



Navigating Economic Uncertainty: How Banks Can Help Charities Improve Donation Efficiency

Nonprofits are increasingly concerned that the uncertain economic environment in many countries now and in the near future, will impact their fundraising efforts.

The threat of recession or economic uncertainty at any time in general could spell trouble for nonprofits. Consumers may already be reducing their charitable donations in light of the macroeconomic backdrop as mentioned in our recent report¹. If people fear they might lose their job, their spending habits — including donations — will change.

Charities are already reporting higher levels of demand¹. Nonprofits could face a squeeze on their revenues just as their work becomes more important than ever. Many nonprofits are going to have to double down on revenue generation and efforts to optimize efficiency if they are going to be able to meet growing demand for their support.

How nonprofits can respond

While the outlook for nonprofits certainly appears difficult, their experience of overcoming unprecedented challenges during COVID-19 should stand them in good stead. This dynamism will be essential in any forthcoming economic downturn. While recurring donations remain critical, nonprofits must also make donating as convenient and simple as possible as people increasingly make quick decisions to donate because of content they have read or viewed online. Nonprofits need to leverage such opportunities with simple donation tools that minimize the amount of financial and other information consumers must input and — ideally — require them to impart no information at all.

Many nonprofits made significant efforts to streamline their processes and drive efficiencies in order to lower costs during the pandemic. But additional opportunities remain.

Streamlining and improving collection efficiency

Citi offers a number of solutions that give nonprofits an efficient and secure way to receive donations, helping to lower costs and improve donor confidence. Available in the US, Citi Present and Pay is an omni-channel electronic bill presentment and payment platform that enables clients to collect from donors in a wide variety of ways.

Nonprofits can receive one-time electronic payments via ACH and credit card, online, on the phone or via smartphone. Crucially, the payment page on Present and Pay is branded with the organization's logo and other details and can be linked directly from the organization's front-end website or mobile site, making donations straightforward. Nonprofits can also embed the platform's capabilities into its existing website or mobile app using a series of APIs.

Importantly, the solution can be deployed quickly once an organization has completed the necessary documentation.

A differentiated solution

“Spring by CitiSM” provides nonprofit clients with a single solution to accept donations online via card, alternative payment methods, such as digital wallets, and bank transfers such as instant payments and subscription-ready ACH direct debits. The solution enables a seamless payment acceptance experience whether on a browser, smartphone or within an app, helping to ensure you’re maximizing your donation collections. It can also fully integrate into clients’ back-end systems to facilitate automated reconciliation, streamlined processes and granular reporting. Spring by Citi provides nonprofit clients with a safe, secure and seamless way to collect donations. For nonprofits collecting from overseas, Spring by Citi can offer embedded FX to mitigate currency risk. Citi offers Spring by Citi in Australia, Brazil, Canada, Germany, Hong Kong, Ireland, Mexico, Netherlands, Singapore and the UK. It will launch in the US for CCB clients shortly and in four other countries following in the near future.

In Conclusion

The coming months will no doubt be challenging for many nonprofits in the US and around the world as the economic outlook remains challenging for nonprofits. But by communicating effectively with their donor base, innovating their campaigning efforts and focusing on demonstrating their ability to deliver results, nonprofits can continue to thrive.

A key part of these efforts must be initiatives to concentrate resources on frontline activity, lower administration costs and improve visibility and control across the organization. Finding more convenient and effective ways to collect donations is also critical. Regardless of whether the threat of recession becomes a reality, nonprofits should look to their banks for insights and support in helping them achieve their strategic goals.

For more information about how Citi Commercial Bank’s Nonprofit Team can assist you and your team, please [Contact Us](#).

Contributors



László Farkas

Senior Vice President
Relationship Manager, Nonprofit
U.S. Citi Commercial Bank



Jeanette Nicosia

Senior Vice President
Relationship Manager, Nonprofit
U.S. Citi Commercial Bank



Korin Walters

Senior Vice President
Treasury Consultant
U.S. Citi Commercial Bank

¹[Citi GPS Report: Philanthropy and the Global Economy v2.0](#)

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