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As Paulette V. Maehara, CFRE, CAE, prepares to leave after almost 13 years as president and CEO of the Association of Fundraising Professionals (AFP), she shares some thoughts about the many changes and accomplishments during her time with the association.

Cover Photo: Zaid Hamid

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Sue S. Williamson, CFRE



## A Priceless Plan

BY ANDREA MCMANUS, CFRE

A very important process for AFP has taken place over the last year, a process that has involved numerous volunteer leaders, is critical for AFP's future and has resulted in a document that will guide our efforts over the next three years. What is it? It's our 2011–2013 strategic plan.

I know what you're thinking. A strategic plan? Yawn. But it doesn't have to be—and shouldn't be—that way. A strategic plan can be a powerful, vibrant tool in unifying AFP behind its purpose and energizing staff and volunteers about the impact we will have. It's something we can turn to when faced with new challenges or opportunities and to determine whether they align with our goals or simply will be distractions.

A good strategic plan is priceless, and I think AFP has a really good one. Why? First, the goals identified in the plan matter—to you as an individual practitioner and to the profession: enhancing the member experience and ensuring you get the most out of your dues, shaping public policy that is increasingly affecting us all every day and developing the most skilled and ethical fundraisers. Our plan is not some ethereal, philosophical document, but rather a grounded statement of what we hope to accomplish for you and the profession over the next three years.

Second, the plan reflects the change and transformation we're seeing in fundraising. It speaks to how the profession is starting to evolve from a focus on fundraising tools and techniques to a more comprehensive focus on philanthropy and outcomes. It identifies and addresses the challenges we face over the next three years in an environment that is increasingly global, technology-driven and with donors who have big visions and high expectations.

Third, and perhaps most important, the plan and its goals are measurable. Our staff routinely develops metrics for each goal. We will review these metrics every year, and changes will be made to the plan if necessary based on what we've accomplished. In this manner, the plan is a living document that can truly guide us in our work at both the staff and board/committee levels.

I hope you'll read our plan, ask questions and keep our feet to the fire as we continue to move forward. It's *your* plan, too. As I review the plan, I'm amazed at how far we've come and the goals we've set for ourselves. We are in a position to truly affect the entire profession and bring to reality our long-term vision: to have fundraising viewed as a credible and respected profession for civic betterment worldwide.

None of that would be possible without the work of our president and CEO, Paulette Maehara. She has been involved in every strategic plan since 1998. Her leadership and vision have contributed greatly to ensuring AFP is so well-positioned for the future. Read the interview with her in this issue and try to imagine just how much AFP and the profession have changed over the past 13 years.

Paulette, you've been a great friend, mentor and colleague. Thank you for everything you've done for our association and the fundraising and philanthropic community. We will miss you greatly. You've left behind an extraordinary legacy that will never be forgotten! 🙏

*Andrea McManus, CFRE, is president of The Development Group, Calgary, Alberta.*



AFP, an association of professionals throughout the world, advances philanthropy by enabling people and organizations to practice ethical and effective fundraising. The core activities through which AFP fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

**Association of Fundraising Professionals**

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# Worth a Look

BY NATANYA LOTT

## RESEARCH

### Giving—and Demand—on the Rise

Nonprofit organizations saw a slight turnaround (as of the end of November 2010) that mirrored the slow economic recovery, according to a survey from the Nonprofit Research Collaborative (NRC). However, the small rebound has not been enough to help many nonprofits that are grappling with staff and service cuts even as demand for their services has increased.

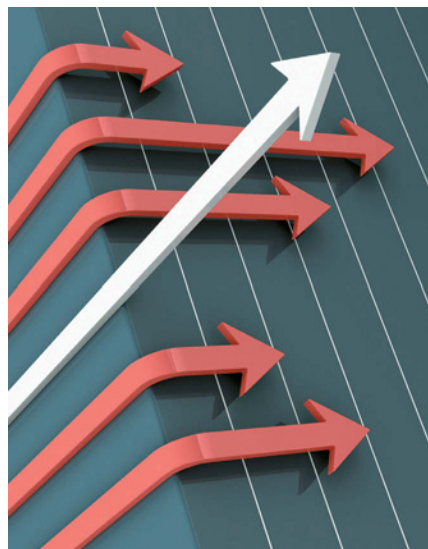
*The Nonprofit Research Collaborative November 2010 Fundraising Survey* is the first product of a collaboration involving six organizations that serve the nonprofit sector: the Association of Fundraising Professionals (AFP), Blackbaud, The Center on Philanthropy at Indiana University, the Foundation Center, GuideStar USA and the Urban Institute's National Center for Charitable Statistics.

The national survey showed that 36 percent of charities reported an increase in donations in the first nine months of 2010, compared with only 23 percent in the same period of 2009. Thirty-seven percent of charities reported a decrease in giving, a dramatic change from 2009's 51 percent. Among those experiencing a decline in giving, the main reason cited was fewer individual donations and smaller amounts. Less funding from foundations and corporations also contributed to the lower giving amounts at these charities. Giving remained unchanged at 26 percent of nonprofits in 2010 versus 25 percent in 2009.

Among the 20 percent of nonprofits anticipating reduced budgets in 2011, 66 percent

said they would have to reduce programs, services or operating hours; 59 percent expected to cut or freeze staff salaries or benefits; and 49 percent were planning layoffs or hiring freezes.

Demand for services increased at 78 percent of human-service nonprofits and 68 percent of charities overall in 2010. The findings indicate that charities will be hard-pressed in 2011 to secure funding for growing needs,



especially as individual and foundation donors are cautious about boosting support, and other sources of funding—including government contracts for services—are cut.

The NRC survey also found:

- In four of eight subsectors, the share of organizations reporting an increase in contributions was about the same as the share reporting a decrease. Arts, educa-

tion, environment/animals and human-services organizations had nearly equal percentages of giving increases and decreases.

- International organizations were the most likely to report an increase in contributions, reflecting donations made for disaster relief.
- In three subsectors (health, public-society benefit and religion), a larger share of the organizations reported declines than increases.
- The larger an organization's annual expenditures, the more likely it was to report an increase in charitable receipts in the first nine months of 2010 compared with the same period in 2009.

Most organizations were guardedly optimistic about 2011. Forty-seven percent planned budget increases, 33 percent expected to maintain their current level of expenditures and 20 percent anticipated a lower budget for 2011.

By working together, the NRC hopes to reduce the number of surveys nonprofits are asked to complete. It also seeks to collect information more efficiently and analyze findings in more useful ways to create the benchmarks and trends that nonprofits and grant makers use to guide their work. Survey participants will form a panel over time, allowing for trend comparisons among the same organizations. This approach provides more useful benchmarking information than do repeated cross-sectional studies.

The first NRC survey, based on questions that GuideStar used for its annual economic surveys, was fielded between Oct. 19 and Nov. 3, 2010. It received 2,513 responses. More than 2,350 charities and 163 foundations completed the questions. The analysis includes responses from charities that make grants but are not foundations. These include United Ways, Jewish federations, congregations and a number of other types of organizations. There were responses from 386 grant makers. In the future, NRC surveys will be conducted in early winter, spring and fall every year.

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 Read more updates at [www.afpnet.org](http://www.afpnet.org). Search: AFP Resource Center



For a free copy of the survey, visit the “Gain Knowledge” area of the Foundation Center’s website, [http://foundationcenter.org/gainknowledge/research/pdf/nrc\\_survey2010.pdf](http://foundationcenter.org/gainknowledge/research/pdf/nrc_survey2010.pdf).

## RESEARCH

### Next Generation of Canadian Giving

A research study into the charitable giving habits and attitudes of Canadians reveals how donors of different generations learn about and give to nonprofit organizations. Released by hjc (Hewitt & Johnston Consultants, [www.hjcnewmedia.com](http://www.hjcnewmedia.com)); Stratcom ([www.stratcom.ca](http://www.stratcom.ca)); and Convio ([www.convio.com](http://www.convio.com)), *The Next Generation of Canadian Giving* shows how donors of different ages prefer to be engaged, the most appropriate channels for fundraising and who and what influences their giving decisions.

The generational donor profiles identified in the study are:

- Gen Y (born 1981–1991); 55 percent gave
- Gen X (born 1965–1980); 61 percent gave
- Boomers (born 1946–1964); 66 percent gave
- Civics (born in 1945 or earlier); 73 percent gave

The research showed that:

- Boomers and Gen X represent significantly higher donor pools than those over 65 (Civics), with *total* contributions for Gen X being on par with Civics.
- 3.2 million Civics provided average contributions of \$833, for an estimated \$2.6 billion in annual contributions.
- 5.7 million boomers provided average contributions of \$725, for an estimated \$4.1 billion in annual contributions.
- 4.2 million Gen Xers provided average contributions of \$549, for an estimated \$2.3 billion in annual contributions.
- 2.7 million Gen Y’s provided average contributions of \$325, for an estimated \$0.8 billion in annual contributions.
- Canadian donors gave through many different channels, with online surpassing direct mail because of its dominance as

- a preferred channel for younger donors.
- 58.1 percent of donors gave a donation at a check-out (such as at a grocery store) within the past year
- 41.3 percent gave at fundraising events
- 33.8 percent gave tribute gifts (i.e., gifts in memory as a recognition of another person)
- 32.8 percent shopped at charity gift shops
- 32.1 percent gave online via a charity website (41 percent for Gen Y and 37 percent for Gen X)
- 26.7 percent mailed a gift

*continued on next page*



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## Worth a Look: Personal connections led to the most donations.

All generations reported that they first learned about a charity they currently supported through mainstream media (newspaper, radio and television). For boomers and Civics, mail was the second-most common way they learned about a charity, while Gen Y and Gen X relied more heavily than older donors on friends, family and peers to tell them about charities.

Other findings include:

- The channel through which donors were asked to give (solicitation) and the channel through which they actually made the gift (transaction) could be different. Donors were willing to use a variety of channels, regardless of how their gift was solicited.
- The way people stayed connected to their charity of choice was not dependent on how they donated. Many kept in touch by one method, such as by mail, but gave through another channel, such as online, and wanted to engage with the charity's work beyond making a financial gift.
- Personal connections led to the most donations. The popularity of pledge-event fundraising is based on this factor.
- Monthly giving was common across all generations. The data refuted the commonly held belief that older donors preferred to give single gifts over monthly gifts. In fact, monthly giving was relatively even across all four groups of donors.
- Social media and mobile phones represented a small portion of current giving—2.6 percent and 3.1 percent, respectively—but these methods will grow in popularity as younger donors age.

According to the findings, Canadian donors expected fundraisers to connect with them using a variety of channels, including mainstream media, e-mail, mail, phone and social networks.

Because the study was based on a similar study into the habits and preferences of U.S. donors (*The Next Generation of American Giving*, [www.convio.com/signup/next-generation/next-generation-resources.html](http://www.convio.com/signup/next-generation/next-generation-resources.html)), the findings provided interesting comparisons between Canadian donors and their American counterparts:

- Twenty-five percent of Canadian donors gave as part of a monthly giving program, versus 14 percent of U.S. donors.

- It was about twice as common for Canadian donors to say they supported friends or family who were raising money for a charity as it was for U.S. donors.
- U.S. donors were more likely to give through their mobile phones (8 percent) than Canadian donors (3 percent).

The inter-generational survey of 1,500 Canadian donors, ages 18 to 80, included more than 50 questions about their giving patterns. The survey was conducted between Aug. 25 and Sept. 3, 2010.

To download *The Next Generation of Canadian Giving*, visit [www.convio.com/signup/next-generation/next-generation-of-canadian-giving-whitepaper.html](http://www.convio.com/signup/next-generation/next-generation-of-canadian-giving-whitepaper.html).

### ■ RESEARCH

#### Create a Memorable Charitable Event

According to findings from the *2010 Charity Event Research Report*, there are concrete steps you can take when planning your next special event, and with a few fresh perspectives your next event can be the best yet and help you reach your fundraising goals.

CharityHappenings.org created a 30-question survey, to which more than 850 philanthropists nationwide responded to a wide range of issues:

- What price are people willing to pay for an event ticket?
- What percentage of ticket price should go toward a donation?
- What kind of food and beverage service do people expect for the price of their ticket?
- Which hors d'oeuvres keep attendees coming back?
- What themes draw the biggest crowds?
- Do people really want to hear a speech from the organization's president?
- Do people really respond to social media?

Following are some of the most surprising and useful findings to consider, based on the feedback of many in the philanthropic community.

**Let someone your organization serves give the speech.** Attendees do not want to hear from your organization's board members or officers. They prefer to hear how your mission is working in a speech

delivered by someone who is affected by the cause you serve. This speech can be delivered either in person or through a video presentation with excellent production values. And always make sure to keep this part of your gala brief.

**Themes work.** Event-goers crave an experience that takes them away from their day-to-day lives. Remember, too, that many philanthropists attend gala events to network, and the best way to network is to have fun participating in some kind of shared activity. So, yes, costume parties make sense, as well as sock hops and western roundups. Spend your funds on creating atmosphere and magic. That will grow your constituent base and keep people coming back year after year.

**Enhance the auction experience.** An overwhelming number of respondents indicated that they prefer to buy "unique experiences," such as lunch with someone famous or tickets to a sporting event or concert. The key here is participation. Today's up-and-coming philanthropists crave priceless experiences, such as trips, outings and communal opportunities. Maximize your auction receipts by offering a wide selection.

**Auction items must be high quality.** The items you auction off must be of high quality to create the biggest impact and win the most worthwhile bids. If you do not know what qualifies an item as high quality, consult an expert. Remember that success and profitability lie in outsourcing what you don't know.

**Facebook yes, Twitter no.** When asked which social media are effective for communicating an event, 98.9 percent of respondents cited e-mail as an "effective to very effective" tool for communicating event information; 94.7 percent said the same for word of mouth; and 81.6 percent said Facebook was an effective to very effective communication tool. However, only 32.8 percent of respondents found Twitter to be effective.

To download the *2010 Charity Event Research Report*, visit [http://charityhappenings.org/content/download\\_the\\_2010\\_charityhappeningsorg\\_charity\\_event\\_research\\_report.html](http://charityhappenings.org/content/download_the_2010_charityhappeningsorg_charity_event_research_report.html).

*continued on page 10*



# Girl Scouts Eastern Washington & Northern Idaho



## Launching Leadership: The Campaign For Their Future

For nearly a century, Girl Scouts has been the foremost organization to champion girls. In October 2009, Girl Scouts Eastern Washington & Northern Idaho (GSEWNI) embarked on *Launching Leadership: The Campaign for Their Future*, a strategic fundraising initiative to advance a new program framework to include science, technology, engineering, and math (S.T.E.M.); career pathways; and girl advocacy; rebuild the 70-year-old lodge at Camp Four Echoes; and enhance financial sustainability. *Launching Leadership* has received extraordinary support from new and long time volunteers and donors. A gift of \$1.7 million helped to replace the 70-year-old lodge at Camp Four Echoes. This transformational gift also enabled GSEWNI to leverage additional donations and increase funding available for programming in S.T.E.M., thereby exposing young women to future career opportunities. CCS is proud to have partnered with GSEWNI on the planning study and the advised *Launching Leadership* Campaign.



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# Worth a Look: Health captured the largest share of international support.

## ■ RESEARCH

### U.S. Foundations' International Giving Holds Steady

Giving by U.S. foundations for international purposes held relatively steady in 2009, generating \$6.7 billion, down just 4 percent from the previous year. According to *International Grantmaking Update: A Snapshot of U.S. Foundation Trends*, a report prepared by the Foundation Center in cooperation with the Council on Foundations, this decrease was less than half the 8.4 percent estimated decline in foundation giving overall.

The slight decrease in international giving in 2009 followed a period of significant growth between 2006 and 2008, as documented in the new report, which tracks giving for both overseas recipients and U.S.-based international programs.

Other key findings of the report show that:

- International grant dollars grew faster than overall funding between 2006 and 2008 among sampled foundations (49 percent versus 21 percent).
- The Bill & Melinda Gates Foundation awarded more than \$2.7 billion, accounting for more than two out of five international dollars in the 2008 grants sample.
- International giving by other foundations in the sample grew faster than funding by the Gates Foundation between 2006 and 2008 (62 percent versus 39 percent).
- Health captured the largest share (39 percent) of international support, followed by international development (21 percent) and the environment (17 percent).
- U.S.-based international programs received approximately two-thirds of international grant dollars awarded by sampled foundations, while overseas recipients received the remaining one-third of grant dollars.

This update of the Foundation Center's benchmark series on international grant making examines changes in overall giving through 2009 based on a survey of leading funders. It also documents trends in giving through 2008 based on actual grants awarded by more than 1,000 of the largest U.S. foundations.

*International Grantmaking Update: A Snapshot of U.S. Foundation Trends* (PDF) can be downloaded at [http://foundationcenter.org/gainknowledge/research/pdf/intl\\_update\\_2010.pdf](http://foundationcenter.org/gainknowledge/research/pdf/intl_update_2010.pdf).

## ■ RESEARCH

### Baby Boomers to Gain Inheritance

Baby boomers, whose financial portfolios have been the focus of much discussion about poor economic prospects, may be encouraged by the distinct possibility that they will receive an inheritance, according to *The MetLife Study of Inheritance and Wealth Transfer to Baby Boomers*.

The study, conducted by the Center for Retirement Research at Boston College for the MetLife Mature Market Institute, reports that boomers will inherit \$8.4 trillion at 2009 levels. The median per person figure is \$64,000, and so far \$2.4 trillion already has been received.

The figures, drawn from national survey data, say the wealthiest boomers will be given an average of \$1.5 million, while those at the other end of the spectrum will be left an average of \$27,000. Two-thirds of all boomers stand to receive some inheritance over their lifetime.

The study also reports that boomers have received, or will receive, a substantial sum from their parents while the older generation is still alive, increasing the total transfer of assets from \$8.4 trillion to \$11.6 trillion.

The total household wealth for Americans of all ages amounted to \$65.9 trillion in 2007 (adjusted to 2009 levels), making the boomers' inheritance a significant portion of total American wealth.

Other key findings of the study include:

- Most boomers will receive their inheritances in late middle age, upon the death of the surviving parent. To date, the overwhelming majority of inheritances are passed from parents to children (63 percent of inheritances and 74 percent of dollars); grandparents are the second-most common source. Few boomers now have living grandparents, but a majority has at least one living parent.

- Although only 17 percent of boomers had received an inheritance by 2007, two-thirds will eventually receive one.
- Though high-wealth households receive much larger inheritances in dollar terms, these amounts represent a smaller share of their wealth—22 percent for those in the top tenth compared with 64 percent for those in the second-to-bottom tenth.
- Considering only past inheritances, the median amount boomers received by 2007—adjusted for inflation—was about the same as that received at the same age by people born between 1927 and 1945.

Data were analyzed from the *Survey of Consumer Finances*, a survey of wealthy households taken every three years. Participants were asked about past receipts of inheritances and of gifts given during a donor's lifetime. They also were asked whether they expected a substantial inheritance or transfer of assets in the future and, if so, the anticipated amount.

*The MetLife Study of Inheritance and Wealth Transfer to Baby Boomers* may be downloaded at [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

## ■ RESEARCH

### Donor-Advised Funds on the Rise

Donor-advised funds, which give donors an immediate tax break for depositing money that eventually will go to charity, reported increased contributions and payouts as investor portfolios rebounded with the stock market during the past 18 months.

Contributions to Schwab Charitable were \$610 million for 2010 (through Sept. 30), up 274 percent from the same period in 2009 and up 90 percent from the same period in 2008. Grants to charities totaled \$262 million for the same period, up 15 percent from 2009 and up 3 percent from the previous all-time high in 2008.

San Francisco-based Schwab Charitable reported a continued increase in gifts of appreciated securities, up from 68 percent to 74

*continued on page 12*



# Prospect Research Rock Star

Meet Jen. She's a Prospect Researcher for a children's hospital in need of a new surgical facility. Jen has always been a good researcher, but her effectiveness has been limited by the inefficient tools she's had available to her. **Then, something happened to make Jen a prospect research rock star.** The hospital subscribed to WealthEngine, the #1 tool for wealth identification and prospect research. Now, Jen is jamming—she's finding prospects with the wealth and inclination to make major gifts to the hospital. Thanks to Jen, the hospital is now funding its new surgical facility with ease.

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# Worth a Look: 76 percent of Canadians worth at least \$1 million say it's important to give.

percent of total contributions in the last two years, driven by a healthier stock market.

The stock market has increased roughly 70 percent from the lows of early 2009, and many donors are choosing to donate appreciated securities to their donor-advised funds, maximizing tax benefits while meeting philanthropic goals.

The nation's largest donor-advised fund, The Fidelity Charitable Gift Fund, reported grants of \$531 million for the first six months of 2010, up 16 percent compared with 2009. It was the strongest first half in the fund's 19-year history.

Contributions to the Boston-based Fidelity fund were up 67 percent and new account openings increased 19 percent. Contributions in the form of appreciated securities made up more than half of all contributions to the gift fund, compared with a third of all contributions during the same period in 2009.

Incoming contributions during the fiscal year ending June 30, 2010, were \$1.3 billion, up 39 percent from the previous fiscal year, while donors recommended grants of \$1.1 billion to charities, up 11 percent. The fund ended the fiscal year with almost \$4.4 billion, up 15 percent.

Invested assets at the Malvern, Pa.-based Vanguard Charitable Endowment Program totaled \$2.1 billion compared with \$1.94 billion in 2009. New accounts established January through September 2010 were up 80 percent over the same nine months in 2009, with every month in 2010 better than in 2009, with the number of grants up 11 percent. The number of additional gifts in 2010, through September, increased 38 percent over the same period in 2009, with all but one of the nine months showing material increases.

## ■ RESEARCH

### Affluent Canadians and Philanthropy

There's good news and bad news regarding wealthy Canadians and their philanthropy. The good news is that most Canadians worth \$1 million or more feel it's important to give back to the community. The bad news is that about one in four of these high-net-worth individuals do not.



Survey results by BMO Harris Private Banking show that 76 percent of Canadians worth at least \$1 million say it's important to give something back. Marvi Ricker, vice president of BMO Harris Private Banking, said most people in this category feel an obligation to help people who are not as fortunate as they are. In addition, 59 percent of these affluent individuals have not let the recent recession affect their giving habits. Those who use business as their main investment vehicle were particularly generous, with 89 percent of these respondents saying it's important to be charitable.

More than 60 percent of respondents in the BMO survey said they would give away between 1 and 3 percent of their wealth this year. Furthermore, 91 percent of women said it is important to give, versus 72 percent of men.

The results were based on an online survey of 459 Canadians by Harris/Decima between Sept. 2 and Sept. 8, 2010. No margin of error was given.

## ■ PUBLIC POLICY

### Salary Cap Removed From Bill in Parliament

In December 2010, the sponsor of Bill C-470 agreed to remove a provision that would have

capped compensation for nonprofit employees in Canada.

Bill C-470, introduced by Albina Guarnieri, Liberal MP for Mississauga East–Cooksville, would have allowed the minister of national revenue to de-register any charity, private foundation or public foundation that paid any employee a total compensation of more than \$250,000 a year. The \$250,000 would include salary, as well as taxable and nontaxable benefits, such as pension plan contributions and professional association fees. The minister also would have been authorized to publish the top five salaries paid by any organization.

However, the bill's sponsor recently agreed to eliminate the salary cap from the bill. The removal of the cap is a result of the efforts by Imagine Canada, AFP and other members of a coalition created to educate Parliament about the bill and its potential impact on Canada's nonprofits.

Despite the cap's removal, AFP remains concerned about the possibility of government disclosure of compensation (see the supplemental comments to the Standing Committee on Finance on the AFP website, [www.afpnet.org](http://www.afpnet.org)). Beyond the potentially redundant bureaucracy, AFP feels this approach creates an inaccurate impression that a simple list of employee salaries is the only factor necessary for ensuring transparency in the nonprofit sector. As noted in the brief, a variety of factors must be weighed to provide a true sense of transparency and only when given proper context through a number of supplemental factors can compensation be viewed appropriately. On Dec. 6, 2010, Mark Blumberg, a member of AFP's Canadian Government Relations Committee, testified before the Standing Committee on Finance and voiced these concerns as well.

AFP believes that the charitable sector must remain engaged with Parliament and continue to request that legislators seek input from the sector. Although the elimination of the salary cap is good news, work is far from over. AFP plans to continue a dialogue about this issue in 2011 with Parliament, Imagine Canada and the other members of the coalition. ●



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# The Big Favor



**I**t is April 15 (U.S. tax-filing deadline) and you are in your first week as director of development for a university when you get a phone call from the university's largest donor. The donor is the chairman of a Fortune 500 corporation who has given several million dollars to the university and already has a building named for him. He announces that his tax adviser says he needs to make another donation for the previous year and that he is sending over a check for \$100,000. He asks you to prepare a letter of acknowledgment dated prior to last Dec. 31. Before you can think of what to say, he hangs up.


**Q.** What should you do? Should you prepare the letter of acknowledgment, thanking the donor; call the donor back and tell him you cannot accept the gift on these terms; discuss the matter with your university CEO; or ask the university CEO to decide what should be done?

**A.** Discuss the matter with your CEO. What the donor has proposed is a violation of the law (see [www.irs.gov/publications/p526/index.html](http://www.irs.gov/publications/p526/index.html)), which is paramount. Accepting the gift on the terms proposed also would be a violation of Standards No. 2 (members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations and their clients) and No. 5 (members shall comply with all applicable local, state, provincial and federal civil and criminal laws) of the *AFP Code of Ethical Principles*. This is your first week on the job. Encourage your CEO to make the call. If he or she will not, make the call yourself.

**Q.** Suppose you inform your CEO of the offer and the CEO says, "Don't worry about it. I'll write the letter." What should you do? Should you warn the CEO that it would be a violation of the AFP code of ethics to comply with request or that it would be illegal to comply with the request? Should you ask the chief financial officer for an opinion, or should you just keep quiet since this is a matter between the CEO and the donor?

**A.** Warn the CEO that it would be illegal to comply with the request, as well as

The AFP Ethics Committee is the guardian of the *AFP Code of Ethical Principles and Standards*. To ensure consistency and avoid conflicts, individual chapters play no substantial role in interpretation or enforcement of the code. The ethics committee investigates queries and complaints (or initiates proceedings, including complaints, on its own), provides counseling, holds hearings, makes rulings and imposes sanctions. The primary objective of the ethics committee is education and correction of prohibited behavior. The committee also is empowered to impose sanctions, including publication of the names of violators. The committee meets twice a year, in winter and late summer, and on an as-needed basis throughout the year. To avoid even the appearance of impropriety, the committee never convenes at board meetings. For confidential ethics advice about proposed transactions or other matters related to the AFP code, call AFP's CEO at 703-519-8440. (Please note that legal counseling cannot be provided.)

 For more on ethics and enforcement, visit [www.afpnet.org](http://www.afpnet.org). Search: Ethics



a violation of the *AFP Code of Ethical Principles*. This is a clear violation of Standards No. 2 and No. 5.

**Q.** Suppose, upon further investigation, you learn that occasionally in the past the university has done similar favors for some of its large donors. What should you do? Should you continue the practice (it's working) or warn the CEO that it would be a violation of the AFP code of ethics to continue this practice and that it would be illegal to continue this practice? Or should you consider resigning your position?

**A.** Warn the CEO that it would be illegal to continue this practice, as well as a violation of the AFP code of ethics. Fundamentally, the same explanation that applies to the previous question also applies here. To protect one's integrity, the choice to resign is an option for consideration. ☞

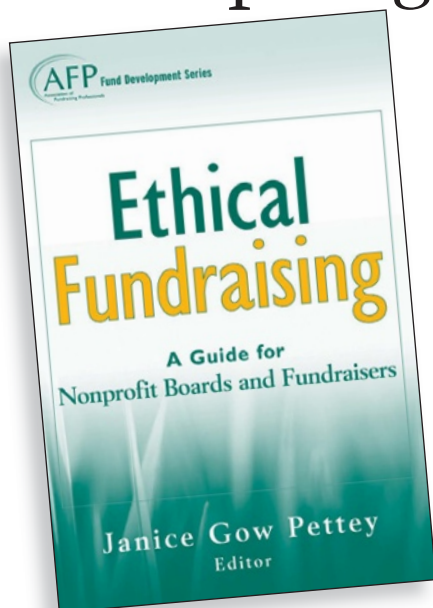
## Guidelines for Standard No. 2 of the AFP code:

- Members shall take care to ensure that all legally binding gift-planning obligations they propose are prepared or approved by qualified legal counsel.
- Members shall urge their clients to seek independent, qualified counsel in regard to any legal or fiduciary obligation that a member proposes.
- Members shall make every reasonable effort to ensure that their organizations' fiduciary obligations are held to the highest ethical standards and conform to applicable law.
- Members shall make every reasonable effort to ensure that third-party organizations that are appointed to carry out fiduciary obligations on behalf of their organizations are held to the highest ethical standards.

## Guidelines for Standard No. 5 of the AFP code:

- Members shall recognize that compliance with applicable laws and regulations is a clear standard. Nevertheless, laws regarding fundraising are proliferating, and ethical practitioners, remembering the admonition that ignorance of the law is no excuse, must be alert to new laws.
- Members shall consult the legal counsel involved with their own organizations. Most nonprofit organizations have access to legal counsel, either paid or volunteer. Member consultants and suppliers of fundraising services also shall consult legal counsel regarding their contracts and practices.

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# “Must Ask” Questions When Evaluating Vendors

BY ALAN COOKE

**I**n the nonprofit sector, change is not an option, but rather a necessity to keep up with fickle donors, competing priorities and tight budgets. We all know change isn't easy, especially with new ideas and technology that may require much of your staff to step out of their comfort zones. Yet with the right approach and thoughtful decisions, technology can address and open up new possibilities in reaching more people and raising more funds. So where do you start? Begin by learning about the options available, having a strong understanding of your current situation and knowing where you want to be in the future. Following are some questions that can serve as a starting point.



 For more technology updates, visit [www.afpnet.org](http://www.afpnet.org). Search: AFP Resource Center

## 1. What problem are we trying to solve?

Be clear about the specific problem you are trying to solve and let your business requirements drive the process with the selected technology vendors. For smaller organizations, it might make sense to opt for a single system that will do most of what they need, with an understanding that no single solution will be the best at everything. Larger organizations, on the other hand, will likely find that an open, core platform from which you can link to new and emerging or best-of-breed applications is the ideal way to ensure technology requirements are met. Either way, as you navigate your way through the vetting process, keep an open mind and try to understand each vendor's perspective regarding capabilities and how each is aligned with your needs. Choose what makes the most sense for you.

## 2. Will the technology solution allow for growth and expansion?

If everything goes as planned with your technology solutions, you will grow the number of prospects and donors, raise more money and engage your supporters more effectively. Along the way, you will reach major milestones and your needs will evolve. Although it may be tempting to focus mainly on your present requirements, now is the time to ensure that the solution you choose allows you to grow and expand for years to come.

## 3. Which software delivery model does the vendor use?

Should you buy a piece of software or go with Software-as-a-Service (SaaS), which is delivered over the Internet? This will depend on your organization's specific needs, budget and other considerations. Learn as much as possible, talk with vendors and decide which is best for you (see sidebar).

## 4. What does the vendor's product roadmap look like?

As your organization evolves, your technology needs will too. With this in

mind, you must ensure that the vendor you select has a clear product vision and roadmap to meet your present and future requirements. What will the current product look like later next quarter? How about next year? Does the solution have a viable future that justifies ongoing investment or is it likely to be phased out and replaced by a new, completely different product? Once you know where a vendor plans to invest its resources in the future (e.g., improving existing products, adding new products or integrating acquired products), you will have a better understanding of what you can expect on the features and functionality front. Your vendor's vision should be aligned with your needs.

## 5. Who or what drives platform research and development?

Research and development are driven by the diverse needs of users and the innovation of many. In the fast-paced, ever-changing world of technology, stagnation or slow-moving innovation can have a direct negative impact on a nonprofit's success. Consider possible changes your organization might require, including the ability to integrate with social media, mobile technology or applications such as those for wealth screening or finance and accounting. You will want those as your organization needs them.

## 6. What measurable results have clients had?

Data management and efficiency are both important success factors to a nonprofit, but growth of donors and donations is the underlying key to a nonprofit's future. Therefore, a vendor needs to understand the importance of facilitating an organization's ability to build and maintain relationships with constituents. Ask prospective vendors for hard data of client results that demonstrate the value of their solutions. Don't be shy about requesting actual dollar amounts, not just percentages, as this level of detail is what will give you a better idea about what you can expect as a return on your investment.

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The *Ready Reference* guides are available online—and free!—for AFP members. Visit the Resource Center on the AFP website at [www.afpnet.org](http://www.afpnet.org).

Hard copies of the nine-booklet series can be purchased through the online AFP Bookstore or call 888-487-6237.

Today, nonprofits are being asked to do more with less, while reaching donors, volunteers and other constituents through more channels than ever. Donors have new expectations of how they use technology, such as online video, mobile and social media, to engage with your organization. New,

modern software and services platforms exist that can help you more efficiently and effectively reach more people, raise more money and manage your mission. In five years there will be emerging technologies that we have not even thought about that will continue to change the way you reach and engage people. As

you invest in technology to optimize your organization and maximize each relationship, the questions you ask today will impact your success tomorrow. ☞

*Alan Cooke is strategy analyst with Convio in Austin, Texas ([www.convio.com](http://www.convio.com)).*

## ➡ Resources

For those who will be at the AFP International Conference on Fundraising in Chicago, March 20–22, and talking with technology vendors in the AFP Marketplace, take time to prepare beforehand so that your discussions are as informative and beneficial as possible.

The article *Selecting the Right Technology Vendor* offers 10 steps with links to articles in each step:

1. Determine if this is the right time to make a purchase.
2. If the project involves considerable time and labor, decide if you should outsource it.
3. Figure out your organization's needs.
4. Determine if you should write an RFP.
5. Become an RFP pro.
6. Research possible vendors.
7. Develop vendor selection criteria.
8. Negotiate and write the contract.
9. Manage your vendor relationships.
10. Evaluate your vendor relationships.

For those choosing to buy a piece of software, the article *15 Questions to Ask Your Software Vendor* recommends asking the following, among others:

1. How long have you been in business?
2. When was your last upgrade released, and when is the next one planned?
3. Are upgrades included in your annual fee?
4. Are the upgrades downloadable from your website?
5. Does the software update cost include phone-based tech support?
6. Can I build my own reports?
7. Why did you choose your current development platform?
8. How much have you spent on research and development in the last 12 months?

Are you considering the cloud? As described in *Cloud Basics for Nonprofits and Libraries*, cloud computing “enables computer software and hardware resources to be accessed over the Internet without the need to have any detailed or specific

knowledge of the infrastructure used to deliver the resources.” Software-as-a-Service (SaaS) is the top level of the cloud, where software applications or your data are hosted on the Internet.

*15 Questions to Ask Your Software Vendor*

[http://www.businessknowledgesource.com/technology/15\\_questions\\_to\\_ask\\_your\\_software\\_vendor\\_014534.html](http://www.businessknowledgesource.com/technology/15_questions_to_ask_your_software_vendor_014534.html)

*Cloud Basics for Nonprofits and Libraries*

[www.techsoup.org/learningcenter/internet/page12826.cfm](http://www.techsoup.org/learningcenter/internet/page12826.cfm)

*CRM in the Cloud: Right for Your Organization?*

[www.techsoup.org/learningcenter/internet/page12824.cfm](http://www.techsoup.org/learningcenter/internet/page12824.cfm)

*Idealware: Vendors as Allies: How to Evaluate Viability, Service and Commitment*

[www.idealware.org/articles/vendors\\_as\\_allies.php](http://www.idealware.org/articles/vendors_as_allies.php)

*Nine Tips for Navigating the RFP Research Phase*

[www.techsoup.org/learningcenter/techplan/page5517.cfm](http://www.techsoup.org/learningcenter/techplan/page5517.cfm)

*Selecting and Managing IT Vendors*

[www.techsoup.org/learningcenter/techplan/page8992.cfm](http://www.techsoup.org/learningcenter/techplan/page8992.cfm)

*Selecting the Right Technology Vendor*

[www.npower.org/files/page/vendorsguide.pdf](http://www.npower.org/files/page/vendorsguide.pdf)

*Six Questions to Ask a New Software Vendor*

<http://itknowledgeexchange.techtarget.com/cisa-cissp/six-questions-to-ask-a-new-software-vendor/>

*Why Should Nonprofits Care About Cloud Computing?*

<http://blog.techsoup.org/node/952>

For a list of technology vendors at the conference, their booth number and location in the Marketplace, visit [http://conference.afpnet.org/exhibitor\\_dir\\_fp.cfm](http://conference.afpnet.org/exhibitor_dir_fp.cfm).



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**WHEN PAULETTE MAEHARA CAME TO AFP** she wanted to make sure she stayed long enough to achieve positive results. Under her leadership, the association became a larger, more diverse organization with an international profile and a respected voice in the public policy arena. Her impact will surely be felt by fundraising professionals worldwide for years to come. As she leaves the position of president and CEO, she reflects on her entrée into the nonprofit field, her proudest achievements and the reasons for leading AFP in new directions.

**AP:** You've been in the field of nonprofit management for a little more than three decades. When you were in college, did you envision having this type of career?

**PAULETTE MAEHARA:** No, I thought I was going to be a singer! I was a voice major at the University of Hawaii. I studied opera, but I wanted to be in musical comedy.

**AP:** How did you get into the nonprofit field?

**PAULETTE MAEHARA:** It was really by accident. I got married in college, and after my daughter had gone to kindergarten I was looking to go back into the work force. I recognized that singing wasn't going to be a career for a mom living in Hawaii. One of my friends had a son who had a minor birth defect, and she was very engaged in the March of Dimes. They were looking for someone to coordinate the Mother's March, which was a door-to-door campaign at that time, so I did that for the Hawaii chapter. That was the beginning. >>

# LOOKING Ahead

BY MARY ELLEN COLLINS

Parting thoughts  
from AFP  
President and  
**Paulette**  
**achara,** **F**  
**A** **O** **,**





**“We have an entire team of people—the AFP staff—creating change, and I am only one link in the chain.”**

I then worked for the American Red Cross, where I was really *learning*. After I had been with them for about seven years, I realized that fundraising was something I enjoyed, and I started to look at it as a long-term career choice.

**AP:** Your career has included executive positions at such organizations as the American Red Cross, the Epilepsy Foundation and Project HOPE. Do you have one achievement that is particularly memorable?

**PAULETTE MAEHARA:** I was the interim CEO for the Red Cross in Washington, D.C., during a pretty turbulent time, when we went through a serious set of problems related to the blood program. I had been in development and market-

ing, and when the CEO left, the board chair asked me to step in.

The American National Red Cross made the decision to merge the Washington blood program with the Baltimore Red Cross blood program. We had approximately 500 employees working in the blood program, and all of these positions were being eliminated. Working with the national organization, I was responsible for keeping the program operating, keeping the blood going to the hospitals, communicating with the staff and dealing with two unions. I was 30-something years old, handling something I didn't have much experience doing. I remember sitting down at my desk one day and thinking, "I didn't know that I had signed on for *this*."



I was as open and communicative as possible, and we managed to get through it. We met our blood-collection goals and delivered the blood that needed to be delivered. About 80 percent of the staff was employed by the new program. We had tremendous assistance from the national organization, and at the end of the day I was very proud of the fact that we came through it well.

**AP:** What other achievements stand out?

**PAULETTE MAEHARA:** With Project Hope, during the early '90s, we provided significant funding for a number of children's hospitals in Europe. Also, in concert with the Chinese government, I helped to start the fundraising process to raise money to build and equip a children's hospital, and it is very successful today.

At the Epilepsy Foundation, one thing I helped start was rebranding the organization. It still carries the brand today, and it has also become international. Every affiliate carries the same name and the same logo, and they're much better positioned for success from a fundraising standpoint.

I'm proud to have been a part of all those efforts, but especially the Red Cross—even though at the time I was terrified!

**AP:** When you came to AFP in 1998, what goals did you set for yourself?

**PAULETTE MAEHARA:** I knew I wanted to be here long enough to have an impact. My first goal was to understand the organization's culture and get to know the people. I really wanted to be internally focused that first year.

**AP:** What's the best piece of managerial advice you've ever been given?

**PAULETTE MAEHARA:** Don't take criticism personally. My first boss at the Red Cross said, "Not everyone is going to like you, especially as you move up into leadership positions."

**AP:** How did that advice help you in your role at AFP?

**PAULETTE MAEHARA:** We have 30,000 members and we represent every kind of social cause you can imagine. Our members are not shy about expressing their opinions or telling us how we could do things better. But decisions have to be made, and sometimes decisions aren't going to make everyone happy. It was a skill I had to develop. I may not like it, but I can accept that people disagree with me or don't like me. It would drive you crazy if you wanted to please everybody.

**AP:** Why has technology been a priority for you?

**PAULETTE MAEHARA:** We really didn't have a Web presence when I came. We had a website, but it wasn't current. We did very little online and were very paper intensive. We knew

## Paulette Maehara's Golden Rules of Association Leadership

- Don't be afraid to take an informed risk.
- Hire good people and get out of the way.
- Be humble and remember that North Americans don't know everything about fundraising.
- Apologize and seek a win-win solution.
- Recognize good performance.
- Say thank you often.

technology was the future and that we needed a better, more interactive tool for our members. The outcome was to get more information out to more people faster—and when they needed it. It allowed them to make better choices about their education and professional development, and it empowered them to take action that didn't rely on 12 phone calls and playing phone tag. Technology has really changed the paradigm, not just for AFP but for all organizations as well.

**AP:** AFP developed an international profile under your tenure. How did this evolve?

**PAULETTE MAEHARA:** Our volunteers have been fully involved in the international strategy and were key to our success. I was just one piece of the effort. I had been here two or three months when a Canadian member stood up during a chapter leadership meeting and said that we needed to change the name of the organization to reflect the fact that we were an international organization. We reflected on that and realized that with members in Canada and Mexico we were indeed international in scope.

The whole field of NGO development began to explode all over the world, and fundraising became more and more important. Our chair at the time saw that AFP needed to take a leadership role

in the international fundraising profession because we had an extensive body of knowledge that we could share with new and developing associations and fundraising professionals worldwide. At the same time, we had much to learn about fundraising in other countries and cultures. We reached out to the Institute of Fundraising in the UK and the Fundraising Institute Australia and developed our first two strategic alliances with them. These continue today, and we have forged a strong working relationship that has served our respective associations very well.

**AP:** Throughout the development of seven strategic alliances, as well as several chapters in other countries, what is the most important outcome of AFP's international expansion?

**PAULETTE MAEHARA:** The *International Statement of Ethical Principles in Fundraising*, which came out of the 2006 International Fundraising Summit attended by the heads of fundraising societies from around the world. The principles were fairly common among other fundraising societies, but it took us four years to create the *International Statement*. It wasn't that the people weren't willing to cooperate. There were just so many cultures and languages to consider—different words have different meanings or no meaning at all. I now have a much keener appreciation of the United Nation's decision-making process! Today more than 30 nations have signed the statement. This accomplishment really stands out for me because it has given a unity, recognition and prominence to the fundraising profession that never existed before.

**AP:** How have AFP's educational offerings evolved under your direction?

**PAULETTE MAEHARA:** Our volunteers are very good content thought-leaders. I think we were able to bring a structure and management dynamic that was marketing and customer-oriented. Technology allowed us to capture more data, so we made sure we were taking a strategic look at good data in order to make decisions about content—what we should and, in some cases, should not be offering.

**AP:** Why is there a focus on ethics in AFP's new educational offerings?

**PAULETTE MAEHARA:** The ethics committee and I championed the ethics curriculum. We had been doing ethics workshops, but each member did it his or her own way. We didn't have a formal, standardized ethics course with a trainer's guide and participant workbook. We embarked on this two years ago, and the first piece, an online ethics assessment tool, will roll out this year. Hopefully, the formal ethics curriculum will be implemented later in 2011. It will provide consistent ethics training for the trainers, which is extremely important, especially as states start to regulate more.

## Diversity is a great strength.

We represent every cause and every size organization imaginable. That diversity is a tremendous strength because you have so many perspectives to draw from.

**AP:** How does regulation relate to the development of an ethics curriculum?

**PAULETTE MAEHARA:** The regulatory environment has become extremely crowded and intensely focused on the sector as a whole, and fundraising is always at the top of the agenda. For example, the New York Legislature considered requiring every fundraising professional to undergo ethics training. They didn't pass it, but this is the future. If we're going to be a provider, we have to have a standardized curriculum with consistency of presentation.

**AP:** Why did you feel that AFP needed to have a visible role in public policy related to the sector and the fundraising profession?

**PAULETTE MAEHARA:** Since 2000, we have taken a more aggressive stand in the public policy debate because of the intense scrutiny on fundraising professionals. Our concern was making sure we had a seat at the table in the public dialogue about the sector, especially because fundraising was often the

subject. We allocated resources, hired staff and made a conscious decision to get ourselves to that table. This dialogue is happening all over the world, and because of our credibility we have been invited to participate.

In the United States we have a Political Action Committee that makes contributions to federal candidates who support legislation that is favorable to philanthropy. This is another step that illustrates the seriousness with which we take our role in the public policy debate.

**AP:** What do you think is the greatest challenge facing the profession today, and how is AFP rising to meet that challenge?

**PAULETTE MAEHARA:** There are not enough fundraising professionals to go around. There are more nonprofit organizations worldwide than there are people to fill the jobs. We're creating collegiate chapters where young people can be part of the AFP system and see fundraising as a profession. We also have developed a K-12 youth in philanthropy curriculum to teach philanthropy and how fundraising fits into the philanthropic process. Students can see that fundraising is a legitimate and viable career choice.

**AP:** What is the most important thing you have learned as president of AFP?

**PAULETTE MAEHARA:** That diversity is a great strength. We represent every cause and every size organization imaginable. That diversity is a tremendous strength because you have so many perspectives to draw from. Not one perspective is left out. I probably wasn't as appreciative of that when I was just a member of AFP.

**AP:** Is there anything you wish you had done differently during your tenure here?

**PAULETTE MAEHARA:** Any CEO would say, "I wish I had more resources to do more," but that's not always a reality. I'm not one to look in the rear-view mirror and say, "What if ... ?" because you can drive yourself crazy with that. I'd rather look ahead.

**AP:** Speaking of looking ahead, what are your post-AFP plans? Will we see you in the classroom or wearing a consultant's hat or going out on the speaking circuit?

**PAULETTE MAEHARA:** My post-AFP plan is to improve my golf handicap, volunteer, do some public speaking when asked and travel with my husband. We have four daughters and a grandson who live in different parts of the United States and Australia, so our travel schedule will be heavy.

**AP:** Any final thoughts you'd like to leave with AFP members?

**PAULETTE MAEHARA:** Thank you for the honor and privilege of serving as your president and CEO for 13 years. I'm so glad to close out my career with such a wonderful organization. ☺

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# The Only

# Constant

How to benefit from change, not merely survive it

BY PAUL LAGASSE

**T**HE OBSERVATION THAT “CHANGE IS THE ONLY CONSTANT” may have become a cliché, but that does not mean it isn’t accurate. The problem is that change, whether desired or not, is necessary, although at times it is difficult to accomplish. Experienced executives know that, while it takes a lot of energy to get an organization moving on a desired course, it can take just as much—if not more—to change that path once things are finally set in motion. The challenge is to anticipate and prepare for important changes in advance, rather than to wait for events to overtake your organization. As Winston Churchill famously said, “There is nothing wrong with change, if it is in the right direction.” >>

## Change

### Taking a Chance—Enthusiastically

In late 2008, the board and staff of the Chula Vista Nature Center (CVNC, [www.chulavistanaturecenter.org](http://www.chulavistanaturecenter.org)) faced the prospect of having to shut its doors forever. As a result of a fiscal crisis, the city of Chula Vista, which provided 90 percent of CVNC's budget as well as its administrative infrastructure, announced that funding for the popular 3.3-acre wildlife sanctuary and educational facility would have to be eliminated. Located six miles south of downtown San Diego, the nature center sits on the 316-acre Sweetwater Marsh National Wildlife Refuge. Galvanized by the prospect of losing the area's only such facility, thousands of residents protested the closure by signing petitions, writing letters and launching "Save the Nature Center" campaigns on the Web. Many in the community urged the CVNC to take a chance as a self-sustaining nonprofit organization rather than simply disappear—a daunting prospect in those dark, early days of the economic meltdown.

The CVNC board and staff agreed that it was worth a try and, with the help of dedicated volunteers, set about developing a sustainable fundraising plan. They brought in a consultant to produce the plan and determine whether the resources existed to raise the CVNC's annual budget. "Miraculously, they did!" says Renee Herrell, M.A., CFRE, principal of RCH Consulting ([www.reneehherrell.com](http://www.reneehherrell.com)) in San Diego. "The outpouring of community support was incredible. Community members dedicated their time to create a sustainable plan and raise funds, and this is the sole reason why the nature center is still open today."

An extensive survey asked board members, staff and volunteers whether they were confident—not just hoped—that an independent CVNC could be successful and, if so, what they needed to ensure its success. The transition from city department to free-standing 501(c)(3) nonprofit was a long and often challenging one, with some people faltering under the burden of doubt over the center's future. Just as the community had risen up in support of CVNC, now, too, the board, staff and volunteers had to dig into their reserves of enthusiasm in order to see the transition through.

Their confidence was contagious, and today CVNC is thriving under a new board and executive leadership, armed with robust strategic and business plans that have replaced the lost city funding with a steady revenue stream of individual donations and institutional grants.

"Successfully overcoming crisis and creating change in the right direction takes determination, commitment and pure grit," Herrell notes. "The Chula Vista Nature Center had all three."

### Intellect and Emotion

Although change means taking risks and facing the unknown, it requires a balance of head and heart—intellect and emotion—with a clear view of a path toward the desired destination, if it is going to be successful. This balance is what Chip and Dan Heath discuss in their book *Switch: How to Change Things*



*When Change Is Hard* (Broadway Books, 2010). "The status quo feels comfortable and steady because much of the choice has been squeezed out," they write. "But in times of change, autopilot doesn't work anymore. Choices suddenly proliferate and autopilot habits become unfamiliar decisions."

At this point, the Heath brothers explain it is important to find and generate positive emotions, such as hope and enthusiasm, to balance the rational skepticism that might prevent or misdirect the needed change. For fundraisers who face change, whether in their career plans or in their organizations, a thoughtful and positive approach to change makes a successful outcome more likely.

That kind of approach, however, is easier said than done. Every day, nonprofits face an overwhelming array of changes: budget cuts that force them to reduce staff and do more with less; demographic shifts that require them to initiate new programs, tweak existing ones and seek out partnerships or even mergers; and changes in giving patterns that force them to abandon cherished special events in favor of seeking major gifts. Of course, the economic downturn continues to inflict body blows on nonprofits of all sizes and missions. *Giving USA 2010* ([www.givingusareports.org](http://www.givingusareports.org)) reported that the 3.6



percent decline in total charitable giving in 2009—driven largely by a 23.9 percent decline in charitable bequests and an 8.9 percent slump in foundation grants—was the steepest in terms of current dollars in the report’s 54-year history. That constitutes change of a most unwelcome kind.

Such unforeseen circumstances emphasize the things that an organization should be doing—no matter what. “You have to make sure that you have your good systems and good people in place,” advises Eva E. Aldrich, M.A., CFRE, associate director of public service and The Fund Raising School at the Center on Philanthropy at Indiana University ([www.philanthropy.iupui.edu/thefundraisingschool](http://www.philanthropy.iupui.edu/thefundraisingschool)) in Indianapolis. “That’s your best defense against unexpected change. The organizations that have strong fundraising operations in place and good relationships are the ones that are really positioned to do well in difficult economic times.”

At the same time, a change in funding resources has consequences, especially for professional development. “When things like the economic troubles of the last couple years happen, one of the first things to go is training and professional development budgets,” Aldrich says. “It’s understandable, on the one hand, because people look at core costs versus discre-

tionary expenses. But in tough times one of the things you want to invest in is a good team. Continuing to emphasize professional development is a good thing for job satisfaction and staff retention.”

Because the fundraising profession as a whole is constantly changing, a focus on professional development is essential for your organization now and in the future.

### Stewarding Tomorrow’s Leaders

Another dramatic change affecting the nonprofit sector is rapid professionalization, largely the result of the proliferation in degree programs at colleges and universities. “For a long time fundraising was based on an apprenticeship model,” Aldrich explains. “People came into it sideways from other professions.” In *Achieving Excellence in Fundraising, Third Edition* (Jossey-Bass, 2010), she notes that although fundraising had been effectively established as a distinct field by the 1930s, its slow and piecemeal development of an expert body of knowledge and theory, codes of ethics and credentials and standardized education and training caused many fundraisers to view their own profession as still “emerging” or “developing” well into the 1990s.



Today, however, an increasing number of people are entering the nonprofit sector straight out of school, bearing bachelor's and master's degrees in nonprofit management, nonprofit leadership, philanthropic studies and even marketing and business administration. In late 2010, for example, Seton Hall University's census of nonprofit management programs (<http://academic.shu.edu/npo/>) identified dedicated programs at nearly 300 colleges and universities in the United States, 132 of which also offer at least one undergraduate course, as well as 200 other institutions that offer at least one graduate course on these subjects. This phenomenal growth has spurred the Nonprofit Academic Centers Council (NACC) in Cleveland to develop curricular guidelines for undergraduate and graduate programs in nonprofits and philanthropy ([www.naccouncil.org/resources.asp](http://www.naccouncil.org/resources.asp)).

Furthermore, because many high schools today require students to complete a set number of community service hours in order to graduate, more students are arriving at college with public service experience already under their belts. To build on the students' nascent interest in philanthropy and to establish a pipeline of future professionals, many colleges and universities are developing internship programs within their development offices that perform roles analogous to traditional apprenticeships. "I see it as somewhat of a cultural shift," says Lyn Culver, director of recruitment and professional education in the development office of Pennsylvania State University ([www.giveto.psu.edu](http://www.giveto.psu.edu)). "The field is growing. I see so many more opportunities for individuals in college to consider it as a career option." However, she says, good interns (and potential employees) must be cultivated—something development profes-

Participants in the Penn State summer internship program in university development gain valuable career experience by working with various development offices at Penn State's University Park campus on actual fundraising projects. The 2010 program interns were (back row, left to right): Ashley Carroll, Rachel Guldin, Ashlee Newcomb, Courtney Smith, Brandon Dalton, Bradley Stamm and Benjamin Simmons; (front row, left to right): Allison Shutt, Michael Barasch, Geoff Halberstadt and Amy Eichenlaub. (Photo courtesy of the Penn State Office of University Development.)

sionals are particularly good at. "It's just like working with major-gift donors. You have to get them involved," Culver explains. "They don't just appear on your doorstep."

Pennsylvania State University launched its first summer internship program in university development in 2008, shortly after Culver assumed her new role in recruitment and professional education. Based on the University of Michigan's pioneering and award-winning program ([www.giving.umich.edu/internship](http://www.giving.umich.edu/internship)), so far PSU's program has graduated 21 interns in two classes. In addition to their classes, the development interns worked on projects as diverse as making solicitation phone calls, attending donor-cultivation events, developing a training program for volunteer fundraisers, conducting a survey of

donor recognition walls on campus and interviewing alumni for a historical article. Along the way, the 2010 interns created a blog ([www.psuddarblog.wordpress.com](http://www.psuddarblog.wordpress.com)) to share their experiences and stories with others and were profiled in a six-minute video ([www.youtube.com/watch?v=g\\_bU76U1i2o](http://www.youtube.com/watch?v=g_bU76U1i2o)) produced by the 2010 interns as a part of their experience.

Culver believes that retention should be one of the primary goals of any internship program or recruiting effort. To be a productive and valued member of a fundraising team, she explains, a person needs to stay at an organization long enough to develop a nuanced understanding of its culture and mission, as well as of the interests of donors and prospects. To that end, Culver keeps track of her interns and is pleased that, of those who have graduated, most have gone on to development positions in the nonprofit sector (including positions throughout PSU) or plan to pursue further education in the field. Here, too, Culver believes a stewardship analogy is

apt. “We have to treat our interns and employees the same way we treat our donors, so that they feel good about their work and stay with the institution,” she says. “I think that’s a huge culture change in our business.”

The increasing professionalization of fundraising has caused a change in public perception as well. “I think it’s good that people are taking philanthropy more seriously,” Aldrich says. “It’s important and encouraging that people are becoming more concerned about the quality of the services they offer.”

### Mobility or Stability?

Two things that have remained constant in the fundraising profession are the passion and dedication of practitioners—even as they are expressed in new ways. Increasingly, young professionals are willing to look far and wide for opportunities that challenge them. If those opportunities do not exist at their current organizations, they are not afraid to pull up roots and look elsewhere. Although there are some signs that the economic downturn may be slowing career mobility, younger fundraisers are eager to develop skills that will make them more marketable.

Executives should not see this development as a threat, however, but rather as a selling point for their organizations and a way to build loyalty. “We’ve grown up in a world that’s changing so quickly that change is what we’ve become used to,” says Nella Sabo, BCom, senior development officer at the University of Alberta’s Alberta School of Business in Edmonton ([www.business.ualberta.ca](http://www.business.ualberta.ca)). “Without that level of engagement, we can get bored. New challenges and a dynamic environment are necessary elements, from my perspective, of what’s drawn me to the sector and kept me here.”

Sabo originally planned to go into banking after getting her business degree, but shortly before getting married she took an interim job managing volunteers—and ended up changing her career plans. “It was a great way to learn about motivating and managing people without being able to use salary as an incentive,” she explains. She was quickly promoted to a development position where she managed project teams and board members, in addition to planning events. “I learned a lot, even a little about wine from having to plan a wine gala,” she recalls. Having been given the opportunity to rise to such challenges, there was no turning back to banking—at least, not yet.

In her current position, Sabo says that she has been given the opportunity to learn from her mistakes while knowing that she has the support of Mike Percy, dean at the school. Sabo remembers a donor meeting early in her tenure during which she was unable to answer an important question from the donor. Rather than intervene, Percy let Sabo work her way to a solution, even though the mistake could have potentially cost the school a gift. “He forced me to deal with it,” she says. Afterward, Percy took the time to debrief and asked her if she saw where she had gone wrong and what she would do differently next time. It was an invaluable lesson for Sabo, and the knowledge that Percy was willing to invest in her as part of his

team and its experience ensured not only her loyalty, but also her desire to excel. “It’s part of the culture of why I love working here now,” Sabo says. It’s also an effective way to cultivate and steward the next generation of nonprofit leaders.

### The Heart of Change

For some in fundraising, real joy comes from being able to contribute to many nonprofit organizations, not just one. Consulting is an increasingly popular choice for many young fundraising professionals because it can offer a greater variety of projects and require a broader range of skills than might be possible at a typical nonprofit. While consulting may appear to be an enticing career choice, it is not for everyone in fundraising. Cathy C. Lee, CFRE, a consultant in Birmingham, Ala., admits that the change from working for others to working for herself was dramatic. After many years in senior management for several nonprofits, she found herself changing jobs every two to three years once she had accomplished successful fundraising campaigns.

Lee realized that she gained more satisfaction from initiating programs than from running them once they had been established. “I needed the stimulus of creating anew,” she says. “People I consider ‘builders’ make great consultants. They can be change-agents. Successful consultants not only have an opinion, but they also have information and experience to back up that opinion.”

Her love of the work helps Lee overlook the challenges of running a consulting business. “Working in the nonprofit sector requires placing the mission above ego and personal gain,” she says. “On the other hand, working for a worthy mission does not replace sound business practices.”

Lee’s experience reinforces the fact that, to be successful, change must be an emotional as well as intellectual undertaking. In their book *The Heart of Change: Real-Life Stories of How People Change Their Organizations* (Harvard Business Press, 2002), authors John P. Kotter and Dan S. Cohen call this the “see-feel-change” model. “People change what they do less because they are given analysis that shifts their thinking than because they are shown a truth that influences their feelings,” they write. “The central challenge is not strategy, not systems, not culture. These elements can be very important, but the core problem, without question, is behavior.”

Aldrich agrees. “We often think of change in terms of careful analysis followed by an attempt to make change happen, but it’s really a head and heart commitment,” she says. Organizations and individuals alike must be willing to identify and solve problems, as well as to transform their cherished strategies, systems and cultures when called for. Those who insist on preserving what worked yesterday because they believe it will work tomorrow risk being broadsided by the unexpected. “Change doesn’t happen in the future,” Aldrich adds. “It happens today.”

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**How to establish plans**

**to effectively implement**

**change in your organization**

BY PRUDENCE S. PRECOURT, PH.D., CFRE



# Fundraisers as

**HOW OFTEN HAVE YOU READ** a job announcement that said, “... to increase our gift income” or maybe “... to plan and implement a first comprehensive capital campaign” or “... to strengthen the major-gifts program”?

Voilà! You hire someone new, he or she arrives and, the next thing you know, your organization has more money.

If only it were that simple! This “magic wand” theory of fundraising is a far cry from the many challenging steps for the partners and team members involved in any change. Yet trustees, campaign volunteers and fundraisers often rush to focus solely on the end result without appreciating how difficult, complex and risky the actual steps are to get there.

## Change and the Fundraiser

Although fundraisers often accept positions that imply they need to change something within an organization, how often do they have a well-thought-out plan they can customize to carry out the work of being a “change agent”? How many “best practices” relate to how to create the positive change needed in order to use these practices, or even take into account the factors that make it so challenging to implement them?

## Change and Your Organization’s Culture

Every group of people has a customary way of interacting together, and if you need to change this dynamic, you need to begin by understanding it. Whether you label this “corporate culture,” “office or organizational culture,” your “board of directors’ culture” or your organization’s “culture of philanthropy,” you really are talking about the same thing: the

specific ways in which the people considered a part of these groups normally behave when acting together. This is critically important for you to understand because in situations of extreme change, there may be no one but you who knows how to behave (*Switch: How to Change Things When Change Is Hard*, p.225). To recruit the others into a new behavior pattern, you need to know why they are doing what they are doing. If you understand their prior culture, you can better understand how to change their individual behavior, which in turn helps you to build a new culture.

Every time your staff members explain why charity golf tournaments are the only form of fundraising done they are really showing you something about their traditional way of behaving. This is not necessarily a stumbling block for you but rather a valuable tool to use in determining what this means at your organization. It might be that the staff has never been educated about how to operate a successful major-gifts program, or that board members or executives do not like asking for what they consider large gifts. Golf tournaments may be less threatening. Unless you do some strategic one-on-one listening and exploration, you will not know the best place to start. Don’t assume you already know. If you neglect the background work, you can waste time or, worse, step into a situation that required some strategic planning beforehand. For example, it is important to help your executive director and board understand why spending more time on major gifts will produce increased gift income before you work with the staff to expand fundraising activities beyond golf tournaments. >>

# Agents of Change

## Riders and Elephants

The human mind has a large, built-in contradiction: People have both emotional and logical sides (*Switch*, pp. 6–7). Because fundraisers, volunteers, organizational leaders and the whole lot are human, they constantly struggle between their rational and emotional sides. Both of these aspects are important, but their existence creates challenges we need to be aware of in planning and implementing change.

Authors Chip and Dan Heath (*Made to Stick: Why Some Ideas Survive and Others Die* and *Switch: How to Change Things When Change Is Hard*), call these two parts of the mind “rider” and “elephant,” borrowing the terms from the psychologist Jonathan Haidt (*The Happiness Hypothesis: Finding Modern Truth in Ancient Wisdom*), who describes the mind’s “elephant” as the emotional and instinctive side that looks for the short-term payoff and can be excitable and jumpy. The “rider” side, which is the part of the mind that looks to the long-term goal, is motivated by facts and logic and is often totally overwhelmed by the “elephant.” (I’m going to shamelessly borrow these authors’ terminology and concepts.)

Imagine that you are figuring out how to make change happen by governing not only your own elephant and rider but also the elephant and rider of all your colleagues, volunteers, board members, supervisors, alumni and clients. A meeting could get pretty crowded and messy rather quickly.

Through studies of their own and by synthesizing others’ research, the Heaths have looked at many cases of failed and successful behavioral change. What they have discovered is a pattern that all successful changes have in common (*Switch*, p. 259). For the fundraiser implementing change, this means envisioning what things will look like and how staff, volunteers and others will behave once the changes are implemented. It also means knowing the intermediate steps you need to motivate others to take, even those over whom you have no real authority (all those official and unofficial “thought leaders”).

How do you move from where you and your team are now to having the successful end in sight? How can you be the catalyst for positive change?

## Fundraisers and the Pattern in Successful Change

Have you had days when nothing worked right? As you started looking for the cause of the problem, you probably discovered that there are many. The tendency is to jump right in and attack all changes at the same time on all fronts.

If you tried that in the past, did you change everything at the same time? Were you able to successfully teach your new staff 30 years of experience in a week? Did you get rid of staff who failed to comply? Maybe these expectations were just too much to take on all at once. So how do you move forward in a way that breaks big changes down into more manageable increments and builds sustainability?

If you accept the idea that people are literally of two minds at the same time—both rational and emotional—then you can move forward by doing three critical things, as sum-



marized, outlined and illustrated by Chip and Dan Heath: “direct the rider,” “motivate the elephant” and “shape the path” to the destination you want to reach.

### 1. Direct the Rider

To “direct the rider” you need to:

- Find out what is already functioning well (a “bright spot”) in your organization and work to help others do the same. Instead of taking on all change in all directions, which can exhaust and paralyze you and others in the process, focus on the behavior you want others to adopt and for which there is already an existing internal example.
- “Script the critical moves.”
- “Point to the destination.” (*Switch*, pp. 27–98)

To illustrate, a “bright spot” in strengthening a major-gift program is having one fundraiser who actually leaves the office to visit with donors and prospects, and files call reports. You will want to “script the critical move” for the others to follow so that they, too, will make more calls and visits. You can start by asking each of the major-gift staff members to make a specific number of calls per week for a month. Even though you are focusing on the number of calls rather than the amount of income produced, you can still increase the year-end total if you calculate the average number of donors that staff members need to call on to produce a successful financial request before the end of the year. You can determine the goal by studying how many calls each fundraiser normally makes per week and the number your “star” caller makes.

Then set a first goal for everyone that is a modest stretch for the “star” and a bigger stretch for the others. Be sure

to “point to the destination” to explain why this change is needed: Maybe the board will be pleased or it will be easier to bring in more gifts or perhaps this is the way another well-known, highly respected nonprofit operates. Who wouldn’t want to be working for a place like that?

Another desirable destination might be acquiring a skill set that helps staff members move forward on their own professional track. Know what your staff considers an attractive destination. If the goals are too high or the internal skill set is so low that staff members literally do not know what to do first, they will become “paralyzed” or revert to how they were accustomed to behaving.

## 2. Motivate the Elephant

To “motivate the elephant” in everyone you will need to:

- “Find the feeling.”
- “Shrink the change.”
- “Grow your people.” (*Switch*, pp. 101–176)

To “find the feeling” so that your major-gift fundraisers really want to start making calls or making more calls, have them attend an awards event where your organization’s constituents speak from the heart about what your nonprofit has done for them and their families. No one speaks better or with more real authority than someone whose life has been changed for the better by your work. This “story telling” is a critical part of motivating both elephants and riders (*Made to Stick*, pp. 218–224). While the rider in everyone wants to see facts and figures, if you present only data, you have not completed the whole motivational process. That comes when you tell compelling stories. After all, how motivational is a bar graph? Wouldn’t you rather hear how your work helped a real person?

To keep the tendencies of the elephant going in the right direction, you also should “shrink the change.” Do not expect those who have not been regularly active in calling to go from zero calls to 50 in one month. Be happy with progress and realize that the beginnings of change might need to be measured in inches, not miles. In addition, you can “shrink the change” by making sure everyone has a standard call-report form that can be easily filled out and submitted online. Supply a one-page outline of what to do and where to send the report if that makes the change more comfortable.

In order to promote the change you need to “grow your people,” as well. For example, you will want to ensure that everyone knows how to access the call report and submit it online. If not, host a training session or individual coaching by someone else on staff who already knows how. You also may want to designate a person who receives copies of follow-up notes and call reports. Because your major-gift staff can raise more funds by building donor relationships than by filing, you will want to make it easy for them to handle the internal side of this increased activity in making calls. You may need to assign a support staff member or responsible intern, or reassign time from another staff member to improve workflow. Have everyone on the same page before they make the calls.

Stay open to suggestions and follow up quickly to address

problems without frustrating staff. However, you also should remember that not every person or situation can be handled with positive coaching. Use your best judgment about what kind of response, positive or negative, is the best fit.

You, or someone who already knows how and what to coach, should be ready to spend time on coaching and modeling the desired new behavior in the beginning. Do not start to change other things until you can get this one process (in this case, the calling) to function well without intensive coaching. Not only will you help everyone “find the feeling,” but you also will “shrink the process” and “grow your people” so that you are building positive habits. This will reinforce the change you want without having to attend to every detail in the future. The rider in everyone has limited amounts of self-control, while the elephant becomes frustrated over time (*Switch*, pp. 10–12, 147–148). A lack of self-control, combined with frustration, sets the scene for failure for everyone.

## 3. Shape the Path

To “shape the path” you need to:

- “Tweak the environment.”
- “Build habits.”
- “Rally the herd.” (*Made to Stick*, pp. 179–249)

In this case, “tweaking the environment” involves promoting a culture that supports, encourages and rewards making personal donor contacts and investigating why the major-gift fundraisers who do not make calls don’t. Perhaps they do not have a portfolio. Maybe no one has a portfolio, so no one is sure about who is calling on whom. Rather than wasting time or being embarrassed by calling on someone just visited the day before by another major-gift fundraiser, they just don’t call.

Perhaps there is no tracking system to prevent unintended duplicated assignments. If you are the only one who knows what the change should look like, you cannot assume that anyone else does. Rather than feel foolish, it is easier for a staff member to say nothing than to ask a question that might call attention to what might be perceived as a lack of skills.

You also need to “build habits” that support the new behavior. This can mean setting the “triggers” for action, such as asking all major-gift fundraisers to focus on calling their best prospect or donor first thing Monday morning to set a lunch date. Even if they fail to reach that person on Monday, they still have four more days to make contact or to find out why the person isn’t responding. If this becomes a habit for you and the other major-gift staff, it becomes easier to work through the rest of your portfolio of donors and prospects. Then the first thing Monday morning becomes your automatic signal for a specific action.

The desired action will not occur if it is not clearly defined. People need to know specifically what to do and have the resources to do it. The “rider” in everyone will analyze and collect facts, and quite possibly make an inappropriate decision if the direction is not absolutely clear. At the same time, indecision causes the “elephant” to stop in its tracks! A clear path needs to set the direction for both sides of the mind, thus helping you

establish and maintain “habits” of behavior. Once set, they become easier to keep and make your change sustainable, or “sticky.” The more “sticky” an idea is the more likely it is to last over time (*Made to Stick*, pp. 14–18). Behavior is not sustainable only through external supervision; habits are crucial.

Once you get one person moving in the right direction how do you get everyone else to go there as well? “Rallying the herd” works if you understand others’ perspectives and what motivates them. Long ago, a staff member asked me why I was so foolish as to work such long hours and come in on weekends. I was actually happy staying later and coming in on weekends because I didn’t want to worry about a deadline I couldn’t meet on Monday morning. While my weekend was shorter, it was more enjoyable because I didn’t have to worry about unfinished work. That was my trade-off. What I hadn’t anticipated was a staff member’s seeing my working late hours and on weekends as stupid.

### Hills, Valleys and U-Turns

The way to any change in behavior is not simple, easy or even straightforward. For example, you may not have the budget to immediately hire four new, highly experienced major-gift fundraisers. So you will need to measure your progress based on what can be done with the staff you have. You should know that the way forward in the short term usually goes in many different directions, even backward at times or to the side.

To help those who will need to support, implement and/or evaluate your progress, you need to make them understand what your incremental progress will look like during the short and intermediate term as well. After all, the people who hired you expected you to ride into town on a fast horse with saddlebags loaded with more money. Their vision of your success may be radically different from yours, including the real possibility that their goals for you are a lot more near-term than is practical.

In establishing a realistic set of goals, you can help the “elephant side” of each stakeholder feel comfortable about the changes being made. This is especially important if the ultimate change seems too distant and too big (*Switch*, pp. 142–147). If this happens, the “elephant” tends to stop, give up or go off course, and the “rider” assumes that you are not successful because your achievements do not match expectations.

To illustrate, have you ever been in a situation where you know you’re actually doing excellent work and producing changes, but your executive director thinks nothing has really happened? You can try to avoid this by describing the near-term and intermediate benchmarks that show progress. If you don’t, the “elephant” in everyone, including your supervisor, will give up. The “rider” will overanalyze the details and freeze. To keep this from happening, develop a “growth mindset” among your stakeholders. Condition everyone to think of the pace and increments of change as “practicing and learning” new skill sets that will be sustained on their own in the future. Who wouldn’t want to be part of an end goal that positions your organization to produce more gift income more effectively and efficiently, indefinitely?

This point is important because many efforts to change organizations stop or get off track because the evaluation of progress doesn’t match the steps needed to reach the end goal. As the leader of change, it will be up to you to carry this through. For example, if you have a board member who has experience in corporate turn-around situations, he or she can be a powerful ally in coaching board peers to see what the near- and intermediate-term benchmarks for change look like.

What might seem like “failure” to some is really your group’s learning and practice curve. The curve is most often steepest for programs with little prior experience. Communicating modest successes conditions everyone to keep going. Imagine how hard it is to build a major-gift program from the ground up when the most difficult kind of fundraising is generating many large gifts. If your staff and other “thought leaders” see this as a failure, you will demoralize the fundraising staff and set the stage for those who evaluate you to see failure as well, even though you know that you have built the foundation for success four months from now.

As you think about how to apply this plan to your own situation, remember that no model is perfect and successful change is not always possible in every situation. However, the likelihood of your success is tremendously improved if you have a plan of action to adjust to your own circumstances. Be open to new ideas wherever you find them and keep both your rider and elephant happy! 🐘

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How to use  
AFP's growth-in-giving  
reports to improve  
fundraising performance



# A Better Measure of **SUCCESS**

BY WILSON "BILL" LEVIS AND CATHLENE WILLIAMS, PH.D., CAE

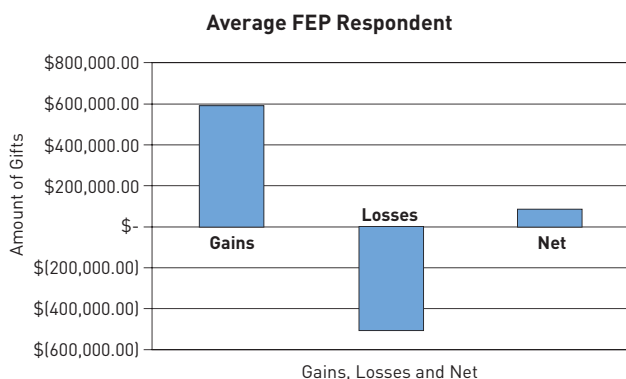
## Fundraising Effectiveness

Your development office raised more money this year than last, so you were successful, right? Well, maybe.

Suppose your organization realized funding gains of \$594,000 last year. Sounds great! However, is this really an accurate picture of your fundraising efforts? It turns out that your organization also had losses of \$503,000. Consequently, your organization actually achieved a net growth-in-giving of \$91,000—not the nearly \$600,000 you might have originally thought. In other words, for every \$6 gained, \$5 was lost—to net \$1. These figures are the average results of all respondents to the 2008 Fundraising Effectiveness Survey studying growth in giving from 2006 to 2007, which was the last year the annual FEP survey produced a positive net gain (see Figure 1).



**Figure 1**



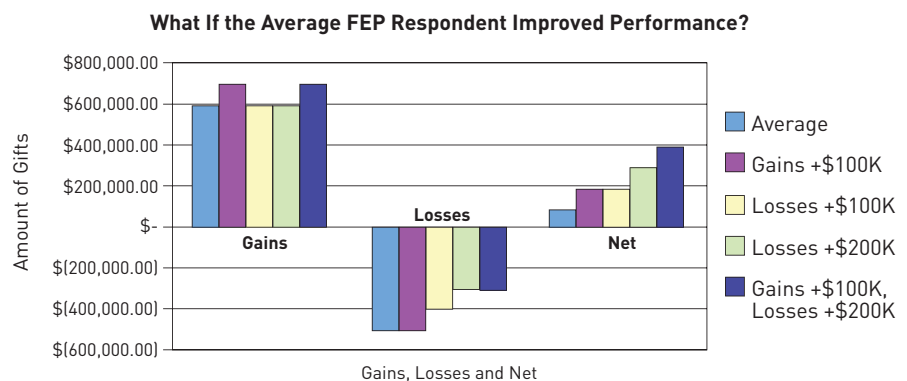
It's not sufficient to look only at gains in giving or the number of donors. To understand what is really happening in your organization, it is necessary to analyze both the fundraising gains and the fundraising losses from one year to the next so that you and your organization's leadership can make growth-oriented decisions about both fundraising budgets and strategies.

### Providing Your Organization's Leadership With Meaningful Reports

Although nonprofit CEOs and boards usually watch their overall growth-in-giving results carefully, they seldom pay as close attention to the gains and losses that make up those results. Looking only at the overall net performance—the “bottom line”—does not tell management and boards what is really happening in fundraising or where to invest additional resources to improve donor stewardship and retention, enable greater donor acquisition and enhance overall fundraising effectiveness.

Growth-in-giving (GiG) reports provide a concise, yet informative, picture of fundraising gains and losses—growth in giving and attrition—in a simple, reader-friendly format that the executive staff and board members can understand.

**Figure 2**



**Table 1**  
What If Gains Increased and/or Losses Decreased?

	Subtotal Gains (A)	Subtotal Losses (B)	Net (A-B)	“What If” Net Increase (%)
<b>Average FEP respondent</b>	<b>\$594,000.00</b>	<b>\$(503,000.00)</b>	<b>\$91,000.00</b>	
What if gains increased by \$100,000?	694,000	(503,000)	191,000	110%
What if losses decreased by \$100,000?	594,000	(403,000)	191,000	110%
What if losses decreased by \$200,000?	594,000	(303,000)	291,000	220%
What if gains increased by \$100,000 and losses decreased by \$200,000?	694,000	(303,000)	391,000	330%

## Basic Concept for the FEP

AFP's growth-in-giving (GiG) report is a fundraising tool developed by the Fundraising Effectiveness Project (FEP) with AFP's Donor Software Workgroup.

Definitions for gain/loss categories:

- **New** – donors who never gave prior to year 2 (current year)
- **Recaptured** – previously lapsed donors who gave again in year 2
- **Upgraded** – donors who gave more in year 2 than in year 1 (previous year)
- **Same** – donors who gave the same amount in both years
- **Downgraded** – donors who gave less in year 2 than in year 1
- **Lapsed new** – new, first-time donors in year 1 who did not give in year 2
- **Lapsed repeat** – other lapsed donors who gave in year 1 and prior years but not in year 2

**Table 2**  
Donations Made

	Before	During	During
	Year 1	Year 1	Year 2
New	no	no	yes
Recaptured	yes	no	yes
Upgraded	n/a	yes	yes
Same	n/a	yes	yes
Downgraded	n/a	yes	yes
Lapsed new	no	yes	no
Lapsed repeat	yes	yes	no

Growth in giving from one year to the next is the net of gains minus losses. Gains in giving consist of gifts by new donors and recaptured lapsed donors and increases in gift amounts by upgraded donors. Losses in giving consist of decreases in gift amounts by downgraded donors and lost gifts from lapsed new and lapsed repeat donors. The net increase (or decrease) is the net of total gains minus total losses.

Overall, bottom-line giving is increased by making growth-oriented investments in fundraising strategies that both increase *each category of gains* and, especially, reduce *each category of losses*.

### Objective of fundraising strategy

#### Increasing gains

- Acquiring new gifts from new donors
- Recapturing gifts from lapsed donors
- Renewing gifts from last year's donors

#### Reducing losses

- Avoiding losses from downgraded donors
- Avoiding losses from lapsed new donors
- Avoiding losses from lapsed repeat donors

### Gain/loss category

New  
Recapture  
Upgrade and same

Downgrade  
Lapsed-new  
Lapsed-repeat

Use of GiG reports, together with the data provided by AFP's annual fundraising effectiveness surveys, makes it possible for fundraising managers, executive staff and boards of nonprofit organizations to compare not only the gain/loss performance of their organizations from one year to the next, but also their performance with that of other organizations. With this information, they can make more informed, growth-oriented decisions about where to invest increased resources in fundraising efforts to improve their fundraising effectiveness.

**Table 3**  
Growth-in-Giving (GiG) Report

Gains & Losses for Current Year (Year 2)

	Gain/Loss Category For Year 2 Donors	Year 1 (A)	Year 2 (B)	Gains (Losses) (C=B-A)
<b>Amount of Gifts</b>				
<b>Gains</b>	<b>Gains</b>			
	New	n/a	236,000	236,000
	Recaptured	n/a	129,000	129,000
	Upgraded	216,000	445,000	229,000
	<b>Subtotal gains</b>	<b>216,000</b>	<b>810,000</b>	<b>594,000</b>
<b>Same</b>	<b>Same</b>	<b>86,000</b>	<b>86,000</b>	<b>-</b>
<b>Losses</b>	<b>Losses</b>			
	Downgraded	382,000	171,000	(211,000)
	Lapsed new	129,000	n/a	(129,000)
	Lapsed repeat	163,000	n/a	(163,000)
	<b>Subtotal losses</b>	<b>674,000</b>	<b>171,000</b>	<b>(503,000)</b>
<b>Total - gifts</b>	<b>Total - gifts</b>	<b>976,000</b>	<b>1,067,000</b>	<b>91,000</b>

Overall growth in giving

## “What If” Growth-in-Giving Scenarios

GiG reports are an effective way to show your senior staff and board “what if” scenarios that support your growth-oriented fundraising strategies—strategies designed to increase the net exponentially by increasing gains and decreasing losses.

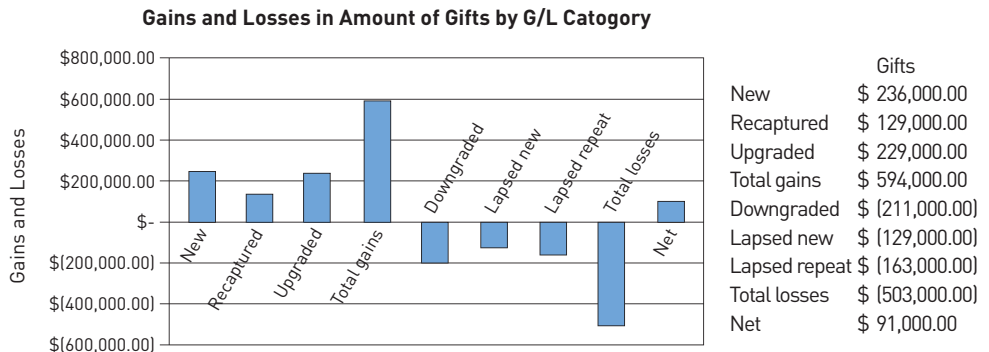
To illustrate, if your organization increased gains by \$100,000 (from \$594,000 to \$694,000), while losses remained the same at \$503,000, your organization would more than double its net growth from \$91,000 to \$191,000. Similarly, if losses were reduced by \$100,000 (from \$503,000 to \$403,000) and gains remained the same at \$594,000, your organization would more than double its net from \$91,000 to \$191,000.

Furthermore, if your organization reduced losses by \$200,000 (down to \$303,000), this would more than triple the net increase to \$291,000. Focusing on reducing losses (retention) is essential because it costs less to retain and motivate an existing donor than it does to attract a new one. For most organizations—and especially those that are sustaining losses or achieving only modest net gains in gifts and donors—taking

positive steps to reduce losses is the least-expensive strategy for increasing net fundraising gains (see Table 1 and Figure 2 on page 36).

GiG reports can show performance for the fundraising program overall, as well as for each fundraising activity,

**Figure 3**



such as direct mail and major gifts. Based on these reports, fundraising managers can recommend detail-level strategies by gain/loss category for each fundraising activity and help justify growth-oriented fundraising budgets.

In addition, you may find it useful to include gain/loss ratios and/or gain/loss percentage distributions in some of your GiG reports.

## How to Prepare a Growth-in-Giving Report

Your donor software provider may be able to provide you with either a software module or set of queries specifically for use in generating AFP’s growth-in-giving report, along with instructions tailored for their software.

Following are the steps for preparing your own GiG reports. (Excel-based GiG report templates with instructions can be downloaded at [www.afpnet.org/GiGtemplate](http://www.afpnet.org/GiGtemplate).)

1. Review Table 3 and its definitions. For a better understanding of the gain/loss concepts, carefully study the “definitions for gain/loss categories,” which provide criteria for the highlighted fields in Table 6 (see page 41).

2. Prepare a GiG report in an Excel or other spreadsheet template for “Amount of Gifts” following the formatting and formulas provided in Table 6. The 10 “Amount of Gifts” fields highlighted in yellow are data-entry fields. All the other fields are formulas.

3. Make a copy of the “Amount of Gifts” GiG report spreadsheet template and edit for a separate “Number of Donors” template.

4. Following the “definitions for gain/loss categories” in Table 3, prepare and run queries for amount of gifts and number of donors for each gain/loss category and enter the resulting figures in the GiG report templates.

5. You can prepare GiG reports for more than one activity. The procedure for extracting the relevant gain/loss data from your donor database can be set up for the fundraising program overall, as well as for each fundraising activity, such as direct mail and major gifts.

6. You can prepare GiG reports for more than one year. You will be able to easily repeat this procedure for more than one year with little effort. This will enable you to measure and compare growth in giving over time by gain/loss category.

7. You can prepare lists of donors for each gain/loss category. As needed, especially for GiG reports for groups of large donors, you may find it useful to prepare lists of the donors with amounts of their year 2, year 1 and prior-year gifts for each gain/loss category in your GiG reports.

8. Exclude one-time major gifts. Large one-time major gifts can distort year-to-year GiG reports and should be excluded from the analysis for both year 1 and year 2.





## Using Ratios and Percentage Distributions

You will need the following gain/loss ratios and percentage distributions if you want to use the FEP's comparative statistics, which are published annually as gain and loss ratios, percentage distributions of gift dollars and number of donors gained and lost from one year to the next.

### 1. Gain/Loss Ratio Illustrations

The gain or loss ratio for each category is calculated as:

$$\text{Gain/loss ratio} = \frac{\text{survey-year gains or losses in each category}}{\text{prior year total results}}$$

Using data from the 2008 FEP survey for 2006–2007 (see Table 4 on page 40), you obtain the following results:

$$\text{Gain ratio} = \frac{\$594,000 \text{ in total gains in giving in survey year}}{976,000 \text{ total gifts in prior year}} = 60.9 \text{ percent}$$

$$\text{Loss ratio} = \frac{\$503,000 \text{ in total losses in giving in survey year}}{\$976,000 \text{ total gifts in prior year}} = -51.6 \text{ percent}$$

### 2. Percentage Distribution Illustrations

The percentage distribution for each gain and each loss category is calculated as follows:

$$\text{Percentage distribution} = \frac{\text{gains or losses in each category}}{\text{subtotal gains or losses in giving}}$$

Using data from the 2008 FEP survey for 2006–2007 (see Table 4), you obtain the following results:

$$\text{New donor gains} = \frac{\$236,000 \text{ in new donor gains in giving}}{\$976,000 \text{ in total gains in giving}} = 24.2 \text{ percent}$$

$$\begin{aligned} \text{Downgraded donor losses} &= \frac{\$211,000 \text{ in downgraded donor losses in giving}}{\$976,000 \text{ total losses in giving}} \\ &= -21.6 \text{ percent} \end{aligned}$$

### 3. Gains and Losses for Number of Donors

It is also often useful to track gains and losses for number of donors and produce GiG reports (see Table 5 on page 40). The report shows changes in the number of donors for the average respondent to AFP's 2008 FEP survey for 2006–2007.

Thanks to FEP survey software provided by the participating donor software firms, clients who chose to respond to the annual FEP surveys are able to extract data for the survey automatically from their donor-tracking software system—taking less than five minutes per submission.

The FEP uses the responses to calculate gain and loss ratios and percentage distributions of gift dollars and number of donors gained and lost from one year to the next. The FEP generates and publishes in an annual report the comparative gain/loss growth-in-giving performance statistics by size, subsector, age, region, survey year and percentile ranking for rate of growth in gifts.

The *2010 Fundraising Effectiveness Report* can be downloaded (PDF) at [www.afpnet.org/FEP2010](http://www.afpnet.org/FEP2010).

## Efficiency Versus Effectiveness

Before CEOs and boards can make growth-oriented decisions about “raising more money” effectively, they first need to distinguish between fundraising efficiency and fundraising effectiveness.

To illustrate, organization A raises \$5 million at a cost of \$750,000, or 15 percent of contributions received. Organization B raises \$7.5 million at a cost of \$1.5 million, or 20 percent of contributions received. While A is more efficient than B (15 percent compared with 20 percent), B is twice as effective as A (\$7.5 million raised compared with \$5 million raised, and \$6 million net compared with \$4.25 million net).

In order for most nonprofit organizations to better tap giving potential and raise more money at a significantly faster pace, their CEOs and boards need to make a paradigm shift from a focus primarily on fundraising efficiency (minimizing costs) to an emphasis on fundraising effectiveness (maximizing growth).

For decades there has been a major focus within and outside the sector on external, public accountability (transparency and accurate public disclosure of fundraising cost efficiency). At the same time, nonprofit organizations have ignored the internal management of fundraising cost effectiveness (growth-oriented planning, budgeting, accounting, reporting and evaluation to support increased investments in more effective fundraising). One reason is that, because of the possible negative impact of external disclosure of fundraising costs, many nonprofits are afraid to conduct reliable, effective internal budgeting and accounting for such costs.

National Center for Charitable Statistics (NCCS) analyses of IRS Forms 990 data show that 55 percent of nonprofits raising donations report no costs. Another 15 percent report fundraising costs that are questionably under 5 percent—when 15 percent or more is the estimated national average. Only 30 percent of 150,000 nonprofits report fundraising costs of 5 percent or more, and even those are thought to be understating their costs.

## Fundraising Effectiveness

**Table 4**  
**Growth-in-Giving (GiG) Report**  
 Gains & Losses for Current Year (Year 2)

Gain/Loss Category For Year 2 Donors	Year 1 (A)	Year 2 (B)	Gains (Losses) (C=B-A)	Gain/Loss Ratio (D%=C/totA)	Percentage Distribution (E%= C/tots in C)
	<b>Amount of Gifts</b>				
<b>Gains</b>					
New	n/a	236,000	236,000	24.2%	39.7%
Recaptured	n/a	129,000	129,000	13.2%	21.7%
Upgraded	216,000	445,000	229,000	23.5%	38.6%
<b>Subtotal gains</b>	<b>216,000</b>	<b>810,000</b>	<b>594,000</b>	<b>60.9%</b>	<b>100.0%</b>
<b>Same</b>	<b>86,000</b>	<b>86,000</b>	<b>-</b>	<b>0.0%</b>	
<b>Losses</b>					
Downgraded	382,000	171,000	(211,000)	-21.6%	41.9%
Lapsed new	129,000	n/a	(129,000)	-13.2%	25.6%
Lapsed repeat	163,000	n/a	(163,000)	-16.7%	32.4%
<b>Subtotal losses</b>	<b>674,000</b>	<b>171,000</b>	<b>(503,000)</b>	<b>-51.5%</b>	<b>100.0%</b>
<b>Total - gifts</b>	<b>976,000</b>	<b>1,067,000</b>	<b>91,000</b>	<b>9.3%</b>	
	Overall rate of growth				

### Raising More Money Requires Increasing the Fundraising Budget—Wisely

It is not very effective to make overall, bottom-line, lump-sum budget increases to improve overall, bottom-line, growth in giving. It is more effective to do growth-oriented fundraising budgeting for maximum ROI by gain/loss category within each fundraising program area. The overall growth in giving is improved by investing more money in fundraising

efforts directed at increasing gains in new, recaptured and upgraded gifts and decreasing losses in downgraded, lapsed-new and lapsed-repeat gifts.

Putting a new spin on an old maxim, it not only costs money to raise money, it costs more money to raise more money. However, simply increasing the fundraising budget will not automatically increase results. Raising more money requires increasing the fundraising budget *wisely*.

Try using growth-in-giving reports with your CEO and board members to help them make wise, growth-oriented fundraising budget decisions. 📊

**Table 5**  
**Growth-in-Giving (GiG) Report**  
 Gains & Losses for Current Year (Year 2)

Gain/Loss Category For Year 2 Donors	Year 1 (A)	Year 2 (B)	Gains (Losses) (C=B-A)	Gain/Loss Ratio (D%=C/totA)	Percentage Distribution (E%= C/tots in C)
	<b>Number of donors</b>				
<b>Gains</b>					
New	n/a	460	460	46.2%	75.2%
Recaptured	n/a	152	152	15.2%	24.8%
Upgraded	177	177	-	0.0%	0.0%
<b>Subtotal gains</b>	<b>177</b>	<b>788</b>	<b>612</b>	<b>61.4%</b>	<b>100.0%</b>
<b>Same</b>	<b>149</b>	<b>149</b>	<b>-</b>	<b>0.0%</b>	
<b>Losses</b>					
Downgraded	139	139	(316)	0.0%	0.0%
Lapsed new	316	n/a	(215)	-31.7%	59.5%
Lapsed repeat	215	n/a	(163,000)	-21.6%	40.5%
<b>Subtotal losses</b>	<b>670</b>	<b>139</b>	<b>(531)</b>	<b>-53.3%</b>	<b>100.0%</b>
<b>Total - gifts</b>	<b>996</b>	<b>1,076</b>	<b>81</b>	<b>8.1%</b>	
	Overall rate of growth				

## The Fundraising Effectiveness Project

The Fundraising Effectiveness Project seeks to help nonprofit organizations measure and compare their annual growth in giving by gain/loss categories. The firms in the AFP Donor Software Workgroup have assisted with the design of the FEP survey and are ready to help their clients prepare GiG reports as well as respond to the survey. They have developed, or are developing, software modules for the FEP survey that eliminate the need for their clients to manually key the fundraising performance data into an AFP Web-based version of the survey.

### AFP Donor Software Workgroup:

- Blackbaud (The Raiser’s Edge®)
- DonorPerfect Fundraising Software
- eTapestry
- Mission Research (GiftWorks)
- MatchMaker FundRaising Software
- Metafile Information Systems Inc.
- PhilanthrAppeal (FundTrack Software)
- ROI Solutions
- Sage Software
- Talisma Fundraising by Campus Management
- Telosa Software (Exceed!)

### Initial project sponsors (2006):

- Association of Donor Relations Professionals
- Association of Fundraising Professionals\*
- Center on Nonprofits and Philanthropy at the Urban Institute\*
- The Center on Philanthropy at Indiana University
- Council for Advancement and Support of Education
- Council for Resource Development
- National Committee on Planned Giving (now Partnership for Philanthropic Planning)

\* Founding partners, providing resources for the project


To learn more about the FEP, visit [www.afpnet.org/FEP](http://www.afpnet.org/FEP). To provide feedback or if you have questions, contact FEP coordinators Bill Levis and Cathlene Williams at [fep@afpnet.org](mailto:fep@afpnet.org).

**Table 6**  
**Growth-in-Giving (GiG) Report**  
Gains & Losses for Current Year (Year 2)

Gain/Loss Category For Year 2 Donors	Year 1	Year 2	Gains (Losses)	Gain/Loss Ratio	Percentage Distribution
Formulas	(A)	(B)	(C=B-A)	(D%=C/totA)	(E%= C/tots in C)
<b>Amount of Gifts</b>					
<b>Gains</b>					
New	n/a	236,000	236,000	24.2%	39.7%
Recaptured	n/a	129,000	129,000	13.2%	21.7%
Upgraded	216,000	445,000	229,000	23.5%	38.6%
<b>Subtotal gains</b>	<b>216,000</b>	<b>810,000</b>	<b>594,000</b>	<b>60.9%</b>	<b>100.0%</b>
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<b>Total - gifts</b>	<b>976,000</b>	<b>1,067,000</b>	<b>91,000</b>	<b>9.3%</b>	
Overall rate of growth					

Bill Levis is project manager of AFP’s Fundraising Effectiveness Project (FEP) and associate scholar for the Center on Nonprofits and Philanthropy at the Urban Institute in Washington, D.C. He has a long history of investigation into fundraising costs and productivity with numerous articles, papers and projects going back to the 1970s, when he organized

and directed the NSFR Fundraising Cost Study (1975–1981). Cathlene Williams, Ph.D., CAE, is a consultant specializing in curriculum development, project management and business writing. She is a former AFP staff member and is currently a consultant to AFP for ACFRE, research programs and other professional advancement projects.



## Three Keys to Successful Change Management

BY GILMAN SULLIVAN AND AMY ADAMS

Whether an organization is a leading university, a hospital, a ministry or an after-school program for children, at some point it will undertake a change that it hopes will create a different future. Whether that change involves new leadership, diversified fundraising efforts, expanded missions, mergers, downsizing, new programs, technology implementation, etc., no matter the size of the organization or its mission, one thing is constant: Every organization requires people to make its particular change a reality. Quite simply, people determine whether the change will be successful or not.

To compound the problem, organizations today operate in a state of constant change. It is increasingly obvious that nonprofit organizations no longer have the luxury of moving through one change at a time. Regrettably, most nonprofits struggle with change at a time when they need to flawlessly execute change.

A successful change initiative first requires a solid leadership foundation. Effective communications and involvement efforts flow from strong leadership of change. Organizations ultimately go through change not because they enjoy it, but because they want a future level of improved performance—they want to achieve a vision. Applying lessons of the “big three”—leadership, communication and involvement—can help nonprofits make successful changes.

### Leadership

Leaders of nonprofit organizations typically approve major changes, which

*Continued on page 44*

 For more management skills, visit [www.afpnet.org](http://www.afpnet.org). Search: Professional Development

## Fundraising History: New Ideas From Old Practices

BY RUSSELL N. JAMES III, J.D., PH.D., CFP

To help managers keep up with the wealth of research on philanthropy, philanthropists and fundraising, the following review provides some interesting findings.

We all know that sophisticated fundraising is a modern profession, right? Fundraising, of course, has been around for a very long time, and you might be interested to know some of the unusual strategies used at different times. In fact, you might even get an idea or two!

**Lottery for education.** When state governments began adopting lotteries to help pay for education costs, they were actually copying an early university fundraising ploy. In the early days of Harvard University, fundraisers encouraged “donations” by selling raffle tickets with a chance of winning big cash prizes. The result? Harvard raised some funds, but the managers absconded with the money and the plan was abandoned.

**Newspaper posting.** An almost universal approach to fundraising in England during the 1700s was to print an organization’s full list of donors in the local newspaper. Just to make sure there was no confusion, donors’ names typically appeared next to the exact amount they had given—right down to the pence. In some cases, these reports included not only the donor, but also the person who physically delivered the gift. So a minister or lawyer could be publicly recognized as having delivered the gifts, even when the original donors wished to remain anonymous. This demonstrated the prestige and influence of the professional as an important person to know. (And when was the last time you recognized the lawyer who drafted that large estate gift?)

**Benjamin Franklin, fundraising consultant.** Ben Franklin was an effective fundraiser for many causes, playing a leading role in fundraising for the creation and development of the University of Pennsylvania and Pennsylvania Hospital. What was his advice for a successful fundraising approach? “In the first place, I advise you to apply to all those whom you know will give something; next, to those whom you are uncertain whether they will give anything or not, and show them the list of those who have given; and lastly, do not neglect those whom you are sure will give nothing, for in some of them you may be mistaken.” (Quoted by Arnaud C. Marts in *Philanthropy’s Role in Civilization*, New York: Harper & Row, 1953, p. 97.) So even without using such terms as lead gifts, campaign momentum and target marketing, Ben had a good grasp of what worked in fundraising.

**Special events in the 1800s.** Hosting special events is nothing new in American charity. An 1820s fundraising campaign to support the Greek war for independence included “charity balls, fairs, auctions, debating contests and stage benefits.” (Scott M. Cutlip, *Fundraising in the United States*, New Brunswick, N.J.: Rutgers University Press, 1965, p. 9.) Fundraising to relieve the Irish Famine of 1879–1880 included “concerts, entertainments, billiards, boxing and bicycle tournaments” and public auctions of “donated poultry, Irish greyhounds and other items.” (Merle Curti, *American Philanthropy Abroad*, New Brunswick, N.J.: Rutgers University Press, 1963, p. 91.)

**Executors become “governors.”** On March 19, 1804, *The Morning Post* of London carried a public notice of the founding of the Bible Society. This notice listed the necessary donation levels required to become a member (nonvoting), governor (voting) or “governor for life” (voting) of the society. Executors of estates leaving bequests of appropriate size also became “governors for life.” In this way, the society encouraged multigenerational involvement in the governance of the nonprofit.

**The challenge gift.** Smith College in Northampton, Mass., was founded in 1871 by a special kind of charitable bequest. Sophia Smith died with a will directing her estate be used to start a new college in the town, “provided the citizens of Northampton within two years ... shall raise and pay over ... to the said board of trustees ... the sum of \$25,000.” (Scott Cutlip, *ibid.* p. 20.) They did, and Smith College continues to thrive to this day.

**Tag days.** Around the turn of the century, charitable street solicitations known as “tag days” became very popular. Those walking through busy city streets were sure to be confronted many times by volunteers asking for funds. However, in return for a gift, the donor received a paper tag to wear, alerting others that the person had given and informing solicitors not to ask again.

**The modern campaign.** Historian Scott Cutlip credits turn-of-the-century Jewish welfare federations with the earliest modern-style American fundraising campaigns. These campaigns included surveying the community, creating a card catalog of all potential givers, sending a direct-mail piece with response card and visiting the potential donor. Designated committee leaders would either visit a neighborhood or select individuals to contact from those they knew. Also, different divisions or teams would compete against each other to reach fundraising goals. (Merle Curti, *ibid.* p. 17.)

Like fashion trends, what is out today in fundraising may be in tomorrow. Although a modern “tag day” might take place on Facebook instead of on downtown streets, some core ideas of historical fundraising will continue to reappear. 📌

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involves investing hard-earned funds in most cases. At the same time, nonprofit leaders often see their approval as the ultimate show of support for an initiative and the end of their involvement. However, that approval is not enough. Because people need to “see it to believe it,” leadership of successful change requires more than an endorsement or a signature on a check. It requires visible, vocal and consistent support for the change.

As nonprofit professionals, you do not get to choose the people who lead your organizations. Nonprofit executives run the gamut of leadership styles, from distant and challenging to open and supportive. How can nonprofits successfully use their leaders—of every type—to drive change? Following are a few suggestions:

1. Plan how and when to strategically use an executive to drive the change throughout the life of the initiative. Choose interventions that will have a big impact with a small investment of time. For example, ask the executive to spend 10 minutes at the beginning of a staff meeting or send a short, personal e-mail expressing his or her pleasure at reaching an interim milestone. Provide talking points so the executive understands and can easily state the message he or she needs to convey. Be sure to schedule the executive in advance for these planned efforts. Many leaders are open to helping if the impact on their time is minimal and they feel well-prepared.

2. Educate your organization’s senior leadership team on its role in supporting the initiative and gain everyone’s personal commitment. You may be an expert change agent, but if the leadership does not demonstrate consistent support, the staff receives a mixed message. An organization’s leaders give up the right to object once a change has been agreed upon—they must publicly and privately support the effort. When staff members see leadership back-biting the initiative, it gives them permission to do the same.

3. Provide midlevel managers with tools to handle resistance if and when they encounter it. Similarly to

## Enthusiasm should not be interpreted as commitment any more than silence should be interpreted as agreement.

top leaders, midlevel managers must demonstrate their support for the change. Make this easier for them by ensuring they are comfortable with the reasons for the change, as well as the benefits to—and obligations of—the employees.

4. Equip both senior executives and midlevel managers to be *empathetic* but not *sympathetic* to employee concerns. Managers need to listen and decide if it is a meaningful issue or merely a concern driven by fear of change. If it is a fear of change, remind employees of the larger organizational drivers behind this effort and that managers need—and are counting on—their support.

### Communication

Communication is a challenge for all organizations, both for-profit and nonprofit. Anyone who works for nonprofits gets too much e-mail and often does not have enough time to attend meetings. In this hectic environment, those guiding major change may be tempted to limit communication, especially if people already seem enthusiastic about the change. Don’t fall into this trap! Enthusiasm should not be interpreted as commitment any more than silence should be interpreted as agreement. Communication is absolutely critical to the success of organizational change.

Organizations that make changes successfully tend to follow very structured steps:

- Give a name to the change initiative. Names such as “Project Success,” “New Tomorrow” or “Connection” inspire and generate feelings that something like “Jane’s Project” or “The “Database Project” does not.
- Develop a case for the change just as

you would develop a case for support for a campaign. Facts are important, but overwhelming people with facts can cause them to tune out. Many nonprofit employees are drawn to their jobs because of a belief in the mission, so appeal to your team’s emotions by painting a mental picture. For example, a homeless shelter streamlining its client intake process might describe the details of the improved experience needy families will have as a result of the change. The ability to steward donors more effectively and ultimately raise more funding could be the motivator for a technology project. Paint a word picture about the future and ensure that all leaders and managers deliver that message.

- Express faith that the organization can make the transition and provide clear directions for getting there. At organizations that have not successfully made changes, people may be hopeful, but privately they may doubt their abilities to make such changes. Organizations sometimes wrongly assume their staff will magically know how to operate once the change is in place. Painting the picture helps people understand where they are going and how the goal will be accomplished. Communicate the expectations and detailed steps they need to take to make the change successful.
- Create a detailed communications plan that focuses on stakeholders and their concerns. Stakeholders are anyone with an interest in the change—departments, managers, board members, volunteers, constituents, etc. Communications plans define accountability.
  - List the communications that audiences need to receive by stakeholder group. If you do not know what the stakeholders are concerned about, ask them!
  - For each intervention, list the type of communication (e-mail, meeting, etc.), the author, the approver, the message content and the date it will be delivered.
  - Include more than just e-mail communications in the plan. Meetings, conference calls, e-newsletters,

celebrations and posters by the coffee machine can be effective ways to encourage support for the transition.

- Outline communications for the life cycle of the initiative. For example, plan communications that describe progress and praise the success of interim steps toward your goal.
- Reassess the communications plan periodically. Never assume communications have actually taken place unless you check. Adjust dates and add new stakeholder groups as needed.

### Involvement

Human beings will rarely resist a change they helped create. Involving people throughout the organization in the change initiative builds a sense of ownership and commitment to the new transition or enterprise. Involvement also provides a channel to raise ideas and concerns that can be addressed through communications. Under pres-

sure to do more with less, people who work at nonprofits have seen their workloads increase and have less available time, so it is important for change leaders to involve people in ways that are meaningful, yet have minimal impact on the work of the organization.

- For task forces or focus groups, choose a mix of people to participate. Include a range of those who are usually on board, those who speak their mind in disagreement and people who can influence their peers. Ensure that all departments affected by the change are represented.
- Not everyone can be directly involved in the change, so create opportunities for people to participate and give feedback. Town hall meetings, status update calls, Q & A sessions, celebrations and suggestion boxes are all good ways to involve people and gather information about their ideas and concerns.
- Resist the urge to “skip involvement.” Sometimes leaders and managers who believe they know best impose change

from the top down. They would rather not waste time on activities they believe produce no benefit. In that regard, remember that an organization needs its people to make the change a reality. Organizations begin to change as a result of simply asking people to participate in ways they never have before.

The three key elements to successful change—leadership, communications and involvement—build upon one another to deliver the commitment employees need to achieve success. Other ways to help support change include celebrating early success and project milestones, training staff on new tools or processes and employing team-building exercises. However, none of these additional components will have any impact without the “big three.”

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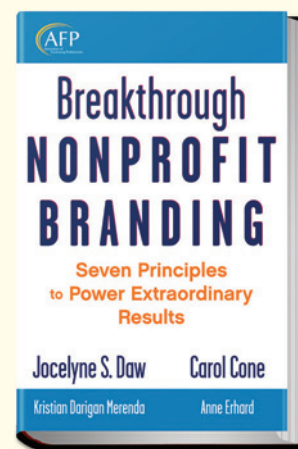
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# Making the Move: Transitioning to the Nonprofit Sector

BY PAUL GIETZEL AND PAMELA COOK, ACFRE



When people want to leave a for-profit career and begin one in the nonprofit sector, their motivations range from a commitment to “give back to the community” to a desire to “enter a less stressful environment.” Some have extensive volunteer experience they want to leverage into a career. Others simply need a new position and have seen nonprofit openings listed.

While search firms are seeing a large number of applicants trying to transition from the corporate to nonprofit sector, only a handful of these candidates are actually hired by nonprofits.

Furthermore, those who do join the nonprofit world often face challenges. Nonprofit hiring managers note that career changers frequently underestimate the importance of inclusive, collaborative decision making and

are impatient in working with boards and other volunteers. They do not fully understand the differences between the nonprofit and for-profit world or why some strategies that are effective in the corporate world do not work in nonprofits. Some find it difficult to promote a mission rather than a product.

Nevertheless, many candidates do succeed in making the transition. If you are considering a transition, what can you do to increase your chances of success in your search and on the job?

**1. Determine whether or not you are committed to making the transition.** Nonprofits require employees to be committed to the organization’s mission. This commitment cannot just be stated—it needs to be demonstrated. If you cannot demonstrate commitment to the nonprofit sector, it becomes difficult to demonstrate commitment to a specific organization. Commitment can involve volunteering, researching the sector and learning how to speak the language. Be realistic about how much work you are willing to undertake to be competitive.

**2. Talk to others who have moved from corporations to nonprofits.** Ask these individuals how they made the transition. Find out what they find most rewarding and most challenging about their jobs. Seek their advice on which aspects of their previous experience they have found most applicable and how to position your experience.

**3. Have realistic expectations of the work environment in the sector.** Nonprofits support a mission and they work hard to reduce overhead. You will likely find smaller staff, reduced budgets, less office space and older technology. Understand the constraints and be confident that you can work within them.

While an organization may have inspiring goals that you support, your day-to-day activities will vary from mundane to stressful. If you work for an organization seeking cures for childhood cancers, you are unlikely to discover the cures yourself. Furthermore,

John Lund/Sam Diephuis/Getty Images

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you often may find yourself working in emotionally difficult situations.

**4. Determine which sectors excite you.** Reflect on the kinds of organizations in which you would like to work and identify those where you already are involved and committed as a volunteer or donor. Do you spend your free time going to the symphony or dramatic productions? Are you a volunteer for your child's school? Do you read every news report about a particular health issue? Do you organize beach cleanup days?

If you already work in a for-profit industry related to nonprofits, such as healthcare or education, you may find your experience more valued than it would be if you entered a new field.

**5. Think about the size and organization of a nonprofit in which you would like to work.** Have you had success in large organizations with multiple layers of authority or do you thrive in small organizations? The nonprofit sector encompasses large organizations, such as universities and hospitals, as well as founder-led agencies with a handful of paid employees. Nonprofits can be hierarchical or flat. Some want specialists and others seek people who are versatile. There are new models in venture philanthropy and revenue-generating subsidiaries that might lend themselves to individuals with business backgrounds. Focus on the kind of organization that best suits your style.

**6. Obtain experience in the nonprofit sector.** Volunteer, serve on a board, raise money for your alma mater or take on a project pro bono. Do everything you can to understand the nonprofit sector and build your skills, experience and connections. By volunteering, you will obtain actual nonprofit experience to list on your résumé. More importantly, you will demonstrate commitment and gain a better understanding of whether you really want to work in the nonprofit sector or would rather support the sector as a volunteer and donor.

**7. Evaluate your experience and your transferable skills for the job you are seeking.** There are many different po-

sitions in nonprofits, divided primarily between programs and administration. In administration, positions can include executive, development, finance, communications, marketing and human resources. Within development, you may be able to specialize in corporations, foundations, annual giving, special events, major gifts, planned gifts or research. Think about the kind of role that matches your skills and experience most closely and focus on those positions.

**8. Determine the appropriate salary level for the positions you are seeking.** Conduct research on compensation for specific positions within organizations on Guidestar ([www.guidestar.org](http://www.guidestar.org)). Review salary surveys and look at salaries posted in ads. After that, determine what salary range you are willing to accept at a nonprofit. Do not expect to be compensated at a higher level than previous incumbents because of your corporate experience.

**9. Do your homework.** Every organization wants you to have a clear understanding of its mission and goals. Review the nonprofit's website and make sure that you can embrace what it does. Understand the sources of revenue and the staff structure. Use Guidestar to research the organization's finances (see the Form 990).

**10. Network.** Nonprofits have many networking organizations where you can meet professionals in the field, improve your skills, and even volunteer. In development, look to the Association of Fundraising Professionals ([www.afpnet.org](http://www.afpnet.org)) and the Foundation Center (<http://foundationcenter.org>). In other sectors, ask people who work in the area about other groups that may be helpful.

Have informational interviews with individuals who hold positions that interest you. People in nonprofits are frequently generous with their time and excited about what they do.

Talk to your colleagues in the business world. Many people have links to nonprofits and may have ideas on people you should meet.

**11. Increase your skills.** If you are committed to a transition, remember

that while you may have done similar kinds of work, you have not used the same nonprofit tools, language or governance structures. Take courses in your areas of interest and read books, articles and blogs about the sector. Many universities now offer courses in nonprofit management, and there are conferences and meetings that take place around the world.

**12. Be proactive and explore this option before your leave your current position.** As with any job search, it is easier to find the next position when you are still employed. With a switch to the nonprofit sector, it is likely to take even longer, so give yourself enough time.

**13. Be prepared to start at a lower level.** For high-level positions in nonprofits, you will be competing with individuals who have direct experience. If you are truly committed to making a move, you may need to accept a job at a lower level than the one you currently hold.

**14. Take advantage of resources.** There are many books and websites that can help you understand how to make a transition, including the following:

- Bridgestar ([www.bridgestar.org](http://www.bridgestar.org))
- *Change Your Career: Transitioning to the Nonprofit Sector* by Laura Gassner Otting (Kaplan Publishing, 2007), paperback, 270 pages
- *From Making a Profit to Making a Difference: How to Launch Your New Career in Nonprofits* by Richard King (Planning Communications, 2000), hardcover, 178 pages
- *The Nonprofit Career Guide: How to Land a Job That Makes a Difference* by Shelly Cryer (Fieldstone Alliance, 2008), paperback, 300 pages
- *Search: Winning Strategies to Get Your Next Job in the Nonprofit World* by Larry Schlesinger (Piemonte Press, 2004), paperback, 104 pages

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## Adjusting to—and Thriving With—the “New Normal”

BY LORRI M. GREIF, CFRE



We are all now wending our way through the “great recession” and adjusting to the “new normal.” It may be that we still do not recognize what the “new normal” looks like in totality, but we are tentatively moving forward in a new landscape for the nonprofit community, with an eye toward thriving under change.

A lot has happened in the charitable gift-planning community as a result of the stock market crash and recession. Situations occurred that were never before even considered possible, making everyone more cognizant of the role planned giving plays in nonprofit finances and the lives of donors. To illustrate, consider the following:

1. The federal government has worked to keep interest rates low in order to stimulate the economy. As a result, donor interest in charitable gift annuities has increased because they eliminate the donor’s market risk and the gift-annuity rates compare so well against the very low return on bank deposits and CD’s. You would think many nonprofits with gift-annuity

programs would welcome this increased contributor interest (and many do), but some have actually decided to stop issuing gift annuities because of complications resulting from the market crash and lowered returns.

Assets held in charitable gift annuity reserve accounts of some nonprofits lost so much in value with the market crash that they fell below the required amount, and some organizations had to scurry to find funds to replenish these accounts to meet state requirements. Fear of this happening again has limited the offerings of gift annuities by a few organizations. This decision means their donors cannot get new annuities from them anymore (and will go elsewhere) and the nonprofits cannot take advantage of annuity payments that would be made at today’s lower rates, thus leveraging risk.

2. The portfolios of some charitable remainder trusts fell substantially, and the investments were so distressed that the trust would either terminate earlier than expected, leaving nothing for the charity, or end up making significantly lower payouts due to the decrease in asset value, depending on the type of trust. Each situation results in little, if anything, for the beneficiary nonprofit(s) and extremely unhappy contributors, who would not receive the anticipated payouts.

3. The monthly rate used by the Internal Revenue Service (IRS) for valuing the remaining charitable portion for split-interest planned gifts (also

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known as the 7520 rate) fell to record lows—twice. This causes problems in establishing new gift annuities for some donors because the requirement of at least 10 percent remaining for the charity cannot be met. The lower 7520 rates mean some “younger” annuitants might outlive the annuity’s ability to fund their payments; the charity would get nothing and end up needing to make payments from another source.

4. On the brighter side, the very low 7520 rate made creating charitable lead annuity trusts very attractive and unusually popular because it became much easier to significantly lower any transfer tax liability, especially when funded with depressed assets expected to eventually rebound. Charitable lead trusts involve current charitable payments over a period of time, rather than a deferred benefit to a charity, so they bring in much-needed revenues. (The new estate tax law now in effect makes this a less-attractive situation for most donors.)

These circumstances may sound difficult, and complicated situations have arisen over the past two years. Some gifts have more technical requirements than others. The necessity of learning to understand the intricacies of a charitable gift-annuity program and charitable trusts may make it less appealing to some nonprofit fundraisers at first. Actually, having a better understanding allows for a more professionally run program and helps an organization determine appropriate gift acceptance policies for its situation. This ultimately allows for more gifting that is beneficial to all parties.

It is also clear that because of more nonprofit disclosures and economic news, contributors now re-evaluate their charitable motivations on a regular basis. They expect more transparency and look at program impact in addition to spending ratios. Furthermore, many donors are also considering who gets how much and whether it is

wiser to contribute cash, stock, retirement account assets, etc. This is actually good news. Better-informed donors can become more active and committed to the nonprofits they support.

Development professionals now have more frequent conversations about gift planning with cash-strapped or nervous donors and have learned committed supporters are often happy to include bequests in their estate plans when asked (regardless of whether there is an estate tax or not). That is because most bequests and other planned gifts start with charitable intent and rarely because of the tax code. Approximately 85 percent of planned gifts are bequests, one of the simplest ways to make a deferred gift.

The belt-tightening caused by the “great recession” may have speeded up the process of nonprofits’ integrating planned giving into their fundraising campaigns. Planned giving has long been discussed by so many organizations as something that would eventually be taken up—the operative word being “eventually.”

However, faced with donors who were contributing less, seriously strapped for funds and concerned about job security and paying their bills, some development professionals faced situations that they had not experienced before. As a result, they had to stretch and ask in ways that were more uncomfortable for them. This was the perfect opportunity to speak about a *deferred* gift—something that did not take money out of the donors’ pockets when they were trying to hang on to cash.

With the possibility of nothing happening in the face of a solicitation of a loyal contributor, some fundraisers took the plunge and followed up with, “I’m so sorry you’re going through this, but I know you really care about our work. Would you consider doing something for us for the future, something that won’t cost you a penny now, perhaps

adding a bequest for us in your will?”

Most likely, many fundraisers are turned down on their first foray into this new terrain. This is the most donor-centered form of fundraising there is, and strong relationship-building is essential for success. However, this process also has led to an increase in interest and more training in gift planning, marketing techniques and what is required to successfully ask for planned gifts. Research has shown that only about one-third of those who make a bequest to a charity self-identify early. Some of these “first-time” planned-gift solicitations may actually pay off in the long run, especially if the relationship grows and the solicitation is repeated.

Of course, there have been some recession-based setbacks in the planned-giving community, but on the positive side the ice has been broken when it comes to including planned giving as part of a comprehensive fundraising program:

- Development professionals are learning more about planned giving and beginning to hone new solicitation skills.
- The sector has seen the benefits to those organizations that have long-time programs in place and are receiving bequests that can cover budget gaps resulting from smaller annual gifts and less revenue.
- Endowments that fell “under water” can be replenished with planned gifts.
- Donors are savvier than ever regarding new ways to give, especially when cash is tight or when they want to give even more than usual.

The “new normal” will involve many changes for nonprofits, but it already seems to include a lot more planned-giving activity. ☉

*Lorri M. Greif, CFRE, is president of Breakthrough Philanthropy Inc. in New York City ([www.breakthroughphilanthropy.com](http://www.breakthroughphilanthropy.com)).*

# The Five P's of Marketing the Smaller Nonprofit

BY ELAINE FOGEL



Marketing in smaller nonprofit organizations can appear daunting. There are fewer employees (or often just one) with multiple responsibilities, little to no marketing budget and an overwhelming array of marketing activities. On top of that, the staff often lacks marketing expertise. No wonder smaller shops tend to evade marketing.

However, without marketing, smaller organizations put themselves at an enormous disadvantage, frequently operating on a shoestring budget while they remain “the best-kept secret in town.” This lack of aware-

ness by their target audiences creates a *Catch-22* situation: no marketing, no money, no mission. These organizations often function reactively, trying to stay solvent, which can have a domino effect on staff morale and retention.

In their book *Guerrilla Marketing for Nonprofits* (Entrepreneur Press, 2010), co-authors Jay Conrad Levinson, Frank Adkins and Chris Forbes write: “Everyone knows increasing donations, attracting volunteers and creating demand for programs, services and products can turn an organization around. But hardly anyone in the nonprofit world seems to realize the process to make that happen is found in marketing.”

So how can smaller nonprofits manage marketing, build awareness of their missions and improve fundraising efforts? It takes the five P's of smaller nonprofit marketing: passion, planning, people, propulsion and perseverance.

## Passion

Good marketing requires passion. Smaller nonprofits have longer journeys to success, so having the heart and commitment from the start is essential. This also means getting buy-in from the board and decision makers. There are enough challenges to shoestring marketing without adding a lack of support from the top.

## Planning

Many organizations, regardless of size, frequently conduct marketing tactics without developing a strategy first. As Lewis Carroll once said, “If you don't know where you are going, any road will get you there.”

Marketing the smaller nonprofit begins with a strategic plan. You cannot market programs, services or mission without a solid vision and long-term objectives.

For more resources, visit [www.afpnet.org](http://www.afpnet.org). Search: AFP Resource Center

# People who support your mission can be your eyes and ears both off-line and online.

The first step is to develop a business and marketing plan. Although most organizations do not undertake this exercise, it is as important in the charitable sector as it is in the business world. A business and marketing plan need not be a dissertation, but rather an abbreviated version of a full-fledged plan. It encourages organizations to evaluate their situations, gauge their donors' perspectives and motivations to give, establish marketing objectives, understand their financial capabilities and identify their top-priority tactics.

## People

People who support your mission can be your eyes and ears both off-line and online. Engage them for ongoing guidance, ideas and feedback. Empower them to become ambassadors of your brand and champions of your cause. They have the ability to spread the word about your mission, becoming valuable members of your marketing team. After all, it is crucial for your nonprofit to develop a customer-centric focus if it is to survive and thrive.

Use communication channels such as social media, online surveys and, yes, the old-fashioned telephone. In order to get the most value, ask a specialist to review survey questions and telephone scripts to ensure they are crafted correctly and not ambiguous or misleading.

Open your online community as much as possible to connect with new people. Allow events to happen organically; give up control and watch as good things begin to transpire. To manage risk, monitor your online brand reputation and conversations using free and low-cost Web-based tools such as Google or Yahoo alerts, Social Mention Alerts, Twitrratr, Addictomatic, BoardTracker Discussion Search, HowSociable or Sprout Social. Analyze your website and/or blog regularly, using tools—Google Analytics, Clicky,

PostRank Analytics or Histats, to name a few—to identify your visitors' locations, their preferred search terms and many other important metrics.

Websites such as Elance, Freelance Forum and FreelanceSwitch allow you to post projects online, to which interested freelancers may apply. In most cases, fees are very affordable. If you require additional marketing advice or have specific questions, try using Aardvark or Quora. Both free formats allow you to post questions for others in the community to answer. Join LinkedIn groups such as Non-Profit Marketing, Nonprofit Marketing and Fundraising Tips and, of course, the AFP On Fundraising group. These “people” resources can bring a wealth of expertise and knowledge to your team.

## Propulsion

When your organization is small, getting the word out and propelling your mission forward takes gumption. You have to be creative and develop a fearless attitude if you want to compete with bigger organizations. As long as your nonprofit stays true to its mission, while remaining tasteful and professional, there is nothing to lose by being bold.

**Off-line:** As your budget allows, integrate traditional marketing techniques, such as printed mail, radio and television. Studies show that a mix of distribution channels is the most effective way of reaching your target audience.

Come up with attention-getting events and “stunts” that will attract media interest, crowds and buzz. Get appropriate permission to hold public lunchtime events that draw business crowds or ask shopping mall management for weekend opportunities. Dress in a themed costume, if appropriate; give out snacks or branded promotional products to passers-by; and create a visual spectacle. If your mission includes

advocacy, set up a petition table, have materials available, a banner and a volunteer or pro bono photographer/vid-eographer recording the event for your newsletter, social media sites and other marketing collateral. Enlist business partners in co-branded theme days and be on site for activities. Ask trade show organizers if you can set up a booth and become their charity of choice.

For all these tactics, make sure you send a media kit to local print and broadcast outlets along with an item that stands out. For example, a breast cancer charity sent out teaching aids—small breast models with lumps that promote breast self-examination. Bold and creative measures can gain attention.

**Online:** Electronic communication gives your organization limitless opportunities to propel its brand through viral marketing. Of course, your audience will decide whether something “goes viral,” so there are no guarantees, yet many nonprofits have been very successful with this approach. Posting videos to YouTube, for example, does not always require professional production. A simple camcorder can suffice, or you can ask video production students to help. (Check out YouTube's nonprofit program.)

To illustrate, a video produced by employees at the Providence St. Vincent Medical Center in Portland, Ore.—“Pink Glove Dance for Breast Cancer Awareness”—has had more than 12 million views. Imagine what might have happened if the organization had added a fundraising call to action at the end.

Another way to acquire new supporters is to work on search engine optimization (SEO). Although you can outsource this to an SEO expert for a fee, there are organic ways you can achieve more website traffic and higher search engine ranking:

- Write quality content. Bring people back and encourage them to share

# Smart marketing

on a limited budget is all about having patience and perseverance.

your articles, blog posts and social media content.

- Make sure you use keywords and keyword phrases in everything you post online. Include your nonprofit's ideal words and phrases so more people can find your site using search engines.
- Submit content to free external online sources. Submit news releases to online news release sites and articles to ezinearticles, HubPages, GoArticles, Article Dashboard and Articlesbase, among others. The more external links you have to your website and blog, the better.
- Ask your corporate and business partners to post links on their sites to your site.
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cial bookmarking sites, such as Digg, Yahoo Buzz, StumbleUpon and Delicious. Complete your profile pages using your organization's keywords.

- Comment on other blogs and sites. Each time you add a comment to a blog, a LinkedIn discussion or other social sites, use your website URL to increase its SEO.
- Add social-sharing options to your sites, such as ShareThis and AddThis.

## Perseverance

Smart marketing on a limited budget is all about having patience and perseverance. Smaller nonprofits that attempt a marketing tactic once and see it fail or produce lackluster results are often eager to abandon it quickly. It frequent-

ly takes patience, perseverance and a longer-term effort to see it pay off. If, after tweaking a few times, a marketing tactic does not meet expectations, park it and move on.

Marketing smaller nonprofits successfully takes a strategic approach, sound marketing principles, external support and a gutsy attitude. Use your passion for the cause, plan strategically, engage people, be bold and, above all, persevere. Celebrate each success, and your smaller nonprofit will begin to see increasing results. 📌

*Elaine Fogel is president and CMO of SOLUTIONS Marketing & Consulting LLC, in Scottsdale, Ariz. Her blog is at <http://elainefogel.net>.*



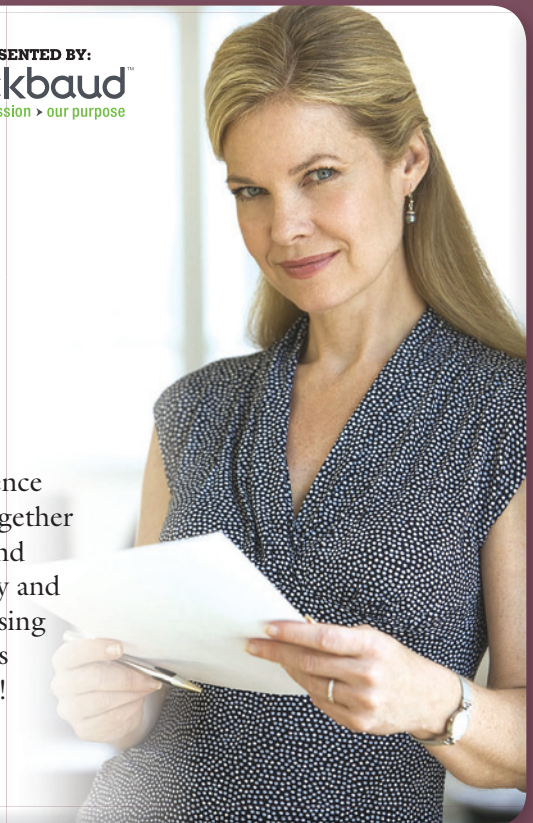
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## Reaching Out to Donors of Color in the 21st Century

BY MARYBETH GASMAN, PH.D., AND NELSON BOWMAN III



**B**y all accounts, including census projections, the United States population is becoming more racially and ethnically diverse. This diversity is a result of immigration as well as the birth rates among minority populations compared with that of the current white majority. Although reaching out to donors of color is the right thing to do, it is now becoming a necessity because of the changing demographics. In the near future, the average donor will not be Caucasian, and strategies for engaging new donors need to take into account cultural traditions that may be different from those most fundraisers are used to.

Too often people of color are looked upon as recipients of philanthropy rather than donors. As these individuals acquire more wealth and become

the majority of potential donors, fundraisers will have to reconsider their definition of a donor, expanding it to be more inclusive. Fortunately, there is a growing body of research and practical information regarding fundraising among donors of color. There is still much more research to be done, but scholars are beginning to pay attention. This research tells us that a “one size fits all” approach is not advantageous when cultivating and soliciting donors of color.

We know more about giving among

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blacks because researchers have been studying philanthropy in these communities much longer than giving among Native Americans, Asian-Americans and Latinos. However, attempting to measure the depth and variety of African-American philanthropy using traditional methods, such as the annual *Giving USA* report, often provides a false impression. African-American philanthropy is based on a communal notion of philanthropy in which giving back and racial uplift are central. Black communities tend to give first and foremost to emergencies in their own families and surrounding communities. While churches and other religious institutions are the largest recipients of philanthropy in all racial and ethnic communities, the church has a special meaning for blacks because it has provided and continues to provide more than just faith needs. Many black churches also offer educational opportunities, social networking and family services, and as a result African-Americans give 60 percent of their charitable contributions to the church. Giving to a church has a tangible impact, and this is important to African-Americans. Therefore, blacks also give to other tangible causes, including educational organizations such as colleges and universities and afterschool programs. They also give to healthcare, including research, and efforts related to diabetes, heart disease, sickle-cell anemia and substance abuse.

African-Americans at all income levels are philanthropic, although first-time donors are more likely to give to black-oriented causes, and more seasoned donors will give to formalized philanthropy, including organizations such as the United Way. There is also a growing trend among African-Americans to create family foundations with assets ranging from \$400,000 to \$40 million. These numbers indicate that blacks are doing a lot more with their \$900 billion in buying power than just shopping. Whereas there is still a tendency for blacks to give locally, this group must be taken more seriously and

## Reaching Out Now

There are two immediate and practical strategies for cultivating and engaging more donors from underserved communities:

- First, have staff members read material on engaging donors of color and on cultural traditions among racial and ethnic minorities. There are ample resources available that speak to these issues.
- Second, hire more fundraisers of color into your organization. Although working with donors of color should not be relegated to only fundraisers of color, these individuals can work with majority fundraisers to cultivate donors of color. If your organization cannot find fundraisers of color, grow your own by offering internships to young people from diverse communities, providing them with valuable job skills and opportunities for growth in your organization.

should be engaged more fully in philanthropic giving.

Much like African-American philanthropy, Asian-American giving is also community based and focused on family relationships. It is important to note that money has different meanings depending on the Asian country the donor hails from, and traditional American approaches to fundraising may be offensive to some Asian-American donors, especially first-generation donors. Research shows that Asian-American donors prefer to engage fundraisers who are respected figures in their immediate community. Most Asian-American donors are older, although there is a growing philanthropic movement among those who are in their 40s. While some racial and ethnic groups are becoming more comfortable with fundraising professionals, Asian-Americans are much more likely to establish private foundations and donor-advised funds. They are more likely to give to mainstream charities—including educational entities, services for the elderly, human-

rights causes and cultural programs—than other racial or ethnic minorities.

Similar to Asian-Americans, Latinos tend to respond better to solicitations from other Latinos of the same ethnicity. They also like to give to specific causes that have a tangible impact. As a result, endowments or unrestricted gifts may be more difficult to secure from newer Latino donors. In many Latin American countries, community issues such as youth and senior programs and healthcare are provided by the government. Consequently, it is often difficult to secure donations for these causes from first-generation Latinos, while more established families often support these programs. Overall, Latinos tend to give to individuals over organizations and, consequently, they need to be cultivated by organizations and given time to establish trust. The majority of Latino charitable contributions go to Latin American countries, but they also go to education, elderly services, immigration efforts and the Catholic Church.

Research tells us little about Native American giving. However, we do know that Native Americans give because it is a natural part of life rather than an obligation or a sense of responsibility. Within native cultures there is a focus on community over that of the individual. Philanthropic giving is circular, and recipients of giving should give of themselves to continue the giving process. Giving is not linked to prestige and is not to be boasted about to others. Native Americans tend to give to their own communities and also use their philanthropy for educational communities, emergencies and natural disasters, and substance abuse-related charities. Also important, Native Americans prefer to be asked to give by someone they know well or a respected elder in their community, much like other racial and ethnic minorities.

In reaching out to communities of color, it is important to abandon traditional assumptions about giving, especially the assumption that people of color do not give. Fundraisers need to

spend time in communities, getting to know these potential donors. Donors of color should be asked how they would like to be involved in an organization when they contribute.

These efforts on the part of fundraisers need to start now in order to be prepared for the demographic changes in the very near future. ☺

*Marybeth Gasman, Ph.D., is associate professor of higher education at the University of Pennsylvania Graduate School of Education in Philadelphia. Nelson Bowman III is director of development at Prairie View A&M University in Prairie View, Texas. They will present the session “Engaging and Cultivating Donors of Color” at the AFP International Conference on Fundraising in Chicago on Tuesday, March 22, at 9:15 a.m. in room E271b.*

## Resources

The following books offer more about diversity in fundraising and philanthropy. (Those marked with an asterisk are available in the AFP Bookstore, [www.afpnet.org](http://www.afpnet.org).)

*Cultivating Diversity in Fundraising* (AFP Fund Development Series) by Janice Gow Pettey (John Wiley & Sons, 2001), hardcover, 252 pages\*

*Leading Diverse Communities: A How-To Guide for Moving From Healing Into Action* by Cherie R. Brown, George J. Mazza and the National Coalition Building Institute (Jossey-Bass, 2004), paperback, 192 pages\*

*Opening Doors: Pathways to Diverse Donors* by Diana S. Newman (Jossey-Bass, 2002), hardcover, 272 pages (winner of the 2003 Skystone Ryan Prize for Research on Fundraising and Philanthropy)\*

*A Philanthropic Covenant With Black America* by Rodney M. Jackson (Wiley, 2009), hardcover, 238 pages\*

*Philanthropy in Communities of Color* (Philanthropic and Nonprofit Studies) by Bradford Smith, Sylvia Shue, Jennifer Lisa Vest and Joseph Villarreal (Indiana University Press, 1999), hardcover, 184 pages



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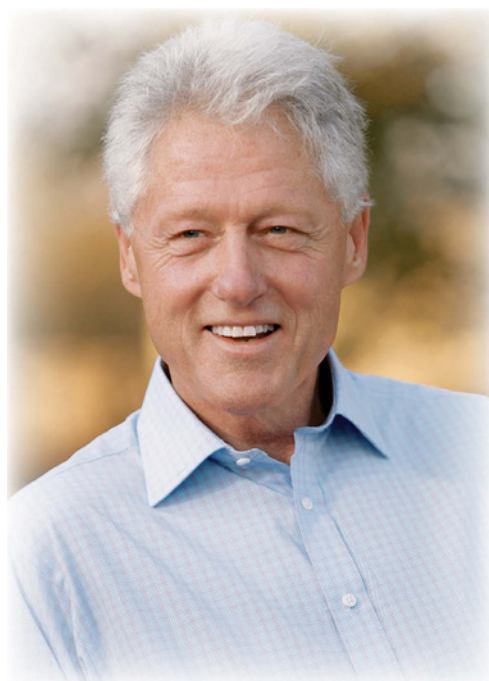
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**48TH AFP INTERNATIONAL CONFERENCE ON FUNDRAISING**

# Partnerships of Value

BY LYNDA McDANIEL

Joseph and Sandra Rotman are both innovators. Joseph founded the Clairvest Group Inc., a Canadian-based merchant bank, in 1987, and his wife, Sandra, develops creative ideas and collaborations that fuel the effectiveness of their giving as much as their generous donations do. They maintain close ties to the University of Toronto, where Joseph received his Master of Commerce and Sandra obtained her degree. Just one example of their donations to the university involves more than \$36 million in gifts to the Faculty of Management at the University of Toronto, which was named the Joseph L. Rotman School of Management in 1997.

They share their thoughts about how fundraisers can better serve their organizations and think more creatively about how to develop “a culture of private giving and innovative synergies.”

**Q:** A representative from the University of Toronto used that phrase—“seek innovative synergies”—when describing you. What does that mean?

**JR:** I think the Centre for Health Sector Strategy is a good example. Sandy sat on the board of the University Health Network teaching hospital at the University of Toronto. She came home so frustrated, telling me that we needed someone from the business school to help teach people how to buy equipment collectively and how to use government funds efficiently. Doctors, after all, are not business people. She had the idea that the school should be the home for this new academic program. Eventually the dean of the school adjusted his overall strategy and we created the largest funded chair at the university at that time. That was eight years ago, and today it is an internationally renowned center, one that our provincial government relies on for developing policies.

**SR:** We have another venture philanthropy initiative with the School of Management and the Centre for Addiction and Mental Health (CAMH). Students and professors of the school mentor mentally handicapped people who would like to start their own business. As a result of dealing with these situations, the students and professors are also learning and teaching about the real world and about being great leaders.

**JR:** I recall the time Sandy was giving an award to one of the entrepreneurs with a mental handicap whom we’d helped. He’d gotten a loan from a real bank because he was so successful in his enterprise, and he said, “I hope one day I can help someone else.” Sandy was in tears; his success was our real reward.

Joseph and  
Sandra Rotman



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## My father taught me that money is the easy part.

He said that the only successful philanthropist is one who gives money and time and has the ability to create the collaboration necessary to drive transformation.

**Q:** How do you “inspire others to give”?

**SR:** You can send your message and then, just by giving, you can inspire others.

**JR:** My father taught me that the most powerful way to inspire others to give is for them to see people giving in their community. Last year, we went to the Aspen Ideas Festival. Walter Isaacson

interviewed Bill Gates, and Gates said that he doesn't understand why more people don't give of their lives, because the rewards are so great. When we understand that we are part of a community and then make that community better—for yourself, family, friends, grandchildren—that's an incredible reward. Having your name on things isn't what it's about. What you're re-

### Giving in Their Community

Over the past 20 years, Joseph and Sandra Rotman have served on numerous boards and donated more than \$90 million. Their passion and support for higher education, the arts and healthcare are widely recognized throughout North America. In 1995, Joseph's career as a successful business leader combined with his philanthropy and volunteerism earned him the OC (Order of Canada), an honor that recognizes outstanding achievement or distinguished service. Sandra has received many honors for her innovative ideas and generous philanthropy, including the Order of Ontario in 2006. Following are some highlights of their generosity:

**Higher education.** Donations of more than \$36 million and countless hours of leadership and volunteering to the Joseph L. Rotman School of Management at the University of Toronto have transformed the school into a progressive center with an international reputation. In addition, the Rotmans' generosity has inspired others to contribute to the university as well, including \$40 million from Marcel Desautels to establish the Desautels Centre for Integrative Thinking.

Additional support to the University of Toronto includes chairs for the Factor-Inwentash Faculty of Social Work, the Faculty of Medicine and the Faculty of Arts and Science, among others. Their donations also established the Sandra Rotman Chair in Social Work and the Sandra Rotman Chair in Neuropsychiatry at the Baycrest Centre for Geriatric Care.

The Rotmans also have contributed funding to the Department of Philosophy at the University of Western Ontario, where Joseph completed his undergraduate studies.

**Arts and heritage.** Joseph and Sandra bring energy and innovation to the arts in Canada. Both have supported the Art Gallery of Ontario, the Toronto Symphony Orchestra and the Canadian Opera Company. They are honorary chairs of the Canadian Friends of the Israel Museum. Sandra has served as a director of the National Ballet of Canada and the Toronto International Film Festival; she served as vice chair of the Ontario Heritage Foundation and on the advisory board of the Center for Urban Development Studies at Harvard University. Joseph is chair of the Canada Council for the Arts, the Crown corporation that has been the principal conduit of federal support for Canada's professional artists and arts organizations for more than half a century.

**Healthcare.** The Rotmans' significant contribution to the Baycrest Centre for Geriatric Care established the Rotman Research Institute in 1989. In addition, Joseph spearheaded the establishment of the Ontario Brain Institute that will assemble Ontario's leading scientists to investigate neurodegenerative diseases and other aspects of the brain. The Rotmans also have provided support for Sunnybrook Health Sciences Centre, Women's College Hospital, University of Health Network (to establish the McLaughlin-Rotman Centre for Global Health), the Toronto General and Western Hospital Foundation, Mountain Sinai Hospital and others.

The Rotmans have galvanized other supporters throughout Canada. Inspired by the success of the University of Toronto's School of Management, other faculties at the university—architecture, nursing, pharmacy, public health and social work—are now named in honor of major donors.

## What offends me the most is an assumption of entitlement, which is often accompanied by an aggressive approach to fundraising.

ally demonstrating to your community is that you love doing it.

**Q:** What actions of fundraisers do you like?

**JR:** I appreciate when development people have done their research and understand my interests. It's key that they come in with respect for the time I'm giving them. And I like to see their creativity—when they're able to develop a focus, or what I call a big dream for their organization, that expresses *my* concerns.

**SR:** I want them to be direct and to give a short presentation and to be extremely prepared.

**Q:** What don't you like that fundraisers do?

**JR:** What offends me the most is an assumption of entitlement, which is often accompanied by an aggressive approach to fundraising. I see this a lot in today's development world. Because I've worked with fundraisers in the past and they know my areas of interest, they let a sense of entitlement creep in. This happens more often at smaller institutions that you support. They seem to assume that large donors will take care of everything and they don't need others to support it. That's not how we work. We have a policy that any money we give requires the institution to raise money to help it become sustainable in the long run.

**Q:** What do you consider the key to success for a fundraising campaign?

**SR:** Honest marketing. Fundraisers need to be passionate about their present job. We find this can be a problem with development people, who often have worked with other organizations before their current one. They go from

place to place, and they need to be prepared to express why they believe in their present job.

**JR:** Again, doing research and understanding the *donors'* interests. About 15 years ago a group was formed to raise \$200 million for the University of Toronto. We decided that we had to develop strategic needs that would help transform the institution and then develop those needs as strategic interests of the individual donors. We asked every dean of every faculty for their top three needs. We narrowed down those needs, which were then assessed in the context of the interest of the prospective donor. As a result, we raised more than \$1 billion instead of the \$200 million.

**Q:** What do you find is the most effective way to ask for money?

**SR:** In layman's terms, make a shopping list. Fundraisers need to include all levels on the shopping list. For example, at the University of Toronto, we'd ask a dean, "Do you need an endowed chair? Do you need to approach people about giving money for a program? Or maybe some furniture for a room or art on the walls?" All needs are important, but make them specific.

**Q:** How do you prefer to be involved, giving money or time?

**SR:** I'm the idea person—I get involved more as a follow-up to the money I give. I don't like to ask other people for money.

**JR:** Sandy gives that job to me. We are a good team; we complement each other.

My father taught me that money is the easy part. He said that the only successful philanthropist is one who gives money and time and has the ability to create the collaboration necessary to drive transformation. I think that's why Sandy and I have been successful in transforming several institutions. All that happened because we gave money and we kept involved. Sandy crafts the conceptual framework of what we want to achieve—for example, the business loans for the mentally handicapped—and I ask for the money and get people involved. We have a great reputation for working together.

**Q:** How do you stay connected to organizations you support? Do you receive updates?

**JR:** If our gift is millions of dollars, we enter into an agreement that includes both obligatory reporting requirements and outside peer-review assessments of how the institution is meeting the objectives. We require an annual report or a periodic three- to-five-year peer review from experts in the field who determine if the institution has achieved the objectives. Because of the time, ability and money we give, we require very rigid, thorough and detailed accountability.

**Q:** Why do you support the organizations you do?

**SR:** Sometimes it's a passion we have that just evolves; other times the fundraisers give us ideas. Whatever, the organizations must be very responsible in serving the community. That's our bottom line. 🗨️

*Lynda McDaniel is a freelance writer in Walnut Creek, Calif. ([www.lyndamcdaniel.com](http://www.lyndamcdaniel.com)).*

## Make Change Bearable— Even Desirable

I find change within my working life relatively easy. In fact, I'm always conscious that there needs to be a chance of change brewing. It could be just around the corner, or it might even be a year off. It might be something really trivial and small, but I need to be able to see something different in the wings. Not change for change's sake, but rather a shift that will make my work life and the work I do even better—more effective, more enjoyable. But for some the mere thought of doing something outside the status quo provokes sweaty palms and sleepless nights.

So when does change work?

**1. When it's the right thing to do.** That doesn't mean everyone around has to fall in love with what they're doing, but the reasons for the shift should be clear. What needs to be done to improve work flow, communications or special events?



**2. When you're able to create a path.** Even those ardently against change will invariably come along for the ride if they see there is a path and they know how to follow it. That doesn't have to translate to acceptance, but if you are shown how to do something and the road is clear, even begrudgingly you can follow that path.

For example, take the ban on smoking in public places, such as restaurants and pubs, over the past decade. Smokers hated it. Some protested with their feet and stopped going out or went out less. However, most still went out. They knew where the smoking areas were, or they stood outside and froze while puffing away. They could see why it was done and knew what was expected of them.

When doesn't change work?


**1. When it's change just for the sake of change.** "We're going to start using social media to do all of our fundraising and we're going to stop sending letters to donors." "Why?" "Because ... just because."

Have you encountered a similar situation, when the suggested change feels as if it's being forced for no real apparent reason? We all have probably been on the wrong end of this scenario, perhaps with a new executive director—someone trying to put his or her stake in the ground and instill change when it really doesn't make sense to do so.

**2. When those you need to take on the journey are paralyzed by fear.** In the agency world, we're always looking to find that new frontier. I remember one time when we were planning to try a new product with a client. The work was signed off on and the client service team was tasked with delivering it. The problem was that no one had mapped out how we would actually deliver the work. The client service team froze, unsure where to go to and what to do. The longer the silence on both ends, the worse the problem became as paralysis set in.

The account people didn't have to know what to do and how to make it happen, but they did need to know whom to turn to—who was going to help them make it happen. If there had not been a disconnect between the sales process and the execution, the meeting would have gone smoothly. A simple, straightforward plan of action, identifying the key people to support, would have alleviated this embarrassing situation.

As leaders, managers and advocates of change within our organizations, leading change can be a lot easier than we often think. Almost every time I've encountered tricky situations, invariably they've happened because those left behind weren't shown how or why they were being taken in a different direction. Not shown well enough, anyway.

Always make sure the path is clear. Those who need to be on board may not agree wholeheartedly, but they will be able to see where the movement leads. They may not like it, but it will be bearable. And they can see the end result. 

*Jonathon Grapsas, fundraising development director for the Pareto Group, a global fundraising agency focused on data-driven direct response, is currently based in Brisbane, Australia, jonathon.grapsas@paretofundraising.com.*

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## ■ DIGITAL AP

### The Last Word

Still want to learn more about fundraising? Read “Jarring Jargon” by Linda Lysakowski, ACFRE, a humorous look at some of the more colorful—yet aggravating—terminology found in the fundraising lexicon. “The Last Word” is a new addition to *Advancing Philanthropy* and is available *only* in the digital magazine. To access the digital *Advancing Philanthropy* visit [www.afpnet.org](http://www.afpnet.org), log in and select “Publications.”

## ■ NPD

### Inaugural AFP Hong Kong Philanthropy Day

The AFP Hong Kong Chapter celebrated the AFP 50th anniversary and the inaugural AFP Hong Kong Philanthropy Day with an evening cocktail reception at the Hong Kong Jockey Club Happy Valley Racecourse on Nov 16, 2010. Guests of honor were Professor Tony F. Chan, president of the Hong Kong University of Science and Technology; Dr. Darwin Chen, SBS, senior adviser to the board of directors, Hong Kong University School of Professional and Continuing Education (HKUSPACE); John Winkett, senior manager, Asia, of the Charities Aid Foundation; and Andrew Watt, FInstF, chief programs officer of AFP.

The celebration started with an introduction by Suzanne Sadler, master of ceremonies. Vincent Law, CFRE, president of the AFP Hong Kong Chapter and co-chair of the AFP Hong Kong Philanthropy Day, then welcomed the guests and friends of AFP, after which Professor Chan offered congratulatory remarks. Andrew Watt greeted the audience on behalf of AFP international and described the work of the association. Afterward Dr. Chen discussed philanthropy in China, and John Winkett shared his experiences in philanthropy from a global perspective.

It was a solemn moment when the organizing committee and the guests of honor made a toast to the audience to recognize AFP’s 50th anniversary and the inaugural AFP Hong Kong Philanthropy Day. After that, Law gave a chapter report on the past year’s activities and introduced the AFP Awards of Philanthropy for the coming year (2011). Souvenirs were presented to supporting organizations, including the Hong Kong Jockey Club, the Hong Kong University of Science and Technology and the Hong Kong Council of Social Service.

Julian Marland thanked all the sponsors and the organizing committee, including Co-Chair Richard Truitt, Theresa Leung, Rosanna Cheng, Elinor Chu, Aaron Hui, Eric Dierks and David Young and the Hong Kong Chapter board’s William Wu, Timothy Ma and Ralph Leonard.

More than 100 guests and friends from some 50 NGOs and companies participated in the AFP 50th anniversary and inaugural AFP Hong Kong Philanthropy Day.

## ■ AWARDS

### Carol J. Numrich, CFRE, to Receive Barbara Marion Award

Carol J. Numrich, CFRE, will receive the Barbara Marion Award for Outstanding Leadership to AFP at the International Conference on Fundraising in Chicago. An active member of the association since 1973, she remains a dynamic member of the AFP, Greater Los Angeles Chapter.

Numrich has served both the association and the AFP Foundation for Philanthropy for nearly 40 years. She has built a legacy of remarkable service to AFP as a result of her participation on the boards and on key committees—serving as a member of three strategic planning committees, a long-standing and reappointed member of the Finance Committee, a Professional Advancement Committee member and a rare three-term member of the Committee on Directorship.

When she began fundraising almost 40 years ago, she distinguished herself by exceeding expectations at California State University, Los Angeles, by raising record amounts of money. She also brought new innovative fundraising ideas to the entire state collegiate environment. Early on, she showed her willingness to give back to the profession by sharing ideas and best practices with the local chapter. Numrich has held practically every major leadership position within the AFP Greater Los Angeles Chapter. Her motto has been to serve where the need is greatest while developing future leaders. As a tribute to her service, her colleagues recognized her as the 1991 Fundraiser of the Year. Today, she continues to serve her chapter and the association where the need is the greatest.

Numrich began her career at California State University, Los Angeles, where she established the institutional advancement program and built the California State University, Los Angeles, Foundation. Numrich was a pace-setter because many well-funded state universities around the country did not recognize the importance of—or the role of—private philanthropy. She developed numerous alumni curricula, built alumni support group networks, implemented planned-giving programs and initiated capital campaign programs. She has conducted seminars and shared her expertise at NSFRE and AFP conferences, locally at the chapter level, nationally and internationally.

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She also has assumed a mentoring role for individuals who want to serve in leadership roles. Her formula for engaging others in the profession is based on six principles: inclusiveness, consequential participation, delegating meaningful work, ownership, planning and evaluation. Numrich believes in identifying and getting key players involved, enunciating a specific role for each player, defining each person's responsibility, developing a strategy for making and meeting goals, implementing plans and evaluating the outcomes.

## ■ CANADIAN FOUNDATION

### 2011 Officers and Directors

The AFP Foundation for Philanthropy–Canada announced its roster of 2011 officers and directors, to be headed by Chair Pati Greenwood, CFRE, vice president, resource development, Women's College Hospital Foundation in Toronto.

The following volunteers began their terms as AFP Canadian foundation officers on Jan. 1, 2011:

Chair: Pati Greenwood, CFRE

Immediate past chair: Shauna Klein, M.A.

Chair-elect: Scott Decksheimer, CFRE

Secretary: Edie Newton

Treasurer: Tania Little, CFRE

The following volunteers began their terms as AFP Canadian foundation directors:

Gary Good, CFRE

Sharon Lee, CFRE

Timothy R. Maloney

Anne Melanson, CFRE

Kim Willis-More, CFRE

The following volunteers will continue to serve as AFP Canadian foundation directors this year:

Darcie Acton, CFRE

Nowshad Ali, CFRE

Roger D. Ali, CFRE

Nicole Beaulieu

Jay Frey, CFRE

Laura Gatensby, CFRE

Paulette V. Maehara, CFRE, CAE

The AFP Canadian foundation is supported by several staff:

Lori Gusdorf, CAE

Brigid O'Connor

Cynthia Quigley

## ■ CHAPTERS

### Congratulations!

The following chapters are celebrating significant anniversaries in 2011:

AFP CA, Golden Gate Chapter (40 years)

AFP MD, Maryland Chapter (40 years)

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AFP IL, Chicago Chapter (35 years)  
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 AFP RI, Rhode Island Chapter (30 years)  
 AFP TN, Nashville Chapter (30 years)  
 AFP CA, Inland Empire Chapter (25 years)  
 AFP CA, Santa Barbara/Ventura Counties Chapter (25 years)  
 AFP FL, First Coast Chapter (25 years)  
 AFP IA, Eastern Chapter (25 years)  
 AFP IL, Capital Area Chapter (25 years)  
 AFP MS, Mississippi Chapter (25 years)  
 AFP MT, Montana Chapter (25 years)  
 AFP NY, Long Island Chapter (25 years)  
 AFP OH, North Central Chapter (25 years)  
 AFP PA, Eastern Chapter (25 years) 📍

# Sue S. Williamson, CFRE

## How many years have you been involved in the nonprofit sector?

For more than 30 years.

**When did you join AFP?** I joined AFP in 1985.

**In your opinion, what are the most significant changes in the fundraising profession since you started your career?** Noteworthy changes during the past three decades have been the instigation of educational degrees and laudable certifications to advance and recognize the professional's work and the availability of innumerable resources to enhance a fundraiser's career. Another significant change has been the increase in the philanthropic goals of early major capital campaigns from the millions, with 70 percent of the donations funded by 30 percent of the donors, to present-day campaigns with multibillion-dollar goals and 95 percent or more of the gifts funded by 3 to 5 percent of the donors. Also, the wanderlust, or "grass is greener on the other side" syndrome, is now prevalent in the nonprofit sector, with fundraisers moving from one job to the other and averaging less than five years at one organization. This trend diminishes the development of strong donor relationships that increase loyalty and support for an organization.

**What do you consider the greatest challenge confronting fundraisers today?** A significant challenge is the need to recognize the value of the technology revolution, with its innumerable development resources, while balancing the development of personal relationships in promoting philanthropy with current and prospective donors. Another challenge is the continuous education of all age groups, with particular emphasis on the younger generation, concerning the power of philanthropy as a positive force in today's civilization.

**How do you work with your organization's board and chief executive to get them involved in fundraising?** To ensure our most effective board members are totally knowledgeable about our comprehensive UAMS mission in relation to the current priority strategic campaigns, we provide ongoing training and educational sessions throughout the year at board meetings, medical forums, special events and academic functions. We also engage board members in fundraising activities suitable to their interests and passions and involve our chancellor in all solicitation activities with requests for transforming gifts from our major philanthropists.

**What lesson has the uncertain economy taught you?** The uncertain economy has reinforced the essential importance of cultivation, recognition and stewardship of donors. We have created new opportunities to thank donors for their loyalty and show them the impact of their gifts. Our UAMS *Imagine* comprehensive campaign ended on Dec. 31, 2010, exceeding our \$350 million goal by \$30 million. We also have continued to "do more with less" internally and intensified our external collaboration with other healthcare organizations in our fundraising activities.

**What is the best career advice you ever received?** When Dr. Harry P. Ward, chancellor, recruited me to UAMS in 1984, he wisely advised me to seek professional development education in all areas of fundraising. Fortunately, I started with Hank Rosso, the godfather of contemporary fundraising, and through the years I have continued to attend as many regional and national educational sessions as time allows.



Photo by Retz Peek

## Lifetime Highlights:

- CCS Award for Outstanding Fundraising Professional, 2011
- AFP Arkansas Chapter President's Award for Lifetime Achievement, 2010 (first professional development officer in the state to receive award)
- UAMS Vice Chancellor for Clinical Affairs Award, 2009 (in recognition of extraordinary fundraising efforts for new hospital facility)
- CFRE certification, 1999
- Greatest achievement, however, is being the mother of three outstanding sons—Dr. Adrian Williamson III, Richard S. Williamson and Arthur Starr Williamson—and two incredible grandsons, Adrian Williamson IV and Jonathan Williamson

**What is your motto?** My personal motto is this truism: "When you have the donor's interest at the heart of your fundraising world, you will have success." My personal inspiration comes from this quote by Patrick J. Ryan: "Philanthropy lies at the heart of human greatness. It is the secret that unlocks the storehouse of life's blessings."

*Sue S. Williamson, CFRE, is senior director of donor development programs, Office of Development and Alumni Affairs, University of Arkansas for Medical Sciences (www.uams.edu), Little Rock, Ark.*

# Sorry, I gave at the office

using my laptop at lunch without the pressure of a volunteer at my front door or the worry of divulging my credit information over the phone but instead enjoyed the peace of mind of knowing that my donation was being processed with the utmost electronic security and care.

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## Jarring Jargon

BY LINDA LYSAKOWSKI, ACFRE



*“Here I was, all this time, worrying that maybe I’m a selfish person, and now it turns out I’ve been suffering from compassion fatigue.”*

The fundraising profession is a rich one in so many ways, especially with regard to the myriad colorful expressions used to describe or justify exactly what development professionals do. Yet do these expressions accurately illustrate, or do they do more to irritate? Some, quite simply, just drive fundraisers crazy.

*The Nonprofit Quarterly* calls the appropriately named Philanthrobable Generator an “innovative and impactful component of NPQ’s capacity-building toolbox.” Among the most irritating words and expressions diligent readers have noted are “impactful” (of course), “this state-of-the-art capacity builder compellingly maximizes the win-win,” “uniquely qualified,” “but is it sustainable?” “enhance capacity for cultural competence,” “outcome-based programmatic designs,” “but will it increase transparency?” and “now, that’s transformative!”

# “Low-hanging fruit ... ” Ugh!

If I hear that *one* more time I may stop eating fruit altogether.

Followers on an AFP LinkedIn site have shared their least-favorite terms as well.

- After a failed fundraising event: “Well, at least we raised awareness.”
- The one that always gets me comes from the staff member or volunteer who has just been turned down by a person who was asked for a gift: “But she’s/he’s definitely our friend.”
- When talking about how to fund a project, I wish I had a nickel for every time I have heard, “There are grants for that!”
- I remember when I was the development director at our local community foundation. I was new on the job and in the office by myself when the phone rang. Someone quickly started asking me how much the foundation was. After several confusing minutes, I finally figured out he was asking about a building foundation, because the community foundation was incorrectly listed in the yellow pages under cement! Proof positive you never know what might happen in this biz—and how your “work” can be misinterpreted.
- I have heard all of these over the

years, but “friendraising” is probably the worst.

- “Best practices.” No one ever cites who determines certain practices are the best.
- “Low-hanging fruit ... ” Ugh! If I hear that *one* more time I may stop eating fruit altogether.
- “ ... and then you go for the close.” The word “close,” while it is arguably quite acceptable in fundraising, always makes me think of the movie *Glengarry Glen Ross* and all those pathetic salesmen looking for “great leads.”
- I dislike the language of “targeting people and hitting them up.” Language of this nature doesn’t honor the opportunity we are co-creating with the donor, and it doesn’t reflect well on our profession. It’s no wonder volunteers are apprehensive about participating in cultivation and stewardship activities!
- “Grant writer!” We don’t write grants—we write proposals *to apply for* grants that are given by grant makers. I realize this is a losing battle, but I try very hard not to use that bit of jargon.

- Another expression that always bugs me when it’s used inappropriately is “critical path.” I especially hate seeing that term used in conjunction with a Gantt chart, which is a completely different planning tool that has nothing to do with CPM (critical path method). Most of what we do in fundraising is nowhere near complicated enough for CPM to be appropriate, but people still insist on misnaming Gantt charts as “critical paths.”
- What bothers me? First, “There’s so much money available from the federal government. Why aren’t we getting any?” Also, “The banks have a lot of money, how about getting something from Bank of America?” Finally, I detest the word “suspect.”
- The above comments inspired the following: I suspect BofA could utilize a critical path in evaluating a grant writer’s efforts for low-hanging fruit and, if not, maybe we’d raise some friends there and then go for the close.

One person expressed a dislike for “utilize,” which generated this comment: Oh, but I like “utilize”! It’s real important when you strategize and even helps to energize when you conceptualize or even visualize or just plan realize that you can probably just fantasize that if you utilize the right word you just might capitalize.

Enough said. 🗨️

*Linda Lysakowski, ACFRE, is president and CEO of Capital Venture in Las Vegas, Nev., linda@cvfundraising.com.*