

Think Bigger About Philanthropy

By LYNDA McDANIEL

“We’ve always done it that way.” How often have you heard—or actually said—those words? Moreover, what have you done? Your actions may still reflect those words, and why wouldn’t they? As a caretaker of other people’s money, you need to be cautious. You want to make sure every cent counts, right?

Every virtue has a flip side, however. Risk avoidance in a constantly changing world can lead to stagnation. Challenges such as climate change, shaky economies and shifting demographics demand creative solutions, which is why a growing number of fundraisers are asking, “How can we think bigger about philanthropy?”

To Penny Cowden, MPA, CFRE, FAHP, president of Philanthropy 212 (www.philanthropy212.com) near Phoenix, Ariz., that means developing a new model. “Traditionally, as fundraisers, we identified projects, took them to donors and said, ‘This is something we’d love for you to invest in,’” she explains. “But now we need to shift from this motivational model to an inspirational model. We have to collaborate with donors on projects, get them involved sooner and allow them to offer guidance.”

This sounds like venture philanthropy—a term that has been around since 1969, when John D. Rockefeller III coined the phrase. It gained traction in the 1990s when dotcom donors began sharing not only their money but also their business savvy. Today, venture philanthropy appeals to an even broader audience, especially Millennials, who expect to be more engaged in services such as planning, marketing and human resources advice.

“There are more donors today who want to do more than write a check,” says Paul Connolly, director of philanthropic advisory services at Bessemer Trust (www.bessemer.com) in San Francisco. “They also want to contribute to the nonprofit work, co-creating what the solutions may be. Of course, this approach has its challenges and opportunities. Worst-case scenarios happen when donors aren’t highly informed about the needs of the organization and beneficiaries. But donors can also bring knowledge, networks and connections to private and nonprofit sectors. We have a real opportunity to capitalize on these resources.”



That is critical—rethinking how to take advantage of hands-on help. Of course, questions, such as who will supervise the donors and will they complete projects they start, need answers, but if organizations do not address this trend, they stand to lose donors altogether, says Leah Eustace, ACFRE, principal at Good Works (www.goodworkscs.ca) in Ottawa, Ontario. “Millennials, for example, can get frustrated if their offer to help isn’t accepted. That’s when they turn to crowdfunding to create projects on their own. In addition, we are seeing donors who choose to give in a less formal way. In Canada, for example, the 100 Women Who Care Alliance (www.100womenwhocare.org) brings women together to listen to charity representatives, which usually results in their writing checks. That’s happening more and more. Our definitions need to change about what philanthropy is, where it’s coming from and how we connect with it.”

Escape From Your Silo

Another effective way to expand philanthropy involves breaking through silos and crossing traditional boundaries. Some government agencies, private sectors and nonprofit organizations are already working together

ERIC GIRIAT/ILLUSTRATION SOURCE

to connect programs and grants. Other organizations are advocating for new legislation that supports their mission, investing in businesses that produce the social change they are after and improving public education and media relations to spread their message.

“There are nonprofit fields in which that happens more naturally than in others,” Connolly says. “In medical research, for example, we see blurred lines between the private sector and nonprofit universities conducting cutting-edge research. The Michael J. Fox Foundation was able to negotiate terms that return money to Parkinson’s research if the grant funding to a university results in commercially profitable intellectual capital. And for years, the private sector has been working with higher education to fund job readiness and small business incubators. Increasingly, we see donors encouraging nonprofits to think beyond their silos to develop partnerships with not only the usual suspects but also unusual suspects.”

“ Ask them to teach you. Philanthropy is all about building relationships. If we get it wrong, we have to be OK with being corrected.”

While escaping your silo can help expand your donor base, you do not necessarily need to venture into uncharted territory, says Jaye Lopez Van Soest, CFRE, development director at Public Justice (www.publicjustice.net) in Washington, D.C. For several years, she worked in development at the UDC David A. Clarke School of Law, a public interest law school in the District of Columbia. “We tended to tap only into alumni, even though many other individuals could have been supportive but were never asked because they weren’t directly linked to the school,” she explains. “Without moving beyond the legal sector, the school can likely find people who value the work that results from public interest attorneys. Maybe they work for the ACLU, NAACP or other public interest organizations trying to protect people’s rights. Our alums flow into myriad organizations beyond legal aid and public defenders.”

The limitations of a silo mentality are not just external. Many organizations could broaden their fundraising success with better internal interaction. “Too often, the annual giving department working on

direct mail doesn’t communicate with online giving or gala organizers,” Eustace says. “These departments each have their own goals and don’t cooperate. It’s hard to move forward when you have those kinds of barriers. We need to set up operations from the donor’s perspective rather than the organization’s.”

The same is true for staff morale. Organizational leaders can help motivate not only fundraisers but all staff by making them feel connected to their organization’s mission. In addition, leaders can develop compelling value propositions that illustrate the positive change they want to make. “They need to state the change that would result from a gift and assess its impact so that all levels of staff can use that to make their case, as well as to learn and make improvements,” Connolly advises.

If thinking bigger sounds a little overwhelming, keep in mind that new donor partners may be closer than you think. As Van Soest points out, you may be able to stay within your familiar sector and find new audiences within it. According to the Blackbaud study *Diversity in Giving: The Changing Landscape of American Philanthropy*, some groups have been left out. “Overall, we found that white donors are overrepresented in the donor universe,” the report states. “We also found that donor priorities, values and habits differ somewhat as we look at specific ethnic or racial donor subgroups.”

In particular, the Blackbaud study stated that African Americans feel overlooked. “Think about that. A whole community feels underasked and underinvolved,” Eustace says. “In fact, there are huge audiences we’ve not built bridges to—African-American, Hispanic and Asian in the United States and the Aboriginal, South Asian and Francophone communities in Canada. Our leadership, staff and donors are not reflective of these communities. We need to be more diverse. Charities that are more inclusive are going to rise to the top.”

Eustace believes this lack of outreach is directly related to people’s fears of accidentally saying the wrong thing, but she has decided to let herself be vulnerable—and learn. “Just get out there and ask questions and approach communities you’re not part of,” she suggests. “Ask them to teach you. Philanthropy is all about building relationships. If we get it wrong, we have to be OK with being corrected.”

Risky Business

Allowing yourself to be more vulnerable means taking a risk, although, admittedly, a relatively small one. Next, take bigger risks. This can be a leap of faith for

fundraisers, but it is vital for philanthropy to keep up with burgeoning demands.

“You can be penny-wise and pound-foolish,” Cowden says. “If an organization is struggling to survive, it’s not taking advantage of what its donors offer. If you’re too afraid, too timid, your donor base will thin and expire. But if your organization presents an appropriate opportunity, the support will be there. For example, I worked with a small social service agency that was losing its donors because not much was happening at the organization. They couldn’t afford a professional fundraiser, so everything was done on a volunteer basis, which is tough. I suggested they bring in loyal donors and have them talk about what would make a difference. They spent a couple of days in a room together, and the change in energy was huge. Donors were then willing to step up and not just fund the program but also help run it, because they owned it.”

What is the best advice for those who are risk averse? Start small on the safe side of risk. Target people who are most likely to respond well and give you feedback. For example, if you have never sent out a legacy-focused mailing, test it on loyal donors who have given for 25 years. If they do not respond well, stop and regroup, but give it time. The first year of any project may not make any money, but it is laying the groundwork for future years.

“You have to try new things and give them a chance to gain traction,” Van Soest says. “Sure, you can continue to do things the way you’ve always done them, but you’ll be lucky if you maintain the position you were in last year. And don’t be afraid to ask your peers about their successes and failures. Success is great, but lessons learned from failures are just as important. Talk with them about why it failed and what they could have done to make it more successful.”

Technology to the Rescue?

Fundraising newsmakers such as #GivingTuesday and the Ice Bucket Challenge for the ALS Association illustrate, creative ideas that thrive thanks to social media. Cowden sees considerable potential for this approach, and to illustrate she describes an organization that was performing a groundbreaking operation. “A surgeon—not *the* surgeon—volunteered his time to be physically in the operating room, sending texts out to a fundraiser who tweeted them during the operation,” she explains. “It took a lot of setup, and, of course, the patient had

to agree, but there are a lot of miracles happening in every organization. We must take advantage of these opportunities and use technology to get the word out in real time.”

Social media and other technological features (such as donating online) are now expected by donors, especially the younger generations. However, technology can go only so far, Van Soest warns. Some things should not change, including building relationships one-on-one, making the ask face-to-face and thanking donors personally.

“We still reach out and touch the same way we did 30 or more years ago,” she says. “We still take people to lunch and have conversations about the issues our organizations are trying to solve. Technology can help, but there’s nothing like sitting down and talking about what we’re doing and how donors can help. I get at least half a dozen newsletters in my inbox every week. If I’m stressed or under deadline, those usually get deleted without my ever looking at them. I just don’t have the time. If you have only an e-relationship with me—if you think I saw your Facebook post or tweet—well, chances are I didn’t. But if you pick up the phone and ask me for something, I’ll probably say yes.”

Thinking bigger about philanthropy means adopting new approaches and expanded outreach while hanging on to essential, time-tested practices. Whatever approach you take, it all comes back to people: people you help, people you ask, people who do the work. “A lot of smaller organizations and some bigger ones rely on events and grants for their fundraising,” Cowden says. “But these are the least successful ways to fundraise because they have the least amount of human interaction. We need to genuinely talk to people and get involved with them. We can’t do that from a computer or a podium.” 

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

Resource

Diversity in Giving: The Changing Landscape of American Philanthropy
www.blackbaud.com/nonprofit-resources/diversity-in-giving