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Festive Tradition Continues at PSI Awards Banquet
By Dr. Lilya Wagner, CFRE, Director, PSI

A highlight of the PSI Conference traditionally has been the Adventist Philanthropy Leadership Awards Banquet, during which outstanding volunteers are honored, along with a fundraising professional who has been selected to receive the Trailblazer Award. This year was no exception. As the majority of the conference attendees gathered in the JW Marriott ballroom, the upbeat mood of the conference peaked.

The banquet provided an opportunity for conference participants to meet friends as well as make new friends while waiting for the awards ceremony to begin. The guest speaker was Milt Thompson whose remarks on “Philanthropy as a Lifestyle” encouraged those present to engage in the important responsibility of raising funds for America’s nonprofit organization. Mr. Thomson is an attorney and most recognized for sports and entertainment law, but also with expertise in business and nonprofit law. He is well-known for his work in community development and as member of foundation and nonprofit boards.

The awards ceremony, the highlight of the evening, commenced with... (continue reading)

Attendees Give High Marks to Conference on Philanthropy

By Kristin Priest, CFRE, Assistant Director, Programs, PSI

“I truly benefited from attending this conference and participating in various discussions and networking opportunities. This conference came at the perfect time to help me plan my goals and initiatives for development as I complete my first year in fundraising,” said one attendee.

“Inspirational... motivational!” was how another attendee described the 2011 PSI Conference on Philanthropy and Leadership Symposium. Held in Indianapolis, Indiana, June 21-24, nearly 300
attendees joined PSI at the newly constructed downtown JW Marriott – the largest in the world- to network, learn and recharge.

Prior to the official start of the conference, PSI offered two sellout pre-conference workshops, The Newcomers Workshop and a course on social media. The Newcomers Workshop, taught by LuAnn Davis, CFRE, and Karen Johnson, CFRE, is designed to give attendees new to fundraising a brief overview of fundraising and to empower them to gain the most possible from the remainder of the conference. This workshop was again listed as a conference highlight by attendees. (continue reading)

Conference photos

CLICK HERE or on the photo below to view more images from the conference.

![Charles Sandefur preparing to deliver the morning message.](image)

Post-conference resources

Speaker handouts

Many of the conference speakers have made their conference handouts available for download (a big thank you to each of them). You can access this valuable material on the PSI website until September 1, 2011. (After that date, please contact the speakers directly for the material.) CLICK HERE to view the list of speaker handouts and to download.

Exhibitor websites
PSI Announces New Member Service

Philanthropic Service for Institutions (PSI) is introducing The Donor Loyalty Index™, a new service to help PSI members focus on donor satisfaction and retention.

The Donor Loyalty Index™ provides a simple, single-number score that allows a fundraising organization to quantify and monitor loyalty within its donor base. This inexpensive measurement tool is somewhat analogous to a customer loyalty score, according to PSI Director Lilya Wagner, PhD, CFRE.

“PSI members are at a critical place, attempting to raise funds in a struggling economy,” said Wagner. “We believe this tool will help our members be more successful by focusing more attention on donor retention and stewardship,” she said.

“The service is a good investment since it typically costs nonprofits more to recruit a donor than they get by way of a first donation,” said Wagner. “By focusing more attention on donor retention, we have the opportunity to become more cost-effective.”

In her experience with clients, fewer than 35 percent of donors who make a first gift to a beneficiary ever make a second gift to the same institution, according to Canadian fundraising consultant, Leah Eustace. In her article The Gift That Really Counts: It’s Not What You Think, she goes on to cite experience that shows 70 percent of those donors who make a second gift give repeatedly. HFM Performance Advantage LLC provides the DLI service to PSI members through an agreement with PSI. To learn why you need the PSI Donor Loyalty Index, [CLICK HERE](#).

For more information, click the links below:

- HFM Performance Advantage LLC, [www.perfadvantage.com](http://www.perfadvantage.com)
- PSI Donor Loyalty Index, [www.psidonorloyalty.com](http://www.psidonorloyalty.com)

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Philanthropy Loses a Leader

Robert Payton’s Legacy: How to Educate Nonprofit Leaders

By Dr. Leslie Lenkowsky, Clinical Professor of Public Affairs and Philanthropic Studies

By the time he turned his attention to philanthropy, Robert L. Payton, who died last
week in Scottsdale, Arizona, at the age of 84, had already pursued a remarkable career.

He had been a jazz musician, a writer and editor, president of two universities, a State Department official, and ambassador to the African republic of Cameroon. He had also served as a founding trustee of Editorial Projects in Education, the organization that helped start The Chronicle of Higher Education (the publisher of this newspaper).

When he was selected in 1977 as head of the Exxon Education Foundation, Mr. Payton began a preoccupation with “voluntary action for the public good” (as he defined philanthropy) that would last the rest of his lifetime. (continue reading)

(Reprinted with permission.)

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**Goodbye and Hello: Changes Occuring at PSI**

PSI sadly says good-by to two most valued employees who have recently departed. Chris Bearce, who worked for PSI for 15 years, moved to Michigan with her husband who was relocated by Griggs University. Chris served PSI in extraordinary ways, always being alert to our client and constituent needs, responding to an endless stream of communication, ensuring that PSI functioned smoothly, and organizing many events. She has taken a position at Andrews University within the finance department. We miss Chris but wish her well and know she will make as much of a contribution to Andrews as she has to the North America Division. Godspeed, Chris! Our prayers are with you.

We also are reluctant to see Maria Gregory-Hernandez depart to work in another area of much interest, real estate. Maria has served PSI very capably since 2005. She has been in charge of PSI’s database and therefore facilitated much communication with our clients and constituents. Our resources have been well maintained and shared because of Maria’s efforts, and she played a major role in expanding PSI’s services to Hispanic organizations within the Church. We will miss Maria and wish her much success in her new endeavors. God bless you!

While we say good-by to these two members of the PSI team, we’re also very pleased to welcome Lorena Hernandez, who joined us on July 25. Lorena was born and raised in Chicago, Illinois and is of Mexican descent. She is married to Lucas Hernandez and they have three children, Josue Hernandez (17), Sara Hernandez (16) and Judith Hernandez (14). Lucas works for the GC IT department.
Lorena’s background will certainly be an asset to PSI’s services and plans. She worked for Butler County’s (Ohio) Department of Job and Family Services as an Eligibility Referral Specialist. In that role she worked with the Hispanic population in addition to her other duties and was recognized with the Directors Award in April 2011. Lorena also has a background in working for Adventist educational institutions such as Andrews University, as New Testament Department’s Executive Secretary and for local schools in Cincinnati, including the Cincinnati Junior Academy as Secretary and Spanish Teacher. Her experience in working for nonprofit organizations provides her with a fine foundation for serving PSI clients and constituents. She studied Public Administration at Roosevelt University for two years and is committed to being of service to Philanthropic Services for Institutions as Senior Office Assistant.

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**From Our Members**

**CFRE recognition at Conference on Philanthropy**

The following philanthropy professionals have taken and passed the Certified Fund Raising Executive exam since the last Conference on Philanthropy in 2008. They were honored at the awards banquet at the 2011 conference in June:

**Rebecca Becker** - manager, donor relations, Florida Hospital Foundation

**Chris LeBrun** - director of development, Forest Lake Academy

**Veda Logan** - director of major and planned giving, Walla Walla General Hospital Foundation

**Kisha Norris** - director of development, Loma Linda University School of Allied Health Professions

**Fonny Oei** - manager, White Memorial Medical Center and Charitable Foundation

**Andrew Taylor** - consultant, Amazing Facts

**Gary Temple** - vice president for university advancement, Southwestern Adventist University

**Barbara Willis** - development director, Holbrook Seventh-day Adventist Indian School

When staff from a PSI member organization takes the CFRE exam, PSI will reimburse half of the exam fee paid by the individual.

Research conducted by the Association of Fund Raising Professionals (AFP) revealed some very good news about income for those who already hold the CFRE baseline credential.
CFREs, it seems, are among the best-paid professionals in the fundraising field with a considerably higher mean salary than non-CFREs. CFREs in the United States earn 36% more than non-CFREs. In Canada, the differential is even wider. Canadian CFREs earn 42% more than their non-credentialed colleagues.

For more information on personal reimbursement of exam fees, please contact Randy Fox.

To learn more about certification CLICK HERE to visit the CFRE International Web site.

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**From the bookshelf**

*The Essence of Strategic Giving: A Practical Guide for Donors and Fundraisers*

by Peter Frumkin

From the Amazon.com product description: With *The Essence of Strategic Giving*, Peter Frumkin distills the lessons of his comprehensive, award-winning study, *Strategic Giving*, into a concise, practical guide for everyone involved in private philanthropy, from donors to managers of nonprofits to fund-raisers. He defines five critical challenges that all donors must address if their philanthropy is to amount to more than indiscriminate charity, including being aware of the time frame that guides a gift, specifying the intended impact being pursued, and recognizing how a donation fits with a donor’s own identity and style. Acknowledging and understanding these fundamental, strategic aspects of giving, Frumkin argues, will help ensure philanthropy that more effectively achieves its aims—and at the same time builds a lasting relationship between donors and the institutions they support.


by Stanley Weinstein

From the Amazon.com product
There are now more than 1 million nonprofit organizations in the United States, and the fundraising industry is one of the fastest-growing segments of the economy. The Complete Guide to Fundraising Management presents step-by-step guidance on planning, self-assessment, continual improvement, cost effective fundraising strategies and much more. An accompanying website contains checklists, grids, and sample forms. Plus, the Third Edition adds a chapter on internet fundraising as well as updated statistics. Fundraising professionals will benefit from the practical advice on managing the complexities of a development office.

Resources

New! GuideStar Premium Pay As You Go:
Individual GuideStar Premium Reports on Demand

If you need comprehensive information for just one or two nonprofits and don't want the commitment of a subscription with recurring charges, now you can purchase GuideStar Premium reports for individual nonprofits on a per-report basis.

What you get with GuideStar Premium Pay As You Go:

- The deep, historical data that GuideStar Premium has always offered
- A professionally packaged, freestanding, date-stamped PDF report—without a subscription and without worrying about auto-renewals
- Automatic Revocation of Exemption data
- Fresh, up-to-date information provided by nonprofits that participate in the GuideStar Exchange

CLICK HERE to learn more

IdeaEncore
IdeaEncore is "a nonprofit resource center made up of a community of people who exchange information. We are people like you who have been through situations like yours." - from the IdeaEncore website. CLICK HERE to learn more.

The Axelson Center for Nonprofit Management at North Park University

"The mission of The Axelson Center for Nonprofit Management at North Park University is to enhance performance and effectiveness of organizations and individuals in the nonprofit sector through education, service and resources.

We offer a variety of programs for professionals who work, volunteer or are transitioning into the nonprofit sector. These include half-day and full-day professional development workshops, an annual symposium, a BootCamp for New Nonprofit CEOs, custom designed workshops for your organization, networking opportunities and some no-cost programs. We also offer a quarterly newsletter and an online portal for further resources." - from the Axelson Center website

Click through the following links for more information:

North Park University Axelson Center for Nonprofit Management (non-credit continuing education)
School of Business and Nonprofit Management (graduate programs)

Follow PSI news and updates on Twitter! @PSITweets

Our mailing address is:
*12501 Old Columbia Pike / Silver Spring, Maryland / 20904 /
(301) 680-6131
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Attendees Give High Marks to Conference on Philanthropy

by Kristin Priest, CFRE, Associate Director, Programs, PSI

“I truly benefited from attending this conference and participating in various discussions and networking opportunities. This conference came at the perfect time to help me plan my goals and initiatives for development as I complete my first year in fundraising,” said one attendee.

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Prior to the official start of the conference, PSI offered two sellout pre-conference workshops, The Newcomers Workshop and a course on social media. The Newcomers Workshop, taught by LuAnn Davis, CFRE, and Karen Johnson, CFRE, is designed to give attendees new to fundraising a brief overview of fundraising and empower them to gain the most possible from the remainder of the conference. This workshop was again listed as a conference highlight by attendees.

For the second time, PSI partnered with The Fund Raising School, a program of The Center on Philanthropy at Indiana University, to offer a pre-conference workshop. This year’s offering on social media was called “timely” and “extremely relevant” by attendees.

The conference officially began with a sports-themed opening reception on Tuesday evening, complete with popcorn, pretzels, ice cream sandwiches. Attendees enjoyed a host of games including a basketball shoot out pitting attendees against their colleagues, a fast pitch testing the speed of pitching arms, and putt-putt pool, a combination of billiards and putt-putt golf. For the less adventurous, there was also a caricature artist, juggler and musicians entertaining the crowd. All attendees were encouraged to dress in sports-themed attire, with an award going to the individual showing most team spirit. Arguably the best entertainment of the evening came from the winners of this competition, a trio of attendees dressed as NHL hockey players and referee staged brawls.

Over the following two and a half days, attendees began each morning with devotions led by Charles Sandefur. Comments by attendees included: “The spiritual aspect was outstanding – very refreshing and inspiring!” and “Chuck Sandefur was amazing!” Following devotions, some attendees heard keynotes from Dwight Burlingame, CFRE, and Robbe Healey, ACFRE, on the culture of philanthropy and what the future of fundraising will and should look like. Others moved directly to breakouts including sessions specific to affinity groups including healthcare, academy, higher education and ministry, and topic-driven sessions including issues facing the nonprofit board, major gift solicitation, grant proposal writing and increasing the annual fund.

During down time, attendees took advantage of over 200 shopping, dining and entertainment options including Lucas Oil Stadium and Conseco Fieldhouse, and White River State Park. This park encompasses numerous cultural, educational and recreational attractions to offer something interesting to each visitor. It is home to the Indianapolis Zoo, White River Gardens, Indiana State Museum, IMAX®
Theater, Eiteljorg Museum of American Indians and Western Art, NCAA Hall of Champions, Victory Field and the Congressional Medal of Honor Memorial.

More high praise from conference attendees:

“… a wonderful learning and networking opportunity.”

“It was a great experience and speakers were excellent! A truly enjoyable experience!”

“This conference inspired me to consider an advanced degree in philanthropy.”

“Very valuable conference”

“The conference was amazing and very beneficial.”
DOWNLOAD YOUR CONFERENCE SESSION HANDOUTS BELOW:

10 Ways to Improving Your Annual Funding Program - David Sternberg
Click Here >

Charting Your Career in Fundraising - Robbe Healey, ACFRE
Click Here >

Harnessing the Power of the Purse - Linda Myette, CFRE
Click Here >

Heart & Soul - William McLeRoy, CFRE
Click Here >

Incorporating Major Gift Fundraising Within the Annual Fund - Marnie Maxwell
Click Here >

Perspectives on Performance: Development Audits and Assessments - Lilya Wagner, CFRE
Click Here > Part 1 / Part 2 / Part 3 / Part 4 / Part 5

Philanthropy in Uncertain Times - Dwight Burlingame
Click Here >

Click Here >

The Proposal is Not Enough: Building Longterm Relationships with Foundations - Melissa S. Brown
Click Here >

Using Volunteers in the Annual Fund - Marnie Maxwell
Click Here >

What is Working in Philanthropy - Patrice Hieb, CFRE; Tami Condon; Albin Grohar; Andriy Kharkovyy

A Crowning Achievement.

The June 21-24, 2011 Conference is customized to address today's current trends in philanthropy while allowing you to network with peers and experts from around the globe.
Student Philanthropy: Brainstorm of Traditions and Branding Ideas - Patrice Hieb, CFRE

Managing the Ask - Diane M. Carlson

10 Ways to Improve Your Annual Fund Program

For

PSI

By

Dave Sternberg
Loring, Sternberg and Associates
dave@loringsternberg.com
317-506-7695
1. Understand what a true annual fund is...

12 month period, using multiple strategies, to cultivate, solicit and steward multiple constituencies

Not the Christmas Mailing...

Not the Annual Report

Not the renewable grant
2. Have respect for the process...

Cultivate

Solicit

Steward
3. Get the right individuals involved...

The Staff

The Board

Key Volunteers

Every employee who spends money
4. Have a solid case for support...

A great case for support - You have no needs!!!!

If you disappeared tomorrow...

5. A written plan...

Which strategies will you use and when?
6. The right expectations…

A budget…acquisition will lose money, but renewals and upgrades will net revenue…

Leadership that understands this is an investment!

7. The understanding that cash may not be king…

What other ways can donors give?

Assets can often be larger gifts!
8. Recognition of donors…

Donors won’t admit it, but it works

Gift clubs force stewardship

9. Accept that some strategies work better than others…

10. Clear understanding that it is not the economy!
Charting Your Career Path

Robbe Healey, MBA, NHA, ACFRE
Founding Member
Aurora Philanthropic Consulting LLC

Career Advancement

• What should we be thinking about?
• What kind of challenges stand in our way of advancing our career?
• And how can we prepare ourselves to take the next step?

No time Like the Present

• If you’ve been in the profession for even a short period of time, you’ve probably heard that it’s a great time to be a fundraiser.
• US News & World Report in March 2009 listed fundraising as one of the top 30 jobs!
• Quite a few practitioners have switched career paths into fundraising because they’ve heard about the great opportunities that are available. And they still are.
Who is Joining the Profession

- **2011 AFP Compensation and Benefits Study found**
  - In both the United States and Canada samples, the top four fields or backgrounds from which fundraisers come to the profession are:
    - Business (18 percent)
    - Public relations/marketing (17 percent)
    - School/student (14 percent)
    - Education (10 percent)

Why did You take the Job?

- The primary reasons cited for choosing one’s current position were the position offered:
  - More challenge or scope (25 percent of respondents)
  - Opportunity to do more meaningful work (25 percent of respondents)

How did You Find the Job

- The most often cited source of information for finding one’s current position was:
  - An ad in a news source (23 percent of respondents)
  - A tip from an associate in the field (14 percent)
  - A promotion from within the organization (13 percent)
  - Personal ask by the CEO (12 percent)
Curious About Salaries?

- According to the 2011 AFP Compensation and Benefits Study, there is a strong correlation between years of experience and compensation. The average salary of a fundraiser in the United States was $76,193. That is nearly $5,000 greater than $71,740 reported in 2010!
- Looking at average salary by years of experience
  - Fundraisers with less than 10 years of experience had an average salary in the low-fifties.
  - Fundraisers with 10 to 14 years of experience enjoyed average salaries in the averaging near seventy five thousand.
  - Those with 30 or more years of experience averaged $122,429.

Certification has an Impact

- The possession of a certification credential correlates positively with salary. In the United States sample, CFREs reported average salaries more than $25,000 higher than the average for respondents with no certification, and those who hold the ACFRE or FAHP reported average salaries more than $50,000 higher than noncredentialed individuals.

<table>
<thead>
<tr>
<th>Average Salary and Certification, U.S. Respondents</th>
<th>Average Salary 2010</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFRE only</td>
<td>$97,336</td>
<td>516</td>
</tr>
<tr>
<td>ACFRE or FAHP only</td>
<td>$119,882</td>
<td>17</td>
</tr>
<tr>
<td>Other Certifications only</td>
<td>$73,004</td>
<td>1,483</td>
</tr>
<tr>
<td>No Certification</td>
<td>$60,428</td>
<td>852</td>
</tr>
</tbody>
</table>

Pressures are Increasing on Employers

- The high increase in salary is due, of course, to the continued demand for fundraising professionals. The reasons for this demand include:
  - Cuts in public/government funding
  - The increasing competition for charitable funds. There are now over 1.5 million 501(c)(3) organizations — charities — in the United States alone
  - More foreign charities looking for fundraisers in the United States
  - Increased public awareness and interest in charities
Fundamental Skills

- Strategic planning
- Marketing
- Creativity and a willingness to take prudent risks
- Interpersonal skills
- Communication
  - Written
  - Verbal
- Leadership and vision
- Passion

Professional Skills

- Fund Raising requires multiple skills
  - Annual Giving
  - Major Gifts
  - Planned Giving
  - Donor Relations
  - Board and Volunteer Relations
  - Development Office Operations

Where Will You Thrive?

- Mission
  - Sector
  - Sponsor
    - Faith based
    - Secular
- Culture
  - Formal
  - Informal
- Organizational Life-stage
  - Entrepreneurial
  - Mature
  - Turn-Around
- Size
- Skills
“Change” is the new “Stable”

- Economic instability and uncertainty
- Competition
- Results are not “guaranteed”
  - Despite all the positive trends we’re seeing in salaries and the demand for fundraisers, charities are no longer guaranteed to make their goals. Five years ago, it was almost expected that you would reach your goal and probably exceed it.
- Growing expectation by CEOs, board and others that any fundraiser will come in and magically raise money.

Have a Plan

- Without a personal plan, any path will get you there.
- Take a strategic approach to career advancement.
- Create a strategic plan for yourself, outline your personal missions and career goals.
  - Skills
  - Mission
  - Passion

Earn Your Credentials

- CFRE
- ACFRE
- Learn a rich variety of skills and knowledge upon which you can build.
- The process requires you to be systematic in acquiring skills since each requires a broad base of knowledge. If I the kind of strategic thinking will get you on the right path towards obtaining the strategic skills you need to do well in today’s environment.
Are You “Out There”

- Networking
  - Organizations
  - Sectors
  - People
- Social Networking
  - Your “public face”
  - Leverage, build and protect your personal brand

Continuous Learning

- Take time for professional advancement
  - Face to face
  - Web based
  - Professional Literature
    - Books
    - Journals
- Make it a point to register for and participate in different workshops, classes and seminars ... or it will never happen.

Recruit a Mentor

- A mentor can be the best career booster
- Many AFP chapters offer mentoring programs
- You may find a mentor just by asking someone in the profession you admire to help you out on occasion
- The opportunity to learn from someone who has personal experiences with many of the same challenges you are facing is invaluable.
- Most successful people in fundraising – however you care to define successful – have had a mentor or person they’ve admired and tried to emulate in some fashion.
Golden Age?

• It is a great time to be in the profession
• Public awareness and understanding of the importance of giving and volunteering continue to increase
• While philanthropy may grow, not all charities and fundraisers may experience the same type of success
• New issues are confronting the profession, the practitioners who acquire the new skills necessary to overcome those challenges will be successful

Thank You

Roberta A. Healey, MBA, NHA, ACFRE
robbe.healey@auroraphilanthropic.com
610.996.4650
Harnessing the Power of the Purse
Conference on Philanthropy and Leadership Symposium
Philanthropic Service for Institutions
June 22, 2011

Linda B. Myette, MS, CFRE
Director of Development and Leadership Gifts
The Carle Development Foundation

Objectives

• Understanding the impact of gender in fundraising communication
• Characteristics of Women Donors
• Working with Women Donors
• Creating a Culture for Women’s Philanthropy
• Giving Circles – what they are and how they work
• How to create a Circle

WHY SHOULD WE PAY ATTENTION TO COMMUNICATING WITH WOMEN?
Women CARE and GIVE

• Women contribute to twice as many charities as men do
• Women give an average of 3.5% of their wealth to charity VS 1.8% from men
• 54% of all businesswomen make philanthropic decisions independent of advice/counsel from anyone

Women Volunteer More of Their TIME

• 35% of women (VS 25% of men) volunteer their time
• The majority of women volunteers are mothers and working women
• Studies show that volunteers make gifts 2 ½ times more often than non-volunteers

Women “pay it forward”

• Word of mouth is more prevalent among women
• Women are more likely to ask friends and rely on their advice
• Once a woman is a “true believer”, she makes believers out of other women
Women’s Time Has Come!

- Women’s Economic Clout is Growing
- Women are a Critical Market
- More women are becoming fundraising professionals — women communicate with women

Women are NOT a niche audience: They are THE audience.

“Today, women are the most important audience and a driving force for social change.”

Lisa Whitter and Lisa See, The SHE Spot

CHARACTERISTICS OF WOMEN PHILANTHROPISTS

WHAT DO WOMEN DONORS WANT?

Gender differences are not the same as gender equality

- Women THINK differently than men; our brains are wired to:
  - Connect with other people through dialogue
  - Look at the big picture and communicate vision
  - Create community VS hierarchy (WE vs ME)
- Women’s attitudes about giving are influenced by their generations
  - Boomer women are redefining society thru philanthropy
Understanding why women don’t Give

- Unearned income creates guilt
- Pressure to preserve resources for family
- Lack of confidence in managing resources
- Approval/disapproval based on assets
- Fear of spending it all and having nothing left to care for themselves: Bag Lady Syndrome

Women view giving as strategic philanthropy – not as charity

- to foster connections with family, community and the world at large
- to make giving a shared event.
- Invest in the ‘multiplier effect’: leverage gifts to find creative solutions

Keys to effective marketing to WOMEN: The 4 C’s

- CARE – solicit emotions to secure engagement (nurturing mother vs strict father)
- CONNECT – pay attention to the details (winning her support begins with earning her trust)
- CULTIVATE – address their needs and concerns (strength in numbers; leverage their power)
- CONTROL – give them the control; work within their busy lifestyles

When you “sell” to women, you reach men too!

from The SHE Spot, Witter and Chen
Six Keys to Cultivating Women’s Support

- Think long-term
- Don’t just ask for money
- Show where the money goes
- Leverage third-party validators
- Demonstrate your impact
- Make her feel part of the group

From The SHE Spot, Witter and Chen

Six C’s of Women’s Philanthropy

- Create – find new solutions to old problems
- Change – shake up the status quo
- Connect – put a human face on giving
- Collaborate – avoid duplication; create control
- Commit – become part of a larger commitment and cause
- Celebrate – have FUN!

Three additional C’s - CAPACITY gives women:

- Control – of their lives, finances, & philanthropy
- Confidence – for philanthropic leadership
- Courage – to create change

Sondra Shaw-Hardy & Martha Taylor

CREATING AN INTERNAL CULTURE FOR WOMEN’S PHILANTHROPY

WOMEN AND PHILANTHROPY PROGRAMS & GIVING CIRCLES
Acknowledge internal barriers to engaging women philanthropists

- Fewer women in senior leadership positions in the community and in organizations
- Little organizational commitment to women as donors
- Reluctance by Development professionals to ‘spend the time’ communicating and developing relationships with women
- Not asking women to give significant gifts/not including women in the conversation about major gifts

Programming for Engagement

- Women & Philanthropy Programs
  - Designed to reach broad groups of women
  - Created to educate women about financial management, philanthropy and healthcare
  - Help to empower women as they make health and philanthropic decisions
  - Engage women with your organization/identify your organization as a philanthropic entity

What is a giving Circle?

- Individuals who pool resources and decide together where to donate to make a difference
- Includes social, educational and engagement components
- Increases member’s understanding of philanthropy and community/organizational issues
Why do Giving Circles Appeal to Women?

A giving circle meets the needs of women to:

• Be in on ground floor
• Specify gift for specific need, not general organization
• Create solutions for problems
• See the human face of the impact of a gift
• Feel personally involved
• Connect with other women

Benefits to Nonprofits

• Larger pool of resources to impact change within the organization
• Collective “know-how” provides feedback to the NPO and value to the volunteer experience
• Volunteers provide support for the Circle and broaden the potential donor base
• New donors become engaged and current donors give more

Benefits to Participants

• Promotes strategic philanthropy
• Creates a deeper sense of involvement through partnership with nonprofit
• Gives a better understanding of health related issues through educational programming
• Provides a better sense of ‘return on investment’
• Allows networking and socializing with others who share values and concerns
• Provides hands-on grantmaking experience
Creating a Giving Circle

THINGS TO CONSIDER

Considerations for creating and managing a Giving Circle

• Set goals and structure for membership
• Establish mission and commitment level for membership
• Establish issue/focus area
• Decide administrative structure and management of pooled funds
• Create smaller work groups/committees
• Develop grant process and criteria for funding
• Review grant requests/make awards
• Evaluate awards and giving circle

How big should the CIRCLE be?

• Determine the target size for the first group
  – Small – under 20
  – Medium – 20-50
  – Large – 50+
• Devise timeline for recruitment in first year and subsequent years

from "New Ventures in Philanthropy: Giving Circles Knowledge Center; FORUM of Regional Associations of Grantmakers, 2005"
What is the appropriate financial commitment? How is voting eligibility determined?

- Determine the giving level for membership
  - one giving level for all members
  - base level with different tiers
  - multi-year commitments
- Determine voting eligibility
  - at time of gift/pledge
  - upon fulfillment of financial commitment
- Determine payment structure
  - One time gift/pledge payments or both
- Consider long-term funding options (endowment)

What commitment level—duration and intensity—is desired?

- Other required other commitment – attending meetings, volunteering, recruiting
- Can members vote by proxy or must they be in attendance to vote?
- What percentage of members must agree before a project can be funded?

What kind of programs will the Circle fund?

- What do we have a passion for?
  - Single issue (i.e. children, women’s health)
  - Multiple issues (broad spectrum of needs across organization...i.e. education, research, patient care)
  - Variable over time within an organization or organization sponsored programs (focus may change as Circle matures and Carle needs change)
**How should the Circle be administered?**

- Institutional driven (created, sponsored, and staffed by a mission-driven host) with volunteer board and/or executive team who works with staff
  - Leadership team elected by circle members
- Completely volunteer driven
- Volunteer/staff combination
- Hires own staff

*From "New Ventures in Philanthropy Giving Circles Knowledge Center, FORUM of Regional Associations of Grantmakers, 2005*

**How are the Circle’s operations funded?**

OPTIONS:

- All costs covered by donations
- Organizational support for staff and some events, balance covered by Circle members
- % of donations used to cover overhead
- Support for public events from registration fees

*From "New Ventures in Philanthropy Giving Circles Knowledge Center, FORUM of Regional Associations of Grantmakers, 2005*

**Who should hold and manage funds?**

OPTIONS

- Checks written directly to recipients
- At a bank
- Within a host organization
- Giving Circle becomes and independent 501c(3)

*From "New Ventures in Philanthropy Giving Circles Knowledge Center, FORUM of Regional Associations of Grantmakers, 2005*
CARLE’S WOMEN AND PHILANTHROPY INITIATIVE AND LEGACY CIRCLE

Women’s Legacy Circle

“Local women coming together to direct the expansion of extraordinary healthcare in Central Illinois through funding programs at Carle Foundation.”

GOALS:
- To inspire, educate and empower women to pool their charitable gifts to improve the health of their community.
- To bring women together to:
  - CREATE new solutions
  - USE our funds to MAKE A DIFFERENCE
  - CONNECT with other people

Year 1 (2009 - 2010) – IN REVIEW

- Concept approved in June 2009; recruitment began with home parties in August and September
- October 8, 2009 – WAP event with Carle radiologist
- First meeting held in October 2009 – over 40 members
- Grant RFPs issued late October; reviewed in November & December - 22 submitted; 6 selected for presentation
- January 2010 Circle meeting - vote conducted: 4 funded by Circle ($34,000); 1 funded by individual Circle member
- WAP event in April 2010, “Putting Your Best Foot Forward” – over 100 women attended
- May 2010 – Party for women physicians, physician’s wives and retired women physicians/friends by retired physician and CEO’s wives
- June 16, 2010 – Celebration luncheon for 1st year of Circle – 60 members and guests heard reports from grant recipients
Year 2 (2010-2011)

- 118 members (to date)
  - 67 Founding (3 year commitment by 12/31/09)
  - 51 Sustaining (39 in 2010; 12 in 2011)
- Distributed 10 grants totaling $92,137 over 2 funding cycles
- Gifts and commitments of $153,000 over 3 years
- Hosted 3 meetings, 1 community event

SO, YOU WANT TO START A GIVING CIRCLE
ACTION PLAN

Are you ready for a formal program?

Things to consider....
- Do you have support from leadership at all levels (starting with the CEO and CDO) that includes investment of staff time and financial resources?
- Does your organization think that this is important?
- Do you have key volunteers who are committed to this effort (not just by giving time, but also resources)?
- Is the majority of your staff excited about/interested in this concept?
IF you answered YES....

Begin building an organizational culture:
- Do your homework
- Get organizational buy-in
- Identify key volunteers
- Create meaningful volunteer opportunities
- Take your time
- Tell your story

Do your homework

- Learn all you can about Women and Philanthropy and Giving Circles
- Understand your organization’s current relationship with women donors and the history of women’s giving to your institution
  - Look at giving records and try to determine trends
  - Examine your communications methods to all donors, especially women
  - Identify opportunities

Get Organizational Buy-In

- Gain top level organizational commitment: CEO, CDO, Staff (this is a team effort)
- Incorporate your program into the overall strategic development plan
- Identify key staff member(s) as point person for the program
Identify Key Volunteers

Build a strong pool of dedicated, engaged volunteers and leaders (internal and external)

Ask yourself:
- Who are the most influential, respected women in my community?
- How are they connected to my organization?
- How can I engage and involve them in our vision?

Create meaningful volunteer opportunities

- LISTEN to their ideas and input
- ADAPT your plans to fit your community ethos
- BUILD relationships with individual members and find a meaningful connection to your organization
- GIVE them REAL work
- Be aware that this will take staff time so allocate accordingly!

Take your time

- Determine your vision and long-term goals
- Start SMALL
- Be flexible
- Lay the foundation/cast the vision

Remember:
It takes TIME to inspire, educate and motivate (both internally and externally).
Tell your story

- Share your vision broadly
- Advertise your successes
- Communicate results

HAVE FUN!

Questions?

For more information feel free to contact me!

Linda Myette
Linda.myette@carle.com
217-383-4652
HEART AND SOUL:
BECOMING PHILANTHROPIC
PARTNERS WITH YOUR
MAJOR GIFT DONORS

THE PHILANTHROPIC SERVICE
FOR INSTITUTIONS CONFERENCE
June 23, 2011 - Indianapolis, Indiana
HEART AND SOUL: BECOMING PHILANTHROPIC PARTNERS WITH YOUR MAJOR GIFT DONORS

PART ONE - Introduction

Why major gifts from individuals are essential to fundraising success:

Charitable giving by source reached $303,750,000,000 in 2009. ($307,650,000,000 in 2008; $5,400,000,000 estimated giving in 1954).
$227,410,000,000 by individuals, 75% of total giving ($229.28 billion in 2008, 75% of total giving)
$38,440,000,000 by foundations, 13% of total giving ($41.21 billion in 2008, 13% of total giving)
$23,800,000,000 through charitable bequests, 8% of total giving ($22.66 billion in 2008, 7% of total giving)
$14,100,000,000 by corporations, 4% of total giving ($14.50 billion in 2008, 5% of total giving)

(Source, Giving USA 2010 Executive Summary)

Who receives gifts and grants in the United States:

$100,950,000,000 to religion, 33% of total giving
$40,010,000,000 to education, 13% of total giving
$31,000,000,000 to grant-making foundations, 10% of total giving
$27,080,000,000 to human services, 9% of total giving
$22,770,000,000 to public society benefit, 8% of total giving
$22,460,000,000 to health, 7% of total giving
$12,340,000,000 to arts, culture, and humanities, 4% of total giving
$8,890,000,000 to international affairs, 3% of total giving
$6,150,000,000 to environment/animals, 2% of total giving
$3,510,000,000 to individuals, 1% of total giving
$28,590,000,000 to unallocated giving, 10% of total giving

(Source, Giving USA 2010 Executive Summary)
PART TWO - Basic Ground Rules

“If money grew on trees, it would only grow trees—not visions, hopes, or dreams to serve others.”

I. Fundamental principles of giving

A. Philosophical
   1. Giving is an act of joy, of passion, a decision of the heart and values, as well as a function of the checkbook for the amount or the tax code for timing.
   2. People give to people for people, not to the institution.
   3. All donors are equal, but their support is not.

B. Psychological
   1. Donors make gifts to meet their own goals and needs, not an institution’s.
      a. Memorialize or honor someone.
      b. Perpetuate donor’s values.
      c. Be part of something significant.
      d. Avoid a problem.
   2. People often give for social or peer recognition.

C. Strategic
   1. Satisfied donors continue giving, often in greater amounts, throughout their lifetimes, and finally, in their charitable estate plans.
   2. Donors support organizations that are good stewards of their resources and nurture active relationships with them.

D. Tactical
   1. People who are asked may give; those who aren’t, don’t.
   2. Donors choose causes where they are involved or have important relationships.
   3. Most support for an institution may come from a small percentage of major donors.
   4. Successful organizations are systematic in how they manage their major gifts initiatives.

II. Recent trends in major gift donor motivation

A. Why high net worth families make major gifts:
   1. Gifts could make a difference.
   2. They feel financially secure.
   3. They believe that a charity is run efficiently.
B. Top reasons why high net worth households stop making major gifts:

1. Too-frequent solicitation.
2. Inappropriate ask amount.

(From The 2010 Bank of America Merrill Lynch Study of Net Worth Philanthropy)

III. The process: How strangers become donors

<table>
<thead>
<tr>
<th>Organization Action</th>
<th>Donor Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Identification (Qualification)</td>
</tr>
<tr>
<td>Cultivation</td>
<td>Inform</td>
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<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>Involve/Caring</td>
</tr>
<tr>
<td>Solicitation</td>
<td>Commitment/Investment</td>
</tr>
<tr>
<td>Stewardship</td>
<td>Indefinite support and passion for the organization’s work</td>
</tr>
</tbody>
</table>

IV. A major gift

A. Is transformational relative to the institution’s campaign or needs.
B. Requires a degree of planning and is not impromptu or “overnight.”
C. Often traces its roots to years of institutional cultivation and involvement.
D. Shows caring involvement and concern for the impact on the need.
E. May often be a sacrificial gift of assets (stock, real estate, or royalty interest).
F. May or may not be part of a campaign.
G. Can combine both current and future gifts of assets (give now, give later, or give now and later).

V. Why major gifts make the difference

Goal > $500,000 (For every gift, three prospects are needed.)

<table>
<thead>
<tr>
<th>No. Required</th>
<th>Gift Amount /%</th>
<th>Cumulative</th>
<th>Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Gifts/Grants</td>
<td>$100,000</td>
<td>20%</td>
<td>$100,000</td>
</tr>
<tr>
<td>2 @ $50,000</td>
<td>$100,000</td>
<td>20%</td>
<td>$200,000</td>
</tr>
<tr>
<td>2 @ $25,000</td>
<td>$50,000</td>
<td>10%</td>
<td>$250,000</td>
</tr>
<tr>
<td>Major Gifts/Grants/Events</td>
<td>$20,000</td>
<td>4%</td>
<td>$240,000</td>
</tr>
<tr>
<td>5 @ $10,000</td>
<td>$50,000</td>
<td>10%</td>
<td>$300,000</td>
</tr>
<tr>
<td>10 @ $5,000</td>
<td>$50,000</td>
<td>10%</td>
<td>$370,000</td>
</tr>
<tr>
<td>Additional Support</td>
<td>$1 to $999</td>
<td>20%</td>
<td>$500,000</td>
</tr>
<tr>
<td>TOTAL RECEIVED</td>
<td>$166,000</td>
<td></td>
<td>$66,000</td>
</tr>
</tbody>
</table>

Needed to reach the goal $334,000
VI. Assets and ways to fund major gifts

A. Direct giving
   1. **Cash** is simple and uncomplicated.
   2. **Pledges** funded over time can help realize a larger gift for an organization.
   3. **Stocks and mutual fund shares** provide appreciated assets to obtain maximum gift value at lowest actual cost.
   4. **Real estate**, though more complicated, may yield a substantial gift to the charitable organization and possible income and tax benefits.
   5. **Mineral or other royalty interests** can provide long-term cash flow to an organization.
   6. **Other assets** can also be used as major gifts, but they must be readily marketable for the benefit of the organization, must be fairly valued, and must be considered within the organization’s gift policies and procedures.

B. Structured giving
   1. **Private foundation** - A stand-alone trust or corporation operated exclusively to benefit charitable organizations. It may be complex or simple and is administered by a board of trustees or directors who are family members or independent individuals. It must meet certain gift, tax, distribution, and legal requirements which are subject to change by legislation or tax regulations ($1,000,000 minimum to establish).
   2. **Supporting organization** - Similar to a private foundation, but its support is directed to one or more specific charitable organizations ($1,000,000 minimum to establish).
   3. **Donor advised fund** - A fund within a community foundation or similar entity often created by an individual or family that can, upon advice of the donor and with proper approval, distribute grants to charitable organizations ($25,000-to-$250,000 to establish).

PART THREE - Seven Steps to Realizing Major Gifts from Donors

I. Prospect identification
   A. Typical individual major donor prospects
      1. Trustees and former trustees
      2. Individuals:
         a. parents/grandparents,
         b. Alumni,
         c. Family members,
         d. Staff,
         e. Faculty,
f. Community friends,
g. Congregants, or
h. Donor advised fund holders

B. Typical organizational major donor prospects
1. Foundations
2. Corporations
3. Related organizations (churches, associations, service groups)

II. Research sources and qualification

A. Sources for prospect research
1. Internal
   a. Board members
   b. Faculty
   c. Staff
   d. Alumni
   e. Databases and hard files
   f. Institutional electronic and hard files
   g. Recognition footprints (plaques, funds, buildings, rooms, grounds, etc.)

2. External (principally for relatively unknown major donor individuals)
   a. Current major donors
   b. Advisory councils or networks
   c. Attorneys
   d. Accountants
   e. Bankers
   f. Trust officers
   g. Financial advisors
   h. Corporate and community leaders
   i. Internet and web sources
   j. Wealth screening firms
   k. News media
   l. Social registers
   m. Donor check information

3. Corporations
   a. Internet
   b. Annual stockholder reports
   c. Foundation Center
   d. Proxy statements

4. Foundations
   a. www.foundationcenter.org (Foundation Center of New York)
   b. Websites of foundations
   c. Guidestar.org for IRS Form 990s
d. Foundation annual reports  
e. Annual reports from other institutions  
f. Active inquiries  
g. Professional and social networks

B. Qualifying and rating prospects to set priority and intensity of cultivation  
1. Identify prospect.  
2. Consider the prospect’s goals, hopes, aspirations, and interests.  
3. Determine depth or closeness of relationship (1 to 5).  
4. Estimate capacity for a major gift (1 to 5).  
   a. How does a person view his or her assets?  
   b. Are their assets inherited, from hard work, or from good investing?  
   c. Are their holdings personal?  
5. Define readiness to give (1 to 5).  
6. Assign the prospect cultivation to development staff and executive “portfolios.”

III. “Moves management” system

A. “Moves” management: A team effort to focus on human values, how gifts will make a difference in the lives of those the institution serves, the creation of relationships, and more than just giving dollars to reach goals.

B. Goal of the system: plan and implement “moves” that builds relationships through which the institution systematically solicits major donor support in ways that are satisfying to the donor and the institution.

C. Requires careful planning, review, tracking, and coordination of actions between development staff and the institution.

D. Requires development staff to be responsible for primary non-development “partner.”

E. “Partners” are those who would naturally be involved with the prospect, regardless of position or status (executive, alumni, faculty, friend, parent, corporate officer, shareholder, director).

F. Moves management representative activity load: 100 major gift prospects x 12 moves per year per prospect = 1200 moves.

G. Moves management system for major gift fundraising is costly in time, money, and demands on members of the “team.”

IV. Involving the major gift prospect

A. “Background” events and settings for groups  
   1. Advisory councils  
   2. Newsletters  
   3. Alumni organizations and activities
4. Special events on and off campus
5. Annual reports
6. Receptions
7. Campus tours
8. Sports events
9. Class reunions

B. “Foreground” events for specific major gifts prospects
1. Meeting with the upper school dean
2. Borrowing campus artworks
3. Private dinner with faculty
4. Visit with president or head of school
5. Use of donor’s home for school reception
6. Testimonial or awards dinner
7. Congratulatory messages
8. Source of advice for special knowledge or interest area
9. Distinguished service award
10. Student letter of appreciation for scholarship
11. Special seating at events
12. Name recognition

V. Making the ask

A. Effective major donor solicitors
1. Focus on making the mission and facts known about an institution and the good that it does, rather than only repeated attempts to ask for support.
2. Understand that the process is long-term, cast over years or decades, not days or months.
3. Understand that people who have the sense to earn wealth also have the good sense to know when, how, and to whom to give it.

B. Characteristics of successful major gift solicitors (non-staff)
1. Significant, peer-level previous gift to the institution or holds prestigious position.
2. Belief in the institution that can motivate support in others.
3. A thoughtful and systematic listener.
4. Able to ask “open ended” questions.
5. Understands that the asking process is not random or a one-shot event.
6. Comfortable with asking for support.
7. One who is “lost” in the cause or project.
8. A person to whom prospect feels a “psychic debt.”

C. Preparing for the ask

1. Do I know the “game plan” for this visit?
2. Is this visit coordinated with the right team members and partners?
3. Is this a first visit, or am I making a follow-up visit to a previous “ask” or cultivation call?
4. Do I have background research on the prospect?
5. Do I have an understanding of what giving goals are important to the prospect?
6. Do I know for what and how much to ask for?
7. Will I read the prospect’s setting and body language when we meet?
8. Do I make the ask first, and then enjoy the conversation?
9. If offered coffee, cold drink, or tea, do I say “yes” or “I’ll be glad to join you if you’re having one?” Or simply take a glass or bottle of water?

D. The visit conversation

1. Opening - Friendly, get-to-know comments, or the prospect may simply say, “What I can do for you all?” If that’s the case, be ready to state your institution’s needs, plans, and case for support.
2. Listening - Listen, listen, and listen to guidance from the individual or officer about interests, hopes, goals, and aspirations, although you may be thinking about your needs.
3. Say “thank you” to recognize past support.
4. Answering - Respond to questions that the prospect may have about your organization and how it could help accomplish goals important to the donor. Be candid and truthful, but limit detail consistent with the length of the visit.

VI. Closing the solicitation

A. Presenting

1. At some point, a proposal for consideration must be put on the table. Best wording for the question is “I want to ask if you will consider support for (this project, our students, the institution, this program, etc.).”
2. Locate and overcome, if possible, any objections.
3. Indifference is an obstacle, not a friend.
4. Seek a decision.
B. Outcome - All visits can be successful and usually have one or more of these results:

1. “Yes” to your ask.
2. “Yes. Let’s shake on it now, and you send us a written proposal.”
3. “Yes, if we can pledge our support over several years.”
4. “Yes, but we would like to use something other than cash.”
5. “Now is not the right time.”
6. “We could look at a proposal on (date).”
7. “Let’s visit again in a number of (months or weeks).”
8. “Funds are tight; wait until they loosen up.”
9. “We’re interested in another area, so take a look at your programs and see where our interests might help you.”
10. “No. We can’t or don’t give to that sort of thing.” (Solid pre-visit research and cultivation should prevent this response in most cases.)

VII. Post solicitation strategies

A. The visit is just the beginning: Post-solicitation follow-up

1. A warm, personal “thank you” letter within 24 hours, even if the prospect says “no” to your proposal.
2. The “thank you” can also confirm the terms of an accepted verbal proposal.
3. Keep in touch with the individual, foundation, or corporation and look for a later opportunity to make another request.
4. Complete a contact report and chart the next “move” with the prospect.
5. Continue the donor’s cultivation even when a gift is not being sought.
6. Understand that future gifts will grow from a donor’s current satisfaction with the organization’s stewardship of a previously completed major gift.

B. Long-term stewardship and major gifts

1. Stewardship is essential to the world of philanthropy.
2. Consistent, ethical, and high quality stewardship is an both an individual and organizational responsibility.
3. Basic and best stewardship practices:
   a. Follow donor intentions.
   b. Establish the institutional “memory” of donor relationships.
   c. Regularly report to donors.
   d. Renew donor contacts through the generations.
   e. Honor philanthropic individuals and recognize their support.
   f. Assure institutional principles and practices of excellence in stewardship.
   g. Offer continuing opportunities to support the institution.
Building for Character: The Saints United Capital Campaign

I. The Case

For over half a century, All Saints’ Episcopal School has grown through the vision, sacrifice, and hard work of its families and leadership. It has prevailed in the face of daunting obstacles: war, recession, economic instability, soaring energy costs, the quicksands of shifting values, and great political and social upheavals that challenge the foundation of faith upon which the School is built.

We believe that All Saints’ Episcopal School is the institution at which students of all backgrounds can experience the best of independent school educations. We know that now is the time for great decisions and choices that will deliver great rewards to our students. We believe that our graduates’ good works and courage, molded and strengthened here, will be our legacy; it is they who will be recognized for their accomplishments.

We Must Be One in Unity

There are clear, compelling reasons for the School to be on one campus now. The union of campuses will:

- Enable the School to build laboratories, information technology networks, classrooms, and learning centers for college preparatory instruction in the twenty-first century.
- Fulfill our promise to Lower and Middle School parents that we will have one campus and excellent Upper School facilities for continuing their children’s education.
- Encourage students’ seamless move-up from Middle School to Upper School.
- Eliminate duplicate services, telecommunication systems and networks, insurance coverage, security, and personnel to reduce the strain on our tuition revenues.
- Enable faculty of the Lower, Middle, and Upper Schools to enjoy daily fellowship together as colleagues dedicated to a unity of learning for our students.
- Eliminate transportation between the two campuses, reducing labor hours and risk of accidents.

The Cost of Vision

Every vision has a cost, and that is why we must give--we must sacrifice—to build and sustain the structures that will be used to educate our children. The following preliminary costs, developed by the architect, show the extent of our task:
• Upper School and Administration Building, including the library, dining hall, lecture hall/black box theatre, classrooms, laboratories, offices, commons, and administration, as well as completion of the Ring Road and related infrastructure, parking, and utilities. $9,200,000

• Competition Gymnasium, including wood game floor, retractable bleachers, weight room, training room, locker rooms, officials’ rooms, and coaches’ offices. $3,600,000

• Furniture, fixtures, and equipment. $800,000

• Landscaping and transit infrastructure. $300,000

• Fees for architects and engineers. $900,000

• Construction of a competition baseball stadium with seating, softball field, and additional playing/practice fields for soccer and field hockey, cross country, track, and additional parking. $1,800,000

• All other costs associated with construction financing, donor development and recognition, and miscellaneous expenses. $3,400,000

• Endowment for campus preservation. $1,600,000

**Total Campaign Goal** $21,600,000

Our Board of Trustees has determined that in order to begin construction early this summer, the School must reach a $16,500,000 benchmark toward the total $21,600,000 campaign goal. Construction will require twelve-to-fifteen months. During that time, the School will continue to ask for gifts and grants to complete the campaign. The School will also put the Tumbleweed Campus on the market as construction progresses. Through additional fundraising and proceeds from Tumbleweed’s sale, we will reach the $21,600,000 overall goal.

II. The Impact of Major Gifts

(Major gifts of $100,000+ by amount)

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Gift Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Chapel</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Football/track stadium</td>
<td>$2,000,000</td>
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<tr>
<td>Football/track stadium and fine arts</td>
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</tr>
<tr>
<td>Project</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Saints United Capital Campaign</td>
<td>$1,500,000</td>
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<tr>
<td>Saints United Capital Campaign</td>
<td>$1,000,000</td>
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<tr>
<td>Baseball field</td>
<td>$1,000,000</td>
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<td>Saints United Campaign Challenge</td>
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<td>Chapel</td>
<td>$428,000</td>
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<td>Soccer and field hockey</td>
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<td>Chapel</td>
<td>$250,000</td>
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<td>Track</td>
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<tr>
<td>Saints United Capital Campaign</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

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RESOURCES


Giving USA Foundation, Giving USA 2010 Executive Summary, The Center on Philanthropy at Indiana University, 2010.


Fundraising Counsel to
Outstanding Organizations Since 1996

THE WHITESTONE GROUP is a dedicated professional firm that offers select nonprofit clients accessible, high quality fundraising counsel at competitive cost, with a general philosophy of going the extra mile to help organizations meet or exceed their goals.

We have helped guide charitable organizations engaged in capital, endowment, annual, and planned giving campaigns from $500,000 to $30,000,000. At the end of each engagement, we want to know that we did the job well for all concerned and strengthened lasting philanthropic relationships between our clients and those who support them. Our services include counsel for:

- Capital and endowment campaigns,
- Board leadership and governance,
- Strategic planning,
- Major gifts,
- Planned giving,
- Trustee, executive, and staff development, and
- Strengthening fundraising operations.

Our clients are organizations dedicated to causes that overcome daunting challenges, expand horizons of understanding and creativity, reveal the intricacies and power of our environment, or bring hope to the human body and spirit. We are partners with them as they shape a new future for those whom they serve.
Major Gift Solicitation
Within the Annual Fund

Objectives for today:

• Define “major gift” (for your institution)
• Describe major gift donor motivations
• Describe overall major gift process
• Identify where your institution needs to improve in order to pursue major gifts
What is a major gift?

Definition of ‘major gift’

- Largest gifts to your annual fund
- Gift comes from income (not assets)
- Top 10% of gifts to annual fund

What do we know about major gift donors?

- Deep desire for impact
- Confident in leadership
- Don’t want to be the only one involved
- What else??
Process for major gift development

Qualification: prospect rating grid

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<th>3A</th>
<th>2A</th>
<th>1A</th>
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<td>3C</td>
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Process for major gift development
Helpful hints

• Involve volunteers at all stages
• Set achievable goals
• Face to face asks
• Excellent stewardship
• Other?

Questions?
A successful fundraising program in any organization is based on time-tested principles that have been proven over time through best practices and verified by research. These principles advocate that fundraising is an institutional effort, requiring management processes; a team of leadership, staff and volunteers; investment of resources including time, financial support, and personnel; identifiable sources of support; a fundraising plan that is part of an organizational plan; and strategies for fundraising that are appropriate for the institution as well as the capability of the fundraising effort. Baseline information paramount for future success and internal, organizational feedback helps recognize, manage and handle issues that impede fundraising. A fundraising assessment also generates commitment through all personnel input, which provides an organization-wide sense of ownership.

We recognize that every fundraising effort responds to some differences of circumstances, such as popularity of cause, internal expertise, budget allocated to the effort, size of organization, support of leadership, internal commitment to fundraising, etc. Therefore an assessment must be individualized in order to be accurate. However, the items listed below in this assessment reflect best practices and knowledge provided by experts in the field. This assessment is based on what works best in fundraising success, while acknowledging some differences that shape practice. It is readily recognized that a “small shop” must prioritize and intelligently allocate meager resources. A large and mature program must look at improvement and increased outreach based on its successful history. The major caution we suggest is that an organization avoid saying, “Yes, but we’re different,” since successful fundraising in fact rests on successful implementation of carefully selected strategies.

This form should be considered a starting point and is best used in conjunction with the services of PSI personnel who will assist in the assessment done by an organizational team. While there may be components not immediately applicable to a specific organization, it should be recognized that what is listed below constitutes success in fundraising, and careful judgments will jointly be made in terms of organizational capability to develop fundraising to its maximum extent.

\[1\] Including the Association of Fundraising Professionals, Jim Greenfield, the McKinsey Company, The Fund Raising School at Indiana University, and Lilya Wagner.
**PART ONE:**
The major areas evaluated are in the first column. The second column is for rating each component or function, the third column delineates the current status, and the final column offers recommendations for action.

<table>
<thead>
<tr>
<th>Area or Function</th>
<th>Rating (5 = excellent, 1= poor, NA = does not apply)</th>
<th>Current Status–Explanation of rating</th>
<th>Future Projections and Recommendations</th>
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<tbody>
<tr>
<td><strong>Planning</strong></td>
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<tr>
<td>1. There is a current plan in place for the operation of the organization.</td>
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<td>2. The plan is reviewed periodically and adhered to by all staff.</td>
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<tr>
<td>3. The board has been involved in creating the plan and has approved it.</td>
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<tr>
<td>4. The plan is flexible and changed when there is good reason.</td>
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<tr>
<td>5. An appropriate version of the plan is available for sharing with major donors.</td>
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<tr>
<td>6. A fundraising plan is an integral part of the organizational plan.</td>
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<tr>
<td>7. A yearly plan with quantifiable objectives is created prior to the next fiscal year.</td>
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<tr>
<td><strong>Board</strong></td>
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</tr>
<tr>
<td>1. The board understands the fundraising process.</td>
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</table>
2. The board is committed to fundraising.

3. The board participates in identifying, cultivating and soliciting gifts.

4. The board gives to organization (percent of board giving)

5. The board is willing to be trained.

6. Board committees function well, adequately represent the constituency, and are active.

7. Board terms allow for new members, perspectives and involvement.

**Organizational Leadership**

1. Top leadership understands fundraising processes.

2. CEO is supportive and involved in fundraising.

3. CEO makes calls at the request and direction of chief development officer (CDO).

4. Senior personnel are involved in appropriate ways suitable to their capabilities.

5. All leadership personnel provide contact reports to the CDO for accurate records of donor contact.

<table>
<thead>
<tr>
<th>Staff</th>
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<tbody>
<tr>
<td>1. The chief development officer has the appropriate skills for</td>
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<tr>
<td>serving the organization.</td>
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<tr>
<td>2. There is adequate staff in place to carry out the goals of the</td>
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<tr>
<td>fundraising plan.</td>
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<tr>
<td>3. There is team effort in determining appropriate workload for the</td>
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<tr>
<td>CDO, in accordance with the plan.</td>
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<tr>
<td>4. There is a job description in place for each fundraising staff</td>
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<tr>
<td>members.</td>
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<tr>
<td>5. There is agreement between the CEO and the CDO regarding</td>
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<tr>
<td>appropriate workload, and adjustments are intelligently made</td>
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<tr>
<td>to workloads.</td>
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<tr>
<td>6. The CDO reports directly to the CEO.</td>
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<tr>
<td>7. There is professional development opportunity available, and</td>
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<tr>
<td>appropriate for the need.</td>
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<tr>
<th>Volunteers</th>
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<tbody>
<tr>
<td>1. Volunteers in addition to the board are involved with the</td>
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<tr>
<td>organization.</td>
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<tr>
<td>2. Volunteers are trained appropriately for their duties.</td>
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</table>
3. Volunteer assignments are congruent with the needs of the fundraising program and the skills/capabilities of the volunteers.

4. Volunteers provide appropriate links to donors.

5. Volunteers (or volunteer representation) are involved in planning for fundraising.

6. A recognition process for volunteers is in place and active.

7. Recruitment of volunteers is an on-going process.

### Development Committee

1. One of the board committees is a development committee (DevComm).

2. The DevComm is active and participates in fundraising planning and implementation.

3. The DevComm provides information on fundraising prospects.

4. The DevComm is involved in contacting donors appropriately.

5. The DevComm is a respected part of the board.

6. The CDO provides staff support for the DevComm.

7. Membership on the DevComm has term limits similar to board membership.

### Budget
1. Sufficient resources are allocated for fundraising in the organizational budget.

2. The leadership team (including board) recognizes it takes money to raise money.

3. There is attention to efficiency and effectiveness factors in the fundraising budget.

4. The budget is planned according to each fundraising strategy and evaluated accordingly.

5. The fundraising budget is a separate entity, not including marketing and communications (although these significantly support the fundraising program).

6. The CDO participates in planning the fundraising budget.

7. There is clear accounting of gifts according to promises made to constituents and donors, and the CFO and CEO are in agreement on allocation of funds received.

**Case for Support** (case components will be shared separately)

1. Fundraising goals clear and substantiated with facts.

2. There is board and CEO agreement on fundraising purposes and goals.

3. Program staff are involved in providing information for making a case for support.
4. An internal case statement is in place and has organizational agreement.

5. The case statement is congruent with the organizational plan.

6. Communications means that provide case expressions for each distinct audience are in place and functioning (e.g., brochure for mailing, proposal for foundations, speech for a church).

7. Each fundraising efforts begins with a clear case for support.

<table>
<thead>
<tr>
<th>Funding Prospects</th>
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<tbody>
<tr>
<td>1. The fundraising base is diversified; donors come from all possible sources and types of donors.</td>
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<tr>
<td>2. New funding sources are being developed according to capability and plan.</td>
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<tr>
<td>3. Prospect research is given attention and enough research resources are available.</td>
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<tr>
<td>4. Board and organizational personnel provide information to the fundraising staff on possible prospects.</td>
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<tr>
<td>5. Prospect qualification and evaluation methods are ethical and practical.</td>
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<tr>
<td>6. Donor acquisition efforts receive adequate attention, realizing that the donor base must be regularly replenished.</td>
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</tbody>
</table>
7. Fundraising goals are matched with appropriate prospects, realizing different prospects prefer giving to different causes.

**Donor Renewal and Upgrade**

1. The donor records are continually studied to determine what donors or donor groups can be upgraded.

2. Donor renewal receives significant attention, since it costs less to retain and renew a donor than to acquire a new donor.

3. Donors and donor groups are matched with appropriate asking strategies (e.g., face-to-face versus a written proposal or direct mail).

4. Each major gift prospect or donor is a mini-campaign of its own and receives such attention.

5. Board members, other volunteers and the CEO are involved in identification, cultivation and solicitation of major gift donors.

6. A gift range chart is used for setting appropriate goals and in determining what donors can be invited to upgrade their gifts.

7. Staff support, communications, and recognition process work together to retain donors and keep them loyal and giving.
<table>
<thead>
<tr>
<th><strong>Fundraising Strategies</strong></th>
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<tbody>
<tr>
<td>1. The range of tools available for fundraising is considered and evaluated.</td>
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<tr>
<td>2. Appropriate selection of tools according to prospects, goals and internal capability is made.</td>
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<tr>
<td>3. The annual fund campaign receives highest priority.</td>
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<tr>
<td>4. Campaigns such as capital and planned gift are carefully planned, with expert advice considered.</td>
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<td>5. A combination of effective tools is part of the plan (e.g., the Internet and event planning, mail and phonathon, etc.)</td>
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<tr>
<td>6. Use of any fundraising tool is practiced according to best information, available knowledge, appropriate training and results.</td>
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<tr>
<td>7. All members of the team are matched with appropriate use of fundraising tools (e.g., board members and CEO for face-to-face solicitation, program staff for brochure and mail content development).</td>
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<thead>
<tr>
<th><strong>Gift Receipting and Recognition</strong></th>
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<tbody>
<tr>
<td>1. Donations are handled immediately and a thank you is sent within 24-48 hours.</td>
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<td>2. Thank yous are personalized when appropriate.</td>
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</table>
3. The CEO and others (senior personnel, board, program personnel) are involved in the acknowledgement and thanks.

4. A process of appropriate recognition strategies for various gift levels is in place and active.

5. The database is kept current and updated as information is received.

6. Thank you letters and other communication are updated and changed periodically.

7. Recognition gifts are appropriate for the organization, size of gift, type of gift, and type of organization.

**Gift Reporting**

1. Gift history is recorded and tracked.

2. Restricted gifts are carefully noted and used accordingly.

3. Unrestricted gifts are carefully noted and used according to the organizational plan and goals.

4. Each fundraising strategy is reported separately and results are compiled into a master report (e.g., results of direct mail should receive individual attention).

5. Appropriate reports are provided periodically to the board.

6. Gift income is appropriately reported to constituents.

7. An annual report is issued in some accessible format.
<table>
<thead>
<tr>
<th><strong>Marketing and Communications</strong></th>
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<tbody>
<tr>
<td>1. The organization has a clear set of identity guidelines.</td>
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<td>2. Communications efforts provide an agency/organizational presence in the community or communities.</td>
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<td>3. There is a concerted effort to determine constituent needs through marketing.</td>
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<td>4. Materials needed for fundraising are prepared by communications in consultation with fundraising personnel.</td>
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<td>5. The CEO is predominant in representing the organization appropriately.</td>
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<td>6. The organization has community involvement that develops linkages and networks, and this is aided by marketing and communications personnel.</td>
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<td>7. There are written policies and procedures for internal and external communication.</td>
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<tr>
<th><strong>Support Systems</strong></th>
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<tbody>
<tr>
<td>1. IT provides necessary support for database creation, maintenance and improvement.</td>
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<tr>
<td>2. Offices and workspace are appropriate and adequate for meetings, materials preparation, records, and similar activities.</td>
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</table>
3. Provision is made in the budget should a consultant be needed for a specific purpose.

4. Professional development is available and urged in order to maintain a quality program.

5. Organization meetings include fundraising training and informational presentations.

6. Temporary help can be secured when there are special needs, such as preparation for an event.

7. Ethical behavior is standard operating procedure for all personnel and volunteers.
PART TWO:

Following completion of the above form as a team of PSI representative and institutional personnel (including selected board members and volunteers, staff, CEO, CFO, and fundraising staff), the following will be developed as a professional service by PSI for the client organization.

Example:

**Observations:**

The board has stated its commitment to philanthropy and expressed an interest in fundraising. With additional training and a stronger development committee, the board could become a model for the fundraising effort.

Etc.

**Recommendations:**

Fundraising personnel along with the CEO should develop specific fundraising tasks appropriate for individual board members and review these with the Development Committee, which will then present an action plan to the board, along with the CDO.

Etc.
Assessment, Recommendations and Draft Fundraising Plan  
College View Academy  

Prepared by Dr. Lilya Wagner, PSI, November 20, 2010

An assessment of College View Academy’s fundraising program considered various organizational elements which provide the context for strengthening and further developing fundraising for maximum efficiency and effectiveness. Also included in the assessment were considerations of human and financial resources, analysis of possible markets and possible tools or strategies to use in approaching current and potential funders.

This report includes two major parts, the first of which is an assessment of internal and external positive factors as well as challenges the academy faces. The second part is a list of recommendations, listed in suggested sequence of implementation, which might be considered as fundraising is further implemented to be a sustainable effort on behalf of the academy, its programs, its students, and parents. A plan is in place and can be revised as feasible and advisable as a result of board and leadership review of this assessment.

**Part I**  
Assessment of College View Academy’s Fundraising

**Internal positive factors:**

Leadership that understands fundraising and its role in total organizational structure, function and management.

Small group projects have taken place and there appears to be plenty of enthusiasm.

Constantly improving database management using the potential of an expensive system. Fundraising is accepted internally and a fundraising committee is in place.

There is a plan to expand and student projections make this advisable.

The institution has prioritized those aspects of organizational function and development and has determined what should be accomplished at what point in time. This means that some needs have deliberately been been delayed.

Phonathon brings good amount of money.

George Stone is the only SDA competition.

There is a belief that constituents would support both college and academy/elementary school.
There isn’t a mentality of “let Ryan do it.” A little skepticism might be present but there appears to be good enthusiasm.

School, student body and faculty, has good attitude.

It appears that if people are grads of UC and CVA, they are still loyal to CVA. Alumni are quite passionate about their high school.

As long as people know what the need is, and the need is specific, they get behind it.

The school is not struggling with debt and can look forward.

**Internal challenges:**

The board seems to be supportive, but it is not yet giving at 100%. There seems to be a general willingness to support fundraising, although at least one board member has a relative at another Mid-America Union academy. It is imperative that the board represent 100%. Without this, the institution has no right to ask anyone else for funds.

The institution needs a new roof now for $60,000. This has temporarily been put on “hold.”

There is hesitancy about whether the board would actually get involved in fundraising, but they might be willing to work if the right training and organizing of effort would take place. They would be limited by time.

A tradition of fundraising doesn’t exist, especially in sustainable, long-term format. But there is enough of a basis on which to build.

**External positive factors:**

The institution is valued in the community. It is well thought of in the community

CVA has a good base of loyal donors.

Strong support from some of the church communities. There is quite strong support from two churches.

The school has been an economic presence in the community for many years and can therefore look for external support on this premise.

**External challenges:**

There is much fundraising going on. Multiple obligations in the community in terms of financial support.
There is a public school nearby and parents somethings believe it doesn’t hurt to send their children there, Lincoln being a rather wholesome, conservative city.

Some churches like Capitol View are lukewarm in their support of CVA.

Union College is on the verge of launching a major campaign for science building. This could draw away attention and support of CVA.

**Part II**  
**Recommendations (listed in suggested order of priority)**

Develop an institutional plan, including short-term and long-range goals, into which a fundraising plan would fit, be reviewed and accepted by the board and institutional personnel. Today’s donors want to know that the institution is managed well, there are clear objectives, there is transparency in function, and results are evaluated and evident.

Determine what exists that has worked well for fundraising, even if piecemeal, that would establish a strong foundation for a sustainable fundraising program.

Present this report (in final format) to the board and have board training take place.

Subsequently establish the possibility of and commitment to a long-range, on-going, sustainable fundraising program. As an alternative, determine if there is a preference for project and short-term fundraising, depending on board and faculty/staff commitment (or lack of) to institutionalizing fundraising as part of the entire organization’s culture and programs.

Depending on the outcome of the above, develop a plan for fundraising. The plan should be as comprehensive as possible, then scaled down according to determination of available resources (DOD, principal, board, key staff and faculty, volunteers/parents).

**Part III**  
**Goals and Objectives (preliminary fundraising plan)**

To be developed when the above is agreed on. This is the next step of the on-going assessment and suggestions for change.
Money is not the problem

Our nonprofit consulting work often involves a snapshot assessment of an organization’s current status. How are the board, staff, and programs functioning? What sorts of fundraising strategy and tactics are in place? Do internal operations and external communications seem appropriate and healthy? In addition to conducting personal interviews, reviewing documents, and observing meetings, we frequently use electronic surveys to gather peoples' opinions on what is--and is not--working.

Not surprisingly, when we ask about an organization's weaknesses, popular answers from board and staff include "We need money," "Lack of funds," "Not enough money," and so on.

You know the old saying, "There are no wrong answers"? Well, this is the exception.

Nonprofit leaders often think that their lack of funds is their primary challenge.

They're wrong.

A lack of money is not the problem. It is a symptom. The problem is always something else.

Without exception, we have seen over and over that "the problem" is actually one or a disastrous combination of the following:

1 - The board is too small. This invariably means that the board does not contain the range of skills and perspectives needed for sustainable success.

2 - The board governance is weak. Attendance, participation, understanding, trust, accountability, engagement: entire books are written on this subject. If this were an easy issue, we'd all be wealthy. Sadly, too many well-meaning people have never experienced a nonprofit board functioning properly, so they don't even know what they're missing.

3 - The mission is unclear or poorly defined. There must be a vision of why you exist and where you are trying to go. This statement of purpose needs to be concise, clear, repeatable, and memorable.

4 - There is no roadmap, i.e., how that mission will actually be accomplished. Nonprofits that are struggling are often trying to do too much on too many projects.

5 - Leaders, both paid and unpaid, fail to recognize the critical distinction between leadership and management. You need both on your team, and these people need to know when to demonstrate each as situations dictate.
6 - **Planning is unrealistic or nonexistent.** Operating by crisis and hand-to-mouth feels like the way the game is played, as if being frantic and operating on the thinnest shoestring keeps you credible and authentic.

7 - **There is no strategy to fundraising.** There is a rich tapestry of ways that nonprofits can tell their story to those who would be inclined to support them, but weak organizations get stuck trying the same ineffective tactic over and over.

8 - **Relationships have not been cultivated with the "other two" sectors (private and public).** Yes, these things take time. Start before you're broke. *You won't have a harvest of food for tomorrow if you don't plant something today.*

9 - **Media or community relations are weak.** See explanation for #8.

10 - **The impact of the organization is not being measured or evaluated properly.** The funding world, from individual donors to international foundations, doesn't essentially care how small you are or how lean your budget is. *They want to see that you make a demonstrated, credible difference.*

Every one of these factors contributes directly to whether dollars are coming in. The next time you find yourself thinking or saying, "We just need more money," consider that your energy is better spent on something besides staring wishfully at your balance sheet. Remember that nonprofits do not close their doors because they "...have no money." They end up closing their doors because they failed in some other respect--which ultimately resulted in no money.
The Case of the Un-Watchful Board
or
What Happens when the Board is Asleep on the Job

The International Society for Reality in Education (ISRE) was founded in 1984 as a coordinating organization for local education programs around the world, but mostly in the United States. The mission of ISRE was to promote reality in education through seminars and publications for its 105 member organizations.

For the first five years of operation, ISRE functioned with a three-member staff. Member organizations reported that the staff provided services effectively and courteously, which encouraged them to maintain their membership and active participation in ISRE. Given the attitudes of member organizations, ISRE probably could have continued its operations indefinitely on a limited scale.

However, several board members saw new possibilities that they convinced others to explore. "Bigger is better", they argued persuasively. "New programs mean better service and more potential for effective education for the next century."

When a major foundation invited a proposal for funds, the board urged Bill Jones, ISRE executive director, to submit a request for funding the new vision. Bill was reluctant. It hadn't been easy getting a brand-new organization off the ground, and he wanted to enjoy the fruits of his labors. Besides, he didn't see the need for expansion. No one was complaining--at least not very loudly. Why fix what wasn't broken?

Despite his skepticism and reluctance, Bill Jones produced a lengthy and well-researched grant application. Since he had invested so much time and energy in the proposal, Bill found himself looking forward to finding out if the proposal would be funded. After a month of waiting, he no longer even remembered why he hadn't wanted ISRE to expand. When the letter arrived from the granting agency announcing the request was funded, staff and board alike celebrated. The board announced to their member organizations that a new day of service was dawning. Bill informed his staff that a new era in the growth of the organization had arrived.

Before another month had passed, Bill was reminded why he hadn't wanted the project to be funded in the first place. Funding meant growth, growth meant change, and change meant disruption of a relatively comfortable existence. Bill had effectively managed his small staff, but he had no experience with larger number of employees. Nonetheless, he had no choice except to begin to fulfill the conditions of the proposal. What looked good on paper became a series of difficult choices and long days.

In spite of his own unease, however, Bill continued to give glowing reports to the board of directors. Both he and the board members interpreted the proposal as a strategic plan because its breadth would drive much of ISRE's activities and efforts. The strategic plan itself, now about five years old, was ignored and not revised as attention was focused on what could happen because of the grant funds.
After expanding into adjacent office space, Bill hired new staff. The media attention generated by the funding allowed him to secure first-rate professionals who wanted to get busy right away. Empty offices and cubicles began filling up, and the before long ISRE had 15 new staff members. The once-tranquil atmosphere and pace at ISRE became lively. At the same time, the interaction between staff members became more complex and confusing. Bill was accustomed to managing a small office, and now he was out of his league. Staff began to ask themselves "What are my goals?" They asked each other "What are our guidelines?" They asked Bill "Just what are we trying to accomplish?" Bill had no satisfactory answers, but he continued to report to the board that all was proceeding according to plan.

The change and growth overwhelmed Bill. He found it hard to cope with the quickly multiplying details as well as the demands made on him by the staff. He couldn't delegate or let go of the control he had been able to exercise when the staff was much smaller. The budget became complex, and meetings were required to coordinate the efforts of the staff. Because most of the new staff members were accustomed to working in large, efficiently run organizations, they began to feel stifled. Although experienced in their areas of responsibility, they couldn't move ahead toward their goals because of the slow pace of decision-making. Office procedures that had worked fine for a three-person operation no longer served the rapidly expanding organization. Staff felt insulted and ignored when Bill made unilateral decisions, or only consulted his favorite staff member. They became impatient when they couldn't find the boss for much of the day (because Bill began practicing avoidance of the problems as his discomfort level grew). Not much was getting done. The board expected great results, and Bill felt he had to impress them in order to hang on to his job. Consequently, he continued to report progress toward goals, doing it in such glorious language that the board was lulled into self-congratulatory complacency.

Hardly a year passed before the organization reached a critical point. Staff didn't feel free to speak to board members (many believed that would be a breach of ethical behavior) but were also frustrated because they felt they had no one to whom they could turn with their concerns. They didn't think they could trust the boss sufficiently to speak out--their jobs would be jeopardized, they believed. At the same time, they didn't think decisions were made fairly, didn't feel recognized and rewarded, and began complaining to and about each other. A "mean mood" set into the organization, and work began to suffer. The members of the board, who rarely if ever came to the home office, remained quite unaware of any problems and continued to rely on Bill as their source of information for what happened in the daily operations at ISRE.

Professional staff began to leave, disillusioned and discouraged by the whole situation. Many felt they had been brought in under false pretenses. Others were frustrated because their professional opinions were being ignored. Most despaired because they could not get their work done, due to lack of support from other members of the staff, as well as Bill’s now-standard inaction and procrastination. Some were deeply hurt by remarks and reprimands from Bill and other members of the staff which they believed were not warranted. As staff members resigned, they weren't replaced because grant funds were running out, and Bill found himself unable to find new support. Funding became a serious problem, but neither Bill nor the board seemed able to mobilize themselves in becoming fund raisers. In fact, the chairperson was heard to say, "I'll be damned if I'll go to a development committee meeting!"
Before long, the decline of conditions at ISRE was felt by the member organizations. As a response to the worsening financial condition, the board voted to raise membership fees. After all, they argued, ISRE had been providing additional services for years without raising the fees. However, the rate increase came at a time of decreasing services at ISRE, and member organizations asked themselves, "Just what am I receiving for the high dues I'm paying?" ISRE had not attracted new members as it expanded its activities. Now, membership began to drop. Still, despite his own negative disposition toward the organization and its efforts, Bill Jones continued to offer positive reports and feedback to a board which never quite identify the roots of the problems plaguing the organization.

Consider the following about this case study:

1. Identify the major elements that have shaped the organization until it has reached a point of dysfunction.
2. List the positive and negative internal aspects of the organizational management and delivery of services in order to provide recommendations that could either improve or save the organization. Do the same for the positive and negative external aspects.
3. Provide three recommendations for immediate action.
4. Provide three recommendations for sustainability over the long haul.
What's in Your Toolbox?

Development Audits and Assessments

Objectives of Session

- Understand and be able to explain the value of assessments.
- The assessment process and content.
- Review of sample assessments.
- Determining expected outcomes of assessments.
- Implementing next steps—making assessments a reality in practice.

Assessment: Threat or Opportunity?

- An organizational assessment is a process of taking a step back to reflect and look at the various areas of the organization in regards to what is working and what could be different.
An assessment helps to create an objective view of an organization's current reality in regards to its funding streams, work flow processes, organizational structure, outcomes measurement, client satisfaction, employee turnover, board development, etc.

It is a full systems view of where the organization stands that enables management to leverage its current assets as well as choose to do some things differently in order to maximize efficiency and effectiveness in achieving the organization’s mission. From The Forbes Funds, www.forbesfunds.org

Assessment Process

- Meeting with leadership.
- Determination of goals for assessment. Why are we doing this?
- Key interviews conducted: agenda and interviewees decided by leadership and consultant.
- Consultant prepares document.
- Document is submitted to leadership, who decides what direction to take and with whom to share.
- Consultant is available for clarification, for assistance in planning, for motivation and training, and for periodic evaluation if desired.
Assessment Content

- Assessment of positive and negative factors, internal and external, which have an impact on fundraising.
- Recommendations, prioritized, short-term and sustainable.
- Draft of plan based on above sections—goals, objectives, action steps.
- Implementation steps, if desired.

Exercise

- Review of parts of a sample assessment.

Exercise

- Case study:
  - The dysfunctional organization.
  - Conduct an assessment by small groups.
  - Consider and outline positive and negative aspects for both internal and external perceptions and realities of the organization.
Expected Outcomes of Assessment

- Involve organizational leadership, staff, team members.
- Support fundraiser by helping set up realistic expectations, actions, goals.
- Provide a team mentality with the fundraiser as manager rather than "soloist."
- Determine what is favorable for fundraising, what has to be "fixed" before fundraising can take place.
- Establish the foundation for a realistic, proactive plan.
- Make fundraising a positive practice with expected outcomes that support the organization.

Next Steps

- Determining when you need an assessment.
- How to act upon an assessment.
- What PSI can do.

Time to Act!
Contact PSI for assistance.
We’re here for you.
“Philanthropy in Uncertain Times: Research Informing Practice-Practice Informing Research”

Dr. Dwight F. Burlingame

June, 2011
Dwight Burlingame

- Associate Executive Director
  Center on Philanthropy at Indiana University
- Professor of Philanthropic Studies and Public Affairs
  Indiana University Purdue University Indianapolis

- dburling@iupui.edu
- www.philanthropy.iupui.edu
Research Tells Us??????

I Didn't Have Any Accurate Numbers So I Just Made Up This One.

Studies Have Shown That Accurate Numbers Aren't Any More Useful Than the Ones You Make Up.

How Many Studies Showed That?

Eighty Seven
2010 charitable giving
Total = $290.89 billion

($ in billions – All figures are rounded)

Source: Giving USA Foundation™ / GIVING USA 2011
Types of recipients of contributions, 2010
Total = $290.89 billion

($ in billions – All figures are rounded)

Include rounding to get to 100%
*Estimate developed jointly by the Foundation Center and Giving USA

Source: Giving USA Foundation™ / GIVING USA 2011
Changes in giving by recipient organization

Current $

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion</td>
<td>-1.6%</td>
<td>0.8%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Education</td>
<td>-5.6%</td>
<td>5.2%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Human services</td>
<td>-4.4%</td>
<td>1.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Health</td>
<td>-1.8%</td>
<td>6.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Public-society benefit</td>
<td>0.1%</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Arts, culture &amp; humanities</td>
<td>2.3%</td>
<td>5.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>International affairs</td>
<td>-1.6%</td>
<td>15.3%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Environment/animals</td>
<td>2.9%</td>
<td>2.0%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Percentage change from previous year

* The two-year change is calculated separately and is not the sum of the changes in the two years.

Source: Giving USA Foundation™ / GIVING USA 2011
Total giving, 1970–2010

(S in billions)

Source: Giving USA Foundation™ / GIVING USA 2011
Total giving as a percentage of Gross Domestic Product, 1970–2010

Data are rounded.

Source: Giving USA Foundation™ / GIVING USA 2011
Bank of America Survey

• Presents comparative data between those with high-income households, and those without.
• Provides insights on how to approach certain donors.
• Allows fundraisers to see motivations for high-wealth donors.
• Sought to find donors’ expectations for organizations to whom they provide support.
Note: Combined organizations include United Way, United Jewish Appeal, or Catholic Charities
*Giving Vehicle' represents gifts to private foundations, charitable trusts and donor-advised funds.
### Percentage of Total Gift Dollars to Charitable Subsectors, U.S. General Population vs. High Net Worth Donors, 2009

<table>
<thead>
<tr>
<th>Subsector</th>
<th>General Population</th>
<th>High Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious</td>
<td>63.4</td>
<td>13.3</td>
</tr>
<tr>
<td>Arts</td>
<td>1.1</td>
<td>7.5</td>
</tr>
<tr>
<td>Combination</td>
<td>5.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Environment/Animal Care</td>
<td>3.5</td>
<td>10.1</td>
</tr>
<tr>
<td>Basic Needs</td>
<td>4.7</td>
<td>10.1</td>
</tr>
<tr>
<td>International</td>
<td>2.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Health</td>
<td>6.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Youth/Family Services</td>
<td>8.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Education</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Other</td>
<td>6.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Giving Vehicle*</td>
<td>N/A</td>
<td>6.3</td>
</tr>
</tbody>
</table>

Note: Source for the U.S. general population is the Center on Philanthropy Panel Study 2007 wave, the latest data available. High net worth figures are for 2009 giving.

*‘Giving Vehicle’ represents gifts to private foundations, charitable trusts, and donor-advised funds.
Charitable Giving by Income of Donor Households

- At the lower end, those households earning between $200,000 and $500,000 a year gave, on average, $30,716 in 2009.
- In the middle, those households earning between $500,000 and $2 million a year gave, on average, $100,011 in 2009.
- At the higher end, those households earning $2 million or more a year gave, on average, $259,692 in 2009.*
- When we examine total giving within specific income categories, we observe that total giving increases by income; this is similar to what was observed in 2005 and 2007.

*May not be statistically meaningful because households at this high income group contain fewer than 50 respondents.
Geographic Allocation of Giving Among High Net Worth Households, 2009

PERCENTAGE (%)
- Local Charities
- National Charities
- International Charities

69.9%
20.2%
9.9%
What Motivated High Net Worth Households to Give, 2007 and 2009

<table>
<thead>
<tr>
<th>Reason</th>
<th>2007</th>
<th>2009</th>
<th>2007 Rank</th>
<th>2009 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moved at How Gift Can Make a Difference*</td>
<td>66.9</td>
<td>72.4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Feel Financially Secure*</td>
<td>65.3</td>
<td>71.2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Giving to an Efficient Organization**</td>
<td>N/A</td>
<td>71.0</td>
<td>N/A</td>
<td>3</td>
</tr>
<tr>
<td>Support Same Orgs./Causes Annually</td>
<td>70.7</td>
<td>65.9</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Give Back to Community*</td>
<td>81.2</td>
<td>64.7</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Political/Philosophical Beliefs*</td>
<td>58.5</td>
<td>52.1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Volunteer for the Organization**</td>
<td>N/A</td>
<td>51.9</td>
<td>N/A</td>
<td>7</td>
</tr>
<tr>
<td>Give Spontaneously to Support a Need**</td>
<td>N/A</td>
<td>47.1</td>
<td>N/A</td>
<td>8</td>
</tr>
<tr>
<td>Remedy Issues Affecting Me Personally*</td>
<td>57.5</td>
<td>43.8</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Religious Beliefs*</td>
<td>51</td>
<td>38.8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Being Asked*</td>
<td>48.1</td>
<td>31.1</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Set Example for Young People*</td>
<td>45.6</td>
<td>27.1</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Further Legacy of Parents</td>
<td>18.2</td>
<td>19.7</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Other (e.g., social beliefs)**</td>
<td>N/A</td>
<td>19.6</td>
<td>N/A</td>
<td>14</td>
</tr>
<tr>
<td>Business Interests</td>
<td>5.3</td>
<td>4.9</td>
<td>11</td>
<td>15</td>
</tr>
</tbody>
</table>

*This question was not asked in 2007.
**The difference between 2007 and 2009 results was found to be statistically significant.
Transmitting Philanthropic Values: How Children Learn about Giving

PERCENT (%)

- Parent's Personal Efforts: 95.9%
- Prog. Offered by Religious Org.: 80.5%
- Children's Own Efforts: 73.0%
- Influenced by Friends/Peers: 69.7%
- Work with Financial Advisor: 24.7%
- Family Program Offered by Nonprofit Org.: 12.4%
- Bank or Trust Co. Offered Program/Service: 6.6%
- Family Prog. Offered by Philanthropic Adv.: 4.6%
Transmitting Philanthropic Values: The Role Children Play in Charitable Giving

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involve/Educate Children in Family Phil.</td>
<td>61.5</td>
</tr>
<tr>
<td>Help in Choosing Charities Family Gives To</td>
<td>53.2</td>
</tr>
<tr>
<td>Make Grantmaking Decisions for Fdn. or DAF</td>
<td>40.8</td>
</tr>
<tr>
<td>Give through Own Foundation or DAF</td>
<td>38.1</td>
</tr>
<tr>
<td>Serve on Family Foundation</td>
<td>30.3</td>
</tr>
<tr>
<td>Create/Update Family Mission</td>
<td>26.7</td>
</tr>
</tbody>
</table>

Source: Bank of America, 2008
America Gives: Race and Gender

• Single men and single women give about the same on average ($924 vs. $962).
• After controlling for income, education, etc, single women are much more likely to give at all and to give more.
• Similarly, even after controlling for income, etc., married couples are more likely to give and to give more than single men.
America Gives: Race and Gender

• Single men and single women give about the same on average ($924 vs. $962).
• After controlling for income, education, etc, single women are much more likely to give at all and to give more.
• Similarly, even after controlling for income, etc., married couples are more likely to give and to give more than single men.
Estimating Charitable Donations in Giving USA

• Using historical data from IRS and other federal sources and comparing estimating models for GUSA, we found the following:

• The strongest predictor of individual giving is the S&P 500.

• Suggests that a 100 point increase in the S&P 500 is associated with a $1.7 billion increase in charitable deductions, holding income, tax rates, etc constant.

Estimating Charitable Donations in Giving USA

• Personal Income is the second biggest predictor of household giving.

• A $200 billion increase in real (inflation-adjusted) personal income is associated with a $1 billion increase in charitable deductions, holding the S&P 500 and tax rates, etc., constant.

• Charitable giving persists from year to year: last year’s giving is a good predictor of this year’s giving.
Opportunities to Gain from a Recession

• The 3 “P”s, positive, pragmatic, and proactive.
• Chance to re-evaluate what is truly important, what best serves your mission and your organization. Reassess Marketing, Communications and Fundraising
• Decide which of your organization’s activities deserve extra support (ex. Fundraising) to keep afloat in tough economic times.

Source: The NonProfit Times; August 1, 2009
NP Research Collaborative

• AFP
• Blackbaud
• Center on Philanthropy
• Foundation Center
• GuideStar
• National Center for Charitable Statistics
Change in total philanthropic contributions in 2010 compared with 2009

- Increased by more than 15%: 19
- Increased by less than 15%: 24
- Declined by less than 15%: 18
- Declined by more than 15%: 15
- Stayed about the same: 24

Percentage of respondents
Percentage of organizations by direction of change in contributions received, 2010 compared with 2009, by type of recipient (subsector)

- Arts: 41% increased, 21% stayed the same, 38% declined
- Education: 47% increased, 22% stayed the same, 31% declined
- Environment: 41% increased, 29% stayed the same, 30% declined
- Health: 46% increased, 24% stayed the same, 30% declined
- Human Services: 38% increased, 26% stayed the same, 36% declined
- International*: 63% increased, 18% stayed the same, 19% declined
- Public-Society: 44% increased, 27% stayed the same, 29% declined
- Religion*: 52% increased, 19% stayed the same, 30% declined

* 100 or fewer respondents. Use caution when interpreting results.

Winter 2011
Nonprofit Research Collaborative
Frequency of use* of different fundraising vehicles (percentage of organizations)

*Survey participants could select NA or skip the question. Both were considered evidence of not using the fundraising vehicle.

Winter 2011
Nonprofit Research Collaborative
Ten years of survey results about amounts received from online giving

Note: There were methodological differences in the composition of the sample in 2001 and 2010. There is no statistical validity in comparisons that include either of those years.

Winter 2011
Percentage of charities reporting the share of contributions that arrive from October to December, by type of charity

<table>
<thead>
<tr>
<th>Type of Charity</th>
<th>0 - 24%</th>
<th>25% or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Arts</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>Education</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td>Environment</td>
<td>42</td>
<td>58</td>
</tr>
<tr>
<td>Health</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td>Human services</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>International</td>
<td>38</td>
<td>62</td>
</tr>
<tr>
<td>Publics societal benefit</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Religion</td>
<td>38</td>
<td>62</td>
</tr>
</tbody>
</table>

Winter 2011

Nonprofit Research Collaborative
Practice Informing Research

• Different forms of nonprofit financing and what are their differing effects?

• How does govt. funding (fed., state, and local) effect how our organizations operate?
PIR-2

• What does a fundraiser need to grow in the practice of “ethical fundraising”?

• Effects of regulatory and tax policies?
• Different models for forming and operating organizations

• How do our organizations strengthen communities----Limitations?
PIR-4

• Role of NPOs in advocacy and political engagement

• What is the “Value Proposition of the NP Sector?”
Trends

• According to a Millennium Communications Group Scan ------

• Key trends that affect the giving landscape
Trend

—Ethnic and Racial diversity will increase in communities worldwide
Trends

• Wealth appreciation in almost all communities of difference will become significant

• Concept of endowment will face challenges
Trends

• International giving will increase

• Remittances to others from U.S. will increase

• “Flash Giving”
Trends

• Giving Circles

• Internet giving

• Change in Place giving
Trends

• Faith-based donors

• Donor demands for charity interface

• Donor engagement with leadership of NGO
Closing Thoughts

Philanthropy takes on society’s most difficult problems and seeks to work with government and business to find solutions. People trust non-profits to provide what government and business can’t or won’t do.

(see O’Neil, NVSQ, 2009)
The Joy of Giving: Engaging Loyal Donors in Your Annual Fund to Serve Others

THE PHILANTHROPIC SERVICE FOR INSTITUTIONS CONFERENCE
June 23, 2011 - Indianapolis, Indiana
The Joy of Giving:
Engaging Loyal Donors in Your Annual Fund to Serve Others

THE BASICS

I. A successful Annual Fund Campaign meets two goals:

- First, it engages all constituents in the mission of the institution, promotes a perception of excellence, cultivates long-term relationships and support, and lays the groundwork for capital and endowment giving.
- Second, it achieves its dollar objectives.

II. Annual giving programs build on fundamental principles of giving.

Philosophical

- Giving is an act of joy, of passion, a decision of the heart and values.
- People give to people for people.
- All donors are equal, but their support is not.

Psychological

- People accomplish important goals with their gifts.
- People often give for social or peer recognition.

Strategic

- Satisfied donors continue giving, often in greater amounts, throughout their lifetimes, and finally in their charitable estate plans.
- Donors support organizations that are good stewards of their resources and nurture good relationships with them.

Tactical

- People who are asked may give; those who aren’t, don’t.
- Donors choose causes where they are involved or have important relationships.
- Most support may come from lead donors.
- Giving is also a function of the checkbook for the amount or the tax code for timing.
III. How engaged prospects move from stranger to donor

<table>
<thead>
<tr>
<th>Organization Action</th>
<th>Donor Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Identification (Qualification)</td>
</tr>
<tr>
<td>Cultivation</td>
<td>Inform</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
</tr>
<tr>
<td></td>
<td>Involve/Caring</td>
</tr>
<tr>
<td>Solicitation</td>
<td>Commitment/Investment</td>
</tr>
<tr>
<td>Stewardship</td>
<td>Indefinite support and passion for the organization's work</td>
</tr>
</tbody>
</table>

IV. Successful annual giving programs have at least four basic components.

- A strong **case** convincingly presented showing donors how their gifts will help others whom the institution serves by meeting its goals.
- Committed, organized, and active **volunteers** who give and enthusiastically ask others to follow their example.
- A well-conceived and realistic action **plan** and schedule.
- The availability of current or pledged **assets** from constituents.

**HOW THE JOY OF GIVING HAPPENS**

I. A strong case presented convincingly shows donors how their gifts will serve others by helping the institution meet its goals.

**Resources to use in building the case**

- Board of trustees
- Head of school
- Business office
- Monetary goal for operations
- Strategic plan
- Volunteer leadership imagination and involvement
- Review of similar institutions’ materials
- Assessment of previous annual fund campaigns

**Contents of the case**

- Bridge donor interest to institutional need
- Sense of urgency
- Challenge or matching funds
- Clear and compelling
• Theme or slogan built on needs or plans
• Link to institution’s strategic plans and goals
• Tailored to affinity (club or organization) groups
  o Performing arts
  o Athletics
  o Sciences
  o Humanities
  o Alumni
  o Technology

**General need: tuition covers the basics**

**Restricted or designated priority needs with gift levels and recognition**

• Technology
• Teacher salaries
• Library
• Education innovation
• Special curriculum

**Favorable tax treatment, timing incentive**

**Sources of funds (individuals give 75% nationally)**

• Board
• Parents
• Staff/faculty
• Former students
• Grandparents
• Special friends or resources (donor advised funds, corporations, foundations, uncategorized friends, vendors, charitable trusts)

**II. Committed, organized, and active volunteers who give must enthusiastically ask others to follow their example.**

**Represented volunteer groups**

• Church, vestry, or congregation
• Hero leaders (top donors)
• Board
• Faculty and staff
• Parents
  o New parents
  o Preschool
  o Lower school
  o Middle school
  o Upper school
Grandparents
Alumni
Angels and friends
Community
Cultural or heritage features

Characteristics of effective volunteers

- Joyful contributor
- Enthusiasm for the school
- Well-known and respected
- Experience in asking for support
- Available time
- School, church, social, or professional connections

III. The essential well-conceived, realistic action plan and schedule

Ground work

- Budget for annual fund costs
- Materials
  - Case statement
  - Fact sheet
  - Annual report
  - Program publications
- The “ask” package, piece, or web formats
  - Recognition levels
  - Matching gifts
  - Pledge
  - Gift in honor or memory of someone
  - Board members list
  - Planned gift responder
  - Contact point for more information about giving or the institution
  - Website
  - Relationship to other institutional campaigns (capital, endowment?)
- Overall annual giving dollar goal
- Standards of Giving Chart with estimated numbers of gifts and totals at specific gift levels.
- Specific goals for donor support
  - Board - 100% giving >$ ?0,000
    Goal: Retention, increase
    Solicit by Board chair, Development chair
    Package as a challenge or match from the board
  - Major gifts >$2,500
    Goal: Retention, increase
Solicit by Chair of team
- Special gifts >$1,000
  Goal: Retention, increase
  Solicit by Chair of team
- Everyone >$25
  Goal: Retention, increase
  Solicit by Chair of team

- Overall
  - Newly acquired donors
  - Renewed donors
  - Upgraded donors

- Prospect lists
  - Relationship
  - Interest
  - Previous gifts
  - Current goal/target

- General campaign policies

- Dates for the annual campaign

- Gift acceptance and processing considerations
  - Cash
  - Checks (review for details, copies)
  - Online contributions and accounting
  - Stock
  - Gifts in kind
  - Bequests or other planned gifts during campaign
  - Receipt, deposit, and accounting for annual gifts
  - Retention of pledge cards
  - Acknowledgement response standards
  - Staff responsibilities
  - IRS requirements
  - Overall staff and volunteer management

- Manual or guide for volunteers
  - Campaign case or purpose
  - Goal
  - Structure or divisions leadership recruitment
    Church or congregation
    ✓ Hero donor
    ✓ Board
    ✓ Faculty
    ✓ Parents
      - New parents
      - Lower school
      - Middle school
- Upper school
  ✓ Grandparents
  ✓ Alumni
  ✓ Friends
  o Organizational chart
  o Job descriptions and expectations for committee leaders
  o Prospect lists
  o Confidential prospect review committee
  o Volunteer training

**Age demographics of donors and prospects**

- Gen Y (b. 1981-1991) 56% estimated to give, US population 51 million
- Gen X (b. 1965-1980) 58% estimated to give, US population 62 million
- Boomers (b. 1946-1964) 67% estimated to give, US population 78 million
- Matures (b. 1945 or earlier) estimated 76% to give, US population 39 million

**Techniques and tools (but technique does not outweigh content of the case)**

- Solicitation techniques by effectiveness
  o Multi-channel techniques
    ✓ Person-to-person
    ✓ Personal letter with phone follow up
    ✓ Personal phone call with letter follow up
    ✓ Personal letter
    ✓ Personal email with follow up phone call
    ✓ Personal phone call
    ✓ Twitter message
    ✓ Text message contribution
  ✓ Fund raising benefit event
    - Dinners
    - Awards celebrations
    - Auctions
    - Receptions with head of school or board chair in home settings
    - Select face-to-face gatherings with potential major donors
    - Parent information nights
    - Golf tournaments
    - Sporting clay shoots
  ✓ Direct mail card with slogan and online directions
  ✓ Direct mail followed by email or Twitter message
    - Clear mailing list of NCAs with postcard “return service requested”
  ✓ Direct mail/impersonal “Dear Friend” letter
  ✓ Telemarketing
  ✓ Media advertising in focused market, depending on cost and coverage
    - Radio
    - TV
    - Billboard
- Web affinity downloads with search engines or organizations

**Trends and cautions:**

- Direct mail dominates giving by Matures.
- The percentage of Boomers, X’s, and Y’s who respond to postal mail declines steeply with each successive generation.
- Other generations report a variety of channels such as e-commerce, online giving, event fundraising, tributes, monthly debit programs, and even mobile/text donations as important giving methods.
- The younger the donor, the greater the number of ways they give.

**Observations on techniques:**

- The heavy bias towards only direct mail as a donor acquisition channel no longer makes sense.
- The solicitation channel and the transaction channel may be different (for instance, a donor may get a direct mail piece and choose to give online).
- Donors who are acquired via one channel (e.g. the Internet) may prefer to continue giving via another (e.g. direct mail).
- Websites are often consulted before checks are written.
- A donor might learn of a cause or be motivated to support a cause, based on something a friend posts on their Facebook wall, but then write a check or donate online. In a study, 50 percent of Matures report using Facebook.  
  (Source, CONVIO, January 2011)

**Annual Fund Campaign model calendar**

**APRIL**

- Discuss annual fund general and specific goals with head of school, board chair, development committee, and business office
- Set internal goals for new, retained, and upgraded donors
- Confirm annual gift receipt and deposit procedures
- Confirm how gifts will be counted with fiscal or calendar year
- Confirm priority accounting for gifts from individuals in multiple constituencies (trustee as alumnus, parent as alumnus, etc.)
- Update website online giving page to assure seamless gifts cash flow to school
- Recruit Heroes Chair
- Recruit grade campaign captains
- Draft campaign calendar

**MAY**

- First meeting with grade captains
- Update note to all Annual Fund volunteers

**SUMMER**

- First drafts of ask letters and follow-up cards prepared
• Confirm donor and prospect contact information from school records
• Conduct prospect review and rating
• Prepare prospect gift history, rating, and contact information in database
• Recruit Grandparent, Alumni, and Faculty/Staff chairs
• Finalize drafts of letters and postcards
• Prepare phonathon cards for volunteer use
• Update note to all Annual Fund volunteers
• Draft faculty/staff ask letters in coordination with Faculty/Staff chairs
• Annual Fund general chairs and Grade Captains attend Information Nights to introduce the appeal
• Board chair and Development Committee chair solicit trustees in person and by letter for 100% support
• Heroes’ Chair solicits top Annual Fund prospects in person
• Faculty-staff Annual Fund kick-off
• Faculty/staff follow up letters sent
• Annual Fund kick-off announced in school newsletter and website

SEPTEMBER
• Personalized follow-up on Heroes’ solicitation
• Parent letters sent from Parent Chair
• Grade Captains personalized postcards or emails out to parents
• Alumni letters sent
• Update on the Annual Fund put in school newsletter and website
• Annual Fund progress banners posted where needed
• Update notes or emails on Annual Fund progress to all volunteers
• Grade Captain meeting to review progress, check for problems

OCTOBER
• Parent Phonathon
• Collect Phonathon forms at Grade Captain meeting
• Follow-up postcards or emails to alumni with online giving tag
• Continue follow-up on Heroes’ solicitation by personal visit, phone call, or email.
• Update Annual Fund progress in school newsletter, email, website, and digital school announcement sign
• Update email and notes to all Annual Fund volunteers
• Consider spring special emphasis Annual Fund campaign

NOVEMBER
• One-to-three-night Alumni Phonathon (campus, home, or cell)
• Alumni postcard or email follow up with online giving tag
• Grandparent letters sent just after Grandparents Day
• Update on Annual Fund in school newsletter, website, and digital school sign
• Update Annual Fund progress banners
• Update emails or notes to Annual Fund volunteers
• Handwritten notes to all faculty/staff who have not given
DECEMBER
- Letter or email to all non-donor parents to raise participation level
- Follow up postcards or emails for Grandparents
- Update on Annual Fund in school newsletter, emails, website, and digital school sign
- Update Annual Fund progress banners
- Personal follow up with all faculty/staff who have not given
- Update note or email to Annual Fund volunteers

JANUARY
- SYBUNT clean-up by staff begins
- Recruit Annual Fund Campaign Chair for next campaign
- Start recruiting volunteers for next Annual Fund Campaign
- Conduct Annual Fund “Thank You” initiative

FEBRUARY
- Continue staff-driven SYBUNT clean-up
- Confirm major Annual Fund volunteers for next campaign
- Annual Fund “Thank You” initiative continues
- Annual report with list of Annual Fund donors

MARCH
- Continue staff-driven SYBUNT clean-up
- New Annual Fund Chairs begin attending Development Committee meetings

APRIL
- Continue staff-driven SYBUNT clean-up
- Finalize next Annual Fund campaign calendar

MAY
- Continue staff-driven SYBUNT clean-up
- Review previous Annual Fund campaign to improve process and results
- Conduct cost-benefit analysis of the campaign
- First meeting of Annual Fund volunteers

IV. The availability of current or pledged assets from constituents varies.

Types or sources of contributed assets
- Cash
- Pledge form
- Easy Chex (direct account debit)
- Credit card
- Appreciated stock (identify long-term stock holders)
- Donor advised funds
- Online (annual or monthly)
- Affinity charge cards
- Affinity commercial relationships
- Gifts in kind

* * * * *

RESOURCES:

All Saints’ Episcopal School, “Making the Successful Annual Fund Connection,” Leadership Training Workshop, Fort Worth, Texas, September 1999.
Colonial Williamsburg Foundation, Gift solicitation materials in quarterly magazine.
Correa, Louie A.; Williams, Cathlene; Wagner, Lilya; and Hopkins, Paul, “Hispanic Fundraisers and Philanthropists,” Advancing Philanthropy, January/February 2011.

* * * * *
Fundraising Counsel to Outstanding Organizations Since 1996

THE WHITESTONE GROUP is a dedicated professional firm that offers select nonprofit clients accessible, high quality fundraising counsel at competitive cost, with a general philosophy of going the extra mile to help organizations meet or exceed their goals.

We have helped guide charitable organizations engaged in capital, endowment, annual, and planned giving campaigns from $500,000 to $30,000,000. At the end of each engagement, we want to know that we did the job well for all concerned and strengthened lasting philanthropic relationships between our clients and those who support them. Our services include counsel for:

- Capital and endowment campaigns,
- Board leadership and governance,
- Strategic planning,
- Major gifts,
- Planned giving,
- Trustee, executive, and staff development, and
- Strengthening fundraising operations.

Our clients are organizations dedicated to causes that overcome daunting challenges, expand horizons of understanding and creativity, reveal the intricacies and power of our environment, or bring hope to the human body and spirit. We are partners with clients as they shape a new future for those whom they serve.
The proposal is not enough: Building long-term relationships with foundations

PSI Conference on Philanthropy – June 2011 – Indianapolis, IN
Presented by Melissa S. Brown, Melissa S Brown & Associates, LLC

Overview

- Foundation funding in context
- Proposals and their function
- Gathering information about funders
- Building relationships

Foundation funding in context
Giving USA 2010

- 13% of all contributed dollars from foundations
- 75% from living individuals
- Balance from estates and corporations

Types of foundations

- Private/independent
  - Family foundations
  - Not-family foundations
- Community foundations
- Corporate foundations
- Operating foundations

Family foundations

- Family or Families in name
- Self-identify as a family foundation
- Living donor surname matches foundation name
- 2+ trustee surnames match donor's name
- Might be foundation or trust
Foundation Center

- Family foundations account for
  - More than ½ of the assets of private foundations
  - More than ½ of the giving of private foundations

- Family foundation assets growing faster than other types of foundations
  - New gifts to existing foundations
  - New foundations formed

High-net worth donors

- 17.5 percent of wealthy households gave through donor-advised funds at a
  - Community foundation
  - Financial institution or
  - Another organization

Foundation Center, Key Facts about Family Foundations, 2011

Bank of America/Merrill Lynch Study of High Net Worth Philanthropy 2010
Nonprofits and foundation funding

- 39% said between 10% and 50% of contributed dollars from foundations
- 31% said 1-9% of contributions dollars from foundations
- 85% had at least some funding from foundations

March 2001 Nonprofit Research Council

Roles of foundation funding

- Start-up
- "Venture capital" of the nonprofit sector
- Operating support
- Partnership in solving community concerns/needs

Proposals and their function
Set a goal
• Increase high school graduation rates
• Increase percentage of high school graduates continuing their education
• Increase work-readiness of high school graduates

What is keeping people from achievement?

What activities, projects, “interventions” are likely to help people achieve the desired goals?

Is there evidence that shows why the proposed activities are good choices for reaching the goal?

Goals reflect activities
Outcomes (Measures)

- Relate directly to objectives
- Measure to know if you made a difference
- Time limited
- Focus on measures that are in project’s control and consistent with organization’s mission

Proposals and funding

- xx% are funded
- May be revised and resubmitted
- May be submitted to more than one funder, with appropriate customization
- Proposals more likely to be funded when relationship is established first.
Gathering information about funders

Types of Funders
- Different purposes
- Different expectations for what they fund
- Different approaches for cultivation

Prospect research
- Match goals to funders' interests, focus areas
- Fit funder geographical constraints
- Fit funder limitations
- Identify any existing linkages
Who is on first?

- Program officer
  - Gate keeper
  - Initial reviewer
  - Advocate
  - Program partner
- Grants committee
- Board of trustees

Building relationships

Organizational duties

- Know your organization and its needs
- Be clear about community needs, project goals, and why your org is best to address
- Have project concept and rough budget range
- Research prospective funders to be sure you fit guidelines
- Initiate contact only after these steps are completed
Get to the right person

Of small and family foundations surveyed:

- 58 percent said: *Very important* that “someone I know and respect is closely involved or has asked me to support the project.”

Foundation Source study

Finding out whom to approach

- Networks in your area
- Your staff and board members
- Other organizations in your network
- Just call

Who does the approaching?

- Peer-to-peer
- Preparation is key
- What do you want from the contact?
Approach methods

- Email
- Telephone
- Letter
- Visit

Email

- Enough but not too much
- Consider likely to be read on mobile – KISS
- Follow-up not sooner than 7 days

Telephone

- Likely to have to leave message
- KISS
- Repeat key info
- State your intent to follow up with specific day – and do it
Letter

- Short letter to the right person
- Present goals and project, not request for funding
- Follow up when you say you will

Visit

- Unlikely first step
- Likely to occur before funding, though
- Preparation
- Focus on building long-term partnership not on getting funding

What are you asking for?

- Does the foundation want to learn more?
- Advice in project development
- Partnership ideas, linkages, introductions
- Feedback about community needs
Key elements in a partnership

Exchange: Win-Win

- All closer to goals
- Trust and respect
- “Safe environment” for new ideas and constructive critique

Consider the foundation’s needs

- Might your organization be able to offer something?
  - Site for event(s)?
  - Experiences for staff or volunteers in the community the foundation serves?
  - Insight into an issue or concern the foundation addresses?
  - “incubator” for small organization the foundation wants to see succeed?
Communication, communication, communication

- On-going, informal
- Scheduled formal
- Situational
- Impersonal (media)
- Consistent messaging

Your number one relationship rule
- Be the organization the foundation feels good about funding
  - Results
  - Public view
  - "insider's" view
  - Reliability

People give to people and people like to give to people they like, respect, and trust
Resources

2010 Study of High Net Worth Philanthropy, Bank of America Merrill Lynch
Giving USA 2010, a publication of Giving USA Foundation, www.givingusareports.org
Key Facts on Family Foundations, 2011, The Foundation Center
Volunteers and the annual fund

Objectives for today:

• Identify volunteer motivations
• Describe why volunteers are important to our fundraising efforts
• Describe volunteer roles in fundraising
• Gather one good idea for how you can use volunteers in fundraising
Time: Our most valuable resource

Why people volunteer their time

• Achievement
• Affiliation
• Power

Volunteers bring us:

• Credibility
• Linkages
• Advice
• Extra eyes, ears, hands
• What else?
Fundraising roles for volunteers

• Giving
• Asking others
• Prospecting
• Cultivating
• Major gifts solicitation
• Stewardship
• Other?

Boards: Leading by example

• Board’s fiduciary responsibility
  – Fundraising plan
  – Giving personally
  – Ensuring resources in place to carry out program

Helpful hints

• Understand what skills you need
• Job description
• Orientation
• Evaluation
Questions?
The Office of Alumni Services at Andrews University serves over 83,000 graduates and attendees, which represent over 150 countries worldwide. To help meet this challenge, we're always looking for ways to communicate more meaningfully and efficiently. AU&ME, our online community, makes it possible to connect with 54% of our graduates electronically.

Andrews Alumni Presentation
Download our Higher Ed showcase presentation shown on June 22, in variety of formats both on your computer and portable device.

Roundtable Handout
June 23 roundtable handout will discuss the importance of mobile presence and share strategies for engaging constituents via their mobile devices.

Links and References
Visit the Alumni PSI resources page to find a copy of our presentation, handouts and much more in variety of formats Windows and Macintosh operating systems.

-- about us:

alumni.andrews.edu | p: 269.471.3591 | e: alumni@andrews.edu
# Gap Analysis

Please use this sheet to reconsider what you are currently offering students to cultivate awareness, appreciation, and giving in each of the four classes, and to plan what you would like to add to your programming. You can also bring this sheet back to campus with you to work on with your whole team.

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<th>Freshmen</th>
<th>Sophomores</th>
<th>Juniors</th>
<th>Seniors</th>
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<td><strong>Awareness</strong></td>
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<td>What can you do to make students aware of the importance of philanthropy?</td>
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<td>- Participation/Presence in student activities</td>
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<td><strong>Appreciation</strong></td>
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<td>What can you do to help students appreciate what others' philanthropy has done for them?</td>
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<td>- Education</td>
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<td><strong>Giving</strong></td>
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<tr>
<td>What can you do to get students to give?</td>
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<td>- Solicitations</td>
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Student philanthropy
Brainstorm of traditions and branding ideas

TRADITIONS: What traditions make you feel loyalty to the institution? Traditions honor the past as part of current success and celebrate the present; create powerful future memories; reinforce value of giving; educates students about future role as giving alumni.
Examples from other schools:
- Wheaton History A to Z – Wheaton College; sample survey page at http://www.we10.org/
- Christian traditions at Seattle Pacific University (enr 4,000)
- SDC Buggy – Student Dormitory Council of Carnegie Mellon University
- Buckeye Traditions – OH State
- Aggie Traditions, Aggie Muster – TX A&M

BRANDING: What ideas do you have for a student philanthropy program?
Examples from other schools:
- PENN Traditions
- CAL U for Life
- Leo for a Lifetime
- Loyal Scott
“MANAGING THE ASK” presentation
PSI Conference – Indianapolis
June 23, 2011
Diane M. Carlson, CEO
1-2-1 Philanthropic Services

Major gifts are about relationships:
• It is important to remember that soliciting major donor prospects is about building relationships with them during the cultivation/solicitation process.
• The greater the affiliation with your organization, the better relationship you can build with prospective major donors.

Developing a Gift Chart:
• It is important to develop a gift chart that becomes your “road map” for the number of major gifts you need to get to achieve your goal. The top 10 gifts should account for 80 per cent of the money to be raised.
• In most major gift initiatives, there will be 100 key donors (at the most).
• For each major donor gift, you will need 3 to 5 prospects for that ask amount.

How to identify major gift prospects – where are they?
• Review previous major donors
• Review the donors (of any amount) over the last three years
• Review your database (alumni, grateful patients, members, etc)

What information do you need to get ready to solicit a major donor?
• A description of the project/s which includes the cost, timeline, and benefits to those served (Case Statement)
• A Gift Chart that shows the gift amounts needed to achieve the philanthropic goal

How to determine the capacity and interest of a prospect?
• Do your homework. There is a lot of information in the public domain on most prospects. There are donor research companies to help you get information on each prospect. This information will help you determine the capacity of the prospect. You will have to use anecdotal information within your organization to determine the interest of the prospect. Past giving will be helpful in determining this.
• You may need to plan to build interest in your organization with a prospect who has the capacity to make a major gift but who does not have enough relationship with your organization to do so at this time. This is called cultivation.

How to determine an ask amount?
In order to determine an ask amount you will need to use your research information and anecdotal information (from people who know the prospect). It is important to determine an ask amount for each prospect so that you know which gift amount on the Gift Chart is being solicited.

**Whom should you choose to be solicitors?**
- It is best to choose two people to be solicitors of the prospect. You have a better chance of the prospect liking one of them. Also one solicitor can talk while the other one listens.
- Choose someone who knows the prospect and someone who can handle the ask amount.

**Who should make the appointment to visit the prospect?**
- The best person is someone who knows the prospect well enough to get the appointment to talk to the prospect.

**What materials do you take on the visit?**
- Take information on the project or campaign that you can “leave behind”

**What is the structure of the visit?**
- Take two people on the visit (no more than 3 people)
- Plan the role of each person prior to making the visit
- The visit should last 30 – 60 minutes – don’t stay too long
- Plan the “yes” you are going for – probably the “yes” is leaving the door open for another visit and follow up
- When you get to “yes”, wrap it up and leave. You got what you came for.

**Who should send the thank you for the visit?**
- Do a written, snail mail thank you.
- Should come from the lead person who made the appointment.

**How to make it easier for the donor to give?**
- The longer the pledge period, the higher the average gift
- The more time you can give a donor to make payments on a pledge, the higher the ask amount
- Most organizations give 3 – 5 years as a pledge period

**How to stay connected to the donor during the pledge period**
- The biggest mistake most organizations make is not staying connected to each donor while they are paying their pledge. The key to this is COMMUNICATE, COMMUNICATE. This helps you get ready for the next ask and the next gift from each donor.
WEBSITES FOR COMPANIES WHO EXHIBITED AT THE CONFERENCE

1-2-1 Philanthropic Services
www.121-services.com

Adventist Community Services
www.communityservices.org

Blackbaud/eTapestry
www.etapestry.com

Campbell & Company
www.campbellcompany.com

Dan Tilstra - Elements Art & Design (269) 208-1111
http://www.imagekind.com/MemberProfile.aspx?mid=147b5af7-c518-49d9-8b49-c0941bd19c78

Grace Works Ministries
www.gwmin.com

Graphic Visual Solutions
www.graphicvisualsolutions.com

HFM Performance Advantage LLC, (PSI Donor Loyalty Index)
www.perfadvantage.com
www.psidonorloyalty.com

RuffaloCODY
www.ruffalocody.com

Southwest Direct
www.swdirect.com

The Center on Philanthropy (The Fund Raising School)
www.philanthropy.iupui.edu

The Gasby Group
www.thegasbygroup.com

Western Adventist Foundation
www.wafhsda.org
Because you get what you measure.

What is the Donor Loyalty Index?

The Donor Loyalty Index provides a simple, single-number “score” that allows a fundraising organization to quantify and monitor donor loyalty. PSI is offering this inexpensive and easy-to-administer measurement tool to its members at a significantly reduced cost.

It’s a lot more productive to turn a first-time donor into a second-time donor than to go out and find more first-time donors.

In its 2009 study of fundraising effectiveness, the Association of Fundraising Professionals found for every $4.50 organizations raised in new gifts, more than $6.00 was lost through attrition. Fewer than 35 percent of donors who make a first gift to a charitable organization ever make a second one to that same beneficiary.

On the other hand, about 70 percent of donors who make that second gift renew their support for years to come.

PSI DONOR LOYALTY INDEX

A PSI Member Service

Learn more at www.psidonorloyalty.org or call Randy Fox at 301.680.6135

This service is offered by PSI through Performance Advantage LLC
Successful fundraising depends on the ongoing largesse of donors — year after year. Donor retention is the single most important key to successful fundraising. Donors shift loyalty if they feel more appreciated elsewhere.

Fewer than 35 per cent of donors who make a first gift to a charitable organization ever make a second one to that same beneficiary.

Yet, it is the rare and exceptional organization that goes beyond perfunctory follow up to actually measuring the satisfaction of their benefactors — many fundraisers, without regular measures of their donors’ satisfaction, are not even aware they have a problem.

Why Measuring Donor Loyalty is Important

The quality movement has taught us that you cannot truly improve something without first measuring it. But for some reason, there is not an easily accessible, ongoing measure by institution of donor satisfaction.

The Donor Loyalty Index is designed as an answer to that void.

Too much emphasis by fundraisers on donor acquisition at expense of donor retention is a sure path to declining ROI and declining resources for future efforts. In fact, in their annual study of fundraising effectiveness, the Association of Fundraising Professionals (AFP) found for every $4.50 that organizations raised in new gift dollars in 2009, more than $6.00 was lost through donor attrition.

Yet it is not just donor attrition that accounts for inefficiency. Failing to retain donors represents a huge opportunity loss — a 10% improvement in the level of loyalty increases the long-term value (LTV) of your donor base by 50%.
Robert Payton’s Legacy: How to Educate Nonprofit Leaders

By Leslie Lenkowsky

By the time he turned his attention to philanthropy, Robert L. Payton, who died last week in Scottsdale, Arizona, at the age of 84, had already pursued a remarkable career.

He had been a jazz musician, a writer and editor, president of two universities, a State Department official, and ambassador to the African republic of Cameroon. He had also served as a founding trustee of Editorial Projects in Education, the organization that helped start *The Chronicle of Higher Education* (the publisher of this newspaper).

When he was selected in 1977 as head of the Exxon Education Foundation, Mr. Payton began a preoccupation with “voluntary action for the public good” (as he defined philanthropy) that would last the rest of his lifetime.

But he will be remembered not because of the grants the foundation made during his decade-long tenure but because of the ideas he expressed about how nonprofit leaders and philanthropists should be educated.

Mr. Payton emphasized the importance of obtaining a broad understanding of society, rooted in the liberal arts, as much as professional skills, such as managing and evaluating grants and other kinds of nonprofit activities. (His papers outlining these ideas remain accessible at http://www.paytonpapers.org.)

However, as programs to train nonprofit executives and grant makers have proliferated at colleges and universities and in professional associations, they have often focused more on the “how’s” of philanthropy than on its “why’s,” making Mr. Payton’s critique of them even more pertinent today.

Mr. Payton himself was instrumental in the creation of one of the oldest of these programs, that of the Center on Philanthropy at Indiana University.

In the 1980s, as a trustee of Independent Sector, he worked (along with Virginia Hodgkinson, and the organization’s founder, Brian O’Connell, who also died this year) to persuade colleges and
universities to take the study of philanthropy more seriously and to better prepare students for public service.

Although a few colleges were already doing this, most notably Yale University, most institutions looked at nonprofits not as a group of organizations that had important features in common but rather as specialized institutions—hospitals, social-service organizations, art museums, and the like—and concentrated on teaching students the skills they needed to run them.

Moreover, in the eyes of many at the time, young people then coming of age—the so-called Gen X—seemed more intent on making money and acquiring material possessions than on helping other people and contributing to the improvement of society.

But to Mr. Payton, philanthropy was a special kind of occupation: a “vocation,” in the sense used by the German sociologist Max Weber to denote a calling imbued with spiritual—if no longer only religious—meaning.

Knowing how institutions operated was not enough; understanding and acting on the moral judgments they embodied—or failed to—was at least as critical. Citing Mr. Weber again, Mr. Payton asked those who worked in nonprofit organizations, or hoped to, to consider whether they lived for philanthropy or off of philanthropy.

Education for such a calling required, in Mr. Payton’s view, both students and people who worked for nonprofits to study philosophy, history, literature, and other subjects that explored moral issues. (Mr. Payton himself was a product of the University of Chicago’s humanities program, known for its Great Books curriculum.) Indeed, the study of philanthropy—or in his term, “philanthropics”—should rightly be at the heart of a liberal education, he believed, since it grappled with fundamental moral questions, applied the insights of traditional academic disciplines to understanding them, and led toward (if it did not actually require) making decisions about what is right (or wrong).

“Philanthropy,” he wrote, “is the context; exploratory discourse is the vehicle; and liberal education is the goal.”

However, because of its commitment to disciplinary specialization and scientific methods, higher education, in Mr. Payton’s view, was losing its ability to achieve this objective.

“Practice,” he claimed, was overwhelming “theory” and reducing “education to training.” In that context, he concluded, “bringing philanthropy into the university will be a hollow victory.” Nor would such a curriculum be likely to inspire more students to pursue lives of public service.
Mr. Payton had an opportunity to put his ideas into practice as the first full-time director of the Center on Philanthropy at Indiana University (with which I am associated). From the start, the center was located in the university’s School of Liberal Arts.

While students could learn how to manage nonprofits as part of professionally oriented programs, they could also pursue a master of arts in philanthropic studies, which required them to study history, philosophy, and other subjects that focused on the kinds of questions Mr. Payton viewed as fundamental to understanding philanthropy’s moral dimensions. For many years, he also conducted what amounted to a Great Books seminar for a carefully chosen group of graduate students, the Jane Addams fellows, many of whom have already assumed leadership positions in the nonprofit world.

Both as a foundation executive and as a professor, Mr. Payton delighted in causing nonprofit executives to wrestle with big ideas as well. Though difficult to characterize politically, he invited, while serving as chair of the program committee for the Council on Foundations’ 1980 annual meeting, the conservative writer, Irving Kristol, to deliver the closing address, which challenged the audience to avoid “the sin of pride” in their grant making (Appreciating Irving Kristol’s Impact on Philanthropy,” The Chronicle, October 1, 2009). His numerous presentations to nonprofit groups—which contributed to Independent Sector’s decision to award him its highest honor, the John W. Gardner Leadership Award, in 2003—were sprinkled with references to classical and contemporary authors, whose thoughts, Mr. Payton felt, deserved more serious attention from philanthropists and nonprofit executives than they were receiving.

Yet despite these efforts, the approach to preparing people for careers at nonprofits that Mr. Payton criticized appears to have become more firmly entrenched. According to the latest survey by Seton Hall University’s Roseanne Mirabella, the number of universities that offer graduate nonprofit-management education courses has increased by 87 percent since 1996.

However, while many are based in liberal-arts schools, the fastest growth has been occurring in professional ones, such as those devoted to public affairs or social work. Likewise, people seeking training to lead nonprofits are increasingly focused on improving their professional skills, such as evaluation and strategic management.

As Bob Payton understood, these developments reflect a longstanding tension between purpose and methods in philanthropy. But at a time when they may be in danger of being
overlooked, his death is a reminder of the importance of studying, teaching, and acting on the moral aspects that distinguish philanthropy from other kinds of activity.

Leslie Lenkowsky is professor of public affairs and philanthropic studies at Indiana University and a regular Chronicle contributor. His e-mail address is llenkows@iupui.edu.
asked his advice. I received a personal letter from Bob indicating some directions and providing my first
connections to my mentors in the world of philanthropy, especially Virginia Hodgkinson.
Since that time, Bob has always emphasized the value of research for clarifying and advancing the
purpose and prospects of care for others. I will always be grateful for his "first contact" and for our many
subsequent collaborations. My condolences to those who knew him well, especially to his people at the
Center on Philanthropy. Requiescat in Pace.