AFP Association of Fundraising Professionals

Advancing PHILANTHROPY

WINTER 2015

Think. Say. Do.

Creating a Culture of Philanthropy

Advancing PHILANTHROPY

WINTER 2015

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Riding the Merry-Go-Round

By Patrick J. Feeley, MBA, CFRE

After a long week of fundraising, I went to a concert with my teenage nieces to see the wildly talented band Fitz and the Tantrums. The crowd jumped in excitement to the band's upbeat, fast-paced set, which included the songs "Merry-Go-Round," "Spark" and "Break the Walls." I couldn't help but think how much the lyrics applied to my professional life.

As fundraisers, we often jump on a merry-go-round of campaigns and special events. As we celebrate the conclusion of one, we are laying the groundwork for the next. So where do we find the inspiration to go around again? I find that spark when surrounded by other fundraisers. I find it at a monthly luncheon, an educational conference or a networking reception for AFP. I find it when listening to the emotional voice of an award recipient on National Philanthropy Day®. I also find it when spending time with family at a concert.

I found the diversity of the crowd as invigorating as the lyrics. How can one band appeal to so many different ages and interests? The song "Break the Walls"—about coming together and removing barriers between us—reminded me of the richness of associating with AFP professionals of wildly different backgrounds and experiences.

AFP's efforts to reach out to younger audiences will benefit fundraisers of all ages. In the last two years, AFP has launched the collegiate chapters program and established a new young professionals membership category. The initiatives show early success, but much work lies ahead to change the face of our profession. What musical notes do we need to hit to attract the widest range of fundraising professionals?

Under the chairmanship of Bob Carter, we increased our membership, expanded our program offerings and strengthened our voice on public policy issues. How will we continue that work in the years ahead? How will we inspire tomorrow's fundraising champions to join us not just in our public policy efforts but also in all aspects of our fundraising community?

Our strategic plan focuses on several important issues, including ethics, professional education and building the capacity of the philanthropic sector. We won't be successful at any of these goals unless we represent the entire profession. I am convinced AFP can—and will!—play a critical role in attracting new voices to help the profession better mirror the communities we serve.

That means we need you! Over the next two years, I have the honor to serve as chair of AFP International. Join me as we ride the merry-go-round of fundraising, as we find our spark, break down walls and barriers and shape this vital profession together.

Patrick J. Feeley, MBA, CFRE, is executive vice president and chief development officer at Caron Treatment Centers (www.caron.org) in Wernersville, Pa.

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.

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You're a Fundraiser—Share the Pride in What You Do!

*By Howard Lake, from his posting on UK Fundraising (**www.fundraising.co.uk**)*

The Institute of Fundraising (**www.institute-of-fundraising.org.uk**) in London has released a tool kit to help fundraisers make their colleagues proud of the work they do. Drawing on the work of Adrian Sargeant and Jen Shang's *Great Fundraising* report, the tool kit aims to help fundraisers overcome two crucial cultural challenges:

- Your organization must be every bit as proud of its fundraising and its fundraisers as it is of its mission.
- All staff members and every volunteer should view themselves as being essential to great fundraising.

Having established "the seven pillars of great fundraising," the tool kit presents case studies of how charities have transformed their fundraising and action boxes for fundraisers to develop their own ideas under each of the seven pillars.

1. **Leadership.** Fundraising should be led from the top and led by example.
2. **Unity.** The whole organization should be united behind a well-defined, single emotional proposition that reconnects with both the belief and passion of the founders of your charity and the reasons donors give.
3. **Investment.** Raising money costs money, so bold investment with a minimum five-year view is sound sense.
4. **Donors.** Donors are vital to your mission, and everyone in the organization should understand this as a fundamental foundation and seek opportunities to engage with and strengthen mutually beneficial relationships with donors.
5. **Communication.** At the heart of effective communication are emotional stories that drive action.
6. **Inspiration and Motivation.** Fundraisers raise more when they are motivated, when all can see their central role in ensuring that donors are inspired, and emotionally happy organizations are ones that achieve their mission.
7. **Telling the World.** Once the internal messages are right, organizations have to boldly and proudly present their passionate case to all external audiences.

To download the tool kit, visit **www.institute-of-fundraising.org.uk/proudfundraiser/proud-toolkit**.

To read *Great Fundraising: What Makes Fundraising Truly Great?* by Adrian Sargeant and Jen Shang, visit

www1.plymouth.ac.uk/schools/pbs/default/Documents/Great-Fundraising.pdf.

Canada's Largest Foundations Give More Than $1 Billion Annually

Over the past 10 years, the total value of assets held by the largest 150 grant-making foundations in Canada has more than doubled, increasing from a little more than $8.8 billion in 2002 to $18.7 billion in 2012. This growth in assets has been matched by a growth in giving to Canada's charities, from $558 million in 2004 to $966 million in 2012, a growth of 73 percent.

These are just some of the findings from *Assets and Giving Trends of Canada's Grantmaking Foundations.* Produced as a collaboration between Philanthropic Foundations Canada and Imagine Canada, the report is a data-based portrait of grant-making foundations. It aims to inform a diverse audience, including foundation donors, the broader charitable community, policymakers and the general public, about the role of grant-making foundations in the charitable sector in Canada.

Using data from Imagine Canada's Grant Connect Database, the report offers a portrait of the largest 150 grant-making foundations and the 10 largest community foundations in Canada. It also explores data for assets and gifts during the period from 2002 to 2012, with a particular focus on grants made between 2009 and 2011.

Grant-making foundations, acting as long-term supporters and strategic partners of charities, distribute their grants across a range of organizations in the community. In 2011, in terms of total value, foundations gave the most support to grantees in education and research (28 percent of the total value of grants), followed by social services (16 percent) and health (15 percent).

Assets and Giving Trends of Canada's Grantmaking Foundations is available to download at no charge on the Philanthropic Foundations Canada (**http://pfc.ca**) and Imagine Canada (**www.imaginecanada.ca/our-programs/knowledge-development**) websites.

High-Net-Worth Giving Increases in the United States

Among wealthy U.S. households, the average amount given to charity last year increased 28 percent, according to the 2014 U.S. Trust® *Study of High-Net-Worth Philanthropy.* Through an ongoing partnership with the Indiana University Lilly Family School of Philanthropy, the fifth in the series of biennial studies reveals a strong commitment to charitable causes among high-net-worth households. This positive trend is seen in several findings, including:

- In 2013, virtually all (98.4 percent) high-net-worth households donated to charity, compared with 95.4 percent in 2011. This marks the highest rate of high-net-worth participation in charitable giving since the study began in 2006. This high rate of giving among the wealthy compares with 65 percent of the U.S. general population who donate to charity. (See the *Philanthropy Panel Study,* 2009, **www.philanthropy.iupui.edu/philanthropy-panel-study**.)
- The average dollar amount given to charity by wealthy donors increased 28 percent, from $53,519 in 2011 to $68,580 in 2013. Average giving as a percentage of household income decreased by one percentage point, as increases in income levels slightly outpaced increases in giving levels among this demographic.
- Eighty-five percent of wealthy donors plan to give as much (50 percent) or more (35 percent) in the next three to five years (through 2018) than they have in the past—up from 76 percent who said they planned to give as much (52 percent) or more (24 percent) when asked in 2012. The top reasons cited by those who plan to increase their giving are "increased financial capacity" (85 percent) and the "perceived need of the nonprofits or causes" they support (48 percent).

The following are key findings from the 2014 study, which reveal significant shifts as well as consistent trends in the giving behaviors, priorities and strategies of the wealthy, including the nonprofit subsectors they support, what motivates them to give, why they stop giving, how they give and family traditions. The study also examines the relationships among wealthy donors' knowledge of and engagement with giving, how much they give and the personal fulfillment they enjoy from philanthropy.

1. Volunteers give more. Volunteerism among high-net-worth individuals remained strong last year, with 75 percent of respondents volunteering with at least one nonprofit organization. Among those who volunteered in 2013, 59 percent volunteered more than 100 hours, while 34 percent volunteered more than 200 hours.

The study found that volunteerism has a strong connection to giving levels, and increasingly so. Wealthy donors who volunteered in 2013 gave 73 percent more on average than those who did not volunteer ($76,572 compared with $44,137). The study also found that giving among wealthy donors who volunteer increased 23 percent from 2009 ($62,302) to 2013 ($76,572), on average.

2. The education sector captures hearts and wallets. Many nonprofit subsectors enjoyed increased contributions from wealthy donors last year. However, findings demonstrate that the education sector was the largest recipient:

- Eighty-five percent of wealthy donors gave to education in 2013, making it the charitable subsector supported by the largest percentage of high-net-worth households. A closer look reveals that 73 percent gave to higher education and 60 percent gave to K–12 education.
- Education also received the largest share of dollars (27 percent) among all charitable subsectors—more than giving to religious, environmental, arts, basic needs and international causes combined.
- The highest percentage of wealthy households directed their largest gifts to religious organizations (34 percent) and educational causes (27 percent), including higher education (19 percent) and K–12 education (8 percent).

3. Why the wealthy give and stop giving. A variety of motivations drive high-net-worth philanthropy. In 2013, wealthy households cited the following as their top motivators for giving:

- believing that their gift can make a difference (74 percent)
- personal satisfaction (73 percent)
- supporting the same causes annually (66 percent)
- giving back to the community (63 percent)
- serving on a nonprofit organization's board or volunteering for a nonprofit (62 percent)

Only one-third (34 percent) of donors cited tax advantages among their chief motivators for giving.

Wealthy donors have strong feelings about how the nonprofits they support should use their contributions and conduct themselves. For instance, the majority of these donors (81 percent) expect the nonprofits they support to spend an appropriate amount of their donation on general administration and fundraising and to demonstrate sound business and operational practices (80 percent). They also expect nonprofits to honor their request for privacy and anonymity (78 percent) and, similarly, to not distribute their name to others (74 percent).

When donors stopped giving to a particular charity they previously supported, the top reasons cited were because they received solicitations too frequently or the nonprofit organization asked for an inappropriate amount (42 percent), the donor personally changed philanthropic focus or decided to support other causes (35 percent), the organization was not effective (18 percent) or the nonprofit organization they supported changed leadership or activities (16 percent).

4. Donors give strategically. Almost three-quarters of wealthy donors (73 percent) have a specific strategy in place to guide their charitable giving. This is further evidenced by the fact that 93 percent of donors apply a certain level of focus to their charitable activity, giving to a targeted set of organizations based on geography or a specific cause or issue.

More than half (57 percent) of wealthy donors used a giving vehicle in 2013 or plan to establish one to achieve their charitable goals going forward. Other trends in the use of giving vehicles, such as private foundations, donor-advised funds and charitable trusts, include:

- Giving vehicles received a large share of charitable dollars (28 percent) in 2013 when compared with giving directly to charitable subsectors, such as the environment, arts, etc., up from 23 percent in 2011.
- Wealthy donors are favoring donor-advised funds, with 16 percent of respondents giving to a donor-advised fund in 2013, 8 percent to a private foundation and just 4 percent to a charitable trust.
- Households with a net worth of less than $1 million are less likely to have or plan to use a giving vehicle (31 percent) compared with those households with net worth between $1–5 million (51 percent) and more than $5 million (69 percent).

Beyond donations and the use of giving vehicles, 84 percent of wealthy donors are aware of innovative ways to use their assets to advance social or charitable goals, such as socially responsible investing, social impact bonds or mission-related investing. Despite this high level of awareness, only 13 percent currently use such approaches.

5. Knowledgeable and engaged donors give more and achieve greater fulfillment. The study found strong relationships between wealthy donors' knowledge of giving and their characteristics and behaviors, including how they monitor their giving and its impact, consult with advisers, leverage giving vehicles and achieve personal fulfillment from philanthropic pursuits.

- Respondents who rated themselves as "expert" (14 percent) when it comes to charitable giving gave a significantly higher amount to charity in 2013 ($150,229) compared with those who describe themselves as "knowledgeable" (72 percent), giving $64,599, or "novice" (14 percent), giving $19,013.
- Slightly more than half (53 percent) of wealthy donors monitor or evaluate the impact of their charitable giving. Among those who monitor the impact of their charitable giving, 29 percent are novice, 53 percent are knowledgeable and 78 percent are expert donors. Those who monitor their giving donate a much higher amount ($104,265) than those who do not monitor ($28,543).
- Knowledgeable and expert givers are also more likely to derive greater personal fulfillment from their charitable giving, and greater fulfillment leads to higher giving levels. In 2013, 73 percent of wealthy donors reported achieving personal fulfillment through their charitable giving. Those who report personal fulfillment donated more than five times the amount of those who were not fulfilled (roughly $80,500 compared with $15,100).

6. Family traditions and preparing the next generation. When it comes to decision making, 61 percent of respondents who are married or living with a partner reported that they make decisions about their giving jointly with their spouse or partner.

Many wealthy families have giving traditions (41 percent), such as volunteering as a family and giving to charity during the holidays. Among those who volunteer (75 percent), respondents were far more likely to do so with family (68 percent) or friends (68 percent) than they were to do so through a workplace campaign (25 percent) or some other organized group (49 percent).

With regard to the transmittance of philanthropic values, the study found that a family's personal efforts and those of their friends and peers continue to be the leading sources by which the next generation learns about giving (55 percent), followed by religious organizations (44 percent) and nonprofits (24 percent).

7. Societal issues and confidence in those working to address them. Consistent with their top giving priority, more than half (56 percent) of wealthy donors also prioritize education among policy issues most important to them, followed by poverty (35 percent), healthcare (34 percent) and the environment (28 percent).

The study also found that, regardless of government funding of nonprofits, most wealthy donors would remain loyal to the organizations that have already won their support. In fact, in the event that the government decreased funding for an organization that a wealthy household currently supports, nearly one-third (32 percent) of respondents would increase their charitable contributions.

When it comes to resolving domestic and global issues, wealthy donors express the most confidence in nonprofit organizations (92 percent) and individuals (91 percent). Fewer, and in many cases far fewer, have faith in the federal government (54 percent), state or local government (61 percent), Congress (25 percent), large corporations (58 percent) and religious institutions' (73 percent) ability to do so.

To view a detailed summary of key findings from the 2014 U.S. Trust *Study of High-Net-Worth Philanthropy* and to access the full 90-page report, visit **www.ustrust.com/philanthropy**.

Growth in Charitable Giving Slowed as of Mid-2014

Fifty-two percent of charities raised more funds as of mid-2014 than they did as of midyear in 2013, according to the Nonprofit Research Collaborative's (NRC's) midyear fundraising survey. That figure represents a decrease in giving from 2013, when the midyear figure was 58 percent, but it is still stronger than in 2012, when it was 46 percent.

"The midyear results have averaged nine percentage points lower than end-of-year findings since the NRC began collecting data in 2010," says Nancy Raybin of the Giving USA Foundation, which is one of the NRC partners. "We see strong results so far for 2014 and anticipate a solid year end with many success stories."

The NRC surveys hundreds of organizations and asks about specific fundraising methods. General responses show a slight decrease in the rate of growth in giving and fundraising across many different organizations and techniques but nothing to indicate a significant concern, according to Raybin.

Other key findings for mid-2014 include:

- Education and arts organizations have found the most success so far in 2014, with 58 percent of responding organizations in each of these groups seeing an increase in funds raised.
- The four regions of the United States saw relatively similar increases in funds raised.
- Among Canadian respondents, roughly the same share (54 percent) reported growth in funds raised in early 2014 as did U.S. charities.
- As of mid-2014, 48 percent of human services charities in the study said they had raised more. This is lower than the 60 percent of human services charities reporting growth in funds raised as of mid-2013.

"Often, the organizations in this study that said they were raising more credited gifts from individuals instead of foundation grants or business support," says Dirk Rinker of research firm Campbell Rinker, which is also a member of the NRC. "This shows how vital it is that charities continue to engage and retain donors across a variety of giving sources and giving levels toward solid fundraising gains. There is a lot of good news in this report despite the slight slowing of growth. Organizations that continue to invest in fundraising are likely going to be the success stories."

The NRC conducts surveys twice a year, and reports from the NRC are available at **www.NPResearch.org**.

NRC partners are the Association of Fundraising Professionals; the Association of Philanthropic Counsel; CFRE International; Campbell Rinker; the Giving USA Foundation; the Partnership for Philanthropic Planning; and the National Center for Charitable Statistics at the Urban Institute. This wave of the NRC survey received additional support from the Science of Philanthropy Initiative.

European Fundraising Community Is Positive About Voluntary Income

More than half of national fundraising associations in Europe predicted an increase in voluntary income during 2014, according to *Fundraising in Europe 2013/14*, released by the European Fundraising Association (EFA).

The survey collates the views of national fundraising associations across

17 European countries, reviewing fundraising trends and developments from the past year and identifying the sector's predictions for 2014.

Despite the growth of many new forms of fundraising, the report affirms that most money is donated through public collections and in response to direct mail. Children and healthcare/medical research are the most popular causes.

Other key findings of the survey include the following:

1. Voluntary income levels show signs of recovery. As the European economy shows signs of a recovery, so too does the nonprofit sector. The fundraising community is positive about voluntary income, with a large majority of European nations reporting increased or stable donation levels over the past year. In last year's *Fundraising in Europe* survey, one quarter of EFA's members predicted that national voluntary income levels would increase in 2013. This year, 41 percent of members say voluntary income increased during 2013.

2. Fundraising organizations are optimistic about future voluntary income growth. With many fundraising organizations having outperformed their own expectations, the nonprofit sector is more positive about performance going forward, with more than half of national associations saying voluntary income would increase in 2014. At the same time, the sector anticipates that the impact of the global economic downturn will continue to be felt during the years ahead. Respondents feared that the poor economic climate would be the most negative factor to affect fundraising in 2014.

3. Public trust and confidence levels are stable, but concerns remain. The general consensus is that public trust and confidence is stable across Europe and will remain so, but there is less optimism about this than about voluntary income. Fundraising organizations are still concerned about a lack of public confidence, which was the most common barrier that restricted fundraising in 2013. When asked to rank fundraising charities' current concerns, public trust is the No. 1 concern.

4. Greater professionalism is the most positive influencer for fundraising. Advances in professionalism (reflecting developments in fundraising practices and professional standards) were identified as the most positive influencer for fundraising, both when looking back over 2013 and in making predictions for the year ahead. At the same time, respondents cited a shortage of fundraising skills as a key barrier that may hamper future growth and fundraising developments.

5. Nonprofits seek better tax breaks for charitable giving. When asked to identify one improvement that national governments could make to support nonprofits, European nations most commonly said they wanted better tax breaks for charitable giving as a means to help encourage donations from the public.

To read the report, visit **www.efa-net.eu/images/pdf/efa_survey_mar_2014.pdf**.

Nonprofit Sector: $887.3 Billion to the U.S. Economy

Approximately 1.44 million nonprofits were registered with the Internal Revenue Service (IRS) in 2012. From 2002 to 2012, the number of nonprofit organizations registered with the IRS rose from 1.32 million to 1.44 million, an increase of 8.6 percent.

These are some of the findings from *The Nonprofit Sector in Brief 2014: Public Charities, Giving and Volunteering* from the Urban Institute.

The nonprofit sector contributed an estimated $887.3 billion to the U.S. economy in 2012, or 5.4 percent of the country's gross domestic product (GDP). Approximately 35 percent of nonprofits registered with the IRS in 2012 were required to file a Form 990, Form 990-EZ or Form 990-PF with the IRS. These reporting nonprofits stated $2.16 trillion in revenues and $4.84 trillion in assets.

Of the nonprofit organizations registered with the IRS, 501(c)(3) public charities accounted for slightly more than three-quarters of the nonprofit sector's revenue ($1.65 trillion) and expenses ($1.56 trillion) and more than three-fifths of nonprofit assets ($2.99 trillion) in 2012.

Public charities are the largest category of the more than 30 types of tax-exempt nonprofit organizations defined by the Internal Revenue Code. Classified under section 501(c)(3), public charities include organizations in the following areas: arts, culture and humanities; education; healthcare; human services; and other types of organizations to which donors can make tax-deductible donations. In 2012, nearly 1 million organizations were classified as public charities, comprising two-thirds of all registered nonprofits. Between 2002 and 2012, the number of public charities grew 29.6 percent, faster than the growth of all registered nonprofits (8.6 percent).

In 2013, total private giving from individuals, foundations and businesses totaled $335.17 billion, an increase of slightly more than 4 percent from 2012 after adjusting for inflation. According to *Giving USA*, total charitable giving rose for the fourth consecutive year in 2013 (Giving USA Foundation, 2014). However, after adjusting for inflation, giving is still lower than at its pre-recession peak in 2007 ($348.03 billion in 2013 dollars).

More than a quarter (25.4 percent) of adults in the United States volunteered with an organization in 2013. Volunteers contributed an estimated 8.1 billion hours in 2013, representing approximately $163.0 billion worth of work. Fewer individuals volunteered in 2013 than in 2012, and those who did spent fewer hours volunteering.

To download the report, visit **www.urban.org/UploadedPDF/413277-Nonprofit-Sector-in-Brief-2014.pdf**.

U.S. and Canadian Healthcare Donations Top $10.7 Billion in 2013

U.S. and Canadian donors boosted their giving to nonprofit healthcare institutions to historically high levels of more than $10.7 billion, increasing annual donations by more than $380 million during the 2013 fiscal year, according to the Association for Healthcare Philanthropy (AHP).

According to AHP's *Report on Giving* data, philanthropic fundraising in support of U.S. nonprofit hospitals, medical centers, healthcare systems and related facilities totaled more than $9.2 billion in FY 2013, up $276 million—or 3.1 percent—over the previous year's giving levels and $1.5 billion more than in FY 2009, when the recession weighed heavily on U.S. donors.

In Canada, FY 2013 donations exceeded $1.5 billion, more than $100 million higher than in FY 2012 and a half-billion dollars higher than FY 2008's recession-related low point.

Steven W. Churchill, MNA, president and chief executive officer of AHP, noted that hospitals and health systems that invest in philanthropy continue to see at least a $3.50 return for every $1 invested. Return

on investment figures in FY 2013 for Canada stood at $3.83 for every dollar spent on philanthropic activities, compared with $3.55 in the U.S. Cost to raise a dollar (CTRD), a measurement of fundraising efficiency, was 26 cents and 28 cents in Canada and the U.S., respectively.

Putting these results into context with the overall economy, in 2013 the U.S. economy continued to recover at a restrained rate, while it was the best year for the Canadian economy since 2011.

In both countries, gross domestic product rose by 2 percent or more for the second consecutive year. In the United States, the S&P Index, a measure of stock market performance and a proxy measure of people's wealth, advanced 19 percent in 2013, compared with just 9 percent in 2012. For Canadians, real personal income—the amount of after-tax income left to an individual and also an indicator of economic well-being—grew by 2.4 percent, similar to 2012.

The *Report on Giving* survey and report are sponsored each year by the Association for Healthcare Philanthropy and conducted by the independent research firm Association Research Inc. For more information, visit **www.ahp.org/reportongiving**.

More to Giving Than Checkbook Philanthropy

Most investors happily embrace—and act on—the impulse to give back. However, a survey of high-net-worth investors reveals a common thread of uncertainty about the effectiveness of their donations. "Doing Well at Doing Good" in *UBS Investor Watch* (Q4, 2014) yields insights into why and how givers give—and how gender and age may shape their approach to philanthropy.

1. **Virtually everyone gives, but very few believe their giving is effective.** In the past year, nine out of 10 millionaires have either volunteered or donated. For many, however, "giving back" means writing checks, typically to an assortment of causes. Only one out of five givers considers their approach highly effective.

2. **Women and men approach giving differently.** Men are motivated by a sense of personal responsibility, while women are more likely to lead household decisions on giving, volunteer their time and donate to causes they are passionate about.

3. **Millennials are redefining philanthropy.** Contrary to fitting the stereotype of being lazy or self-centered, millennials as a group are more engaged with philanthropy than their baby boomer parents. They are also more intent on aligning investing, purchasing and career decisions with their core values. In fact, millennials' behavior points to the future of philanthropy.

4. **Thoughtful planning drives confidence in giving.** The uncertainty about the effectiveness of giving is significantly lessened when people take a planned approach. By incorporating philanthropic strategies into their plans, they can optimize their giving and feel that it has greater impact.

To read the report, visit **www.ubs.com/us/en/wealth/misc/investor-watch.html**.

For Diverse Communities, Giving Circles Strengthen Involvement In Philanthropy

JAMES YANG/ILLUSTRATION SOURCE

One in eight American donors—nearly half of them under the age of 40—has participated in a giving circle, an experience that can both strengthen communal identity and expand philanthropic reach. These are some of the findings of the report *Connected to Give: Community Circles*, which combines quantitative and qualitative data to bring new insight to the philanthropic phenomenon of giving circles.

The report, co-authored by Evelyn Dean-Olmsted, Sarah Bunin Benor and Jim Gerstein, outlines the demographics of giving circle participation by age, gender, ethnicity, household income, family status and more. Through interviews with participants in African-American, Asian-American/Pacific Islander, Hispanic/Latino, Jewish, LGBT, women's and millennial-generation giving circles, the report examines how people explore and express their heritage and identity through collaborative giving.

"Giving circles teach us how, when philanthropic institutions don't roll out the red carpet, people create their own ways in," said Dr. Shawn Landres, CEO and director of research at Jumpstart, which has spearheaded *Connected to Give*. "Highly connected people become deeply committed givers, and it's in giving circles that we see people creating philanthropic traditions that speak to their identity and community."

With nationally representative quantitative research, *Connected to Give: Community Circles* documents how the differences in ethnicity, gender and household income are apparent among giving circle participants relative to other donors. Without controlling for differences in age, income and education, higher proportions of African-American donors (21 percent), Asian-American/Pacific Islander donors (16 percent) and Hispanic/Latino donors (15 percent) participate in giving circles than do white, non-Jewish donors (10 percent) or Jewish donors (14 percent). Indeed, nonwhites make up 41 percent of all giving circle participants but 27 percent of donors who do not participate in a giving circle. Overall, most giving circle participants are female.

Complementing the surveys, a team of researchers conducted comparative ethnographic fieldwork with 20 adult giving collectives associated with an array of ethnic and affinity groups, including African-American, Asian-American/Pacific Islander, Hispanic/Latino, Jewish, LGBT, women's and millennial-generation giving circles. "Based on our interviews and observations, we noticed a 'virtuous circle' effect," said research team leader and report co-author Dr. Sarah Bunin Benor. "Giving circles connect people to like-minded individuals and lead to more meaningful, intentional and hands-on charitable giving, as well as increased communal engagement."

"Giving circles translate group traditions into group action for the greater good," added Sanford R. Cardin, president of the Charles and Lynn Schusterman Family Foundation, one of the project's 17 funders. "As the report shows, participants across a range of giving circles—African American, Asian American, Jewish, LGBT and more—are finding new and exciting ways to express particular values through giving that benefits both their own community and society as a whole."

According to the report, participation in a giving circle can empower people of diverse socioeconomic backgrounds to think of themselves as philanthropists and give them the opportunity to create and participate in a culture of giving. Giving collectives allow people to

become more strategic, educated givers, no matter how much or how little they contribute monetarily, and to get hands-on experience in evaluating prospective grantees and creating intentional, values-driven charitable goals.

Giving circles also can provide the space for minorities, women and people of all socioeconomic backgrounds to become leaders and effective charitable givers. Proactive philanthropy outside of more traditional structures that have historically been dominated by those in the majority (especially wealthy white men) can help empower participants through engaging in philanthropic activity that is uniquely their own—a reflection of their own values and goals and a reclamation of the concept of philanthropy irrespective of gift size. In fact, many giving circles were created specifically to provide a space for traditionally marginalized givers to come together. Every giving circle establishes its own monetary threshold for member participation.

No matter the contribution level, all giving circles promote a democratic process in which members must come together to learn about, advocate for and vote upon their grantees. Many participants say that part of the appeal of giving collectives is that they aggregate individual members' contributions—at any level—to have a greater impact through the collective action of the group.

For some minority groups, membership in a giving collective allows those who have achieved upward social mobility to remain connected to and "give back" to those who have not been as fortunate. As one member of an African-American giving circle said, "We're kind of taught inherently that progression—moving, better neighborhood, nicer home, better school. That is what we strive for. But at the same time, you know, there's a percentage of us who kind of lose that connection with our past. But [there are also] those [of us] who have become successful and attained those dreams of our mothers and our fathers, and we still reach back into the community. So, that's kind of the uniqueness [of African-American giving], just to put it all together. Bridging that gap and reestablishing that connection with our past."

One younger member of a Latino giving circle, who had also worked extensively in the nonprofit sector, said that philanthropy was an important part of his commitment to the Latino community: "The career [in Latino-serving nonprofits] was one piece, and philanthropy became a necessary element to that. A lot of that has to do with my understanding of economic power and being able to demonstrate that you have the capacity to give and the capacity to get others to give."

For many giving circle participants, socioeconomic advancement is not just about making and having more money but also about effecting change within the philanthropic system itself. Similar perspectives may be observed among participants in women-only giving circles, who, like participants in minority-based collectives, frequently cite the potential of giving circles to affect the culture at large. This was particularly important to those whose multiple affiliations motivate them to advance both in-group goals (making a change in the Jewish community, for example) and to make broader social change, such as increasing the proportion of women in leadership positions. As one interviewee put it, "There's one issue that we all agree on, which is the importance of women being leaders and feminist type of issues … the sort of sisterhood aspect of it. We're part of the same team."

And as a member of an LGBT giving circle offered, "I think we're still really trying to strengthen the LGBT organizations in the community. But part of what we see for the giving circle in the long term is positioning the circle in a way that the community sees that we're citizens of the community and interested in the greater good of the community."

To read and download *Connected to Give: Community Circles,* visit **www.connectedtogive.org**.

For many **giving circle participants**, socioeconomic advancement is not just about making and having more money but also **about effecting change within the philanthropic system** itself.

iATS payments

Introduction

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Fraud Protection Measures

Dedicated to Data Security for Nonprofits

We understand that safeguarding your donor information is of critical importance. As part of our dedication to ensuring the highest standards for data security, we have established the following features to help prevent fraudulent transactions with the **unique needs of nonprofit organizations in mind**. These features can be **customized for each client** organization and can be **turned off or on dynamically** as needed through the iATS customer portal.

Address Verification System (AVS)

This can be enabled or disabled and can include **various levels of address verification**. Clients can choose the level of address verification requirements for their organization.

Bank Identification Number (BIN checking)

This feature will match the **credit card's country of origin** with the IP address from the country where the donation is coming from. This matching along with monitoring **repeated attempts from the same IP** will identify transactions with high probability of being fraudulent.

Card Verification Code Requirement Capability (CVV2)

Clients have the ability to enable a requirement that a card verification code be entered for each transaction.

Card Number Tumbling

iATS will monitor an account for rejected transactions that are **repeatedly attempted** from the same card number (first 10 digits) and restrict these transactions from going to the bank.

XXXX XXXX XXXX 6098
XXXX XXXX XXXX 6098
XXXX XXXX XXXX 6098

IP (Internet Protocol) Blocking

IP addresses from **high risk countries** can be blocked as determined by each merchant.

Minimum Transaction Limit

iATS has implemented a minimum transaction limit in order to deter fraudulent attempts for values under $1.00.

Name Tumbling

Transactions with the **same cardholder name but different credit card number** processed over short periods of time are monitored and can be set to reject all attempts after a user-defined limit.

Jane Fraudster
Jane Fraudster
Jane Fraudster

Think. Say. Do.

How to build a philanthropic culture in your organization

By Karla A. Williams, M.A., ACFRE

It is all the buzz, this thing called "philanthropic culture." Everyone wants it, but what is it exactly? And how do you get one?

You have a philanthropic culture when your organization embraces philanthropy as a core value. With this mindset, people build relationships that are mutually beneficial and have impact on the mission. There is an organization-wide investment in fundraising.

A philanthropic culture is most certainly desirable but not so easy or quick to achieve. You must build such a culture. Culture-building requires thought leadership, values-based interactions and a strategic, intellectual and sometimes difficult process. It is more dynamic than didactic, and it takes time.

The measure? People think, say and do the things that make philanthropy an organizational priority. Their focus shifts from counting dollars to valuing relationships and results. Fundraising becomes everyone's concern.

Are you willing to lead the effort? As a development professional, no one is better suited to inspire an organization to adopt a philanthropic mindset than you are. Your position as the catalyst for philanthropy makes it possible for you to influence virtually everyone else in the organization—to show them by example how to think, talk and act. It will not be easy being a change agent, and it will not happen overnight. To be sure, it will not happen on its own. You will have to own it, but in the end, give everyone else credit for creating it. That is how legacies are built and great fundraisers are made.

Are you willing to lead the effort? As a development professional, no one is better suited to inspire an organization to adopt a philanthropic mindset than you are.

Simply put, you can influence how people in the organization think about philanthropy, what they say to build relationships and what they will do to reach fundraising goals.

THINK

Teach the meaning of "philanthropy." *Think* you can: "I can exhibit leadership and be a change agent. I will teach the concepts of philanthropy by showcasing how generous people want to partner with us to have an impact."

Begin by constantly using the word "philanthropy." If people do not know what you are talking about, explain what it means. Tell them how to spell it, define it and measure it. Give the word context by citing historic events, sharing donors' stories, quoting community leaders and circulating human-interest articles. Help people understand that philanthropy is a values-based process that occurs when donors feel compelled to give, not pressured into it, because their interests specifically match an organization's needs.

Philanthropy is seldom transactional. It is transformative. Remind people that donors do not actually give away their money; they invest it. It is up to you and your organization to spend it wisely, as intended. Put the word "philanthropic" before the word "fundraising" to show that you are not begging or selling.

As the leader of this cultural shift, you need to get people on board. Start with the CEO. Draft a philanthropic values statement that the leadership team can get behind.

ILLUSTRATION BY JOYCE HESSELBERTH

Be sure it is donor-focused. Then, engage board members. Invite them to make a list of their highest priorities for philanthropic gifts (no, not just to get cash to balance the budget). Help them see what can be funded at specific increments: $5,000, $10,000, $25,000 and even $1 million (or more). Dreams have a way of materializing.

Then, inspire staff. Show them the downside of not being a player on the community's philanthropic map. Remind them that voluntary contributions are the litmus test of their mission's value. Give them all the proper way of measuring philanthropy—measure what it does, not how much it is.

Making the Shift from a Fundraising to a Philanthropic

By Andrea McManus, CFRE

As public scrutiny into the nonprofit sector continues to increase, as fundraising becomes more competitive and more strategic and as your donors become increasingly knowledgeable, it becomes ever more imperative that fundraisers proactively nurture, educate and promote within and outside their organizations an understanding of the relationship between fundraising and philanthropy. You must help your board members, staff, volunteers and donors understand the philanthropic relationship, comprehend what drives it and clearly see its impact on fulfilling the mission. It is up to you to help them connect the dots and cultivate a widespread culture of philanthropy within your organization.

"Charity" is a limiting concept that tends to be crisis-oriented and indicative of a weakness of some sort. And this ultimately leads to the "tin cup" syndrome of fundraising—begging, impulsive, emotional and, worst of all, token in nature.

Philanthropy, however, is a much broader concept, the goal of which is to systematically solve problems. It is based on carefully thought-out plans, building on previous successes, focusing on the community and benefiting many people. In a philanthropic culture, everyone in the organization is comfortable with two definitions of ROI: the traditional "return on investment" and the mission-focused "results, outcomes and impact."

Consider the following as you help your organization make the shift from a fundraising to a philanthropic culture.

1. Your board and leadership truly understand "philanthropy."

A new concept? No, actually a very old one, and a critical funding motivator for almost all donors.

2. When someone calls to make a donation, the receptionist knows who you are and what to do.

Make sure all staff knows how to recognize and handle potential donors. Think customer service, competition and internal cooperation.

3. Accountability is something your organization lives by, rather than just paying lip service to it.

The No. 1 reason donors stop giving is because they do not think their gift was used as intended or promised. Be accountable in all aspects to your donors.

Your measure:

- To what extent does leadership value philanthropy? Do they see philanthropy as a way of thinking, talking and doing? Do they value human impact at least as much as they do financial impact? Is everyone willing to promote philanthropy and invest in it?

SAY

Teach about relationships. *Say* you can: "I can show them how to articulate the value of our mission for the entire community. And I will show them that relationships are two-way and sustainable when they are reciprocal."

Culture

4. You recognize that your primary role is not fundraising; it is building the philanthropic culture in your organization so that philanthropic relationships can survive and thrive.

Your role is not to "get donors," nor is it to "raise money." It is to build relationships that result in the formation of philanthropists. Donors and money are the outcomes, and you are the catalyst for social change in your organization.

5. Your organizational leadership understands and acknowledges the difference between philanthropy development and fundraising.

Philanthropy is the motivating value, development is the management of a systematic and strategic program and fundraising is the action. They are distinct but connected.

6. You have a statement of philanthropic values.

Have this discussion throughout your organization, and engage everyone. How do you want to treat your donors? How important are they to your organization?

7. Development is a core function that is long term, strategic and responsive to community needs.

Development is critical to fulfilling your organizational mission. It is a core part of your strategic thinking, planning, direction and action.

8. Fundraising is everyone's job.

It simply doesn't work if fundraising is done in isolation. Everyone has a role—ambassador, enthusiastic communicator, connector, cultivator, solicitor, steward.

9. One hundred percent of your board makes annual philanthropic gifts to your organization. Furthermore, your board demonstrates its ownership of fundraising, and all board members participate in fundraising—but not all in the same way.

It is very hard to ask others to support your mission if the leaders in your organization are not making annual, meaningful gifts. Encourage board members to make it one of their top three philanthropic priorities, and be able to lead with both passion and demonstrated commitment.

10. Donors are viewed as stakeholders in your organization.

Donors are not necessary, a burden, rich, your best friends, targets or a nuisance. They are stakeholders who have invested because they care about what you do.

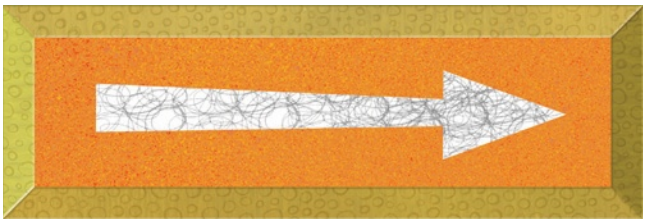
Andrea McManus, CFRE, president of The Development Group (www.thedevelopmentgroup.ca) in Calgary, Alberta, is a past chair of the AFP board and co-author of Excellence in Fundraising in Canada *(Civil Sector Press, 2011).*

A Message Just for CEOs

For CEOs, philanthropy is not just a way to generate much-needed revenue. It is one of the principal ways to position your organization as a valuable community asset.

With an entire sector devoted to the philanthropic pursuit of partnerships, philanthropic fundraising is not something to shy away from. It is something to be zealous about. If your organization does not attract philanthropy, you may be sending an inadvertent but contrary message—that you do not need your community's input or financial support. If you do not fundraise, the public does not have an opportunity to validate its trust in what you do, which could lead to mistrust around your organization's relevance and value.

As a nonprofit leader, when you embrace philanthropy as ''community-building,'' you automatically make a compelling rationale for fundraising, which inspires everyone around you—the board of directors, the development department staff, your program staff and volunteers—to help raise money. When you lead the fundraising charge, you affirm that the purpose of philanthropy is to raise the mission, and one way to do that is to raise money. Not vice versa.



How do you teach your colleagues about cultivating relationships to get support for their projects? Every discussion about relationships starts with values. Tell them, as Kay Sprinkel Grace expressed so well, "All philanthropy is based in values. Development of relationships is the process of uncovering shared values. Fundraising offers people opportunities to act on their values."

Help them understand that donors want to be partners, not projects. Involving donors rather than just tapping them for cash means "more" comes when dreams are constructed together. Engage program directors in discussions about why donors give to their particular program—and why they do not.

Give examples of how they should talk to the greatest generation differently than to baby boomers and millennials. Board members and staff are fascinated by fundraising psychographics, in part because they affirm their own values in the discovery of knowledge. Explain that "giving" is an individual journey for everyone. You

Children's Theatre of Charlotte Philanthropic Values Statement

- We embrace our work with passion for our mission, vision and commitment to core values and with an overarching goal to engage the community in our programs—as participants, as advocates and as donors.
- We articulate our story—verbally, in writing and in all materials—with professionalism and enthusiasm.
- We are responsive with donors, participants, prospects and teammates in providing information and creating solutions.
- We conduct our business with the highest degree of integrity, following current best practices in fundraising, from the initial interaction to the stewardship and management of their contribution.
- We take every opportunity to convey heartfelt and genuine appreciation to our donors, acknowledging that when donors begin to feel disconnected, we lose their support.
- We set the standard for valuing the involvement of our patrons by providing exceptional benefits and stewardship to attract and retain donors.
- We remain current on local and national trends in philanthropy and nimble to respond to challenges and opportunities.
- We engage our board and key volunteers in ways that encourage their participation and involvement in the development process.
- We distinguish Children's Theatre of Charlotte as an organization worthy of investment of time, talent and resources by families, volunteers, foundations and corporations.

Figure 1. Creating a Philanthropic Culture

start by having to give and end up wanting to give. Money does not cause one to give. Generosity and gratitude do.

Introduce donors to everyone at your organization so they can see that "they" are not much different from "you." Start with the newest intern, and work your way up to the leadership team.

Talk with staff, one-on-one. Ask each what he or she thinks money is needed for, and you will hear about the gaps, the excesses, the hopes and the troubles. Teach them how to articulate their cases for support with clarity, pointing out the mutual benefits to the donors and community. Help them write it, or write it for

Table 1. Philanthropic Culture Checklist for Board Members

Step 1: Answer each question with a "yes" or a "no"
Step 2: Discuss what is needed to turn a "no" into a "yes"

Yes/No	Checklist	Action Needed
	1. I can articulate "why" I was initially recruited to serve on the board.	
	2. I know that fundraising is one of my roles, and I am willing to be an advocate/champion in the community.	
	3. I list this organization as one of my top charitable priorities.	
	4. I make a gift annually, in an amount that I consider "generous."	
	5. I talk about our organization's greatest needs for funding, in priority order.	
	6. I am able to quote/cite our success, in outcome measures/metrics/impact.	
	7. I am able to "tell a story" about three different clients/situations/outcomes.	
	8. I personally know at least 10 individual donors, because I solicited them or thanked them.	
	9. I regularly "open doors" and personally invite people to meet the staff or tour the facility.	
	10. I talk about this organization with my friends and colleagues—at work, at parties and even in the grocery line.	
	11. I have hosted a table at the annual fundraiser and followed up with my guests to thank them.	
	12. I am considering a legacy gift to this organization in the future.	

Table 2. Philanthropic Culture Checklist for Staff Members

Step 1: Answer each question with a "yes" or a "no"
Step 2: Discuss what is needed to turn a "no" into a "yes"

Yes/No	Checklist	Action Needed
	1. I believe that philanthropy is essential to the fulfillment of our organization's mission.	
	2. I can describe the programs/projects that philanthropy helps to underwrite and I know what it doesn't fund.	
	3. If a donor asked me, I could give at least two or three examples of how philanthropy has an impact.	
	4. I also could give several examples of where philanthropy is needed right now.	
	5. I have personally met and know at least five donors by their first names.	
	6. I have written thank-you letters to donors who have supported a program/project.	
	7. We treat each and every donor as a partner, regardless of how much time, talent or treasure he or she gives.	
	8. Every year, I make my own gift to the staff/employee campaign because I want to be counted as a donor, too!	
	9. When I am with friends and family, I brag about the way donors make our organization "great."	
	10. The role of fundraising belongs to all of us, and I will do whatever I can to develop strong relationships with donors.	
	11. I not only feel honored to work here but I also consider our organization as one of the leading nonprofits in our community.	

them! Teach them how to be "interested" in donors, in addition to being "interesting." Make their case examples believable and urgent. Show how other similar nonprofits are using wish lists, videos, social media, human interest stories and, of course, measureable outcomes. Incite a little jealousy.

In a philanthropic culture, people do not feel entitled to philanthropy. They want to earn it. They earn it by making a case that is donor-focused.

Your measure:

- To what extent are donors valued as partners? Does everyone have contact with donors and the confidence to exchange ideas? Is the case for support critical, urgent and compelling?

DO

Teach them about fundraising. *Do* what you can: "I am going to reduce the fear and erase the embarrassment. I am going to show that fundraising is a 'service' that helps donors make meaningful decisions."

Set the tone, and be the role model. Never beg or sell. Make fundraising a natural, enjoyable, respectful and successful activity. Show that fundraising is not haphazard but rather an organization-wide strategy. This does not mean that you want everyone to ask for money. Rather, ask them to assist—to be a conduit of the mission. In a philanthropic culture, virtually everyone (leadership, board, volunteers and staff) has a role to play in successful fundraising.

Identify those roles, make a list, ask for input, give people choices and allow their excuses. They can thank a donor, help write the case statement, make a presentation, refer a client/customer, invite a donor for a tour and even make their own gift. Invite board members, staff and volunteers to be hosts at events. Take them along on a donor visit. Ask them to send thank-you notes and birthday cards to "their" donors. Don't set goals for them. Allow them to establish their own. They may surprise you and "own" a fundraising campaign. Hold focus groups, and invite them to sit in. Ask them to invite donors to share their stories at their staff or board meetings. Share articles about donor trends, fundraising ideas, etc.

When there is an organization-wide mindset that philanthropy is vital to your nonprofit's existence, then fundraising practices and processes belong to everyone. They are natural, never forced.

Your measure:

- To what extent do people participate in fundraising? Are board members and staff willing (and prepared) to wear their nametags in public, give elevator testimonials at the drop of hat and volunteer to meet with donors anytime, anywhere?

The bottom line? In a philanthropic culture, mission comes first, then money follows. Donors are partners, not transactions. Board members are ambassadors, not bystanders. Employees are producers, not just performers. Development staff is respected, not shunned. And fundraising is honored, not avoided.

Karla A. Williams, M.A., ACFRE, is principal of The Williams Group in Charlotte, N.C. (karlawilliams1@aol.com). Her first article on the importance of creating a philanthropic culture appeared in Contributions *magazine in 1995. A consultant, teacher, speaker and author, her* Guide for Building a Philanthropic Culture in Your Organization *will be published in early 2015.*

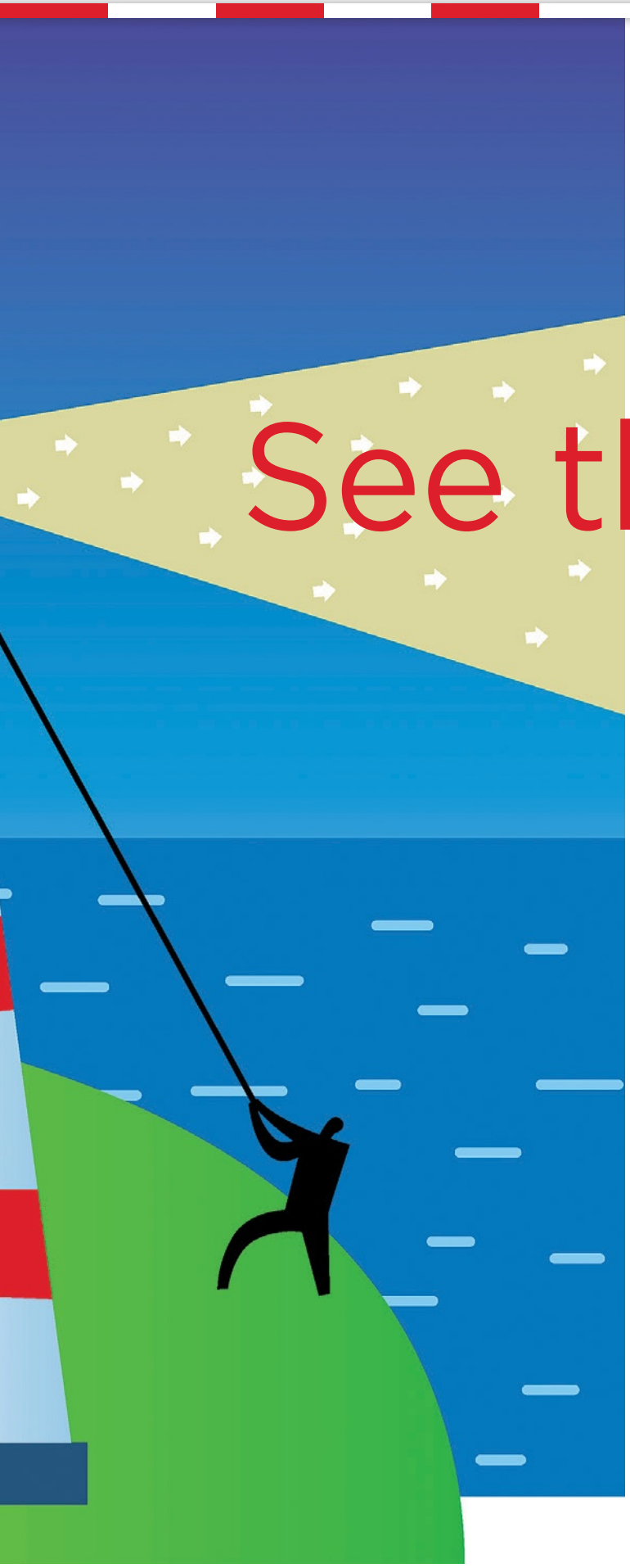
A Message Just for Fundraising Professionals

The primary responsibility of development professionals is not to raise money. It is to build a philanthropic culture. The most successful development professionals—those who consistently facilitate the most extraordinary gifts—take their job very seriously and define their role very broadly.

Your fund-development programs are more than narrow fundraising efforts that focus on a campaign goal thermometer. You strive to build relationships that result in the formation of philanthropists (of all financial means), as opposed to getting donors. Your programs perpetuate the philanthropic tradition and nurture the spirit of giving and receiving. In philanthropic cultures, development professionals influence the environment by encouraging everyone to be involved in the philanthropic process in some way.

What is the role of development staff? They are the facilitators, catalysts, advocates, stewards and the conscience of a philanthropic culture. That is how you fundraise.

When there is an organization-wide mindset that philanthropy is vital to your nonprofit's existence, then fundraising practices and processes belong to everyone. **They are natural, never forced.**



See the Light

How a culture of philanthropy in your organization can make a difference in morale, board motivation and donor retention

By Paul Lagasse

Veteran development directors know by heart the litany of alibis that board members offer when trying to avoid fundraising activities: "I don't feel comfortable asking my friends for money." "It makes me feel like a salesperson." "I'm too introverted." "They'll ask me to give to their cause." At the same time, ask those same people to explain why they support the organization, and they will likely share with enthusiasm their personal stories of how they became, and remain, committed to your cause. The secret, as experienced fundraisers know, is to get reluctant board members to realize that fundraising is about the stories, not the ask.

On an institutional scale, the same distinction can be made between organizational cultures that are focused on fundraising and those whose primary concern is philanthropy. In an organization with a fundraising-oriented culture, the development team tends to be centered on meeting revenue targets, with its work largely carried out in isolation. In an organization with a healthy culture of philanthropy, on the other hand, the focus is on cultivating donor relationships that will ensure long-term sustainability for programs and services—a goal shared by everyone in the organization.

Engaging the Whole Person

In a way, it is easier to define a philanthropic culture by all the things it is not. Most important, philanthropy is not synonymous with fundraising, although they are not mutually exclusive. "You can't have philanthropy without fundraising," says Simone P. Joyaux, ACFRE, principal at Joyaux Associates (**www.simonejoyaux.com**) in Foster, R.I. "Philanthropy doesn't happen without someone being asked in some way."

IMAGEZOO/ILLUSTRATION SOURCE

The challenge, she says, is to find an appropriate balance between the two.

Joyaux outlined the concept of a culture of philanthropy in her book, *Strategic Fund Development: Building Profitable Relationships That Last*, as a result of looking at the role that organizational culture—its values, beliefs and spirit—plays in successful companies. When defining what constitutes a philanthropic culture, Joyaux says that she prefers the definition of philanthropy offered by Robert L. Payton, a co-founder of the Center on Philanthropy at Indiana University: "Voluntary action for the public good." The emphasis, she notes, is on the word *action*. "Philanthropy is about respecting anyone who gives something for the common good," she says. "I think it's a tragedy when people think that philanthropy is about the size of the gift."

When fundraisers conflate philanthropy with financial gifts, it limits everyone's options. "Fundraising narrows us," says Karen Osborne, president of The Osborne Group Inc. (**www.theosbornegroup.com**) in Mt. Kisco, N.Y. "Who wants to be wanted only for their contacts and money? Donors have other capital to bring to the table. When you engage them as a whole person, you get better results."

This is especially important, she points out, at a time when the donor pool is shrinking and industry metrics such as the Fundraising Effectiveness Project (**http://afpfep.org**) and Target Analytics' quarterly Index of National Fundraising Performance (**www.blackbaud.com/nonprofit-resources/national-fundraising-performance-index**) show that donor retention rates are continuing their downward slide.

It is not all smooth sailing when creating a culture of philanthropy. As Osborne points out:

- An organization's leaders do not see an explicit correlation between stewardship (demonstrating the impact of donor and volunteer investments in the organization) and fundraising and therefore do not hire staff dedicated to stewarding donors.
- Leadership does not understand the requirements for successful donor engagement and stewardship.
- Development officers do not have the staff support and budget they need to establish (or strengthen) a donor engagement and stewardship program.
- Too often, we've recruited board members who may not be willing to commit their time or resources to the organization or to engage with the community.

Encouraging Staff and Volunteers to Pay It Forward

Four Seasons Compassion for Life (**www.fourseasonscfl.org**), a hospice and palliative care provider in western North Carolina, has served more than 10,000 patients during its 35-year history. Its successful outreach efforts, which include a Center of Excellence and a health initiative in Zambia, were recently recognized by the Center for Medicare and Medicaid Innovation in the form of a $9.6 million grant to implement a three-year community palliative care program for inpatients and outpatients—the only organization of its kind to receive such an award.

Internally, the organization is undergoing an equally ambitious cultural transformation, seeking to raise staff awareness of, and support for, its philanthropic mission by providing more opportunities for learning, recognition and communication. How are they going about it? Four Seasons' leaders and staff share their thoughts on the challenges and opportunities they face along the way.

Q: What prompted Four Seasons to seek to create a culture focused on philanthropy?

Derek Groves, vice president of sustainable resources: We need to always remember what our donors have done for us and how it enables the agency to serve patients and families. We need a more defined plan for who owns strategies and tactics to promote a culture of philanthropy. This is everyone's responsibility. We are here because of the donors who gave before us.

Q: What is the biggest obstacle or challenge that must be overcome in your effort?

Chris Comeaux, CEO: The reality is that, right now, salaries are not increasing due to cuts in [Medicare] reimbursement, so it is hard for staff to understand that we have left behind the years of plenty and are entering the lean years. Con-

The question of board makeup is particularly important, Osborne explains. Rather than making sure upfront that board members understand the commitment they are expected to make, "we tend to put people on the board and hope they fall in love with us," she says. A philanthropic board should have a stake in the organization because one of its most important roles is to share stories about why the organization does what it does and why others should care. And that story needs to be shared so that everyone involved understands that what they are doing is both important and meaningful.

Nancy K. Racette, CFRE, principal and COO of Development Resources Inc. (**www.driconsulting.com**) in Arlington, Va., agrees. "In a culture of philanthropy, you are asking board members to be part of the fabric of your organization and to invite others to become investors, just as they have."

Racette says that when she meets with board members, she often begins by explaining that the dictionary definition of a philanthropist is someone who actively promotes human well-being, not someone who gives money. A true culture of philanthropy, she explains, empowers volunteers and staff at all levels of an organization to act as its representatives. For example, a hospital organization with a philanthropic culture would want to ensure that all volunteers and staff—receptionists, nurses, doctors, lab technicians, etc.—who engage patients and their families are trained to provide a uniformly positive experience from the moment patients arrive to the moment they leave. "The reputation of the organization depends on how you treat people everywhere," Racette says. "You never know who a donor is going to be."

The Importance of Empathy

Implicit in a culture of philanthropy is the ability to understand the feelings and ideas of others. Robert E. Fogal, Ph.D., ACFRE, CAP, founder and principal of Fogal Associates (**www.fogalassociates.com**) in East Norriton, Pa., argues that philanthropy can be viewed as a kind of interpersonal behavior that requires a healthy management of the ego. "A culture of philanthropy is present when, at a minimum, people interact with respect for others and exhibit a willingness to make their interests less important than others'," he says. "The greater an individual's self-awareness, the greater the chance that he or she will engage in successful relationships."

Fogal says that leaders who approach their organization's mission with a rigid style typically stifle, whether

vincing staff to invest their dollars back into the organization is a tough sell when they are seeing their own payroll dollars buy less than before.

Q: How aware are the staff and volunteers of the central importance of fundraising and philanthropy in the day-to-day operation of Four Seasons?

Callie Walston, philanthropy coordinator: I think many believe that we are so well established that we operate more like a business with a bottomless pocketbook rather than as a nonprofit. Independent, team-on-team education sessions can educate them on what we need, what our programs need and what our families need. It is important for people to start saying, "I will be an example of how every dollar counts. I will use my talents to find resources, people and examples to show my colleagues how we use funds for goodwill and happy endings."

Q: What role do you see the community playing in your efforts to change the organization's culture?

Joyce Mason, RN, director of clinical services: The community plays a huge role. It happens each time Four Seasons serves a patient or family. As they are touched by the team's caring, they then touch others, either through their time and service back to the organization or by spreading the word about the care they received. Their response may not "pay it forward" directly to Four Seasons, but it does give back to the community as a whole.

intentionally or otherwise, the discussions and interactions that lead to a creative, collaborative and innovative culture. Successful leaders recognize stakeholders' diverse styles of perceiving a mission. For example, people whose styles differ may express how they view a community-based educational program in different ways, all of which are valid:

- Enroll and teach math skills to 200 older teenagers in our community through after-school tutoring.
- Help local employers during the next year by training 200 17- and 18-year-olds in work skills.
- Equip older adolescents to become adults who can enjoy productive and satisfying lives.
- Build a foundation of educated adults who will be good citizens and economically successful.

An organization that has a philanthropic culture is open to all these views and, as a result, will engage more readily donors and other stakeholders who view the mission and express their values in diverse ways.

It takes time for an empathetic culture of philanthropy to develop organically, cautions Fogal, who developed the StyleWise coaching method (**www.stylewise.info**) to help people increase their self-awareness and improve their interpersonal skills in order to foster such changes in their organizations. "Don't try to turn on a dime," he advises. "We don't build that kind of awareness very quickly."

Ultimately, Fogal says, the form that an organization's culture takes will depend on the people who perpetuate it. "The vitality of an organization's culture depends on the individuals who lead the process to maintain that culture," he points out. "It doesn't just happen."

Putting the Organization First

In many cases, altruistic behaviors such as openness and empathy are perceived as a vulnerability or even a liability. This outlook can be particularly acute in highly competitive organizations where development staff and others are under pressure to meet targets that they may well not have had a hand in setting. In such scenarios, a lack of staff buy-in will ultimately prevent a culture of philanthropy from taking hold.

The art in this, says Prue S. Precourt, Ph.D., CFRE, managing partner at Verdon Precourt Associates (**www.verdonprecourtassociates.com**) in Wyomissing, Pa., is to find a way to convince people to put the health of the organization ahead of their own interests. "If you don't have a good explanation about why a culture of philanthropy is important from the perspective of the person you are trying to convince, you won't be able to make the case," she argues. "Simply assigning the tasks needing to be accomplished to create a new 'culture' doesn't mean that they will be absorbed." In fact, fundraisers, who are often overworked and overburdened, are more likely to treat a culture of philanthropy as just another requirement that they have to try to squeeze in somehow.

"The day-to-day reality of development office operations isn't always compatible with nurturing a culture of philanthropy," Precourt says. One way to help bridge that gap, she suggests, is to make sure that everyone in the organization—leadership, board members and staff—has many different opportunities to learn, in ways they find memorable, about how creating a culture of philanthropy will bring positive results for them and for the organization. It also helps to focus on accustoming staff and volunteers to a limited number of clear and simple things each can do to take the development office in this new direction. This can be done by inviting local colleagues whose organizations have created a culture of philanthropy to share work and personal experiences that reflect how these same actions apply to real-life situations they encounter every day. She also recommends reading *The Trusted Advisor* by David H. Maister, Charles H. Green and Robert M. Galford. The four "trust principles" that the authors lay out are highly relevant to a culture of philanthropy:

- A focus on others
- A collaborative approach
- An emphasis on long-term relationships
- Transparency

Even the most trusted adviser, however, may encounter obstacles when trying to bring about a cultural change. "Planning your strategy to make that change is very challenging," Precourt admits. "The cultures inside development offices can be vastly different from each other. Some will be more amenable; in others, it will be a hard sell."

What can fundraising professionals do to overcome resistance? J.A. Tony Myers, Ph.D., CFRE, principal and senior counsel at Myers & Associates in Edmonton, Alberta, and Scott Decksheimer, CFRE, president and principal consultant at Nine Lions Development Consulting (**www.ninelions.ca**) in Calgary, Alberta, have identified several steps. First, they say, you should prepare a formal plan and share it throughout the organization. "It may seem counterintuitive to think that planning can build a culture, but perhaps it's the most important thing

you can do," Myers says. "Failure to create institutional plans causes the most problems."

Next, solicit feedback and buy-in by discussing the plan with people and getting them to talk and think about it among themselves. "It's those water cooler conversations that make the difference," Myers says. Sharing stories that convey the passion about everyone's efforts and results helps create a spirit of enthusiasm. Finally, lead by example. Engage in philanthropic activities yourself, and share with colleagues the pleasure and satisfaction you feel from giving your time and energy.

Decksheimer and Myers have developed a unique assessment tool that identifies four elements that define a mature culture of philanthropy and serves, as

Fostering a Culture of Philanthropy Through Board Engagement

The organizational culture of Habitat for Humanity Greater San Francisco (**www.habitatgsf.org**) is innately philanthropic. Since its founding a quarter-century ago, the local affiliate of the well-known international organization has prided itself on its ability to give back to the community that supports it. Habitat volunteers, who include local AmeriCorps members, are trained to be attuned to their dual roles as ambassadors as well as builders of environmentally sustainable homes for families in need.

To nurture that philanthropic culture, CEO Phillip Kilbridge began developing a board stewardship program shortly after joining the organization nine years ago. "We always had 100 percent giving, but we didn't have 100 percent board engagement," he recalls. "Today, our board members are 20 years further along in their careers and 10 times more connected than the board we had in 2005."

Kilbridge explains that the core components of Habitat San Francisco's board stewardship program are:

- **Term limits.** Board members are allowed to serve a maximum of two three-year terms.
- **Targeted recruitment.** Habitat San Francisco identifies candidates who have needed skills as well as track records of community service.
- **Clear expectations.** Habitat San Francisco explicitly lays out board member responsibilities and requirements during interviews.
- **Comprehensive onboarding.** Board meetings, orientations, site visits and staff meetings introduce new board members to the organization and its culture.

Habitat San Francisco's board has 24 members. Kilbridge admits that the number is unusually large but explains that the organization's approach to stewardship has allowed the board to remain responsive to changing needs while also allowing members to pursue their passions. "I don't see them as 24 individual bosses running the organization," he says. "They are 24 critical partners."

Kristine Leja, Habitat San Francisco's chief development officer, fosters that sense of partnership by working with board members to find ways for them to apply their particular skills and strengths to their board duties. She recalls the time that a board member confessed to her that he hated asking his friends and associates for money. Leja made a deal with him: If he would trust her to cultivate his contacts, all she would ask of him at donor meetings would be to share his story. The result? At one meeting, a donor, who until then had given only a few thousand dollars, made a $100,000 gift. "He's now the best fundraiser on the board," Leja says, "but he'll tell you that he's not a fundraiser.

"We have a real opportunity at Habitat San Francisco to reach out to a lot of people," she adds. "I think that our collaborative spirit fuels Habitat San Francisco's culture and nurtures the fundraising process."

Kilbridge agrees. "Boards respond when their time is respected, when their intellect is appreciated and when their passion is ignited," he says. "And we try to reach them on all those levels. It's best for our mission and for our community."

Myers explains, as "a way to take your organization's temperature over time." You can judge how well your efforts at cultural transformation are proceeding by asking these questions:

- Is the organization mission-focused? Is everyone aware of the impact of his or her contribution?
- Is philanthropy being practiced throughout the organization? Are program and administrative staff, volunteers, the board and leadership all engaged in the cause?
- Is the organization involved and engaging? Is it creating a more emotional commitment to the needs of its constituents?
- Are sustainable relationships being developed? Are they focused on the organization and not on individuals?

"The big message we want to convey is that, as a development professional, you can influence this," Decksheimer says. "Everyone contributes to a culture, but development professionals have the power to actually move it forward."

Sharing With the Community

Fundraisers also have the power to move their organizations' philanthropic culture past their front door, yet often they do not. "When we talk about an institutional culture of philanthropy, we tend to inadvertently create a bubble around the culture," says Vivian Ann Smith, CFRE, president of Liberty Quest Enterprises Inc. (**www.libertyquest.ca**) in British Columbia. "For the culture to sustain itself and grow, it needs to belong to the community, however you define that."

Smith says that development officers are a natural resource for teaching and serving as role models for the impact of philanthropy in everyone's lives. Through such efforts, the rising tide of philanthropic spirit will lift all nonprofit boats in the community. "If we can share our philosophy of philanthropy, a person may give, yet not to my organization," Smith says. "But if they are moved to make a gift elsewhere, then my entire community benefits."

Smith encourages fundraisers to pass this philosophy along to board members as part of their training and also to incorporate it into the organization's succession planning. Fundraisers also can model this activity in their community by donating their time and money to local charities and by encouraging others in their organization to do so as well.

Another way to spread the culture of philanthropy, Smith suggests, is to offer to speak to local civic groups about the benefits of giving to the community. "My hope is that, as we consistently take that message to others, we will reach a tipping point where people start carrying it out in their own lives," she says.

Another reason to spread a culture of philanthropy into the larger community is to help cultivate the next generation of donors—a particularly important consideration over the next few decades as the baby boomer generation begins to shrink. Teaching children about philanthropy, by instruction and by example, is a key element of any strategy for ensuring a healthy and sustainable philanthropic community over the long term. Robert J. Mueller, CFRE, vice president of development at Hosparus (**www.hosparus.org**), an eldercare hospice in Louisville, Ky., says that philanthropic habits instilled early can last a lifetime. "When I was a kid, in church

The study *Women Give 2013* found that when parents talk to their children about philanthropic behavior and serve as role models in charitable giving, their children will be more likely to support charities later in life.

I was responsible for holding the church envelope and putting it in the basket," he recalls. "It taught me something. I learned how to give."

The study *Women Give 2013* found that when parents talk to their children about philanthropic behavior and serve as role models in charitable giving, their children will be more likely to support charities later in life. Mueller encourages fundraisers to seek out opportunities for parents and children alike to engage with charities, including participation in AFP-sponsored Youth in Philanthropy and National Philanthropy Day® activities (**www.afpnet.org/about**). Mueller also encourages fundraisers to approach elementary schools, high schools and colleges with proposals for events and presentations that focus on philanthropy and provide children with valuable hands-on experiences working in hospitals, eldercare facilities, arts and cultural organizations and elsewhere.

Community engagement efforts that focus primarily on events, however, may miss the opportunity for long-term engagement, Mueller cautions. "People end up with the misperception that bake sales and fun runs are the way to go," he says. "I see it in many organizations that focus on events and miss the tripod of repeat, major and planned gifts. And that takes them away from the greater things of philanthropy."

Sustained community engagement also helps dispel the stereotype people have of nonprofits as always having their hand out. Mueller relates how, when he makes thank-you calls to donors, he can sense them cringe when he introduces himself and his organization. They instinctively expect that he is calling to solicit more money. Instead, when he tells them that he is calling to thank them for their past support, they are surprised and grateful. At the same time, donors' reactions to being thanked make fundraisers feel better about what they do. "It's not just numbers. It's about getting people to feel good about giving," Mueller says. "It's a matter of walking your talk."

Osborne agrees. "When all of our internal and external stakeholders understand what a culture of philanthropy is, when they believe in it, embrace it and act on it, it's game-changing," she says. Osborne recalls a conference at which five major-gift donors were invited to speak with a group of new fundraisers. Each of the five donors had been diligently cultivated for years by an organization with a strong culture of philanthropy. The organization patiently engaged each of them in personally meaningful and productive ways, sharing stories and inviting them to participate in activities that exposed them to every level of the organization and allowed them to develop relationships with the leadership, staff and other board volunteers. Yet, when one of the fundraisers in the audience asked the donors to describe the best solicitation they had ever received, each one of them said, in all sincerity, that they had never once been solicited.

"That is our best work," Osborne says with pride. "That, right there, is our job. Of course, they were solicited, but it didn't feel that way."

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Resources

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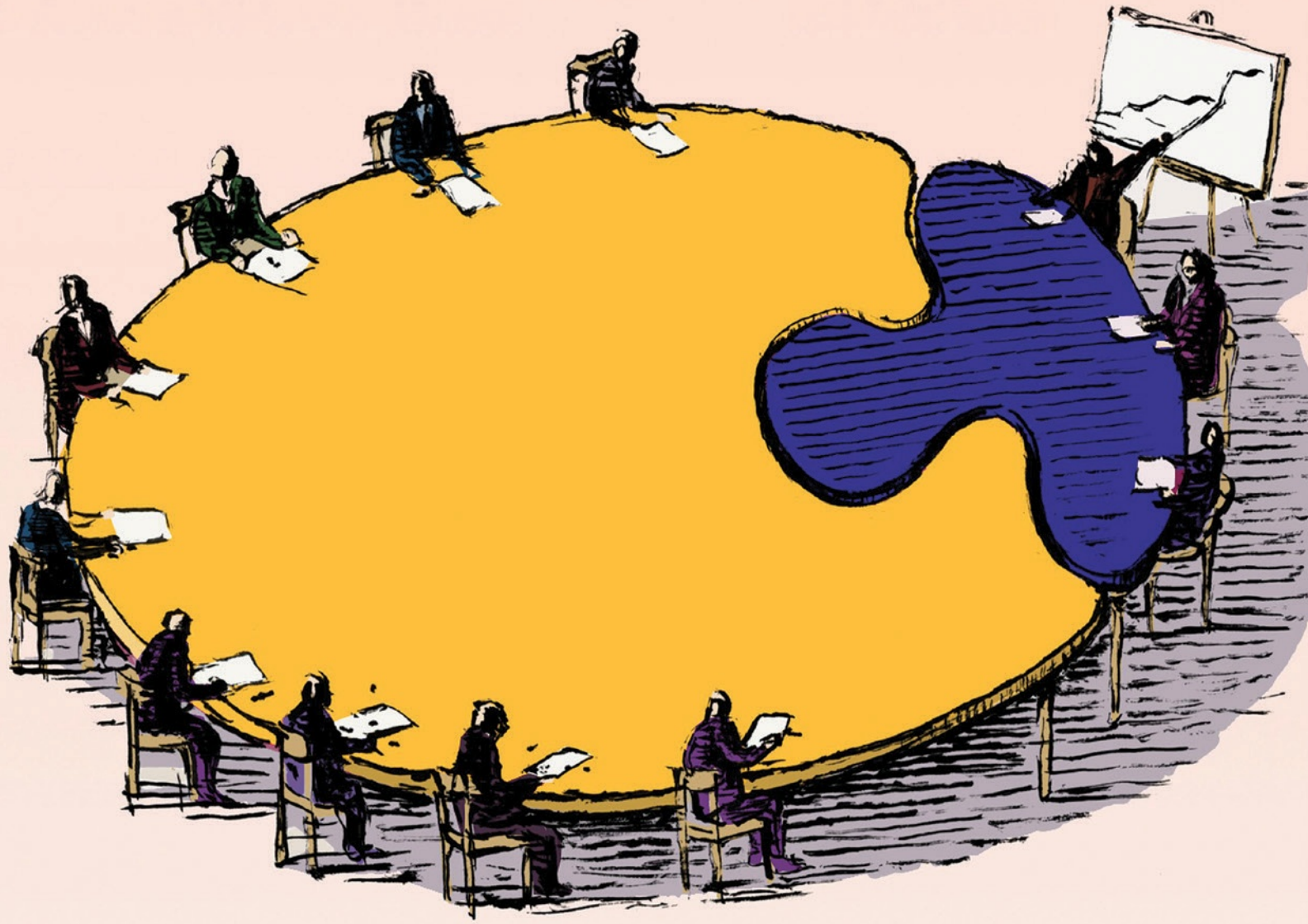
Women Give 2013 by the Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy
www.philanthropy.iupui.edu/research-by-category/women-give-2013

Essential Assets

By Mary Ellen Collins



How board members can provide critical pieces to creating your organization's philanthropic culture

Once, a professor at the University of Northern Iowa (UNI) in Cedar Falls, Iowa, saw a visitor on campus looking at a butterfly display and stopped to talk to him. "The professor learned that the man wasn't an alum. He was in town with his wife visiting her relatives. Bored, he had heard about UNI being in town, so he went to the campus and ended up in the biology building. Certainly, he wasn't on anyone's radar screen," recalls Dee Vandeventer, CFRE, M.A., fundraising adviser with Amperage (**www.amperagefundraising.com**) in Cedar Falls. "He became a donor because of a relationship he developed with that professor. He started with small gifts, and his total giving ended up being about $800,000, creating three or four different endowments that support the sciences and research."

In an organization with a culture of philanthropy, fundraising is not confined to the development office, where the staff focuses on meeting dollar goals while seeking funds to fulfill the mission. Instead, people across the organization understand the link between philanthropy and the mission and accept the responsibility to act as ambassadors, no matter where they fit on the organizational chart. This does not mean that everyone from the grounds crew to the accounting office is soliciting gifts, of course. However, it does mean that everyone's interactions with clients, members, volunteers and supporters should contribute to an environment in which philanthropy can flourish.

"As advancement has become more sophisticated, donors see themselves as philanthropists who are investing in outcomes," says James L. Lanier Jr., senior fellow and consultant at AGB Search (**http://agb.org**) in Washington, D.C. "In a culture of philanthropy, a group of people come together willingly around a central vision that they are making a difference and helping someone have a better life. It's about creating an experience that is memorable and getting everyone within the enterprise to think about their role in that."

While the executive director, chief development officer and board chair are the most likely individuals to start and direct the conversation about changing an organization's culture to a more philanthropic one, they cannot do it alone. "It is their responsibility to get it going, but they have to identify champions or advocates who will help, and they have to understand that it can take two or three or five years," says Susan Rice, Ed.D., ACFRE, senior consulting associate at Brakeley Briscoe (**www.brakeleybriscoe.com**) in Los Angeles.

Alyce Lee Stansbury, CFRE, president of Stansbury Consulting LLC (**http://stansburyconsulting.com**) in Tallahassee, Fla., agrees. "Solving a crisis is not building a culture of philanthropy. It takes time to implement. The challenge to boards is not to wait to act until it's too late," she says. "There's no silver bullet. Recognize what's working and what's not, and make a commitment to solve the problem before you're worrying about making payroll."

The leaders of an organization need to set an example for people at all levels, so all board members—not just the development committee—should play a critical role in creating a philanthropy-friendly environment. What can board members do to become true partners with the CEO and the development staff in leading the charge to create a philanthropic culture that supports the financial health of their organization?

1. Recruit Strategically

One of the biggest mistakes board members make when recruiting others is to minimize the expectations of the role, according to Lanier. "Too often they say, 'You'll love the people. You'll have a good time. We go out together after the meetings.' People tend to downplay the importance and commitment of the job," he says. "I heavily recommend having a written list of expectations and saying, 'If you decide to buy into our culture, these are the six things all board members are expected to do.' Places that talk about the importance of the job of being a trustee look at the board in a more businesslike fashion. Don't say it doesn't take time. Be honest and upfront."

Stansbury believes that one of board members' most important jobs is to find their own successors. "Having the right people on the bus is critical to the organization's success," she says. "Rather than recognizing that the entire

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Fundraising in a Philanthropic Culture

By Linda Lysakowski, ACFRE

Yes, it is important that you build a strong philanthropic culture among your board and volunteers, but you also need to look within the organization itself. Philanthropy is often not a high priority in nonprofits. "What?" you ask. "How can that be? Our organization depends on donations in order to survive, to fulfill our mission or at least to expand the programs we currently operate. Of course philanthropy is a high priority for us."

Is it really?

Sometimes, organizations do not emphasize philanthropy because they do not want to present the image that they are nothing more than "fundraising machines," that all they care about is raising money. They publicize the wonderful programs they offer, the brilliant staff and the dedicated board but do little to support the efforts that make those programs possible. The development office is located in a corner off to the side. Fundraisers are not given the tools they need to be successful, and leadership expects them to manage the database, run the events, find major donors, write grants and create a plan and a case for support with little input from the rest of the staff or board.

It is time to bring fundraising out of the shadows and create a truly philanthropic culture within your organization. Start by asking some tough questions.

1. Does your organization have a development office?
2. Do experienced professionals staff the development office?
3. Does your development budget include money for professional development (membership in professional organizations such as AFP, conferences and workshops, books and periodicals, etc.) for the development staff?
4. Has your organization allocated a budget for a donor software system to manage fundraising activities?
5. Do your organization's staff members understand the importance of the development function? Do staff members support the development office's efforts?
6. Does the organization seek to hire development professionals who are certified (CFRE or ACFRE, FAHP, etc.) or assist current staff in obtaining credentials?
7. Does the chief development officer attend board meetings?
8. Are board members committed to development (i.e., do they give and get money for the organization)?
9. Is there a development committee on the board?
10. If so, does a development officer staff this committee?
11. Is there clerical support for the chief development officer?
12. Does the development staff act professionally and look professional as well?
13. Is the development office in a prominent location, and does it have a professional appearance?
14. Does your organization support *A Donor Bill of Rights*?
15. Is your organization aware of and supportive of the *AFP Code of Ethical Principles and Standards*?
16. Does your organization understand the importance of donor-focused fundraising?
17. Does your organization understand that it takes time to establish a development program and that building relationships with donors is the primary role of the development office?
18. Is your organization committed to working with consultants when it is appropriate to do so, rather than expecting staff to manage major efforts such as a capital campaign without adequate resources?
19. Is the CEO involved in fundraising?
20. Are there volunteers involved in fundraising?

Give your organization five points for each "yes" answer.

- If you scored 90–100, congratulations! Your organization has a strong philanthropic culture.
- If you scored 75–89, you have a little work to do.
- If you scored 50–74, your organization needs some help establishing philanthropy as a priority.
- If you scored less than 50, your organization needs to call the helpline now!

So, how did you do? Remember, it is not uncommon for organizations to fall short in at least a few areas.

Organizations need to invest in continuing education for development officers, including helping them become certified and paying for membership in professional organizations such as AFP. Yes, it is a personal membership and personal accreditation, but the organization benefits from the education and accreditation received by its development officers.

Another area that speaks to how philanthropically the organization thinks is whether it is willing to spend money on the tools the development office will need—a good software system, an assistant, research tools and the like.

The location and appearance of the development office are also often overlooked. Is the environment conducive to meeting with donors? The development office needs to be in a prominent location, allow for private conversations and be well appointed. Both the office and the staff need to look professional.

A strong philanthropic profile means that fundraising is a shared activity among the development office, the CEO, the board and volunteers. Each has a critical role to play in fundraising.

Fundraising is everybody's business in a nonprofit. The rest of the staff, including the CEO, program staff, clerical support, etc.—everyone in the organization—should know who the development officer is, understand what the development function means for the organization and have a basic understanding of the fundraising function.

One organization, engaging its first development officer and establishing a development office for the first time, handled this process really well. The newly hired development officer and the chair of the development committee arranged a "Time, Talent and Treasure" contest. They arranged to address three departmental staff meetings, asking for 20 minutes on the agenda. They got a cardboard "treasure chest" and filled it with beads, gold-wrapped chocolate coins and several gift certificates the development officer solicited from beauty shops, restaurants, spas, movie theaters, etc.

At the staff meeting, the chair of the development committee talked about what the development office would be doing to help support the organization and how each staff member could help with a gift of time, talent and/or treasure, citing some examples. She then introduced the development officer, who handed out cards to each staff member to fill out and then be entered in a drawing for the "treasures" in the treasure chest. It was amazing how much talent the staff had to offer, how many volunteered their time to help plan and implement fundraising and how many connections staff members had to potential donors. And, of course, the real goal of the program was accomplished: The entire staff understood the role of fundraising and how each person could be a part of supporting and raising money for the organization.

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Organizations need to invest in continuing education for development officers, including helping them become certified and paying for membership in professional organizations such as AFP.

Are We Forgetting the Obvious?

Barbara R. Levy, ACFRE

It is easy to forget those whom we take for granted. In fact, frequently we take for granted the very people who are most deserving of our appreciation. There are times when stories about a board member who has given invaluable service end with the departure of that same member.

Consider Marion, a long-time board member who was one of the few vitally important volunteers upon whom the staff could rely. No matter the task, Marion was always willing to do it. Her list of prospect calls was typically the longest, and invariably, it was the first completed, even including notes regarding the donor comments. She knew exactly what to say and how to make the donors feel as though they were making a transformational gift. Staff knew with certainty that they could rely on Marion's work. In addition, the generous personal gift made by Marion and her husband was typically larger than the gift requested of most board members. Marion was truly invaluable.

Nevertheless, when it came to acknowledging her work and her gifts, Marion's only thanks arrived in the same form letter sent to the average donor. There was no mention or spoken recognition of the important work she was doing. There was no acknowledgement of the time and dollars donated by Marion and her husband. And yet, staff was surprised when Marion declined the invitation to serve another term.

Marion was only one of many leaving boards of organizations that failed to recognize and acknowledge the value of such outstanding volunteers and their spouses. So are you, as a professional fundraiser, forgetting the obvious? Stewardship of your board members will make their lives easier and yield a far greater return.

When it comes to stewarding your board members, you must remember the unique position they hold. Your board is the second ring of your circle of constituents. The organization is in the center, the next ring is staff and the next ring is the board. One could argue the reverse positions of the staff and board, since the board hires the CEO and typically also the chief program officer. There is no doubt that the board must be considered in a different light from other donors and volunteers. The responsibilities of this group are not only critical but they also provide the foundation of your organization's success.

Stewardship comes in many forms, some of them so obvious that they may be easily overlooked. To consider the options, you could begin with the responsibilities you expect your board to achieve. Reviewing these tasks, you may find that you are omitting a few simple steps.

As donors:

- **Acknowledge board contributions:** Board members are some of your most important donors, and they deserve to be treated as such. They are setting the example and asking others to join them in support of your organization. Does your staff write personal notes, or do board members receive the same form letter sent to most donors?
- **Express gratitude to the spouse/partner of each board member:** Do you acknowledge the support of the spouse or partner of your board members? Such support is not insignificant, and you have many opportunities to acknowledge this role.
- **Telephone a thank-you:** This simple act provides a much more personal touch when it comes from the CEO as well as the chair of the board. (Yes, some of these steps do require the participation of the board chair.)
- **Recognize financial support in public:** You can provide examples of giving and thereby encourage others to give as well.

As decision makers:

- **Communicate with honesty:** It is up to you to develop a regular communication procedure that provides the critical and timely information necessary for a board to make informed decisions. This is especially important when the news is not as good as you would like.

- **Fully inform members:** Board members need to understand the impact or consequences of their decisions.
- **Support board committees:** Give them information and staff time. It pays off!

As ambassadors:

- **Provide materials for public distribution:** These could include program availability, information about activities in the community or the availability of presentations by senior staff. By providing materials, you make it possible for your board members to disseminate correct information using a uniform language.
- **Support board work:** Your suggestions or ideas will help them enhance public awareness of the work of your organization.

As fundraisers:

- **Involve board members:** Include them in prospect introductions, gift solicitation and thank-you opportunities. It is a sure-fire method to succeed in fundraising.
- **Maintain communication:** If you keep board members fully informed, you are helping board members engage those prospective donors with whom they have contacts.
- **Acknowledge board members:** Recognition of involvement and participation helps to exemplify board participation and encourages others to get more involved.

As past members:

- **Communicate:** It is so easy to forget past board members. However, they have been the guardians of your organization. If not for them, your organization would not exist. So, the very least you can do is to continue to recognize them. Some of them may be recognized as honorary members, and because of their work, dedication and support, you are especially responsible for keeping them involved with information on what is going on today. After all, today is happening only because they made it possible.
- **Hold periodic meetings:** If possible, provide periodic opportunities for past board members to meet with the CEO and key staff. Keeping former board members up-to-date with your organization simply increases their value as your ambassadors.

Of all the support areas listed, communication is likely the most challenging. It is vital to establish a communication procedure and appropriate channels. When there is a system for composing and delivering messages, vital communication is much more likely to succeed. A haphazard approach never provides a satisfactory outcome.

Finally, your board members need to know how they can support you as staff. Often, this most obvious step is omitted with the erroneous idea that board members should know what to do without instruction. You must not take that instruction for granted. Quite the contrary, it is critical that you reinforce the board's role!

A board of directors is an invaluable asset to an organization when properly engaged, informed, recognized and involved. Your organization has only one board. Do not forget to maximize its contributions by working with it, both conscientiously and effectively. Your satisfaction comes when your organization grows and thrives.

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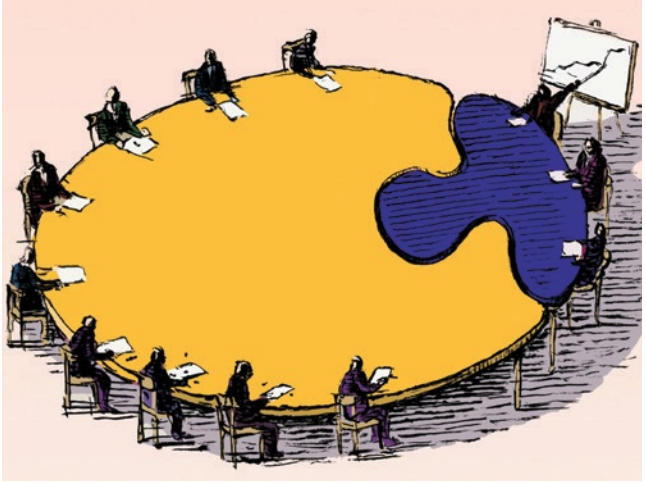

Continued from page 33

board has the responsibility 12 months a year to think of who could replace them, it is a task that typically happens at the last minute when two or three reluctant members of the nominating committee are scrambling to find qualified people. In terms of building a culture of philanthropy, they have to bring people in who will continue it and embrace it. Otherwise, they'll be back to where they were before."

2. Give Generously

It should go without saying that board members must be donors, whether they are expected to give at a certain level or to the best of their ability. This is the most visible demonstration of their investment in an organization, but every development officer has probably had an experience with a new board member who somehow missed the message about making a gift.

"Sometimes, when a board member is recruited, the expectation to give is not mentioned upfront," Vandeventer says. "Board members are afraid to say it. They say that it's so hard to recruit good volunteers that they're almost apologetic about asking for money when the people are already agreeing to give their time and energy."

In addition to clearly articulating the expectation of support when a new person comes on the board, Vandeventer actually recommends creating a memo of understanding or other written document for board members to sign every year as a reconfirmation of their financial commitment.

Rice adds that proactive and visible demonstrations of generosity by individual board members can be a powerful incentive to their colleagues. "One of the best indicators of a culture of philanthropy is if you have a board member who says to the CEO, 'I want to contribute,' even before being asked. I know several boards on which people have done this, and it's extraordinary! It means they understand the mission and the importance of philanthropy. Other members see it and say, 'I could do this.' This also happens if you have a board retreat or dinner and a member says, 'I'll pay for it,' or agrees to cover the bar bill if another board member gets dinner. It's usually a small thing in the budget, but it indicates that they get the fact that every penny you spend on them is a penny that can't go to programs."

3. Invest in Development

Although most people join boards because they believe in what an organization does, focusing too narrowly on mission can actually become a problem. Board members must back up their commitment to the organization by investing in the fundraising tools and infrastructure that enable the organization to fulfill the mission. "The CompassPoint study *UnderDeveloped* revealed that unless organizations embrace the idea of fundraising and philanthropy as much as they do their missions, the conditions for philanthropy won't be there," Stansbury says.

Boards must prioritize and invest in fundraising. It's a common problem to have fundraising goals but little or no infrastructure, such as using an Excel spreadsheet instead of a donor database, not having a development officer or not sending staff to training. If the organization does not have the funds to support a particular tool or initiative, find a donor who can help. "All nonprofits have needs," Vandeventer says. "If you can't afford the software, it's a great opportunity to find people who will support the purchase of software."

Also, it is important to not let fundraising be sidetracked by the mission. "The tendency with boards and CEOs is that if an event raises $25,000, the first inclination is to put it in programs or service delivery," Stansbury says. "In some cases, you would have been better served by reinvesting in fundraising capacity. It's like putting money in savings instead of spending it. If you look across the community and see organizations you admire for their fundraising success, you will see a real commitment to fundraising."

4. Conduct Market Research

Trustees are responsible for determining an organization's strategic direction and overseeing its performance, and a significant part of that is ensuring that there is a strong value proposition among their audiences. "Some boards unwittingly assume too much about the real or perceived value of the organization, and we're encouraging them not to take for granted that their constituency understands the role of the organization," says Jim Langley, president and CEO of Langley Innovations (**www.langleyinnovations.com**) in Rockville, Md. "Intelligence gathering is one of the most important responsibilities of the board. They need to do market research. They have to be asking constituents if the organization is living up to their expectations and whether they are getting a return on investment—and then listening actively to their responses. A board is only as good as the evaluative information it gets."

He adds that boards need to be directly involved in solving problems such as donor attrition, rather than telling the development officers to be more aggressive and make more calls. "Way too few organizations have boards that are on top of the donor retention rate," he says. "Board members may say they don't dive into operations, but this is about the organization losing relevance, about internal aspirations meeting external reality. If something isn't working, they have to know why."

5. Embrace the Fundraising Role

Part of sharing the commitment to the mission and vision of an organization is sharing the fundraising responsibilities, and that should involve all trustees, not just those on the development or advancement committees. "The importance of a board to fundraising has been proven over and over again," Vandeventer emphasizes. "The way to kill a great capital campaign is to assume the development staff will do all the work. We forget to tell board members they can be a great asset as a fundraiser by opening doors. A University of Pennsylvania Center for High Impact Philanthropy study showed that 26 out of 33 people gave because they knew someone on a board. If that doesn't show how important board members are, I don't know what does."

There are myriad ways in which a board member can be helpful in fundraising, but development officers should work with them to identify their strengths and put them in positions in which they will be successful. "As a former development officer, I thought my job was to turn every board member into an asker," Stansbury explains. "I began to realize that not everyone would be a closer. Some are so good at opening the door. Some are great ambassadors in a community-outreach role. Some are fantastic public speakers who can tell their story of involvement with an organization in a clear and compelling way. You just have to have a couple of closers."

6. Be a Vocal, Visible Steward

A culture of philanthropy cannot exist without an engaged volunteer and donor base. And the role of ensuring those constituents feel appreciated and supported is tailor-made for all board members. They can make connections with donors through phone calls, personal notes and attendance at events, making sure they feel appreciated and that they are pleased with the return they are getting on their investment. "It sends a powerful signal when everyone in the organization from the board on down is checking on the state of donor relations," Langley says.

Rice has worked with boards that do focused stewardship of past board members, recognizing their achievements and maintaining their connection to the organization. "If people have stayed on the board for a long time, they care about the mission. To just say goodbye and name them emeritus isn't enough," she says. "I've seen two boards that have a really structured program to bring past members back once a year to get a special briefing and sit in on part of a board meeting. The past members want to know what it is happening at the organization, and it shows new members that they're appreciated. That's important in a culture of philanthropy."

Overall, the most important thing board members can do is be champions for the organization, both internally and externally. They should combine their active listening and research skills with the ability to paint inspirational pictures of the impact the organization is making.

"Different tribes had different cultures, mores and beliefs, and those cultures persisted based on the stories of the elders," Lanier points out. "Storytelling is a great virtue of trustees. They can personalize and humanize what we do. In education, it used to be about getting alumni back to talk about their experiences and the good old days. Now, they are more likely to say, 'Yes, I had a good experience, but why should I make an investment today?' That's where stories of impact come in."

If the leadership of your organization wants to create sweeping change, it is important that they identify champions on the board and throughout the organization and that they adopt a one-step-at-a-time approach. "No matter where organizations are in understanding and embracing a culture of philanthropy, the sooner they start to work on it, the better off they'll be," Stansbury says. "I'd like to see more organizations recognize that they can't continue to operate as they have been and expect things to change. Just realizing that the goal is to build a culture of philanthropy is a big step in the right direction."

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Resources

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Unlocking the Dynamics of the Role of Governing Boards in Fundraising

By Paul J. Taylor

Despite the incredible diversity of nonprofit organizations and charities, they all share at least two common threads: They all are trying to improve the quality of life in their niche, and they all are overseen by a governing body whose roles and responsibilities today would most likely confound their founders.

Serving as a trustee of a charitable organization is as time-consuming and pressure-filled as it is fulfilling. It is a far cry from merely seeing a need and then personally financing the continuation of an organization's good works. The dynamics—overseeing significant operational scope, accountabilities, financial needs and resources—can be intense at organizations of any size. Amid so many priorities, what is the role of the board of directors of any charitable organization?

Circumstances regarding trustee involvement in fundraising vary widely among charities. Development officers concerned about the board's commitment to fundraising and giving should consider four bellwether perspectives.

Perspective From the Boardroom

The relationship between board members and fundraising is both pragmatic and altruistic. The practical aspect can be found in a blinding flash of the obvious: Charities and nonprofit organizations need money to continue their missions. Most charitable organizations have only four sources of funding for their good works and growth:

- Fees/charges/tuition from those they serve
- Investments
- Borrowing
- Philanthropy, including all grants

Each board as a whole and each director personally has inviolable fiduciary and stewardship responsibilities well established by law and regulation. The fiduciary duty—keeping the organization financially viable to continue its mission—ensures that all four sources of financing are firing on all cylinders.

JAMES YANG/ILLUSTRATION SOURCE

Serving as a trustee of a charitable organization is as time-consuming and pressure-filled as it is fulfilling.

Access to major capital has become increasingly difficult for most organizations. Each of the first three sources of funding is restrained to varying degrees by the economy, an organization's financial operating results, government policies and other regulations, bond/loan covenants, etc. Philanthropy is the only category whose growth is unrestrained for the most part. It is limited only by the scope and impact of an organization's mission, good works and donor loyalty, as well as the effectiveness of its fundraising.

Many organizations find that a successful development program yields the highest rates of return on investment (ROI) of any initiative or program sponsored by a charity or nonprofit. Net financial results from an efficient development program can come close to, or even equal or exceed, an organization's net income from operations. That is why independent U.S. rating agencies that determine the credit ratings so critical to the borrowing process by major American charities also consider the depth of an organization's philanthropy programs.

The duty of loyalty is another core governing board responsibility. While loyalty includes confidentiality and constant diligence for what's best for an organization,

definitions commonly also include advocacy. Unlike most other board assignments, philanthropy is constant. For example, board members working for or against a public policy change may be engaged for days, weeks, months or even years. However, philanthropy will remain front and center as long as an organization needs funds.

A consultant asked to consider the question of an organization's trustee engagement in fundraising could begin with two questions. The first question: "What do governing board members understand their role in fundraising to be, beginning with what were they told when recruited to the board or during orientation as trustees?"

The role of trustees in fundraising is often raised early in meetings or conversations with prospective board members. The moment the topic comes up brings to mind actor Peter Falk's rumpled detective on the television detective series *Columbo.* Falk's character had a genius for saying, "Oh, just one more thing." With board candidates, a question often comes just as the prospective new trustee is on the verge of saying yes. The question can be asked either forcefully or sheepishly, but usually, it comes out awkwardly: "Are board members required to make donations, and, if so, how much?"

Is the candidate wondering if the board-seat offer is based on personal wealth? Has he or she served on a charity board that mandated giving? Is the question less about personal giving or more about becoming a fundraiser? Could an annual gift be an easy way out? Whatever the situation, what is said next could create an important tone, if not a precedent, for that leader-to-be.

Sometimes, eagerness to recruit a great candidate may produce a lukewarm suggestion by a board leader that a trustee's role in fundraising is minimal or, even worse, nonexistent.

The best response would be, "Financial giving by board members isn't compulsory, but involvement and support are. Our board seats don't have 'for sale' signs on them."

Board members should be recruited and serve based on the qualifications they bring to governance and as stewards of a public trust. Wealth or ability to give should not be primary considerations.

The second question by that consultant could be, "Do your board members believe that their role in fundraising has been delegated?"

The evolution of development programs at large nonprofit organizations such as universities and healthcare organizations has often involved the creation of foundations to champion development initiatives. Many foundations are separately incorporated, tax-exempt charities wholly owned and closely associated with the nonprofit organization. Others are a brand within a charity, a prestigiously named fundraising committee. Foundation boards commonly feature many more board members than a charity's board of directors. Because many hands make light work in fundraising, foundation boards can include between 35 and 65 trustees.

The concentrated focus of a foundation on fundraising success can be highly effective, unleashing a chain reaction of resources and networking contacts. The result? A more prominent philanthropic profile, higher levels of giving with lower organizational overhead and all around better success than what a smaller board with so many other priorities might achieve.

If the board of your organization has recognized the importance of fundraising by creating a foundation, perhaps the governing board has already done its job. Fundraising has become a delegated responsibility most likely because the board was asked to make it that way.

Perspective of the Chief Development Officer

Development professionals may think, "Fundraising isn't a spectator sport. Board members may be busy, but they are our leaders, and leaders must lead."

They should take a deep breath and count to 10. Job No. 1 in fundraising for governing board members should not be open to debate. Nothing is more critical than the following: A governing board's most important contribution to philanthropy is to oversee a charity worthy of support because it is fulfilling its mission, has a clear vision for the future, adheres to the highest principles of ethical conduct and is led by a dynamic and committed executive team.

Of course, a reasonable rebuttal may be, "True enough, but what about personal giving by trustees and actively encouraging others to give? What about the old rule, 'Give, get or get off?'"

The response? Perhaps that saying should apply only to boards whose work is overwhelmingly focused on philanthropy or to smaller organizations whose multitasking boards take on a variety of operational volunteer assignments.

Perspective From the Corner Office

Most CEOs have one overriding goal: for their organizations to succeed. Their reasons range from love of mission to wanting the professional and personal satisfaction and

benefits of succeeding. However, times are perilous, and CEOs, no matter how seemingly secure, are well aware that success can be elusive. National turnover rates in the corner office are disconcerting. The global consulting firm Challenger, Gray & Christmas reported that the healthcare and nonprofit sectors led all others in CEO turnover in 2013. Furthermore, the American College of Healthcare Executives issued a study in 2013 that showed a 17 percent turnover rate in hospital CEOs, up 2 percent in two years.

Chief development officers are accustomed to motivation methods that begin with considering the cause through the eyes of a prospective donor. The same approach should be used in viewing the board the same way the CEO does.

Most CEOs are aware that success begins by eliminating or minimizing problems. And the governing board is on every CEO's wish list to be trouble-free. Fundraisers should consider the following facts of life for a CEO when approaching any governing board matter.

- The governing board is not just another constituency to the CEO. The board is the ultimate power in the organization. It hired, evaluates, compensates and can terminate the CEO.
- The board is responsible for acting on strategies, policies and resources that can make or break the organization and the CEO.
- The CEO is the gateway to the governing board, and, in most organizations, the CEO is responsible for relations with the board and its members.
- Even seemingly minor snags at the board level can create angst, follow-up work and other distractions from progress for the CEO and other executive staff. Timing is critical when delays or "analysis paralysis" could cause important windows of opportunity to close.
- Board leader and trustee succession planning is as critical to creating a high-performing board as the recruitment process is to the organization when it hires key employees.

The last point is essential to the relationship between the CEO and the chief development officer. Few associated with an organization are in a better position than the chief development officer to counsel the CEO about those who are able to help further the mission. Many may be potential board members, but strictly donor-centric recommendations should be avoided. Counsel and other staff support to the CEO should focus on potential trustees who fit the total needs of the organization.

While governance staff work in support of the CEO and the board can be career-rewarding, it also can open new doors for involvement in board selection, orientations, reports, etc. In time, counsel and recommendations will help the organization, the CEO and fundraising.

Perspective of Prospective Donors and Development Volunteers

Those who are being asked to support your mission—whether with time, talent or treasure—want to know that those at its heart are also committed.

Questions are likely to come from donors about the commitments of internal audiences, in addition to prominent donors. Those experienced in fundraising or the organization may ask explicitly about the generosity of the governing board. Other funding sources may be even more direct. Grant-making organizations, in particular, may want confirmation of 100 percent giving by board members.

Those questions are understandable. Personal giving is easy, but genuine commitment is less so. The most compelling explanation is a combination of giving and participation that satisfies the needs, pressures and sensitivities of the governing board, the CEO and those involved in fundraising.

Consider the following approaches.

1. Hardwire the connection. If your organization has a foundation, fundraising committee or other group, is its volunteer chairperson a member of the organization's governing board? An ex officio seat, even if nonvoting, can bring many advantages to both governance and fundraising. A routine presence in the boardroom can solidify the governing board's relationship to fundraising and its constituencies while expanding the voice of philanthropy, personalizing fundraising reports and creating valuable personal relationships.

You also may want to recommend that the governing board's vice chair serve as an ex officio member of the foundation's board or other fundraising group. Fundraising volunteers will know that the governing board views philanthropy as important enough to have its vice chair personally involved. It also helps ensure that the governing board leadership is always experienced with fundraising.

2. Create a forum to elevate the profile of fundraising. One large, regional medical center found a creative way to broaden the understanding of the goals, methods and advantages of involvement in fundraising.

Fundraising volunteers, professionals and key internal audiences were brought together at a small retreat called an "Annual Philanthropy Summit." The goals of the half-day meeting were to create a forum for the CEO to review the organization's new strategic plan, to learn from a hired expert who discussed the latest trends in philanthropy and to hear the organization's leaders give background information on the organization's plans, return on investment and future of the fundraising program. The forum also allowed a showcasing and updating of the case for support. The volunteer chair of the hospital's foundation was master of ceremonies.

The summit was so successful that it was repeated in each of the next seven years. Nationally known keynote speakers were added, and the "production value" increased to generate excitement as well as knowledge. The audience grew from about 60 to more than 325 people, and prospective donor referrals and giving always increased. The governing board members' attendance, appreciation of and involvement in fundraising increased, and the same was true for medical staff leaders, executive staff and other managers.

A summit may not work for every organization, and any special event always involves considerable time and staff resources. However, development's own mini-retreat can jump-start engagement among every critical internal constituency that participates and can be an eye-opener if not a door-opener.

3. Don't ask, just tell. It is safe to say that fundraising for many can seem foreign at best or, at worst, frightening or even repugnant. That includes board members. What a shame. Getting support for a worthy cause should be a joyful quest. However, if people do not understand how fundraising really works or are frightened by the idea of asking others or being asked for money, they most likely want to consider fundraising someone else's problem.

To allay such fears, doubts and apprehension, try this approach that can be effective with board members as well as any other level of volunteer whose contacts would be valuable. Tell them that their involvement in fundraising never must include asking anyone for money. Rather, they can help by inviting a prospect to a meeting or for a tour of the organization. Then emphasize that all they need to do is be part of the meeting, which also will include the development officer, and offer a simple statement of pride in being a trustee of a cause and organization so worthy of support.

A similar approach will work for volunteers who are even less ready to deal with fundraising. Acknowledge that your job is fundraising, and explain that an effective fundraising program is based on the organization's having a broad base of supporters of its mission, regardless of whether they are donors or not. Giving may come over time, and, even if it doesn't, networking that leads to an appreciation for the mission will help the organization in the long run. The expanded networking opportunities will inevitably lead to good news.

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Resources

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No Magic—Just Magical Alignment

By Lilya Wagner, Ed.D., CFRE

DONNA GRETHEN/ILLUSTRATION SOURCE

In his book *The Advantage: Why Organizational Health Trumps Everything Else in Business*, Patrick Lencioni drives home the point that too many leaders search for advantage by focusing on "exhausted areas," such as innovation, marketing, strategy and technology, while the answer actually lies right under their noses. Instead of trying to become smarter, he states, organizations should become healthier.

Among the plethora of advice Lencioni offers are the six critical questions to ask that resonate with the nonprofit organizational culture—the behaviors and assumptions that indicate how people and groups will interact with one another and with the outside world—and therefore philanthropy:

1. Why do we exist?
2. How do we behave?
3. What do we do?
4. How will we succeed?
5. What is most important right now?
6. Who must do what?

A search of the literature, whether in print or on the Web, yields many definitions of a culture of philanthropy, such as everyone is an ambassador, quality of the organization is critical, board members should be advocates, the importance of philanthropy should be understood, the organization is mission-driven, there is a collective commitment to a common goal, etc. However, a most critical element may be missing. What if, instead of talking about a culture of philanthropy, you change the phrase to "culture *for* philanthropy"?

Creating a culture for philanthropy does not mean discarding the elements listed above, of course, nor does it ignore the critical questions Lencioni poses when he suggests a route for organizational health. It does mean that instead of doing things to people, we do things for them. This brings to mind, then, a factor that many have perhaps overlooked. What if your efforts in creating the ideal organizational health that Lencioni proposes focused more on relationships, responsiveness and communication that is timely and appropriate to your constituents and donors?

Consider just one aspect that currently receives much attention: donor attrition and therefore the matter of donor retention. A leading research effort, the Fundraising Effectiveness Project (**http://afpfep.org**), reported in 2013 that, in the previous year, gains in gifts from new, upgraded current and previously lapsed donors were offset by reduced gifts and lapsed donors. "This means that, while there was a positive $34 million net growth in giving, every $100 gained in 2012 was offset by $96 in losses through gift attrition. That is, 96 percent of gains in giving were offset by losses in giving. Gains of 866,000 in new and previously lapsed donors were offset by losses of 909,000 in lapsed donors. This means that there was negative (44,000) growth in donors, and every 100 donors gained in 2012 was offset by 105 in lost donors through attrition."[1]

Jay Love, CEO of Bloomerang (**https://bloomerang.co**) in Indianapolis, has addressed the issue of why donors leave by comparing research conducted by Adrian Sergeant with customer retention research from the business sector. He referenced a project conducted by the Rockefeller Corporation on why customers leave a commercial business. Love asked, "Are there parallels to the reasons why donors leave? We think the answer is a resounding yes on many fronts. … The largest takeaway

in our opinion for nonprofits, which rely on donor support for all or some portion of their operating budget, is how important proper communication processes and messages are. Notice how the following items add up to 53 percent of the reasons why donors leave:

- Thought the charity did not need them (5 percent)
- No information on how monies were used (8 percent)
- No memory of supporting (9 percent)
- Never thanked for donating (13 percent)
- Poor service or communication (18 percent)"[2]

So, how significant in the broad spectrum of what we include in a culture of philanthropy is the role of communications? Perhaps, as suggested earlier, turning this phrase into a "culture for philanthropy" may be most critical. Imagine what a good customer relations plan does for a business and compound that to the nonprofit scene. How much more significant it is, then, to be responsive to your donors, your prospects, your constituents and your communities when good causes depend on their loyalty and philanthropic action. As Love concluded, "The reward is worth working for, since it encourages, if not ensures, upward trends in donor loyalty and financial support."

Consider this scenario: You send a donation to a small nonprofit. A month later, you receive a thank-you email. You write back and ask what the organization did with your $1,000. The nonprofit representative says, "As far as we know, we didn't receive your check. We thanked you in anticipation of your gift." You follow up by sending verification that you made the gift—a canceled check. The response? "I guess we better check with our treasurer!"

Hard to believe? Maybe, but more than one donor—current, prospective and lapsed—has similar stories to tell. To make matters worse, perhaps the scenario should have been preceded by the fact that the donor could not make an online donation to the organization.

Now see if you recognize this scenario: You give to a cause that truly resonates with you. You are not familiar with the organization itself, but the mailing looks appealing, and you go to **www.give.org** to check out the organization. Scrolling through the multitude of nonprofits on the site, you find that the organization in question is missing. No problem. After all, some organizations are too small and have limited personnel as well as funds to go through the effort of becoming approved, and you understand that. So you call the organization to request information, but you cannot reach them by phone. You try the email listed on the website, which is reasonably attractive, but again there is no response to your message (or your previous two email messages). You finally conclude that there must be a "black hole" somewhere into which your emails disappear. You feel sorry for the clients and subjects whom the nonprofit supposedly helps, but there is nothing much you can do beyond those temporary, fleeting, sorrowful feelings since no one seems to care enough to communicate with you.

Consequently, you may conclude that small organizations have major problems in communicating with their constituents and donors. But wait. The large university in your town is kicking off a building campaign. Both you and your husband have attended the university and taken graduate courses, with one of you graduating with an advanced degree. Apparently, the alumni relations office connected you two, saving money by mailing just one appeal. The appeal comes to Mr. and Mrs. John Smith. Let's assume that you are the female half of this couple, and you are the one with the advanced degree. Clearly, your name isn't "John." So, you become part of the large percentage of donors who cycle out of giving. The addressing issue is not a major one, but why support an organization to which you are a nonentity?

Let's revisit the reasons why donors cycle out:

- Thought the charity did not need them (5 percent)
- No information on how monies were used (8 percent)
- No memory of supporting (9 percent)
- Never thanked for donating (13 percent)
- Poor service or communication (18 percent)[3]

As reported by these figures, 53 percent of donors quit giving because of how the organization treated them. Proficient professionals may say, "But that's not me or my organization. We do better." If that is true, then why, as reported by the FEP research results quoted above, do nonprofits tend to lose more donors by attrition than gain new ones? Going further, remember that it is more costly in time, effort and money to acquire new donors than it is to retain them. Rebecca Ruby Higman, formerly at Network for Good (**www1.networkforgood.org**) in Washington, D.C., reported on what the No. 1 reason is for donors' stopping donations: "Donors cite the primary reason for ceasing their support as this: It was the way I was treated by the charity, from not being thanked to receiving an avalanche of needy appeals," she said.

"You need a thank-you message that says to your donors, 'You matter,' and 'Let's start a conversation.' Think of the old marketing adage: It's cheaper to keep a customer (donor/supporter) than to find a new one."[4]

A recent *Harvard Business Review* reported research on "Cooks Make Tastier Food When They Can See Their Customers." The results showed that when cooks could see their patrons, the food quality got higher ratings. Whether this was because the cooks worked harder or because the personalization mattered is not quite clear. However, conclusions of the research extended beyond just eye contact. The matter of transparency in the relationship between consumers and producers also had a salubrious effect. "Just by opening up the work environment, you could improve value and quality."[5] Does this sound analogous to creating

Who Are You? Building Message Consistency for Your Organization

By Eugene A. Scanlan, Ph.D.

In the movie *Lawrence of Arabia*, there is a scene in which Lawrence is crossing the Sinai Desert. His face is deathly white from a dust storm, and finally, his companion leads him through a dilapidated building. Suddenly, they see the top of a freighter. They are at the Suez Canal. A lone British soldier on the other side spots them and calls out, "Who are you?" Lawrence stares blankly at the soldier, his expression frozen. Again, the soldier calls out, "Who are you?" Lawrence does not answer.

At a center that, under the direction of doctors, provides innovative therapy to physically disabled children, feasibility study interviews are being conducted as part of the planning process for a $2 million-plus capital campaign to purchase a new facility. A consultant is interviewing a volunteer and asks, "What happens at the center?" The volunteer says that the kids are brought there by their parents to play and then are picked up and taken home. In that volunteer's view, "It's sort of a daycare center." Nothing is said about the therapy (at the time, the only place in North America providing this type of treatment), the registered occupational therapists and physical therapists on the staff, the kids being served or the outcomes.

At another organization, donors believe that it is literally stopping hunters from shooting wild animals. In reality, however, it is doing environmental and wildlife policy work targeted to the federal government and state governments. The fear there is that donors will find out and take their support elsewhere.

Who are you? What is your organization really about? What does it actually do? What are the outcomes? And, equally important, how is this information conveyed to your donors, prospective donors and the general public? If you interviewed several of your board members, staff and those served by the organization, would you hear a consistent set of answers? Or would you hear something different from each of them? What are prospective or current donors to think if they hear different descriptions of the same organization?

Message consistency—the answers to the "who are you" question for an organization—is often inconsistent, unclear or, as in the examples above, simply wrong. Achieving message consistency (and accuracy) with your board and staff takes work. Have you ever used workshops, attended by both board members and key staff, to try to refine the key messages and to ensure everyone is on the same page when talking with current and prospective donors, doing presentations, writing about the organization or working with the media? Your website, social media and annual reports also need to convey the same consistent key messages. Often, such messages should be condensed to an "elevator speech"—how you would describe your organization to someone unfamiliar with it and its work during a brief elevator ride.

a culture for philanthropy, for actually "seeing" the donor or prospect?

No matter how professionally proficient you are, perhaps remembering what it would take to focus on communications, relationship building and responsiveness in creating a culture for philanthropy would be advisable. Think of these next points as a reminder of many others and the broader context of a culture for philanthropy.

- Reach out to donors after each gift. Express not just appreciation, but tell them what their gifts do.
- Be transparent. Report on the use of the money.
- Use your board and volunteers to help with communications, in reaching out to current donors and developing new relationships.
- Inform, inform, inform!

Here are some brief guidelines to keep in mind when you are developing your organization's answer to the "who are you" question:

- Ensure all key stakeholders (board, staff and major constituents) are involved in the development of key messages. Usually, a group process is the best way to do this.
- Test some different versions of the basic key messages with constituents and even with some people and organizations that are otherwise unfamiliar with your organization.
- Keep the key messages simple and jargon-free.
- Focus on what your organization is really about and what it accomplishes—its importance in the wider world—and not on the details of what you do on a day-to-day basis.
- Remember that key messages are not the same as vision statements, mission statements, goals and objectives. Messages should convey the essence of your organization.
- Defining key messages is hard work and demands creativity and persistence. People will want to keep adding phrases or words that they feel are important, possibly making what should be a brief elevator speech into a major presentation.
- Strive for brevity with impact.
- Develop messages that can be used for a variety of purposes: reports, proposals, press releases, annual campaigns, capital campaigns, etc.

Returning to the example of the physical therapy treatment center, children who started treatments there often had great difficulty walking or had other major mobility issues. Because of the innovative techniques used by the professional staff, many of the children were returned to normal or near-normal mobility. The center itself had long operated on a shoestring budget in an old, crowded and run-down facility, and while it had a small core of consistent donors, it had never pursued a major campaign, much less a $2 million-plus capital campaign.

Some preliminary key messages were prepared that staff and the board would review, and, when finalized, the messages would be the basis for the campaign and used for other purposes in the future. At the center, it was possible to watch the kids move successfully and smile or laugh. What was needed was a simple message, one that expressed not only what the center really accomplished with the kids but also the plans to undertake the organization's first capital campaign. The staff and board workshop tossed around several alternative messages, but people kept coming back to a simple yet powerful message that worked. It was only four words long, but it covered a lot of ground. It was easy to understand, worked well as the campaign theme, could be used with powerful pictures and graphics and made everyone who heard it want more of the story. What was the message? "Little steps, big steps."

Who are you? What does your organization really accomplish? Be ready with your consistent and powerful messages.

Eugene A. Scanlan, Ph.D., retired president of eScanlan Consulting Company, author and former adjunct professor at George Washington University and the University of Maryland University College, presently lives in Sechelt, British Columbia (eugenescanlan@mac.com).

- Check on how all emails are answered.
- What does your voicemail message say about you? When will someone respond?
- Remember that, according to social media experts, the website is the entry point to your organization in many cases. Check on how dynamic it is and how easily a donor can make a gift and receive feedback.
- Also, remember that personal contact is of the greatest importance, just like for cooks and customers.
- Remember to examine the value systems of your donors. It is not just about what your organization represents and does but also what is important to donors and supporters.
- Listen to your publics, including donors, and adapt your communication. Customize your messages.
- Become expert in relationship management, and help develop this expertise in your staff, leadership, board and volunteers.

Finally (although the above list is certainly not exhaustive but should be considered a thought-generator), do not forget to answer the questions that lead to a healthy organization that truly has an advantage:

1. Why do we exist?
2. How do we behave?
3. What do we do?
4. How will we succeed?
5. What is most important right now?
6. Who must do what?

As Lencioni points out in *The Advantage*, it is not just about your needs, your innovations, your marketing or even your proficient personnel. It is about a healthy organization, as advocated by Lencioni, that *does* have an advantage. Much of the health of an organization may depend upon how seriously you take a twist on "culture of philanthropy" and transform it into a "culture *for* philanthropy," considering what you do *for* people. Perhaps you can turn around that 53 percent and convert donor attrition to donor loyalty, thus strengthening your organization as you also retain your satisfied donors.

Lilya Wagner, Ed.D., CFRE, is director of Philanthropic Service for Institutions (www.philanthropicservice.com) in Silver Spring, Md., and serves on the faculty of The Fund Raising School in Indianapolis. Her published writings include Careers in Fundraising *and* Leading Up: Transformational Leadership for Fundraisers.

References and Resources

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[3] ibid.

[4] "The Number One Reason Donors Stop Giving" by Rebecca Ruby Higman (Network for Good, Dec. 18, 2013) **www.fundraising123.org/article/number-one-reason-donors-stop-giving**

[5] "Defend Your Research: Cooks Make Tastier Food When They Can See Their Customers" by Scott Berinato (*Harvard Business Review*, November 2014)

The Advantage: Why Organizational Health Trumps Everything Else in Business by Patrick M. Lencioni (Jossey-Bass, 2012), hardcover, 240 pages

Much of the health of an organization may depend upon how seriously you take a twist on **"culture of philanthropy"** and transform it into a **"culture *for* philanthropy,"** considering what you do *for* people.

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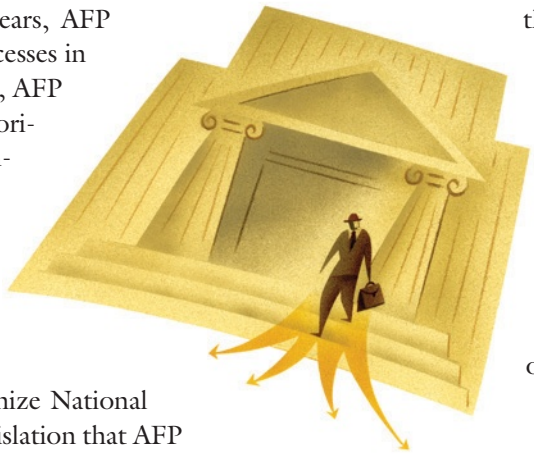
AFP Public Policy: The Next Level



Over the past several years, AFP has enjoyed many successes in public policy. In 2006, AFP saw two of its public policy priorities come to fruition when Congress enacted the IRA Charitable Rollover provision and Canada's Parliament eliminated the capital gains tax on gifts of listed securities. In 2012, Canada became the first country to permanently recognize National Philanthropy Day®, passing legislation that AFP had championed for several years. Last year, the Charitable Giving Coalition, chaired by AFP, was named by *The Chronicle of Philanthropy* as one of "Five Nonprofit Leaders Who Will Influence Public Policy."

We could not have achieved these successes without you. By writing to your members of Congress, using the Engaging Networks platform and urging legislators to protect the charitable deduction, you ensured that Congress did not limit the deduction during fiscal cliff negotiations in 2013. By calling and writing to your members of Parliament and senators, you kept the National Philanthropy Day legislation alive year after year until it finally passed.

However, with the recent November elections in the United States and an upcoming election in Canada, philanthropy and nonprofits face a series of new challenges. With Republicans controlling both the House and Senate in the United States, Congress likely will take up tax reform. The question is whether changes will include a cap or floor on the charitable deduction. In addition, Congress is likely to take up issues related to nonprofit operations, including salaries and fundraising costs.

The fundraising profession also will see new or revised regulations on the federal, state and provincial levels. Canada continues to implement the Canada Anti-Spam Legislation (CASL), and there has been new charitable solicitation legislation enacted and/or proposed in states such as Nevada and Delaware.

To meet these new challenges, AFP is increasing its public policy and advocacy department. Joining Jason Lee, AFP's general counsel and registered lobbyist both in the United States and in Canada, will be Michael Nilsen, who has taken on the role of vice president of public policy. Michael has an in-depth knowledge of advocacy and public policy, significant communications skills and experience in reaching out to both our members and external audiences. He will play a vital role in helping AFP leverage its networks and relationships to further our public policy initiatives.

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Resources

AFP: Public Policy
www.afpnet.org/PublicPolicy/?navItemNumber=4618

"Are Nonprofits Allowed to Advocate?"
www.ncoa.org/public-policy-action/policy-news/are-nonprofits-allowed-to.html

ARNOVA: Nonprofits & Public Policy Symposium Reports
https://netforum.avectra.com/eWeb/DynamicPage.aspx?Site=ARNOVA&WebCode=symposium

Independent Sector: About Nonprofit Advocacy
www.independentsector.org/advocacy

Independent Sector: Policy & Advocacy
www.independentsector.org/policy_advocacy

The Lobbying and Advocacy Handbook for Nonprofit Organizations, Second Edition: Shaping Public Policy at the State and Local Level by Marcia Avner, Josh Wise, Jeff Narabrook and Jeannie Fox (Fieldstone Alliance, 2013), paperback, 260 pages

Nonprofits and Advocacy: Engaging Community and Government in an Era of Retrenchment by Robert J. Pekkanen (editor), Steven Rathgeb Smith (editor) and Yutaka Tsujinaka (editor) (Johns Hopkins University Press, 2014), paperback, 320 pages

Nonprofit Board Member's Guide to Lobbying and Advocacy, first edition, by Marcia Avner (Fieldstone Alliance, 2004), paperback, 128 pages

"Public Policy Advocacy: The Case for Nonprofit Engagement"
www.guidestar.org/rxa/news/articles/2008/public-policy-advocacy-the-case-for-nonprofit-engagement.aspx

It is imperative that **AFP's voice is heard on public policy issues**, whether through direct lobbying, grassroots, social media or other forms of communication.

Over the past few years, AFP's advocacy efforts have grown exponentially, including these critical initiatives:

- Direct lobbying in the United States and Canada, including chairing the Charitable Giving Coalition and working on state and provincial issues;
- Supporting legislative champions of philanthropy through the AFP Political Action Committee (PAC) in the United States; and
- Developing essential tools to help inform, train and support members and chapters involved in public policy and government relations.

Building on these efforts, AFP will be creating an integrated program to proactively examine strategic issues; develop research; communicate more actively and consistently with members, the public and key partner organizations; and encourage legislators and regulators to propose and champion policies supportive of philanthropy and fundraising.

Public policy has become increasingly important for the profession as philanthropy grows around the world. It is imperative that AFP's voice is heard on public policy issues, whether through direct lobbying, grassroots, social media or other forms of communication. We are excited about this next step in the evolution of our public policy program, allowing us to serve our members and the global fundraising profession in many new and challenging ways.

The Major Gifts Challenge (Eating the Frog Is Necessary)

By Amy Eisenstein, MPA, ACFRE

Have you ever wondered how it would feel to come back from a donor meeting with a four-, five-, six- or even a seven-figure gift? In other words, have you ever wished you could raise major gifts but felt you lacked the courage, self-confidence or expertise to do so? Most importantly, do you feel as though you simply do not have the time to implement a major-gifts initiative?

If any of the above sounds familiar, here is a secret for you: Raising major gifts is simple. So simple, in fact, that you can make a solid start now. However, major-gifts fundraising is not easy. Success takes time, passion and the willingness to give it a try. You also have to stick with the process, even when you think it is not working.

So, take the Major Gifts Challenge. Dedicate five hours a week, and follow the six steps outlined below. You can do it!

Preliminary Tools to Help You Get Ready

Before getting to the six steps, here are some tools you can use to stay on track.

Recruit an accountability partner. Find an accountability partner—someone either inside or outside your organization you will see or talk with for 10 minutes each week and who will help keep you accountable. Tell your partner what you did last week to move things forward and what you will be doing this week (or next week) to stay on track with raising major gifts.

Eat your frog. You may have read the popular antiprocrastination book by Brian Tracy called *Eat That Frog* (Berrett-Koehler Publishers, 2007), in which he discusses the importance of doing your most dreaded task first so the rest of your day is easy in comparison. Tracy got the idea from Mark Twain, who first used "eating a frog" to describe the process of doing your worst task first to get it out of the way. (Just imagine Huck Finn or Tom Sawyer eating a frog before skipping off down the lane to do more desirable things with his day!) If raising major gifts is your frog, commit to doing it either first thing every day or at the beginning of your week.

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Declare "Major Gift Mondays." Speaking of getting that frog out of the way, try declaring Mondays as "Major Gift Mondays," and spend the first five hours each Monday working on major gifts. Or, try dedicating every morning from 9 to 10 a.m., Monday through Friday, to major gifts work. (Of course, if a donor wants to meet on Thursday afternoon, that works too!) The point is, do not put major gift work off until the end of the day or week. If you do, you will never get around to it.

The Major Gifts Challenge

These six simple steps will help you meet the Major Gifts Challenge.

1. Get your board on board.

You must have the support of your board to raise major gifts. In other words, in addition to giving their time, the members of your board must be willing to make major gifts of their own. After all, why should anyone else invest in your organization if your own board members will not?

Does every member of your board make a gift to your organization every year? This is called 100 percent participation. If not, it is time to change the culture of your board. Your goal for the year is to get every board

member to make a personal gift. (To help you get started, feel free to download a board member expectation form at **www.tripointfundraising.com/board-member-expectation-form**.)

Also, are all board members giving what they should be in relation to their financial ability? (One hundred dollars from a board member who could give $100,000 doesn't really count, but $100 from a board member who is a former client may be a wonderful and generous gift.) In addition to making their own gifts, your success with the challenge will require your board members to support the time and effort a major gift effort takes.

2. How big is a "major gift"?

Imagine you are in your office opening the mail when you rip open an envelope to find a check for $xxx. You jump up and down and race down the hall to show your colleagues. Yes, checks for this amount come in more than once a year, but definitely less than 10 times per year. Congratulations! That's a major gift!

The amount that constitutes a major gift varies from organization to organization. At a battered-women's shelter, for example, $1,000 can be a major gift. Gifts of this size from individuals do not arrive very often, but when they do, it is cause for celebration. At a university, on the other hand, a gift may not be considered "major" unless it is $25,000 or more.

Another issue to consider is how much your time out of the office is worth. Do you take time to personally meet with a donor for a $100 gift? What about a $500 gift or a $1,000 gift? If you said yes to the latter, that is a major gift at your organization.

3. Identify prospective donors.

Fundraising is about relationships, so you will need to start with the people who are already closest to your organization, including board members, volunteers and donors. If you wear more than one hat at your organization and are responsible for everything from grant writing to event planning, you will want to start with a small, manageable list of around 20 prospective donors. However, if your primary job responsibility is raising major gifts, you can handle a significantly longer list.

To create your list, run reports from your database of your largest and most loyal donors. Eliminate corporations and foundations from the list. Add the names of your board members (hopefully also your largest and most loyal donors), key volunteers, former board members and others.

Then, assuming you do not have any sophisticated wealth-screening programs, call a meeting of your key staff and board members to help you narrow the list to your top 20 major-gift prospects.

In addition to looking at each person's donation totals and levels, take into account how frequently they have given, their level of involvement with your organization and anything else you know about them that would give you an indication of their wealth and commitment. Consider their occupation, lifestyle, known major gifts to other organizations, etc.

Here is a simple rating system:

CAPACITY RATING:

1 = Gift size is $100,000+

2 = Gift size is $10,000–$99,999

3 = Gift size is $1,000–$9,999

4 = Gift size is less than $1,000

INTEREST RATING:

A = Very engaged/interested

B = Moderately engaged/interested

C = Occasional donor/mildly interested (not engaged)

D = Interest unknown (no interest)

Once you have rated all of your key donors, take the "A1s" as your top prospects. If you do not have any or not enough "A1s" to fill your top 20 list, then take some "A2s" and so on.

4. Cultivate each prospect.

After identifying your prospective major-gift donors, the next step is to build strong relationships with them—*before* you ask them for a gift. To begin, tailor your cultivation technique for each prospect on your list. You do not have to contact each person every month. Five to 10 times per year, depending on the donor, will most likely be sufficient. (See Figure 1.)

The purpose of these contacts is to build a relationship between the donor and the organization through meetings with representatives of the organization, such as the executive director, board members and development staff. Each contact will allow you to learn more about the donor and what is really important to him or her, helping ensure your ask will be successful.

Figure 1. Sample Cultivation Plan

Month	Formal	Nonformal
January	Invite for a tour	Director of Development
February	Email with newspaper article link	Director of Development
March	Personal note on spring newsletter	Director of Development
April	Invite for coffee	Executive Director
May	Personalized gala invitation	Director of Development
June	Sit at gala table	Executive Director/Board Member
July	Send photo from gala with note	Director of Development
August	Phone call with programming update	Director of Development
September	Invite for coffee	Executive Director/Board Member
October	Personal note on fall newsletter	Director of Development
November	Invite to volunteer	Director of Development
December	Holiday card	Executive Director

5. Solicitation: the moment of truth.

The ask is probably the most intimidating part of fundraising for most people, but without it, you will not raise the major gifts your organization needs. Major-gift fundraising is about connecting an individual who is passionate about helping an important cause with an organization whose mission matches the desires of the individual. When you ask for a major gift, you are giving prospects an opportunity to make a difference in a cause that they already care about.

Before your ask meetings, do practice sessions with everyone who will attend those meetings. You want to be prepared to respond to the three possible responses: yes, no and maybe.

6. Express gratitude.

Regardless of the answer, immediately express gratitude in multiple ways and via multiple people. Have the executive director send a handwritten note. Have a board member call to say thank you. The development director can send the tax letter as well as a thank-you email.

It is also important to let your donors know how their gifts were used, so they will be eager to give again. Make sure to give them a written and in-person report. Feel free to give them an update the next time you meet with them for coffee, and follow up with a written letter or email reiterating how their gifts were used.

Major Gifts Are Not Only for Capital Campaigns

One last note. Do not wait until you have a capital campaign to start raising major gifts! Why? Because in order to get the best response from a capital campaign, you need to have first developed a solid portfolio of major donors. Furthermore, major gifts are a great way to significantly increase your annual fund and support the programs and services you provide.

Resolve to raise major gifts this year and get started right away. If you spend only five hours per week focusing on the above steps, you can do it!

Amy Eisenstein, MPA, ACFRE, is the owner of Tri Point Fundraising (www.tripointfundraising.com) in Westfield, N.J., a speaker and author of Major Gifts for Small Shops (CharityChannel Press, 2014).

Resolve to raise major gifts this year and get started right away. If you spend only five hours per week focusing on the above steps, you can do it!

It's Not Rocket Science: Back to the Basics of Nonprofits' Sustainability

By Adam Goldfarb and Jeffrey M. Goldfarb

Depending on with whom you speak, 501(c)(3) organizations are either thriving or floundering. Why is there such discrepancy in opinions? Are these perceptions real? Are those who see the glass half-empty accurate, or are there, in fact, organizations that are doing things the right way?

While on the surface these questions appear to be difficult to answer, some key root elements in 501(c)(3) failures can actually be easily identified and remedied.

To start, there are three key barriers that consistently block progress.

1. Leadership, or a lack thereof.

In the leadership pyramid, the executive director is at the top, followed by the board president and finally the board of directors. While there is a hierarchy at play, it is, and must be, a three-way partnership in order to achieve success. The executive director is a committed and strong leader; the board president works intimately with the executive director and the board of directors to forge a shared vision based on the mission and see it through; and the board of directors is engaged and has not only the funds to support the organization but also the skills to do so. All are united in their passion for achieving the mission. In order to facilitate the leadership partnership, clearly defined roles and expectations serve to highlight the importance of each player and reinforce their interdependence on each other for success. These roles are unique and nonredundant. For all intents and purposes, this model reflects clear and consistent job descriptions for leadership, who at times can feel immune from such systems.

2. Adherence to an outdated mission.

What constitutes an outdated mission? It can be one that has been achieved or one that the quantifiable data indicate should be expanded in scope. Having a mission is essential for any organization to survive; having a relevant mission is essential for that organization to thrive. Do not fear mission change. Rather, consider it an essential component in demonstrating accountability and relevance to the community. Having a strategic plan in place allows leadership to effectively monitor successes and deficiencies, as well as mission relevance and irrelevance. The strategic plan is a product of leadership, and it is communicated by all components of leadership to donors and the community at large. There are many voices but only one message. Measurable goals are identified, and results are delivered through a healthy mix of data and storytelling. With the strategic plan up to date and having quantifiable results, an organization is able to show its constituents that its mission is not only relevant but also necessary for the community, thereby fulfilling its fiduciary responsibilities.

As seen thus far, an efficient and well-defined partnership at the highest leadership level, as well as an organization's ability to adapt to its mission in order to serve the community in a fiduciary capacity, is a critical component in the health and relevancy of an organization. This leads to the third barrier to sustainability.

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3. Organizational culture.

There appear to be two distinct cultures that emerge: One is the culture of strategic evolution, while the other is the culture of preservation. A good way of understanding these two cultures is to look at the concept of the "comfort zone."

Comfort zones can be addressed in two ways. First, they can be embraced and never abandoned, resulting in complacency. Static culture can manifest itself in large or small organizations for a variety of reasons, ranging from protecting one's "turf" to lacking efficient internal or external monitoring and accountability. The status quo is easy to maintain but not so easy for an organization to sustain. In large organizations, the sheer size can impede growth and change, while in small organizations, financial and staffing limitations, as well as group dynamics, can have similar effects.

Second, comfort zones also may be expanded, which results in positive growth. The expansion can be gradual or rapid, and the readiness of the organization, its infrastructure and the vision of its leadership all play a critical role in the rate of expansion. If an organization's leadership can answer the following three questions affirmatively, they are ready to leave their comfort zone and evolve:

1. Are you willing to ruffle feathers?
2. Are you willing to push the organizational agenda forward?
3. Is the agenda about the mission?

Are you willing to advance the strategic plan and its related agenda at the cost of disagreements within the leadership pyramid? Strong leaders build consensus out of conflict, while leaders lacking that innate strength avoid conflict and defer to the status quo.

What consensus is being built? It is the consensus around pushing the organizational agenda forward. The agenda is aligned with the core mission of the organization and is moved forward in a fiduciary manner. Only very rarely will there be complete agreement about a specific program or change that is being proposed. However, a strong leader will gain the consensus needed to have the agenda progress.

If the three questions above are answered positively, leadership is prepared to move outside of the previously established comfort zone and take the next step forward. It is mission-driven, accountable, transparent and visionary. If, on the other hand, leadership answers negatively to any one or combination of the three questions, it could be stuck in the perpetuating cycle of self-preservation. While preservation itself is an important piece of organizational success, it cannot be the main focus. If preservation becomes the primary organizational goal, it can lead to a lack of innovation, creativity and motivation and, in extreme cases, may result in obsolescence. When operations are proceeding smoothly, people do not want to "rock the boat." The organization may be functioning, but not producing results. Professionals have indicated that sometimes it takes the perfect mix of strong, innovative leadership and financial instability (or some other perceivable crisis) before organizations accept change. While that may be the case, strong leadership will remain the key to a successful and innovative transformation.

So, the question arises, how can these isolated instances of success become the norm? It can be argued that if such successes do occur, eventually the process will trickle down. Nevertheless, that is not an answer to the question. The necessary pieces to this complicated puzzle are commitment, time and modeling. This is easier said than done, however, primarily because of a general lack of standards, measurements and oversight. Consequently, from where will these guidelines and standards for success (and avoiding failure) emanate?

An internal solution would see organizations take responsibility for meeting standards on their own. In order to achieve this, you must identify the specific organizational problem and develop systems to remedy shortcomings and service gaps. This comprises a comprehensive and structured job description for all employees, including the executive director, with clearly defined expectations and consequences for noncompliance that are measurable and standardized. For the board of directors and board president, this would include standardized qualifications, the skills they offer and their professional and personal networks. If an organization has a "give, get or get off" rule for its board, are there exceptions to this rule if there is a board member who could make a significant contribution in other ways? This structure utilizes a strong nominating committee to hold the system together. By establishing practical and measurable internal systems, the sector could see forward movement without the constant oversight that otherwise would be necessary.

The other option would be an external solution, such as 501(c)(3) recertification. Systems in place could include strict measurements based on industry standards, a standardized timetable, consequences for not meeting standards and strict monitoring. What would this new standard of measurement and accountability lead to? It could lead to a culture of sector-wide organizational accountability and progress.

For this model to be feasible, organizations would fall into three categories.

1. "Performing well." These are the models for best practices (see *Best Practices of Effective Nonprofit Organizations* by Philip Bernstein, **www.foundationcenter.org/getstarted/onlinebooks/bernstein/summary.html**) and meeting those standards of recertification without issue.
2. "Needs improvement." There is a standard timetable set for these institutions to make the needed improvements and gain approval for recertification. If they do not meet the requirements, they would not qualify.
3. "Not meeting industry standards." These organizations have fallen into irrelevancy and would be placed on make-it-or-break-it probation. Those who progress regain their relevance and better serve the community, while those who fail lose their certification, with other successful organizations taking over.

While the results may seem harsh and threatening, perhaps a more businesslike, almost Darwinian, approach would serve the industry well, in that the best would thrive and the weakest would not, with these ends being achieved without added government oversight.

The ideas presented in this article are not an indictment on the nonprofit sector. There have been many positive trends in recent years, such as strategic philanthropy that, through the identification of problems and measuring results, has better aligned organizations with their donors. However, there are still organizations that have not remained true to their missions or performed at the level communities need. By providing alternative internal and external solutions, successful organizations will remain relevant and continue to grow, while those that are lagging will either survive through change or be forced to shut their doors.

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Hilda's Suitcase

By Norma Cameron, CFRE

After reading John Webster Hochstadt's article on the Cygnus donor survey in the September 2010 *Gift Planning in Canada Journal* ("The Cygnus Donor Survey: Where Philanthropy Is Headed in 2010"), I kept thinking about the "2 percent" (the percentage of donors who reported that they were influenced by someone from the charity when they established a bequest).

Following this, Hochstadt queried whether or not gift planners were wasting their time and perhaps we should fold our tents and go home. Penelope Burk, president of Cygnus Applied Research Inc. (**http://cygresearch.com/dev**), who conducted the survey, responded by saying the 2 percent should, instead, serve as a wake-up call.

Should we fold up our tents and go home?

Well, it certainly woke me up and got me thinking about my own track record in influencing decisions on gift planning. And that train of thought brought clearly into focus a situation that I initially thought would stand as my worst "lack-of-influence" story but, in the end, turned out to be a perfect learning opportunity. Let me explain. I had no idea that my mother would end up teaching me a very important lesson about gift planning. You see, when I first started dabbling in this realm, back in the mid-'90s, I soon realized that someone I had to talk to about getting her affairs in order was my mother (who lives in the U.K.). However, despite my best efforts to raise the topic, either when I visited her or during our weekly phone calls, she would say, "I don't have very much, and when I'm gone, I'm sure you'll all be able to work it out." She explained that she didn't even want to think about it, far less discuss it. Eventually, I got the message, folded up my proverbial tent and went home.

Years passed, and unfortunately, more of our weekly phone calls featured mum describing yet another funeral she'd attended. She was now in her 80s, and her friends were dying. Despite the creative segues that danced in my head during these conversations, I resisted the urge to raise the topic of her will or funeral plans. Then one day, things changed—the day my mum told me the following story.

She was heading home from a five-day coach tour of Cornwall with four of her closest friends. They had enjoyed a wonderful "tinsel and turkey tour," albeit in November. (Due to the off-peak discounted rates for older people, they usually managed to fit in at least four such Santa-laden trips each winter.) They were having a particularly riotous time reliving one of their holiday highlights, laughing heartily, when suddenly Hilda, one of her oldest friends, slumped over in her seat. It didn't take long for everyone on board to realize that Hilda was gone and wouldn't be coming back.

The coach pulled into a motorway lay-by; emergency services arrived and left taking Hilda with them. When the coach reached its final destination, my mother and her friends collected their cases from the neatly stacked row alongside the coach. And then they stood there, rather stunned at what had just happened. Soon, all the other passengers were on their way, being picked up by family and friends or piling into taxis, all the while murmuring about the "death on the bus." There my mother stood with her now only three friends, all staring at one case that hadn't been picked up. It was Hilda's, and no one really knew what to do with it. You see, Hilda was a widow with one estranged son who lived in Australia.

And so, they stood, staring at that old, brown suitcase featuring an oversized label on each side bearing Hilda's name and address, prefaced by the phrase: "If lost, please return to … "

After my mother had finished telling me her story, there was a pause on the line, and she said, "When you come home in September, do you think we could talk about, you know, those arrangements?" I knew exactly what she meant and simply said, "Of course." After

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another shorter pause, she said that if she had a choice, she'd like to "go" the same way Hilda had, returning from a great holiday, surrounded by friends and spending her last moments on this earth enjoying a good laugh.

When September rolled around, my mother kept to her word. To be honest, we ended up having much too much fun drafting her will and deciding among the multiple choices on offer regarding funeral arrangements. This whole exercise also had the added benefit of bringing our family, who are spread across Scotland, England, Canada and Australia, just a little closer. And while my mother isn't a wealthy woman, she decided to carve out a portion to support her favorite charities through a percentage-based residual gift. (And, yes, my heart soared.)

From a professional perspective, I learned the importance of letting your prospects and donors know you're ready, willing and able to be there whenever they decide the time is right. So, I think we should unfold those tents and accept Burke's challenge to step it up. We need to build the type of relationships that instills a level of confidence in our donors' hearts and minds that will propel them to choose our charity when the time is right.

For my mother, the time was suddenly right when she sat at home, not knowing what to do with Hilda's suitcase that now sat facing her on the living room carpet.

Note: This is an article reprinted from the October 2010 issue of *Gift Planning in Canada*.

"Hilda's Suitcase" is just one of the exhibits, articles and resources available at no charge on the SOFII (Showcase of Fundraising Innovation and Inspiration) website (**www.sofii.org**). For more information and free SOFII updates, contact Carolina Herrera, SOFII project manager, at **carolina@sofii.org**.

Paralysis by Overanalysis

By Shiree Skinner, MBA, MNM

"If you wait until you have all of the information that you think you need in order to make a decision, the probability is that by the time you're ready to make that decision, the decision is no longer yours to make." One of my professors referenced this quote from her doctoral advisor at New York University, Dr. Howard Brown, during a class in which we discussed the importance of an organization's completing an environmental scan or analysis (analyzing the environment in which it is operating) as part of its strategic-planning process.

Indeed, extensive analysis can create decision paralysis—even in fundraising. To illustrate, consider the following.

Scenario No. 1. You have a multimillionaire in your midst. How can you move him from five-figure giving to six-figure giving? Your organization's executive director says, "Gather the troops." You begin a strategy session, with the development team's gathering around and discussing the donor's history, what they know about the donor, what they think would intrigue the donor and so on. The team even enlists the help of a consultant who is considered one of the best strategists in nonprofit fundraising. You all discuss various ideas, and everyone has taken notes. The meeting adjourns.

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When the development team meets the following month, the same donor is on the list to be discussed yet again. Since the last meeting, some research has been done, and the team analyzes detailed financial information about the donor. They all review their notes from the last meeting. The team discusses who may be the best person to meet with the donor. Should it be the director of development, the organization's executive director, a board member, a staff member, a fellow donor, a recipient of the organization's services who can tug at the donor's heartstrings or perhaps some combination of these? The team runs through a few options, but eventually, the meeting ends. Next month, that same donor is on the list to be discussed again.

Scenario No. 2. An event committee wants a certain high-profile corporate CEO to be the honoree at their annual dinner. They know the CEO travels extensively. They decide to ask the prospective honoree to agree to be honored and propose to set a date based on his availability once he accepts. There is an inside connection to the CEO, and the committee is confident that the prospect will say yes, if he is given some leeway with the date. The invitation letter is hand-delivered, and a follow-up strategy is put in place. The committee meets monthly via conference call.

The following month, the honoree situation is discussed at length, and the follow-up actions are reviewed. The same happens again the next month. Four months later, the honoree prospect has neither accepted nor declined. The date for the dinner has not been set. Now, instead of having nine months of lead time to plan the dinner, the committee has only five months to do all the planning. The committee is held in limbo as it is unable to solicit donations without an event date or a confirmed honoree. During the latest call, there is—again!—a lengthy discussion about the pros and cons of waiting on the honoree or setting the date without an honoree. The call ends without a decision, but there is a plan to follow up with the prospect once again.

Are you working in an organization such as this? Are there meetings upon meetings to analyze the same topic over and over again? Paralysis by overanalysis can be crippling. What causes such paralyzing situations?

Decisions with too many detailed options. Making a choice and deciding on a course of action are almost impossible to accomplish. Why does this happen, and what can you do to help move things forward?

Part of the solution may be to incorporate some decision-making techniques.

1. Consensus decision making

In simple terms, consensus refers to agreement by all members of a group. Consensus is a combining of ideas and seeks a higher-quality decision than a majority vote or a decision by a single individual or select group of individuals. Ideally, the consensus process utilizes a neutral facilitator who must make sure that everyone is heard and that all ideas are incorporated into the final solution.

Some difficulties with consensus come when all are in agreement except one or two. One or two people may refuse to enter consensus because they strongly believe that the decision is wrong. Obviously, consensus decision making can be very time-consuming.

2. Dialectics decision making (Socratic method)

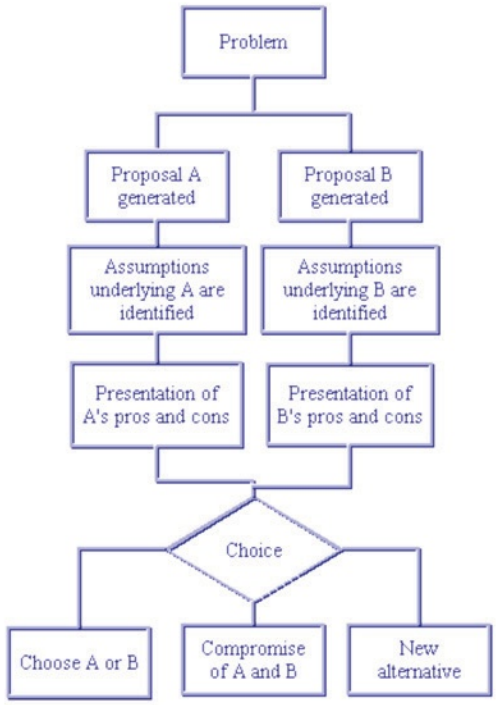
The dialectics decision method (DDM), or Socratic method, traces its roots back to the Greek philosophers Socrates and Plato. With DDM, two or more staff members would be asked to propose solutions to the problem. Each staff member would present his or her idea and argue its pros and cons. After hearing each solution, the group would make a decision. It may decide to embrace one of the solutions, craft a hybrid solution or come up with something totally new. (See Figure 1.)

The main disadvantage of this process is that if one solution is chosen over another, it can be viewed as a win-loss situation, with the losing staff member(s) leaving the process deflated.

3. Rational decision making

A rational decision-making model attempts to negate the role of emotions in decision making. The process is often performed with the use of a chart or a decision grid. The decision to be made is defined, such as choosing a venue for an event. Criteria for the decision are listed; location, capacity, availability and price are examples of the criteria for a venue decision. Then, each criterion is scored, and the solution with the highest score "wins." The downside of this method is that filling in the grid may require time and research. The scoring may be debated, as opinions about the various criteria can vary.

Figure 1. Dialectics Decision Method (DDM) or Socratic Method



All three of these decision-making methods require that the group making the decision agrees to a process. Will you need a decision-making process to decide on the decision-making process? Hopefully not. Depending on what the decision is, whether it is urgently time-sensitive or a little less urgent, you should develop and adhere to a timeline for making decisions and making progress. Consider the first scenario, where the development team was paralyzed in soliciting a donor. A simple solution? Set a meeting date with the donor, with at least a week to prepare. The absolute deadline will certainly get the process moving.

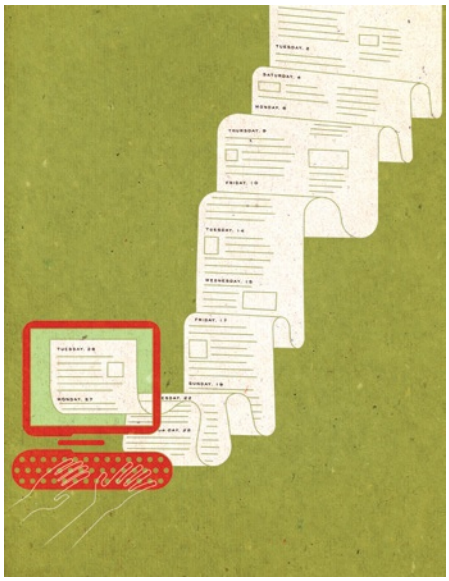
Ultimately, you most likely have experienced some form of paralysis by overanalysis. For the sake of your organization and the communities you serve, as a nonprofit leader you must be the catalyst that breaks the paralysis.

Shiree Skinner, MBA, MNM, has 23 years of experience in nonprofit fundraising and is currently the principal consultant with Details Strategic Advisors LLC (www.DetailsStrategicAdvisors.com) in the Washington, D.C., area.

Forgetting About "Big Data": Leading Advancement Services for the Real World

By Bo Crader

Most organizations that claim to have "reporting problems" actually have deeper, more systematic issues. Yet, many of these same organizations seek "big data" solutions in response to these challenges, an approach that ignores underlying technical and business issues. The result from years of similar "quick fixes" is often a bewildering mix of inputs from multiple systems and sources that obscures the meaningful and actionable information your team needs.



Forget about big data. What does your organization actually need to get better results? What would actually "move the needle" on your fundraising? Here are a few ideas to move from a focus on "reporting" to a more value-added "information delivery" approach in your organization.

1. Taking Inventory and Prioritizing

Almost all organizations have no shortage of reports. With spreadsheets, data lists and historic files in abundance, it is difficult to understand exactly how your organization serves and consumes data.

A first step in any technical project is to inventory requirements, keeping in mind that end-users often do not fully understand the capabilities of systems or the rationale for data management outside of their department.

Once you have an understanding of what users need and when, take a pass at putting these needs in priority order. Often, this will require making difficult decisions and trade-offs between the needs of diverse users. To make this process a bit easier, force prioritization around agreed-upon goals, such as driving revenue, improving donor services or supporting organizational strategy.

Time and resources are limited, so if that spreadsheet for the executive director is "good enough" for now, leave it alone and focus on putting more actionable data into the hands of fundraisers. Trying to simultaneously satisfy the needs of all users across the enterprise is a recipe for burnout and disappointment all around.

2. Understanding the User Experience

User experience does not just apply to software design. A friend often tells the story about dozens of hours he spent building a custom report, only to have the user ask for the information to be rendered in Microsoft Excel so they could pull the data into a pivot table. How will the users in your organization actually put information to use in their day-to-day jobs?

Do users need reports, spreadsheets, access to information on a mobile device or perhaps just a bit of training on how to access live data in a CRM system? Commonly, users are unaware of options available to them and need development services to lead them in exploring the possibilities for improving business practices. Suppose you make updates to live data in a system. After that, moves management pipeline meetings could be run in real-time, with no "reports" required.

3. Eating Your Vegetables

Actionable and value-added delivery of information to users is predicated on the quality of data entry, management standards and business processes. While decidedly not interesting to the majority of users, the reality is that what goes into a system is the primary variable determining the quality of outputs. Too often, a "system of record" is a junk drawer of historic information. What is all that stuff anyway?

If your organization has basic issues with data integrity from systems fragmentation, legacy data or weak con-

OTTO STEININGER/ILLUSTRATION SOURCE

trols on business processes, stop and make a plan to address these. Advancement services initiatives that do not address fundamental issues such as these are doomed to fail, and without addressing the root causes of these issues, you will be doing your "spring cleaning" again next year.

4. Leveraging External Sources

If you have moved recently, do you receive mail at your home from well-meaning nonprofits addressed to the previous resident who unfortunately passed away almost three years ago? Of course, you could have contacted these organizations to update their information, but you probably thought that they would certainly update their database before their next mailing. No such luck.

Data products related to National Change of Address (NCOA), deceased records, address standardization, valid email addresses or the overall health of data are readily available and at a relatively low cost. Simple updates such as these can make an impact across an entire organization, avoid unnecessary donor services snafus and point out incremental opportunities for cost savings.

5. Seeing the Future

Most users are focused on getting accurate and timely reporting on transactions and constituent history, but technology leaders are increasingly focused on predicting future results. Whom should you invite to our marquee event, and in what order? What should ask amounts be for an annual appeal, and whom should you exclude from your mailings in lieu of a face-to-face ask? Is there value in sending out a high-end premium mailing to a smaller, more targeted group of constituents, and, if so, what is your expected return?

Data modeling can assist with these decisions through an analysis of results from previous campaigns, often in combination with external data sets from similar organizations. Similarly, analytic services can be used to provide a more detailed understanding of the capacity, linkage and preferences of donors, allowing organizations to focus efforts on their best prospects. Both types of services are readily available to virtually any size of nonprofit.

6. Quantifying Value

Data-driven decisions are critical to sustainable, bottom-line results, and another trend in advancement services is to offer quantifiable analysis in terms of return on investment and mission. Look for event managers to increasingly want to understand the return on and impact of events, so that unprofitable or marginal events can be rebooted, consolidated or discontinued. Similarly, faced with declining trends in direct-response efforts, marketers are making an intentional move from acquisition-based fundraising to focusing more on retention and upgrades of current donors, with greater scrutiny of costs and return on each individual mailing.

This type of analysis will often require the collection and compilation of data from multiple sources, and it will present a great opportunity for advancement services to lead the way in terms of including measurement standards at the start of any initiative.

7. Leading From the Front

How do you build an organizational culture that maximizes the use of its data? This question is almost universal in the nonprofit sector, and there is no easy answer. That said, consider a top-down and bottom-up approach.

For example, there was an executive director who made updates directly into the organization's CRM system. When he was preparing to call on a donor, he would email the major gift officer and related staff to ensure the information he was looking at in the system was up-to-date. After a few such emails, call reports and other updates were invariably up-to-date.

Similarly, the charismatic, vocal or otherwise influential leaders within each team can lead by example as powerful evangelists for data-driven decision making, as social use of technology is one of the best predictors of technology adoption.

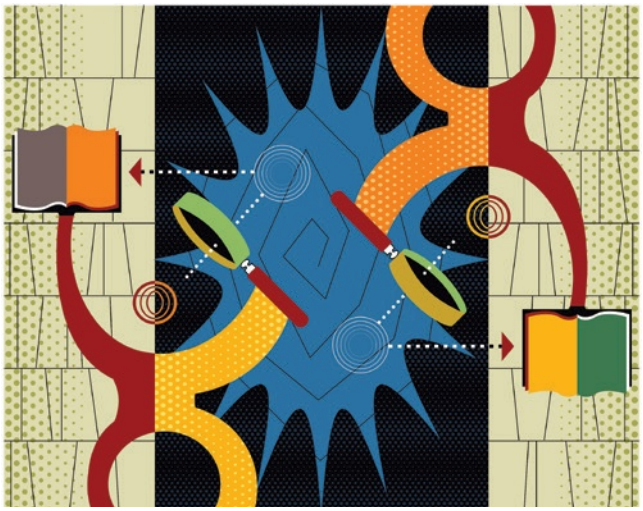
Conclusion

It is worth repeating that nonprofits struggling with legacy processes, antiquated systems, unsustainable "workarounds" and a "the way we've always done it" mentality do not simply have data issues. These are fundamental business and infrastructure issues that need to be addressed in a prioritized and systematic manner. For better or worse, this is not just a one-time endeavor but rather a shift in organizational focus and culture. "Set it and forget it" does not make sense in the rapidly changing, Internet-driven market in which you operate today.

Bo Crader is a principal consultant at Charleston, S.C.-based Blackbaud (www.blackbaud.com) and one of the founding members of Blackbaud's interactive services team.

Prospect Research With Limited Resources

By Laurie Porter



CAMPBELL LAIRD/ILLUSTRATION SOURCE

If you are a single researcher for a small development office or a development officer tasked with research in addition to fundraising, you must be creative and use more initiative to stretch dedicated dollars for research tools. You need to know where to find free, reliable resources, as well as the best value for fee-based resources.

Prospect research resources can be segmented into four major areas or categories of information: biographical, corporate/career, wealth assets and philanthropic interests/community involvement. Several are free or low cost, and some information providers have both a limited free version and a more comprehensive, fee-based subscription.

Biographical

This type of information can include a prospect's name, address, phone number, email address, birth date, wedding information, family background, friends network, hobbies and interests.

1. PeopleFinders–Marriage (**www.peoplefinders.com/marriage-records/state**), free.
   - The site provides marriage records by state, but in only the following states: Calif., Colo., Conn., Fla., Iowa, Ill., Ky., Maine, Minn., Nev., Ohio, Texas, Utah and W.Va.
   - To get started, click on any of the states listed. This will take you to a page that displays the names of people who have marriage records in that state. You will see full names of brides and grooms, and you can click any of them for more details. Their marriage records provide useful information, including the wedding date, the county where the ceremony was held and more. You also may use this website to learn additional details about the bride, groom or anyone else who was involved in the wedding party. In addition, you can click on any of the states listed to learn what years are included.
   - If you are not certain in which state someone was married, you also can search for marriage records (**www.peoplefinders.com/marriage-records**) using either the bride's or groom's name.
2. WhitePagesGoesGreen (**www.yellowpagesgoesgreen.org/whitepages**), free.
   - WhitePagesGoesGreen.org by YellowPagesGoesGreen.org (Yellow Pages Directory Inc.) is an online directory allowing users to search an online database and telephone directory for all telephone numbers in the United States. Using the search boxes, simply type in a name and location. Even if you do not have the complete information, the telephone number lookup database can help you find phone numbers.
   - You can use the site to verify the most current address of a prospect who may have moved a number of times in a relatively short period of time. By accessing the 2014 WhitePagesGoesGreen for the city where the prospect lived, for example, you will be able to see the page from the phone book for that prospect. (Not all cities are available.)

Corporate/Career

These sources include information on job titles, locations, company names, total compensation, salary, promotions, patents, basic stock information (if the prospect works for a publicly traded company) and others who make up the prospect's professional network.

1. The Business Journals (**www.bizjournals.com**), free and fee-based.
   - Business journals (e.g., the *Phoenix Business Journal*) are an excellent resource not only for local/state business information but also for identifying

potential board members for your organization. Searching any of the business journals will bring up information for business journals from other cities, if that prospect appears in other issues.

- The *Book of Lists* (**www.bizjournals.com/bizbooks**), published by The Business Journals, is a valuable resource for company officers, revenue, contact information and lists of different types of organizations.

2. Muckety (**http://muckety.com**), free.

- This site offers relationship mapping that is not a universal search. The database focuses on national power brokers, mainly in the United States. The site lists top government and political figures, as well as board members of Fortune 1000 companies, major nonprofits and influential colleges.
- Users can search for multiple entries in the database simultaneously by separating names with the word "and." (Each person or organization you search for must be at least three characters long.)
- If your search results include multiple names and you would like to see if they are connected, click on the boxes next to those names, and then click the MucketyMap button. If the database includes first- or second-degree relationships for two or more people, the resulting map will show them.

Wealth Assets

Wealth takes many forms and includes real property, total number and types of stock holdings, the value of stock shares, company sales, home or undeveloped land sales, luxury items such as antique autos, valuable artwork, airplanes and boats.

1. Equilar Atlas (**www.equilar.com/solutions/fundraising**), free and fee-based.

- Established 14 years ago as Insight, Equilar Atlas is an excellent resource for development officers. It is one of the most extensive databases of executive and board member professional information. Its unique platform facilitates business and professional development opportunities and serves as a research resource for executive and board recruiting processes. (Equilar Atlas uses public filings—SEC Form 4—for 5,500 U.S. companies.)
- There is free and instant access once an account has been created, and users can view up to 10 unique profiles for free, including email alerts if the information changes on the 10 prospects. Users also can buy a subscription (even one month at a time), and the fee-based premium subscription provides network mapping.

2. FCC (Federal Communications Commission), free.

- This site (**http://wireless2.fcc.gov/UlsApp/UlsSearch/searchLicense.jsp**) is maintained by the FCC for amateur and commercial radio operators, boat owners and airplane owners who have a radio installed in their boat or plane. You may be able to find information here that you haven't found anywhere else.

Philanthropic Interests/Community Involvement

This category may be the most important in making a determination about a prospect. Information may include gifts given to other institutions and nonprofits; community involvement (such as boards, committees, societies); volunteering; passions; and the prospect's network of philanthropists who share their interests.

1. NOZAsearch (**www.nozasearch.com**), free and fee-based.

- Acquired by Blackbaud in 2010, NOZAsearch allows you to search one of the largest databases of charitable giving to find prospects and determine ask amounts. Users can search for the giving of foundations, individuals or organizations by name, location or cause. The foundation grant database (3 million records) is free. In addition, there is a monthly e-listing of top gifts in the United States.

2. Mention (**https://en.mention.com**), free.

- Founded in 2012, Mention is a media monitoring app combining Web and social networks. With 200,000 users in 140 countries, Mention targets the growing population of community managers in Fortune 500 to Fortune 5,000,000 companies.

Note: This article was inspired by the presentation "Best Research Tools for Small Operating Budgets," given by Laurie Porter at the International Conference of the Association of Professional Researchers for Advancement (APRA), **www.aprahome.org**, July 30–Aug. 2, 2014, in Las Vegas.

Laurie Porter is owner of Research by Design in Fountain Hills, Ariz. Currently, she is responsible for prospect development research and analyses for the Franciscan Renewal Center (FRC) in Paradise Valley, Ariz., and can be reached at azresearchbydesign@gmail.com.

So Much Data!

By Melissa S. Brown and Andrew Watt, FInstF

At the 2014 Blackbaud conference (bbcon) held in Nashville, Tenn., last October, Andrew Watt, FInstF, president and CEO of the Association of Fundraising Professionals (AFP), and Melissa Brown, a member of the AFP Research Council and coordinator of the Nonprofit Research Collaborative, presented the session, "Fundraising Data and Trends: Putting It All Together."

FANATIC STUDIO/ILLUSTRATION SOURCE

AP: Andrew, why have a session on fundraising data?

Watt: Until recently, we in the nonprofit sector didn't have a great deal of data to use in analysis. Now, we're faced with an entirely different problem: There's so much data that all the information can be overwhelming. So, our session was a step to help fundraisers, gift-processing staff and others learn more about the various measures and data points so they can use them effectively.

AP: Melissa, if you had one piece of advice for using the many metrics available, what would it be?

Brown: An organization needs goals and action steps leading toward the goals. My single piece of advice is to select measures or benchmarks that help you evaluate whether you are on track to meet your goals and ignore the many others. If your goals are about online giving, use online-giving metrics. If your goals are about retention, use retention metrics and so on. You may need to do an assessment using several metrics first to find out where you need to make changes, but once you've set a course, steer by the guideposts you have selected.

AP: Andrew, what is your take, your one piece of advice?

Watt: We measure fundraising to see how we are doing and how we can get better, to improve fundraising management. But the key thing is that we raise funds so that our organizations can have a positive impact on the world.

I like to put fundraising results into terms that help our constituents understand that fundraising is essential to meeting the mission. You can see that in a "return on investment" figure, something like, "For every $1 we spend on fundraising, we add $3.55 toward our organization's work in … ," whatever it may be.

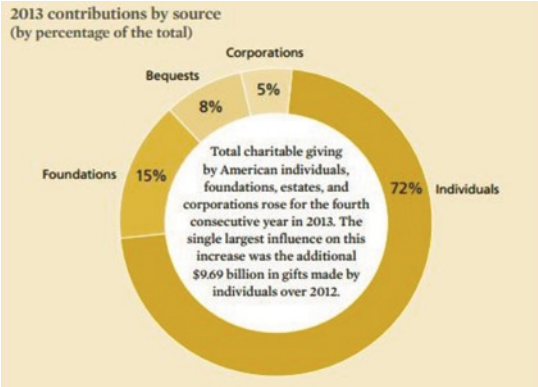
So, my key point is that how we measure fundraising results and how we communicate those measurements matter within the organization for management purposes, with constituents for their understanding of our ethical practices and generally across the nonprofit sector to focus on the good work being done. If we talk about "cost to raise a dollar," we sound as though our mission is raising money when, indeed, we only raise those dollars to bring about some other change. That may be meeting humans' most basic needs, such as clean drinking water, or sharing some of the most glorious expressions of our humanity, such as art or music.

AP: So, where do you start? What is the first set of metrics to consider?

Watt: I start at the top with the "grandmother" of all giving data, *Giving USA*. I recommend that all organizations become familiar with the annual report. It is a 30,000-foot view and is essential for board members and others to understand the nonprofit sector overall.

In 2013, Americans donated an estimated $335.17 billion, for example, and 72 percent of that was from living individuals. (See Figure 1.) We saw the fourth straight year of gains overall. In Canada, individuals are central to giving as well. In other countries, philanthropy is expressed differently, but the concept is the same: Identify the total and what share comes from different types of donors.

Figure 1. Total 2013 Contributions: $335.17 billion



Source: *The Giving USA* 2014 report (**www.givingusareports.org**).

AP: But what about fundraising costs? We hear so much about those.

Watt: Donors want us to be careful and ethical with their money, but largely, they want to see positive change resulting from their contributions. So, part of our work is to show that our organizations generate the changes we intend to bring about. That is just good stewardship. To have the funding necessary to meet our missions, we need fundraising metrics to improve the efficiency (cost) and effectiveness (total raised), but those are largely internal, management-focused measures.

AP: So what should we choose for the internal metrics?

Brown: We first need to consider carefully what our organizations need to accomplish and then find benchmarks that can be guideposts along the way in the direction we want to go. Some benchmarks may not apply to all organizations, and not all of our audiences will be interested in certain benchmarks.

The list of popular metrics is long: number of requests, number of donors, number of gifts, amount of donations, total raised and total costs (expenses). From these, we can calculate averages. We can get at the cost to raise a dollar, net income and more. To identify specific areas for improved effort, we can track new and recaptured donors, donors who give more this year than last (upgrades) and donors who do not renew or who give but give less. And for specific fundraising vehicles, such as online, there are additional metrics, such as click-throughs, conversions and others.

Watt: I always want the big picture first, or return on investment (ROI). Is the development program raising more than it spends? How much is it generating for the mission of the organization? This is basically the amount raised divided by all expenses (including the value of staff time on development functions).

Some groups consider only cash received and do not count pledges. Others include new pledged amounts, but they should then remove from cash whatever was paid on earlier pledges made (because those were counted in an earlier year). Both the Association for Healthcare Philanthropy (AHP) and the Council for Advancement and Support of Education (CASE) have standards for gift tracking.

One year of data is helpful, but it is also immensely informative to look at trends and then to break down totals program by program. Is the annual campaign raising more than it spends? What about special events? Major gifts? And so on.

AP: Do you compare these data against those of other organizations?

Watt: Comparison with others can be helpful, although comparing against your own organization is best. There are some exceptions. If you've never done the analysis before, it can help you to see where others are. Another exception is if you can compare with a peer group that is very close to your own organization, which is possible with data-mining tools such as that run by AHP for its members.

The key is to find out where your organization stands now. Once you've done that, the advancement team can set goals for raising more for every dollar invested, even if it is just a little bit more next year.

AP: Any tips on using metrics to identify how you raise more?

Watt: We are seeing tremendous results when AFP members use tools such as the Fundraising Fitness Test. This free tool, which includes instructions, uses just three fields of gift data from your donor records and calculates metrics for you. Among the most important are data on donor retention. When you know whether your fundraising program is a bucket, retaining donors over time, or a sieve, you can make plans for communications, stewardship or other improvements to better your results.

You can run this tool program by program, class by class (in an education institution) or gift officer by gift officer, as long as you've kept records that way. More

An Overview of Selected Benchmarks

1. *Giving USA* (**www.givingusareports.org**) is annual, usually released the third week of June. Published by the Giving USA Foundation, the report is researched and written at the Indiana University Lilly Family School of Philanthropy in Indianapolis.

This work contains each year's first estimates of charitable giving totals, plus summaries of other organizations' work. It is the most comprehensive benchmarking tool available. The *Giving USA* estimates cover changes in and total amounts contributed by living individuals, foundations, corporations and through bequests. Eight subsectors are included: arts, culture and humanities; education; environment and animals; health; human services; international aid and development; public-society benefit; and religion. Giving to foundations (a portion of public-society benefit) is reported separately.

You can track your organization's changes in contributions—total and by type of donor—over five years and plot against the percentage changes reported in *Giving USA* for the same five years. If your organization is trending in the same direction, you are "on track" with national results. If you are consistently below *Giving USA*'s rates of change, evaluate your fundraising approaches. The report includes data tables with benchmarks from others in the nonprofit sector, such as trustee giving at private schools, the cost to raise a dollar at healthcare institutions and average foundation grant amounts for each subsector.

2. Fundraising Effectiveness Project (FEP) (**http://afpfep.org**). The annual report is usually released around Sept. 1. This is a partnership between the Association of Fundraising Professionals and the Urban Institute.

The FEP has the only data available about retention. More than a dozen donor software firms enable clients to participate in this national project. Each year since 2006, analysts have used the anonymous giving records to ascertain what percentage of donors from "last year" gave again "this year." Historically, around 40 percent renew their gift to the same organization, but this varies by size of organization and by subsector. The free report provides benchmarks by organizational size and subsector, as well as by region of the country.

Based on the FEP, AFP's "How to Retain Your Donors" workshop and other resources help organizations identify areas for improving communications, stewardship and appeals, resulting in better retention.

3. Nonprofit Research Collaborative (NRC) (**www.npresearch.org**). The semiannual reports are released in the spring in conjunction with AFP's annual International Fundraising Conference and in early fall. This is a collaboration involving seven different organizations, including AFP.

This is the only free source of information about performance by nearly every fundraising activity or method. The NRC surveys ask about specific activities—direct mail, major gifts, special events and a dozen others—and whether an organization is seeing an increase in funds raised, no change from a year ago or a decrease. Reports show what percentage of responding organizations saw each type of change.

Organizations use the benchmarks a) to see if they are consistently in the "same" or "decreasing" group, in which case they shift their approach, or b) to identify areas of growth for other organizations as part of planning for and implementing a new activity.

The reports include analysis by subsector, five different size categories and region of the United States, with a separate analysis for Canada.

4. Blackbaud Giving Index (**www.blackbaud.com/nonprofit-resources/blackbaud-index**). These are monthly reports with data showing an approximate two-month lag. (For example, the October 2014 edition showed August 2013 to August 2014 data.) The reports are compiled by software vendor Blackbaud using reported gifts at clients' and other partners' organizations.

than 1,000 organizations have used it since its launch in 2014, and we have reports of increased amounts raised at hospitals, social service organizations and elsewhere.

Brown: With software and analysis packages, pulling fundraising activity and money metrics can be relatively easy. AFP released a compilation of information from groups for response rates and average board giving from the Nonprofit Research Collaborative. These can be starting points for organizations beginning their assessment to find where they would like to plan improvements.

To raise more, however, the work of AFP colleagues such as Penelope Burk and Adrian Sargeant shows that donors value the quality of their engagement with our work, and they want us to value that, too.

Organizations are finding ways to adapt data fields in their software programs to capture what donors say when asked why they give to a group, how else they would like to engage and other information the donors share. There are no standards or benchmarks for this type of information. I encourage everyone to consider how to collect, manage and ethically apply information about donor engagement. This could be anything from event participation to volunteer hours, from a meeting with a major gift officer to the story someone tells about how her grandmother used to come to your organization.

AP: Any closing thoughts?

Watt: I hope these thoughts give you both some tactical ideas and also some strategic thoughts on why this all matters and why what we do—in the trenches of data collection—affects all of us in the sector.

Melissa S. Brown is principal at Melissa S. Brown & Associates LLC (http://melissasbrownassociates.com) in Carmel, Ind., a member of the AFP Research Council and coordinator of the Nonprofit Research Collaborative. Andrew Watt, FInstF, is president and CEO of the Association of Fundraising Professionals in Arlington, Va.

Don't Sabotage Your Career—Take Control

By Mary Beth Bos, CFRE

Are you thinking about looking for a new job? Why? According to the *2014 AFP Compensation and Benefits Study* survey, the top two reasons why fundraisers may be considering a change are:

- Frustrated by the current work environment (30 percent of U.S. respondents; 28 percent of Canadians)
- Want greater career opportunities for advancement (23 percent of U.S. respondents; 22 percent of Canadians)

In order to take charge of your career going forward, there are several things you need to address.

1. Look at the current labor market.

In today's constantly changing job market, employers can find talented staff with exactly the type of credentials and background they are looking for, and more. While many applicants meet all the criteria to do the job, passion, fit, style and leadership are the critical factors that determine who gets hired. Soft skills such as work ethic, communications style, teamwork, personality, problem solving and critical and creative thinking all play an important role in today's HR search for professionals in the workplace. If you are deficient in any area or do not know what your soft skills are, you should seek assistance from a trusted mentor or colleague. Behavioral assessments, available through career/business coaches, can provide objective understanding.

2. Plan and research the job prior to application and the interview.

Because the job market is very difficult to maneuver today, it is extremely important to plan ahead. Ask yourself, "Where do I want to be in three to five years? What organization fits my strengths in raising money and mission? What strengths do I bring to the job? What are the important benefits needed?"

With the right research beforehand, the chances are better that you will find the right position. Read the Form 990, which each U.S. registered nonprofit must file yearly with the IRS (Guide Star is one resource), or the T3010 in Canada to determine a nonprofit's or charity's financials, stability and fundraising results. Is this an organization that meets its mission and fulfills a need in the community? Is it run efficiently? Is the culture in line with your values and working style? Can you be passionate about the mission and cause?

3. Have a compelling résumé.

Keep track of the money that you have generated during your career, and make sure your résumé reflects accomplishments rather than reading like a job description. Each job history listed should reflect, in "metric" terms, all achievements. A cover letter needs to state how your background and skills meet the job requirements, along with your passion for the organization. Your organizational and writing skills are being evaluated. Writing and good grammar are two of the most important skills for all careers. Your résumé should be two to three pages long, if possible. If you are transferring skills from the for-profit to the nonprofit arena, career objectives are critical. A summary or professional competencies section is recommended to highlight your strengths more quickly and to get you to the interview stage.

4. Listen during the interview.

The most common mistake that candidates make during an interview is talking too much. Listen to what is being asked, repeat the question if necessary and answer concisely. Then stop. The interviewer will ask a follow-up question if needed. Dress professionally. Casual dress may not convey the image and presence that an organization is seeking, which may cost you the job.

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5. Qualify goals and challenges to be successful.

Before accepting a job offer, ask how you will be evaluated after the first 90 days and after the first year. What are the expectations outside of the job description? What is the allocated budget for development/fundraising? Who plays a role in raising funds, including the board of directors? What is the CEO's management style? There must be mutual respect and trust between the CEO and the development director for successful fundraising. Make sure to have these essential elements in writing. If your gut tells you an organization is not a good fit, move on.

6. Are you jumping ship too quickly?

A red flag on any résumé is a short length of employment at an organization. Three to five years is the amount of time that it takes to set and attain goals and objectives.

7. Know the salary you want, and research salary information.

The Form 990 will give you the salary information of the top professionals within the organization. You also should research what the current salary ranges are in the area by looking at salary surveys for development officers. The AFP, Guide Star and United Way compensation and benefits surveys are just a few sources.

8. Have an employment contract.

It is always recommended that you obtain an employment agreement or contract before you begin work. The agreement should contain the details of the terms of employment: the amount of notice for termination by both parties and the amount of salary and bonus, as well as issues for termination on behalf of either party.

Mary Beth Bos, CFRE, is president of MBJ Group Inc. (www.MBJGroup.com) in Sarasota, Fla.

A Great Synergy

By Lynda McDaniel

Emmanuelle Gattuso is a leadership donor for numerous arts, culture and health organizations in Canada through the Toronto-based La Fondation Emmanuelle Gattuso. She shares her insights into how she feels fundraisers can attract donors and keep them engaged.

Q: What actions of fundraisers do you like?

A: As a donor, I receive a lot of blanket mailings sent to anyone in the category of "donor." It is just a generic letter that has my name on it, and it has no meaning for me. The most successful fundraisers tailor their ask. They do their research to find out if the donors would be interested and what they have given to in the past. We have helped organizations with their fundraising, not only with donations but also with assistance in organizing their fundraising activities, so I know there's a way of focusing an ask. Fundraisers need to find an angle. That's really the best way to ask for money.

Using a form letter is the easy way to go. It's more complicated and more work to tailor the asks, but that's more effective. I recommend that organizations reach out to even just one donor who has connections and can make important introductions. For instance, when I learned of a pilot project for a rapid diagnostic clinic for breast cancer at Princess Margaret Hospital in Toronto,

Stretch Giving

Emmanuelle Gattuso and her husband, Allan Slaight, are big proponents of "stretch giving" to reach as many potential donors as possible. "Matching gifts are so powerful," explains Gattuso, who established La Fondation Emmanuelle Gattuso in Toronto in 2013. "If you've been thinking about donating and you learn that someone will double your gift through a match, you're more likely to donate *now*."

That is what happened in 2008 when, for her 60th birthday, guests were asked, in lieu of gifts, to donate to the Gattuso Chair in Breast Surgical Oncology at Princess Margaret Hospital in Toronto. Her friends and family donated more than $90,000, which Slaight matched for a total of almost $200,000. This started a tradition that every year adds funding to important projects at the Princess Margaret Hospital.

Allan Slaight and Emmanuelle Gattuso

Gattuso and Slaight began their relationship with the Princess Margaret Hospital Foundation in 2002. In addition to establishing the Gattuso Chair in Breast Surgical Oncology, Slaight pledged $12.5 million to the hospital's campaign to establish a clinic that would offer rapid diagnoses for women's health issues. His gift was one-half of the project's goal and led to the establishment of the Gattuso Rapid Diagnostic Clinic. The story of this gift and how it transformed healthcare garnered a storm of media interest that lasted for weeks. It also fostered similar diagnostic clinics at other cancer centers throughout Canada.

"I can't take credit for the idea," Gattuso says. "That belongs to Dr. David McCready at Princess Margaret Hospital, who we call the Caring Genius. This is such an important step in delivering healthcare. People are thrilled that

I really connected. I had had breast cancer, and I knew what it felt like to wait the average 5.3 weeks it takes in Canada to receive a diagnosis. I thought this clinic was such a brilliant idea that I personally wrote to everyone I knew on my own stationery. I tailored my last paragraph based on whether the letter was going to friends who had plenty of money or those who had less to give. I then followed up with each of them. The campaign was such a success. We raised the money faster than we ever anticipated. This required more work than a form letter, but in the long run, it was more rewarding for the organization and everyone involved.

Q: What don't you like for fundraisers to do?

A: I get frustrated when somebody repeatedly asks me to donate to something I've said does not fit into my focus. For example, I know some people like to donate to brick-and-mortar campaigns, and those are needed. But Allan and I don't want to do bricks and mortar. We think it's more effective to hire the best and brightest minds to work in those buildings. People have different interests, and fundraisers need to figure that out.

I also don't like it when an organization spends my money to buy me gifts. One organization approached me and convinced me to become an important donor. Afterward, they sent me an expensive thank-you gift. I phoned them and told them I find it insulting when an organization uses money I've given for a specific cause to do things like that.

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

A: Donors need to connect with the work and the goals of the organization. I want to feel a synergy between me and the organization—that we can work well together and that they will value me as much as I value them.

they don't have to live through the stress of waiting. By the end of the day, they have learned their treatment plan or, even better, that they didn't have the disease!"

The ripple effect of the rapid diagnosis concept has led to similar clinics all over the world. One major donor suffering from pancreatic cancer donated $5 million to start a clinic for that disease. "The reverberation and impact goes on and on, which is fabulous," Gattuso adds.

Matching gifts bring something fresh to the ask, as do creative projects such as the Gattuso Rapid Diagnostic Clinic. This is what Gattuso means about not relying on tired formulas for fundraising. Instead of asking for more money to improve the status quo, innovative concepts can raise money from donors at all levels who are excited about a campaign.

Gattuso and Slaight also share a commitment to the arts and the civilizing role the arts play in contemporary life. They have helped fund innovative projects, including a $5 million gift in support of the expansion and renovation of the Art Gallery of Ontario (AGO) in 2008. AGO has a mission to "integrate groundbreaking ideas about the many ways that art and people can connect for powerful experiences."

In 2008, they made their first leadership gift to the National Ballet of Canada, supporting principal dancer Guillaume Côté through what was then a new program called Dancers First. This innovative program encourages a unique relationship between donors and their sponsored dancers. At the time of their gift, there were four sponsors. Word spread about their generous donation, which accelerated the momentum to expand the program's profile. Dancers First currently has 17 sponsors.

In the fall of 2012, Gattuso and Slaight initiated another successful matching-gift challenge, agreeing to double every donation for the Walrus Foundation, up to a maximum of $25,000. This foundation promotes writers, artists, ideas and debate; publishes a magazine; and sponsors public debates, leadership dinners and speakers' series. Again, their "stretch giving" approach worked. Almost $38,000 was raised from 393 donors, with an average gift of only $96, encouraging people at all levels to give.

Fundraisers can help make that connection happen even faster. For example, I went to my first meeting with an organization that offers a camp for children with cancer, and the executive director and head of fundraising were very articulate. Even better, they invited a couple of parents of children who benefited from going to that camp. They made an impact on me right from the beginning. They had talked to friends of mine and knew what I connected with. They did a great job.

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

A: I appreciate a well-thought-out plan that asks for something specific. Let's say an organization is raising money for breast cancer. OK, but what does that mean? That's very vague. A rapid diagnostic clinic is specific. A five-year-old can get that; donors understand right away.

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

A: I get very involved. I don't want to only write checks. I like to keep on track with the project to see where the money goes. I prefer doing jobs for the organization rather than serving on the board. For the Gattuso Rapid Diagnostic Clinic, for example, I served on the search committee for their executive director. I want to know what's happening and keep on top of things.

Q: Why do you say no to requests from fundraisers?

A: I can't say yes to everything, so I have to say no when the campaign isn't within my focus. It's all a question of fundraisers' knowing my passions in life. But sometimes I do get hooked by great fundraisers for projects I didn't know I wanted to be involved in. Not long ago, I was invited to a dinner reception, and the only reason I went was because a friend of mine urged me to go. When I found it was for pets—I love dogs—I asked a friend to join me. I told him we'd just have a drink and then go. Well, as it turns out, I was seated next to the host of the dinner, so I was stuck. But he was enchanting and funny, and we hit it off. He invited me to visit the Pet Cancer Centre at the Ontario Veterinary College in Guelph, Ontario. I learned it's one of the best veterinary schools in North America. I loved what they do, and I met many of the people who worked there. In other words, I was hooked by engaged fundraisers and got involved.

Q: How do you like to be treated after making a donation?

A: The best thank-yous come from the people who benefit from the donations I make, such as when I run into people who tell me how much they appreciate the rapid diagnostic clinic. As a donor, I want my funds to have as much impact as possible.

Of course, the organizations I work with send me letters and cards of thanks, and that's great. They also thank me by asking me to speak to other donors or to give advice. As for recognition, a lot of major donors don't want their names publicized because it can attract attention they don't want. On the other hand, making our name public can have a major influence on gifts from other donors. There are some positives and negatives to both ways, but I do understand why some donors don't want public recognition.

Q: What encourages you to keep giving?

A: The emotional component of giving is important, but the results component is even more vital to me. Emotions prompt donors to give, but if the results are not there, they won't continue giving. If I find an organization is not doing what it promised or if things aren't going the way I think they should, I call them and discuss the business plan and how we can fix things. And they welcome my call and make changes. If not, I wouldn't continue giving. Most organizations—large and small—welcome donors who get involved, ask for results and follow the progress of the program.

Lynda McDaniel is a freelance writer in Sebastopol, Calif. (www.lyndamcdaniel.com).

I get very involved. **I don't want to only write checks.**
I like to keep on track with the project to see where the money goes.

AP Resources

YOUR FUNDRAISING RESOURCE MARKETPLACE

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FUNDRAISING COUNSEL

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The Last Word

A "culture of philanthropy" is spreading! Is your organization ready? Read "The Misphilanthrope" by Larry Hostetler, CFRE, in "The Last Word" to find out how to prepare. "The Last Word" is an addition to *Advancing Philanthropy* and is available only in the digital magazine. To access the digital *Advancing Philanthropy*, visit **www.afpnet.org** and select "Publications."

Calling All Artists, Poets and Photographers!

We invite AFP members everywhere to submit their art and poetry to exhibit at the Diversity Art Showcase at the 52nd International Fundraising Conference, March 29–31, 2015, in Baltimore. Whether you are a beginner or a seasoned artist or poet, please participate! Submissions of all types of art are encouraged, including painting, photography, drawing, sketches, collage, quilting, computer art, mixed media and sculpture. Poetry submissions can include rhymed poetry, free verse, experimental and Haiku.

The Diversity & Inclusion Committee again will be sponsoring an art showcase (located in the conference Marketplace) that spotlights youth art, a local professional artist and the artwork of AFP members. The showcase strives to portray the uniqueness, value and diversity of people through art, photos and poetry. So, take the challenge—be creative and display your art in Baltimore! Use your artistic talents to show that philanthropy is truly the "love of humanity."

AFP's got talent, so please contact Steve Warren at **swarren@texasboysranch.org** or 806-747-3187 if you are interested in submitting your work. He will be happy to provide additional information and answer any questions you may have.

AFP Online Mentoring Program

The new AFP Online Mentoring Program (**http://jobs.afpnet.org/eMentor**) has been designed for members who are seeking short-term advice on a fundraising topic, such as how to start a simple bequest program or what would be the best career move after being an annual fund director. This program will help you find an experienced member of AFP with the expertise you need.

The program is not intended to provide free consulting services but rather is a way to have questions answered by a member who knows about the topic and is willing to help provide you with suggestions.

How does the program work? If you are a mentee and are seeking advice, click on the tab "Find a Mentor" and select the key words for the topic(s) about which you are seeking help. You will see a list of available mentors who fit your request. Next, select the mentor with whom you would like to work. You will be directed to the mentee registration form. Once you have filled out the form, you will be able to access all of the information in order to contact your mentor. It will be up to you to initiate contact with the mentor, by email, requesting that he or she be your online mentor and what you would like to know. (It is also possible to register by clicking on the "Become a Mentee" tab.)

If you are a mentor, fill out the form in the "Become a Mentor" tab. Once you have registered, your information will reside in a database that is organized by keywords that you have identified in the "Areas of Expertise" field, location and in your profile. You will receive an email thanking you for becoming a mentor. When a mentee requests help about a topic you have identified, the mentee will be able to open a list of mentors that includes your name. The mentee will select one or several mentors. It will be up to the mentee to make the first contact. Please respond as quickly as possible to requests from mentees to let them know if you will be available to advise them and how you wish to proceed.

It's that simple! If you have any questions or problems, please contact Demond McWilliams at **dmcwilliams@afpnet.org**.

Keep Your Organization Fit!

If you have not looked into the Fundraising Effectiveness Project (FEP) yet, now is the time. Not only is donor retention becoming more critical for charities, but the FEP also has an improved website and new resources, including the Fundraising Fitness Test, to help measure your development program's effectiveness.

Thanks to a grant from Indianapolis-based Bloomerang (**https://bloomerang.co**) and support from other partner organizations, the new FEP website (**http://afpfep.org**) has all of the FEP research reports from 2008 available for download, as well as measurement tools from the Growth in Giving Initiative (GiGi).

The goal of the FEP and the emerging GiGi is to help grow philanthropy's share of the gross domestic product (GDP). FEP and GiGi pursue this goal by providing nonprofits with tools for tracking and evaluating their annual growth in giving. FEP conducts an annual survey, provides useful growth in giving performance measurement tools and publishes gain/loss statistics in a yearly report through a partnership among AFP, The Urban Institute and participating donor software firms.

In collaboration with Philanthropic Services for Institutions/Adventists (**www.philanthropicservice.com**), the FEP has developed a downloadable, Excel-based GiGi Fundraising Fitness Test that allows nonprofits to measure and evaluate their fundraising programs against a set of more than 100 performance indicators by five donor giving levels. The fundraising performance reports are generated by inserting gift transaction data into the Fundraising Fitness Test Excel template. The performance reports can be generated for each year as far back as the gift transactions' history goes.

Performance indicators include donor retention rates (new donor retention, repeat donor retention and overall donor retention); donor gains, losses and net; dollar gains, losses and net; growth in giving ($); growth in number of donors; and donor attrition. Gift range categories are $5,000 and up, $1,000 to $4,999, $250 to $999, $100 to $249 and less than $100.

The core Growth-in-Giving (GiG) report provides 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. The GiG reports are generated by inserting gift transaction data into the downloadable, Excel-based GiG report template.

The GiG report template automatically produces the core GiG report, the centerpiece of the FEP gain/loss reporting package, along with six other GiG reports that are also useful. The GiG reports are cross-referenced to the figures and tables in a helpful article on the website, "A Better Measure of Success."

Templates and instructions for all of these reports, as well as FEP studies and articles, can be found on the FEP website, **http://afpfep.org**.

National Philanthropy Day® Recognizes Outstanding Philanthropists and Philanthropic Organizations

At the National Philanthropy Day Honors: A Celebration of People and Impact event on Nov. 15 in Washington, D.C., at the Omni Shoreham Hotel, the following philanthropists were recognized for their generosity.

Outstanding Philanthropist: Maureen O'Gara Hackett, Houston, Texas

Inspired by her mother, Maureen Hackett has given personally—and through the Hackett Family Foundation—more than $22 million to more than two dozen organizations around the world. She helped establish the first Lilly Family School of Philanthropy and created the first endowed chair in Women's Philanthropy in the United States. Hackett funded a Mental Health Channel, which will be the first Web-based channel devoted to mental health programming delivered via the Web, commercial-free and 24 hours a day, and led a successful movement to see Congress approve legislation extending mental health benefits. She endowed the first chair in reproductive psychiatry, recognizing the inextricable link between reproduction and mental health, and provided a significant gift for the children's behavioral health department at Legacy Health Center.

Outstanding Volunteer Fundraiser: R. Doug Ziegler, West Bend, Wis.

For more than 60 years, Doug Ziegler has served on more than 40 corporate and nonprofit boards, generously sharing his passion and expertise and raising approximately $40 million. He helped establish the Blood Center of Wisconsin as a world-renowned organization through his recruitment of top business leaders and personal fundraising. Ziegler was the catalyst and co-founder of and provided seed money for the West Bend Community Foundation. He served as a trustee of statewide colleges and saved the Milwaukee School of Engineering (MSOE) from bankruptcy in 1972 by helping to raise $1.8 million. Through the Ziegler Family Foundation, he has supported the community for almost 70 years and has provided scholarships for close to 300 students. At 87, Ziegler still chairs the United Way of Washington County drive and is co-chair of the $3.7 million campaign for the Cedar Community Foundation.

Outstanding Corporation: ATCO Group, Calgary, Alberta

In 2006, ATCO Group, based in Alberta, Canada, but made up of multiple companies with operations around the world, launched ATCO EPIC, which united all of its companies to make a more meaningful impact in their communities. The company raised $24 million over eight years, benefitting more than 500 charities across Canada, including $1 million to the Canadian Cancer Society, and expanded to Australia in 2014. During the Southern Alberta floods, the worst natural disaster in Canada's history,

ATCO contributed construction equipment to help with clean-up efforts and held ATCO EPIC 30 Days of Caring to assist thousands of displaced families and residents with food and supplies. Through contributions to charities such as the Inn from the Cold shelter, ATCO has helped feed hundreds of homeless families, purchase critical shelter necessities and sent at-risk children to summer camps.

Outstanding Foundation: A. Gary Anderson Foundation, Anaheim, Calif.

Passionate about philanthropy, A. Gary Anderson established the beginning of the foundation before his untimely passing at the age of 52. Now his children, Erin Lastinger and Erik Anderson, along with Erin's husband, Gary, have continued his legacy, investing almost $46 million in more than 200 organizations since 1994. The foundation has focused significant funds on serving youth, which is critical in a region such as the Inland Empire of California, where one in four children lives under the federal poverty limit. Investing in youth can literally transform generations. In addition to providing funds, the foundation has invested time in energizing organizations' leadership and encouraged them to re-evaluate their methods, which has led to improved program delivery, partnership and outreach for fundraising. The foundation has supported the Children's Assessment Center, where abused and neglected children can receive medical assessment of their injuries, tell their stories just once to all appropriate investigative personnel and receive therapy and referrals to ongoing resources—all in a child-friendly environment.

Outstanding Youth in Philanthropy, Group: Miles of Scarves, Henrico, Va.

Miles of Scarves (MOS) is a youth-run organization started by Meredith Polk in 2009 (when she was just 10 years old). It is dedicated to supporting the National Multiple Sclerosis (MS) Society. Miles of Scarves has donated more than $20,000 since its inception by selling scarves and other fundraising efforts, including a 5k run. Nearly 30 girls, ranging in ages from nine to 16, participate in MOS, having invested an estimated 15,000 hours of their time knitting and selling scarves to support MS. MOS uses the money it raises to sponsor rest stops on the BikeMS ride, fund MS research and directly help families in need. At the rest stops during the bike ride, the girls prepare and hand out food, drinks and homemade cookies and tell their stories. MOS has sponsored three college scholarships of $1,500 to $2,000. These scholarships have made an impact on the lives of the high school seniors who have MS or have a parent with MS.

Outstanding Youth in Philanthropy, Individual: Princeton Carter, New Orleans, La.

One day, Princeton Carter, who attends high school at Newman School in New Orleans, noticed a homeless gentleman with numerous military decorations sitting outside his mother's office. Drawn to the man's story, Carter was inspired to begin supporting numerous charitable organizations, including Volunteers of America, Covenant House, My Brother's Keeper and Metropolitan Center for Women and Children. He has raised more than $10,000 in resources for veterans' families, including thousands in gift cards for the Volunteers of America's Supportive Services for Veteran Families program. Carter helped to establish the Volunteers of America's Youth Leadership Council to encourage youth engagement in its mission, recruiting youth volunteers, raising the organization's profile through community presentations and coordinating youth volunteer activities benefitting low-income seniors. For My Brother's Keeper, Carter coordinates youth engagement opportunities, both volunteer and fundraising, for his classmates to support area organizations in need of assistance.

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Penelope Cagney, M.A., CFRE

How many years have you been involved in the nonprofit sector? For 30-plus years.

When did you join AFP? I joined the Chicago chapter in 1986 or thereabouts.

How did you get involved in the nonprofit sector and fundraising? At the time I got started, there was no career path, no formal education, for fundraising. I was working at Rush Medical Center in Chicago when I first became aware of fundraising's potential as a career. My department was called Philanthropy and Communications. I worked on the communications side, but I quickly became more interested in what my colleagues were doing in philanthropy.

If money were no object, what resources would make your job easier and more effective? If money were no object, I would invest even more into research and development and innovation. Having the luxury to pursue answers to tantalizing and unanswered questions could lead to important discoveries—contributions to the body of our professional knowledge.

What do you think are the greatest misconceptions (still!) about fundraising? The greater public is still unaware of the important role we play and lacks appreciation of the degree of skill and professionalism good fundraisers possess. We're largely unsung heroes.

What is the best career advice you ever received? The best career advice I ever had was that "something good always happens" if you're working hard and trying to do the right thing. It sometimes comes later than you expect, but it does come.

If you could do anything differently with regard to your work so far, what would it be? Delegate more.

What do you wish you could do better than you do now? I wish I were better at delegating.

What is your motto? Do the right thing.

What do you hope to do that you haven't done yet? Visit every single country in the world.

How would you describe your perfect day? A perfect day would be one in which I wake rested, feeling great, somewhere in the Mediterranean. Everyone I know is healthy and doing well. All of my clients achieve all of their goals today, and several new, very interesting nonprofits call because they are eager to work with me. I spend the evening at a great art museum or on my own, painting. The world is at peace, and so am I.

Lifetime Highlights:

- Co-presenting on global fundraising with Jon Stettner, president and CEO of Make-a-Wish Foundation International, at the upcoming 2015 AFP International Fundraising Conference in Baltimore.
- Currently serving on the AFP board of directors and on the AFP International Development Committee.
- Having had the privilege and honor to work with a wide variety of nonprofit organizations on three continents over the past 25 years and to be a part of their important work.
- Co-editing, with Bernard Ross, *Global Fundraising: How the World Is Changing the Rules of Philanthropy* for the Wiley/AFP Fund Development Series in 2013, and authoring a book on consulting, *Nonprofit Consulting Essentials: What Every Nonprofit and Consultant Needs to Know,* published by Jossey-Bass/Alliance of Nonprofit Management in 2010.
- Being a plenary and keynote presenter in the United States, Canada, Italy, Egypt and Mexico.
- Being a graduate-level instructor at the School of the Art Institute and Columbia College, Chicago; a distinguished visiting professor at American University in Cairo, Egypt; and currently, adjunct faculty at the Arizona State University Lodestar Center for Philanthropy & Innovation's Nonprofit Management Institute.

Penelope Cagney, M.A., CFRE, is CEO of The Cagney Company (www.thecagneycompany.com) in Phoenix, Ariz.

The Misphilanthrope

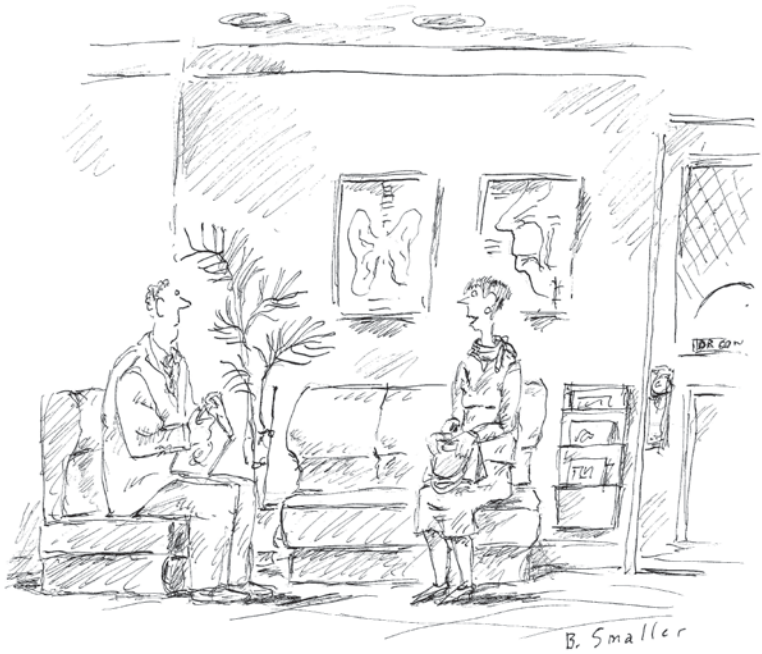
By Larry Hostetler, CFRE

Over the past few years, I have heard the expression "culture of philanthropy" bandied about. I should say right off the bat (a baseball analogy, not something related to the mammal that likes caves) that a culture of philanthropy is not something created in a laboratory to ward off the negative effects of fundraisers. And it is not transmitted (or bandied) through the exchange of bodily fluids or even through casual contact. Simone Joyaux, ACFRE, in "Building a Culture of Philanthropy in Your Organization" (**www.simonejoyaux.com/downloads/CultureOfPhilanthropy.pdf**), says that it involves all board members and staff and is the result of "an attitude, an understanding, a behavior." You cannot develop attitudes, understanding and behavior with casual contact. Sometimes bandying is not enough. However, the good news is that you do not build it with a hammer and nails.

So, how do you build a culture of philanthropy? Apparently, it's not very easily "contaged." (I know there is no verb "contage," but there ought to be. "Communicate" sounds like you're telling someone something, not infecting them. Wait! Maybe communicate is the right word after all.) When you begin reading through just the titles of the 1.5 million results of an online search of "culture of philanthropy," you quickly realize that it must be hard work to get it. Apparently, this culture needs to be pretty invasive before it is contagious. Policies even play a role, according to AFP's Resource Center (**www.afpnet.org**).

Nevertheless, there are steps you can take. Interestingly, the number of steps depends on with whom you communicate (not contage). The Osborne Group says there are six steps (**www.theosbornegroup.com/corp/downloads/CultureOfPhilanthropy.pdf**), while Johnson, Grossnickle & Associates maintains it can be done in three steps (**www.jgacounsel.com/archives/4757**). "Steps" sounds easy, but when you really look at the process, each step takes a long time and hard work. Consequently, if you're committed to developing a "culture of philanthropy" in your own lab, you must get plenty of support and give it a lot of your time.

Dr. Robert D. Demont has even developed a test to see if you have it. (He's not actually a doctor, but he's very smart, and if I put "Dr." in front of his name, you'll likely pay closer attention.) It's called the "Culture of Philanthropy Evaluation (COPE©)" (**http://demontassociates.com/consulting-services/cope**). If you test positive for the culture, that's good. However, it's one thing to test positive and another thing for it to be pervasive. And if you test negative, you may want to consider another field of work, like being a lumberjack, rated by CareerCast (**www.careercast.com/jobs-rated/jobs-rated-2014-ranking-200-jobs-best-worst**) as the worst profession out of 200. (Event coordinator was 136, just above publication editor. Fundraiser didn't make the list, probably because it would have made all the other professions look bad.)



"It's a very rare disease—it doesn't have a cure. It doesn't even have a spokesperson."

Officials from the Centers for Philanthropy Control have assured the public that this is nothing to worry about. They are providing guidelines to fundraising professionals that will help them take necessary precautions.

The World Philanthropy Organization at the United Nations (I think—it may be the Untied Nations) says that the outbreak of philanthropy is mostly in

North America, with some organizations contracting it in other parts of the world. Several countries are flying in epidemiologists from around the world to study the culture's spread. They'll be gathering in Baltimore, not too far from Johns Hopkins, March 29–31 (**http://afpfc.com**).

As a donor, you should wash your hands numerous times per day. It's not a bad idea to carry around one of those antiphilanthropic hand sanitizers with an alcohol solution of at least 60 percent (120 proof).

So, if you have encountered a culture of philanthropy while traveling, please take your organization's temperature twice per day. You may even want to isolate yourself for 21 days—I suggest a beach on some Caribbean island this time of year—before coming into contact with staff, board members and donors. We wouldn't want this to become a plague. Or would we?

Larry Hostetler is the AFP chapter services director for the western United States, Pennsylvania and the Carolinas.

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