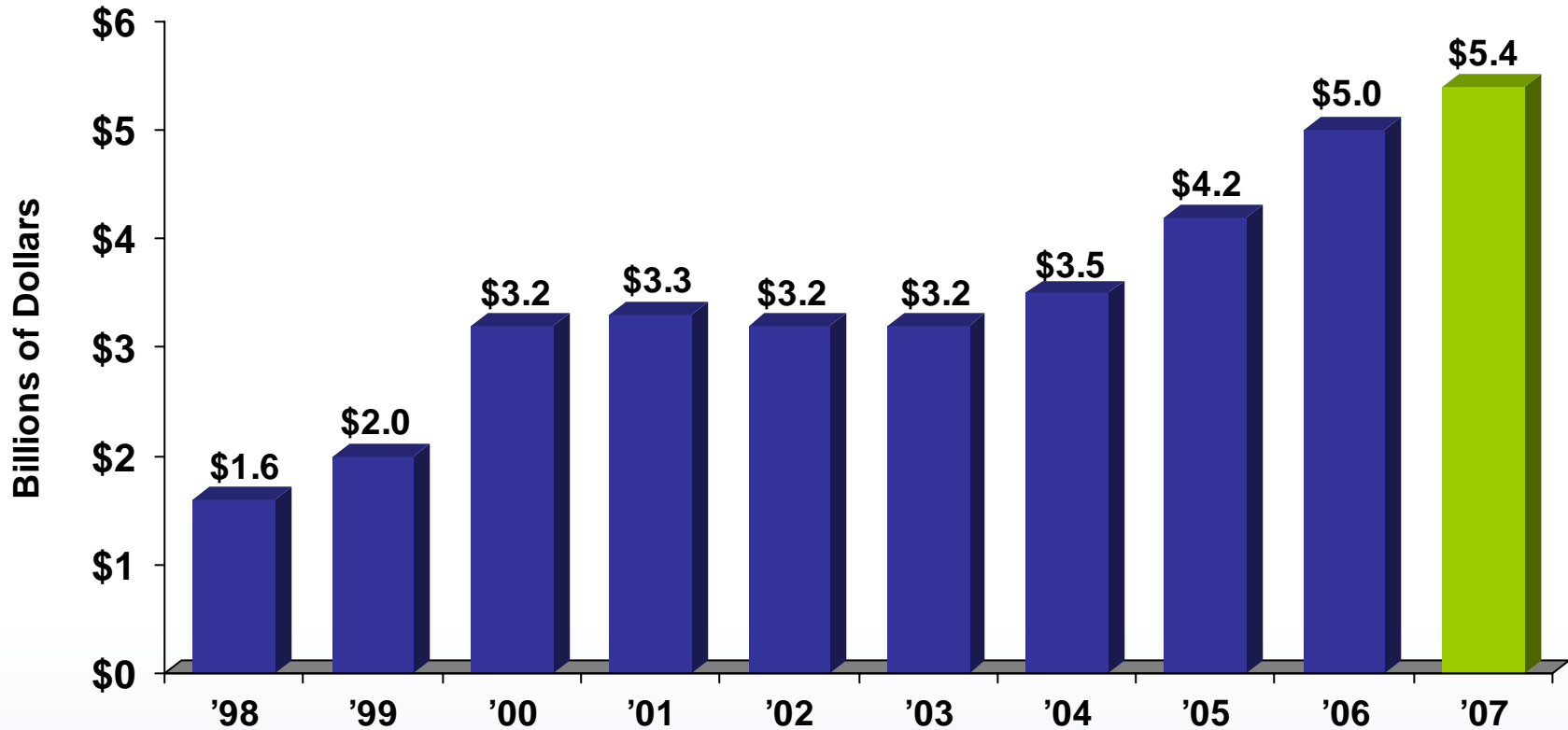
Growth of International Giving by U.S. Foundations

1994 to 2006

Year	Dollar Amount	% Change	No. of Grants	% Change
1994	\$679.4 million	—	6,649	—
1998	\$1.1 billion	57%	9,230	39%
2002	\$2.2 billion	106%	11,294	22%
2006	\$4.2 billion	92%	13,112	16%

Source: The Foundation Center, *International Grantmaking IV*, 2008. Based on a sample of more than 1,000 larger foundations.

Estimated International Giving through 2007 for All U.S. Foundations



Source: The Foundation Center,
International Grantmaking IV,
2008.

Impact of Downturn on MFI Partners

Cost of funds increasing

Funds less available

Hard to refinance maturing debt

Foreign currency risks

Harder for clients to make loan payments

Impact on GF Funding

- **Overall giving ahead of last fiscal YTD**

- Foundation funding strong

- Individual giving steady due to a few large gifts

- More restricted grants, less unrestricted revenue

- Direct mail soft

- Online giving down 10%

- Some pledge payments delayed

- Corporate giving on track (except financial services)

- Increased in-kind support

Bill Gates response

...long-term strategic interests do not disappear in an economic downturn. Developing the talent of our young people, addressing poverty, preventing disease is always smart, no matter what the budget outlook. We're making progress. We're on the verge of breakthroughs. We can't flinch during this downturn. We need to keep investing...to keep on course for a bright future.

*From his speech at George Washington University,
December 3, 2008*

Ford Foundation response

- In 2009 and 2010, we plan to increase the percentage of our endowment that is paid out in grants, our "payout rate".
- The foundation instituted a series of aggressive internal cost controls early in 2008 to ensure that more funds would be available for grant making during this downturn.
- These actions will allow us to continue to honor all outstanding grants and, going forward, safeguard our core grant making budget.

Excerpts from December 12, 2008 message

Luis A. Ubiñas, President, Ford Foundation

Steps GF Is Taking

- **Cutting costs with a scalpel, not an ax**
- **Finding creative solutions to maintain/expand strong programs**
- **Fishing where the big fish are**
- **Cultivating major donors**
- **Stepping up on-line outreach**



Opportunity International

GIVING THE POOR A WORKING CHANCE



Donors and the Financial Crisis

Dennis Ripley
Senior Vice President,
International Business

Opportunity International Model

Build world-class, commercial financial institutions using:

- Triple Bottom Line
 - Sustainable
 - Client-centric
 - Scale

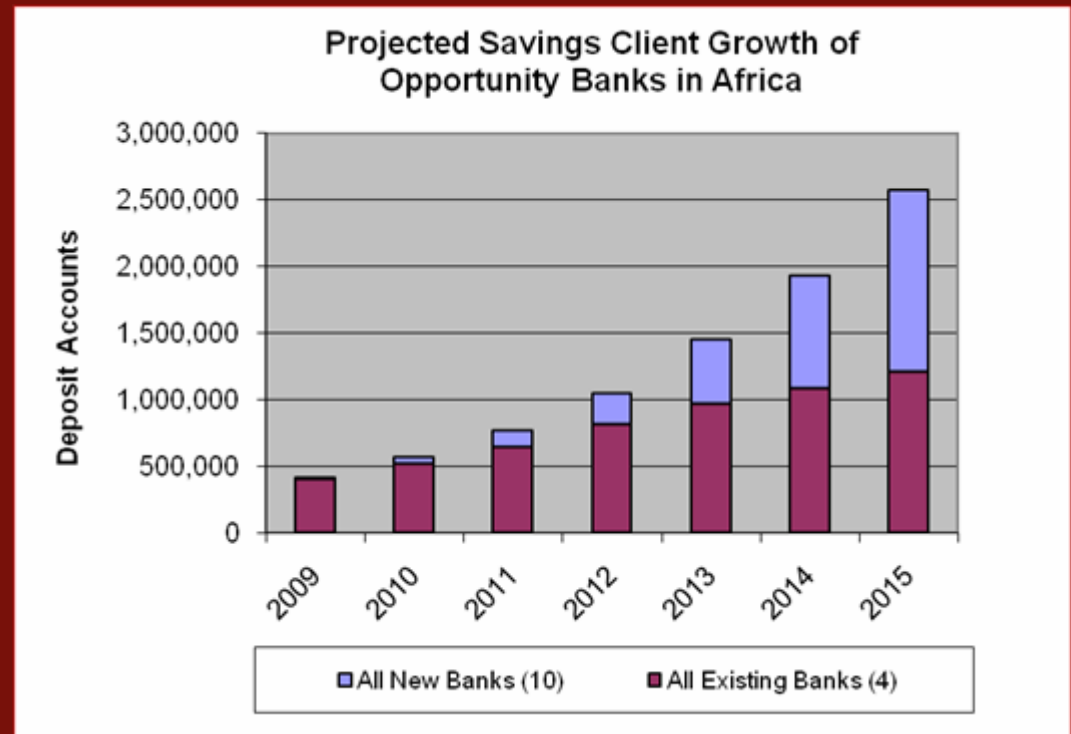
Methodology:

- Greenfield
- Acquisition
- Conversion



Financial Crisis: Impact on Growth

- Savings
- Debt
- Geography
- Human Capital



Financial Crisis: Impact on Fundraising

- Grants
- Innovative Fundraising
 - www.OptINnow.org
 - Value Added Sectors



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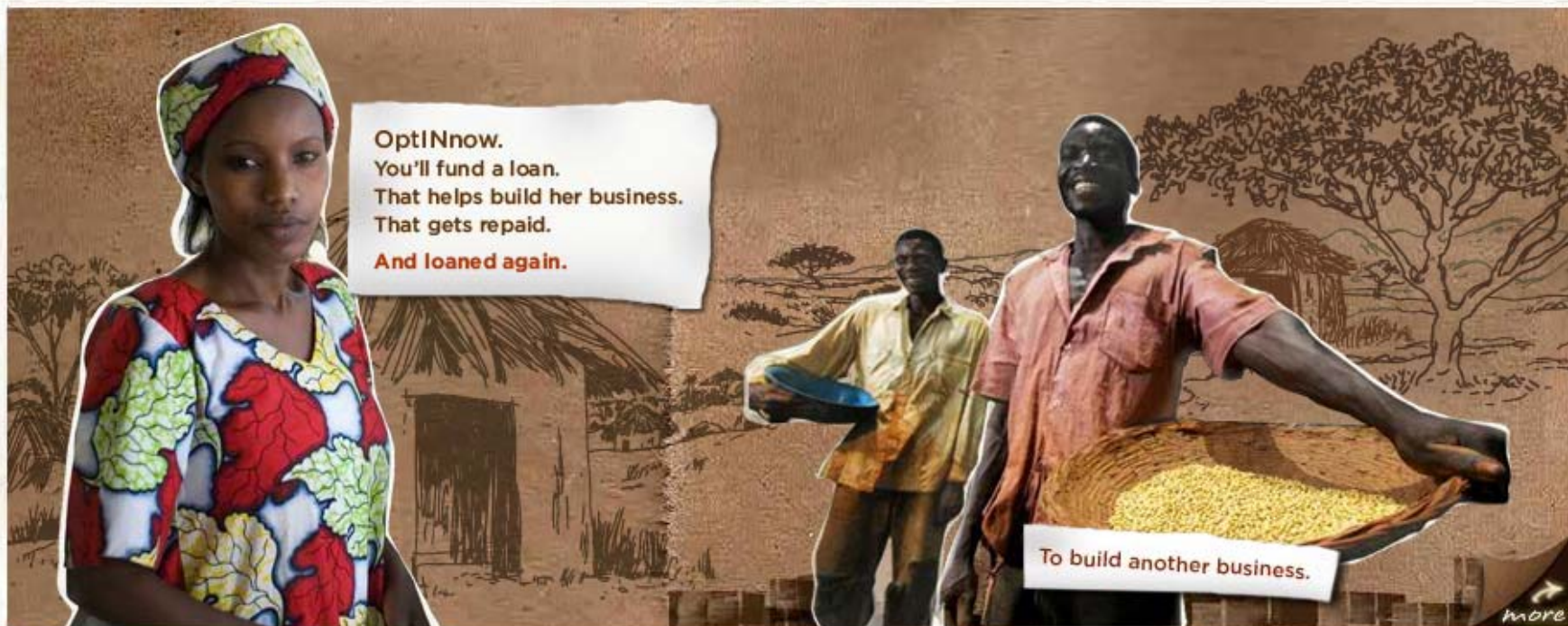
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FUND A LOAN

ABOUT OPT IN NOW

MY GIVING PROFILE

FAQs



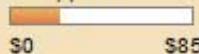
Featured Entrepreneurs

◀ All Countries ▶

Newest Loans | Nearly Funded



Veneracion T...
Philippines



Shallot Addae
Ghana



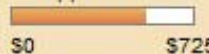
Alice Manyasa
Kenya



Maria Felix ...
Mexico



Sheryl Revita
Philippines



OptINnow news

Check Out Our New 4-Star Rating

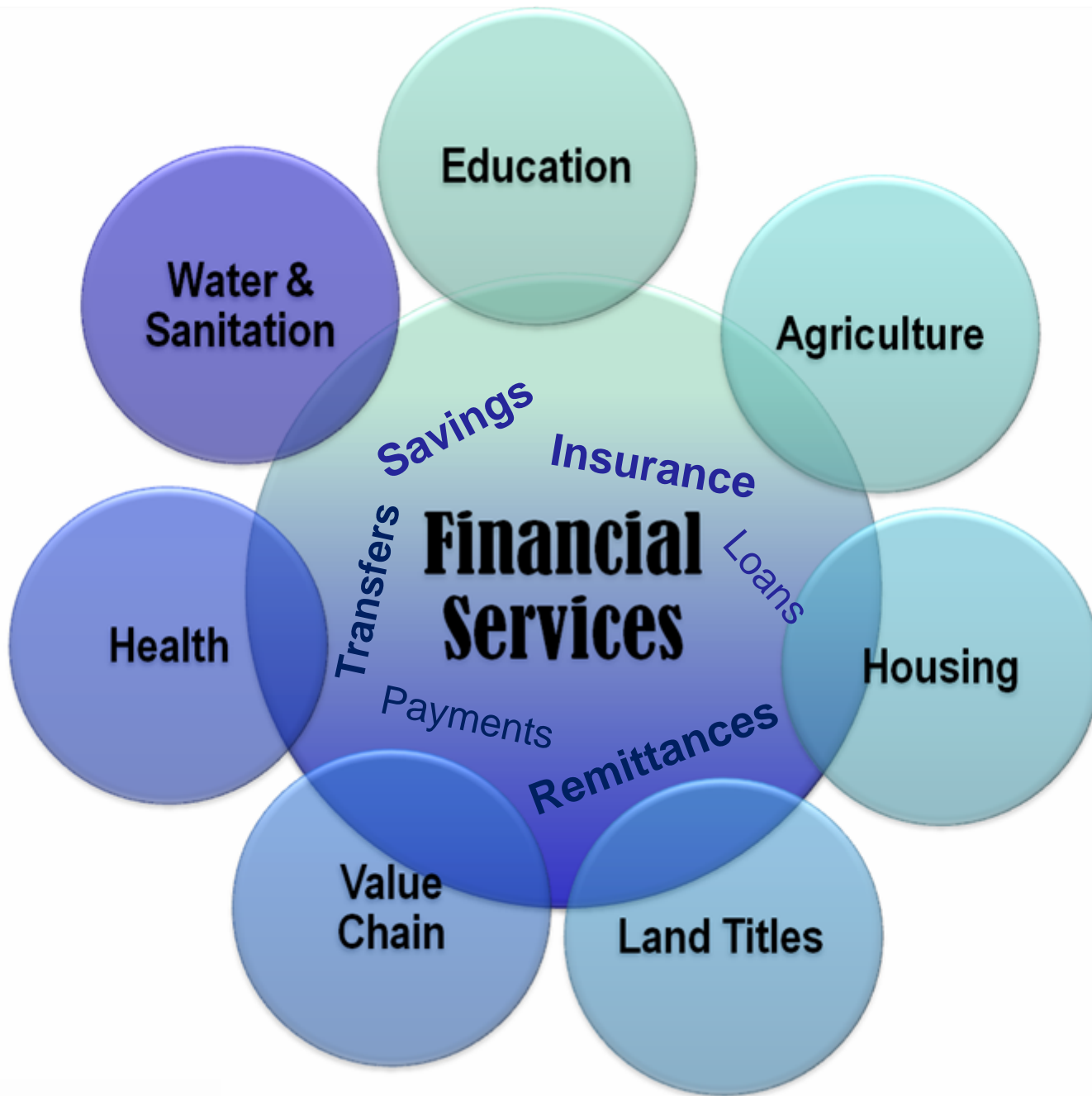


OptINnow 'parent' Opportunity International has gained the highest rating from Charity Navigator, America's largest evaluator of charities. [more...](#)

Gates Foundation Leads Corporate Support



When you donate to OptINnow.org, you join with prestigious corporations and foundations that give to Opportunity International [more...](#)



Risk Management

- Traditional Approach
- Abandoning the Poor
- Recommendations



Thank You

Opportunity International Donors





Advancing financial access for the world's poor

The Global Crisis and Donors: Moving Beyond “How much money? To “How should it be spent?”

Kate McKee, Senior Policy Advisor

Microfinance After-Hours Seminar

Washington DC January 7, 2009

Zeroing in on Official Donors Engaged in Access to Finance (A2F) Funding

Impact of crisis on funding levels unclear

Priority A2F focus areas -- Short term:

- MFI plans and coping strategies
- Understanding client impacts (incl. opportunities) and coping behavior
- Supporting smart policy work

Priority A2F focus areas -- Long term:

- More focus on savings mobilization
- Improved cross-border financing mechanisms for MFIs
- Improved client resiliency and financial capability
- Smart policy responses – balancing stability with access with consumer protection

Resources from CGAP

- [Summary from CGAP-Sponsored Virtual Conference on Implications of the Crisis](#)
- CGAP Portfolio Jan. 09: [The Global Financial Crisis – What Does It Mean for Microfinance?](#)
- CGAP Survey: [Who Is Funding Microfinance?](#)



The MasterCard Foundation



BILL & MELINDA GATES foundation



OMIDYAR NETWORK



FORD FOUNDATION



Advancing financial access for the world's poor

www.cgap.org

www.microfinancegateway.org





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FROM THE AMERICAN PEOPLE

Thank you!

A screencast of this presentation will be available shortly at www.microlinks.org/afterhours.

For more news and resources on the global financial crisis, visit www.microlinks.org/financialcrisis.

The third seminar in this mini-series, on “Food & Fuel Inflation and the Crisis,” will take place in February 2009.