

PHILANTHROPY

WINTER 2015

Think. Say. Do.

*Creating a Culture
of Philanthropy*



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It is all the buzz, this thing called “philanthropic culture.” Everyone wants it, but what is it exactly? And how do you get one? A philanthropic culture is most certainly desirable, but not so easy or quick to achieve. You must build such a culture.

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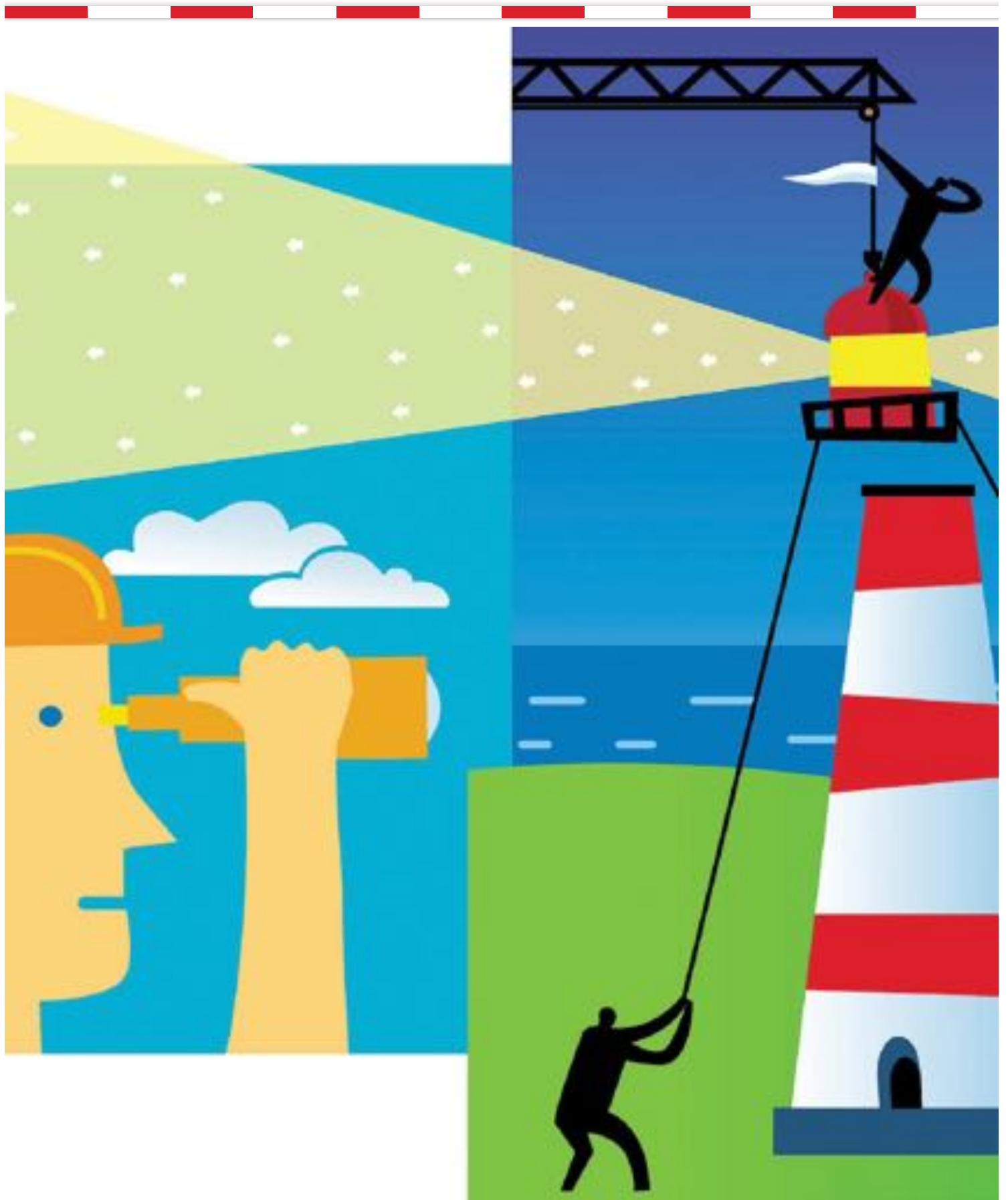
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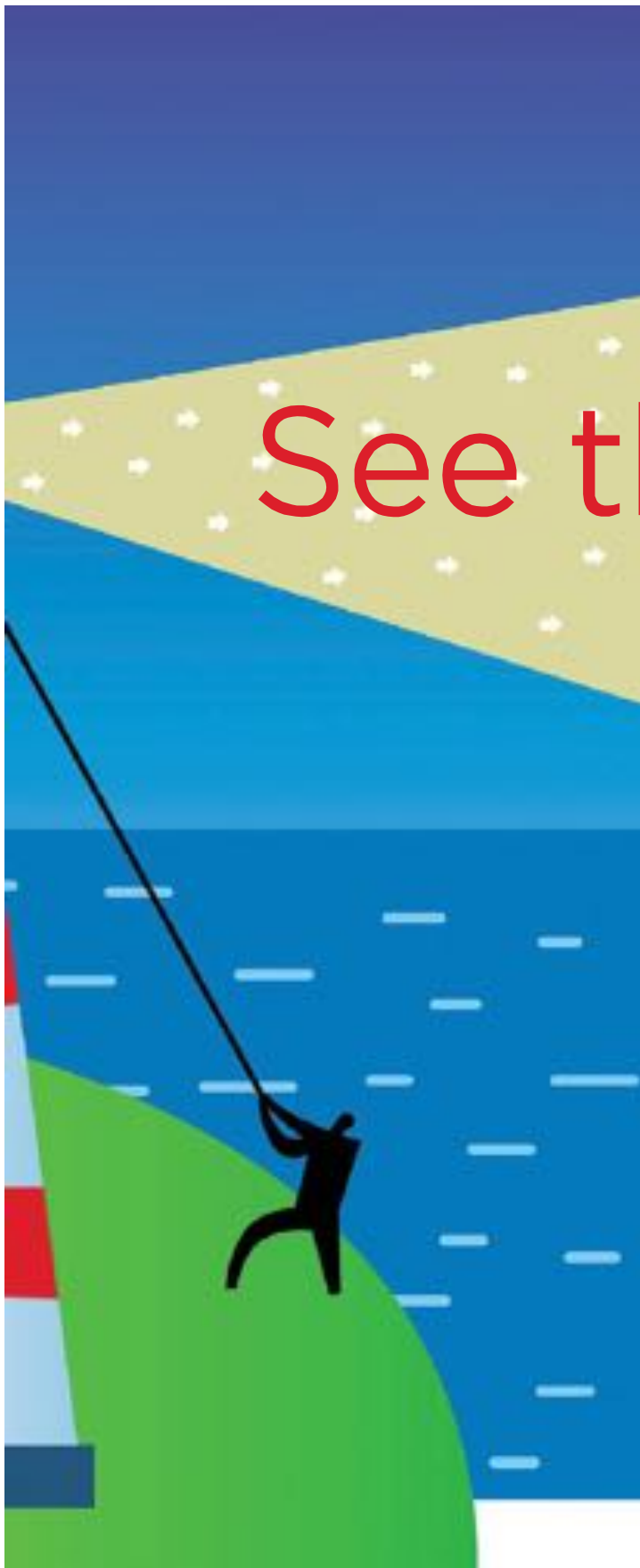
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Penelope Cagney, M.A., CFRE





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

BY PAUL LAGASSE

See the Light

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

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

Engaging the Whole Person

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

IMAGEZOO/ILLUSTRATION SOURCE

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

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

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

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

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

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

Encouraging Staff and Volunteers to Pay It Forward

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

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

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

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

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

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

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

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

Racette says that when she meets with board members, she often begins by explaining that the dictionary definition of a philanthropist is someone who actively promotes human well-being, not someone who gives money. A true culture of philanthropy, she explains, empowers volunteers and staff at all levels of an organization to act as its representatives. For example, a hospital organization

with a philanthropic culture would want to ensure that all volunteers and staff—receptionists, nurses, doctors, lab technicians, etc.—who engage patients and their families are trained to provide a uniformly positive experience from the moment patients arrive to the moment they leave. “The reputation of the organization depends on how you treat people everywhere,” Racette says. “You never know who a donor is going to be.”

The Importance of Empathy

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

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

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

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

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

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

Joyce Mason, RN, director of clinical services:

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



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

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

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

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

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

Putting the Organization First

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

The art in this, says Prue S. Precourt, Ph.D., CFRE, managing partner at Verdon Precourt Associates (www.verdonprecourtassociates.com) in Wyomissing, Pa., is to find a way to convince people to put the health of the organization ahead of their own interests. "If you don't have a good explanation about why a culture of philanthropy is important from the perspective of the

person you are trying to convince, you won't be able to make the case," she argues. "Simply assigning the tasks needing to be accomplished to create a new 'culture' doesn't mean that they will be absorbed." In fact, fundraisers, who are often overworked and overburdened, are more likely to treat a culture of philanthropy as just another requirement that they have to try to squeeze in somehow.

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

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

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

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

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

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

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

Sharing With the Community

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

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

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

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

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



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

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

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

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

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

Osborne agrees. “When all of our internal and external stakeholders understand what a culture of philanthropy is, when they believe in it, embrace it and act on it, it’s game-changing,” she says. Osborne recalls a conference at which five major-gift donors were invited to speak with a group of new fundraisers. Each of the five donors had been diligently cultivated for years by an organization with a strong culture of philanthropy. The organization patiently engaged each of them in personally meaningful and productive ways, sharing

stories and inviting them to participate in activities that exposed them to every level of the organization and allowed them to develop relationships with the leadership, staff and other board volunteers. Yet, when one of the fundraisers in the audience asked the donors to describe the best solicitation they had ever received, each one of them said, in all sincerity, that they had never once been solicited.

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

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Resources

“Building a Spirit of Giving” (with assessment tool) by Scott Decksheimer, Jan. 24, 2014
www.ninelions.ca/2012/01/24/building-a-spirit-of-giving

Donor-Centered Fundraising by Penelope Burk (Burk & Associates Ltd., 2003), paperback, 238 pages

Donor-Centered Leadership by Penelope Burk (Cygnus Applied Research Inc., 2013), paperback, 376 pages

Donor-Focused Strategies for Annual Giving by Karla A. Williams, M.A., ACFRE (Aspen, 1997), paperback, 304 pages

“Philanthropic Culture Key for Fundraising” by Todd Cohen, *Philanthropy Journal*, July 15, 2011
www.philanthropyjournal.org/resources/special-reports/professional-development/philanthropic-culture-key-fundraising

Relationship Fundraising: A Donor-Based Approach to the Business of Raising Money, second edition, by Ken Burnett (Jossey-Bass, 2002), hardcover, 384 pages

Seeing Through a Donor’s Eyes: How to Make a Persuasive Case for Everything From Your Annual Drive to Your Planned Giving Program to Your Capital Campaign by Tom Ahern (Emerson & Church Publishers, 2009), paperback, 167 pages

Strategic Fund Development: Building Profitable Relationships That Last, third edition, by Simone P. Joyaux, ACFRE (Wiley, 2011), hardcover, 432 pages

The Trusted Advisor by David Maister, Charles Green and Robert Galford (Free Press, 2002), paperback, 224 pages

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