

2012 Fundraising Day Annual Conference for Southern New England

Growing Philanthropy in Southeastern New England

A conversation with Simone P. Joyaux, ACFRE

An introduction from Simone

The good news: Americans give billions of dollars every year to charities. The bad news: That giving has hovered around 2% of household income for the last 40 years.

Our economy has grown. Personal income has grown. Total giving has grown. But total giving represents no more than 2% of household income.

Imagine what would happen if we could increase that percentage?

Last summer, Adrian Sargeant, the global leader in fundraising research, brought together 35 influential leaders to talk about how to grow philanthropy in the U.S. I was privileged to be there.

Some of the 32 recommendations might surprise you; others won't.

Here are some questions I want to explore. How about you?

1. What can Southern New England's fundraisers do to increase the percent of household income given every year?
2. What is your reaction to the findings / recommendations in the *Growing Philanthropy Report*?
3. How might the *Growing Philanthropy* recommendations transform your practice now and in years to come?
4. What are you reading/learning to do this work better?
5. What must organizations sector wide do?
6. How much change is necessary in your organization?
7. What level of risk are you willing and able to take to gracefully confront your organization and lead change?
8. What can you and I do individually and together?
9. What can our AFP chapters do?
10. What can the sector do – its leading organizations, professional associations, whatever/whomever?

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My observations

Why I'm excited about this report...and hopeful that, maybe, the fundraising community will do something about the state we're in...

Theme 1: Enhancing the quality of donor relationships

How is this going? Mostly not so well.

Just a few of my observations and worries

- Loyalty is the Holy Grail of fundraising - and that produces LTV (lifetime value). But retention rates are a problem. And so is the transition from 1st gift to 2nd.
- Treating donors as ATMs
- Understanding that donors give *through* your organization (not *to* your organization) to achieve their own desires/fulfill their own aspirations
- Relationship building through donor-centered communications and extraordinary experiences
- And bosses and boards don't understand most of this and, too often, don't listen to their development staff. Are you the expert or not? Do you know the body of knowledge? Do you stay current? Who do you read and follow?

Theme 2: Developing public trust and confidence

How is this going? Honestly, not so well.

A few of my observations and worries

- Credibility of the sector has never gone back up to its pre-9/11 status
- Scandals. Suspicion.
- The cost of fundraising – and a local organization that says, “100% of your gift goes directly to program because an endowment pays for our overhead.” Oh please...
- Complaint schemes and neuroscience research
- Don't just measure money!

Theme 3: Identifying new audiences, channels, and forms of giving with strong potential for growth.

How is this going? Do you (and others in your organization) think social media will solve everything?

I am soooooo annoyed...

- Read these books about attention deficit, multi-tasking, and social media: *You Are Not A Gadget – A Manifesto* by Jaron Lanier, father of virtual reality; *Distracted: The Erosion of Attention and the Coming Dark Age* by Maggie Jackson.
- Monthly giving is huge in Canada. Harvey MacKinnon is the guru. What's happening in the U.S.?
- Bequest giving is huge in the U.K. But not so huge in the U.S. Read *Iceberg Philanthropy* and listen to Richard Radcliffe's presentations.

Theme 4: Improving the quality of fundraising training and development

How is this going? Certainly we can do better.

- We need more quality fundraising research. We need to know more about *why* not just *what*. Have you read Adrian Sargeant's research? Do you use it?
- Certification is different than educational certificates. Academic education and continuing education matter. And what's the next evolution for fundraising certification?

Summary of the recommendations

Theme 1: Enhancing the quality of donor relationships

1. Redefine relationships from donor relationships to individual relationships.
2. Re-orient toward longer-term measures of fundraising performance.
3. Enhance focus on retention and building supporter loyalty.
4. Develop a more integrated approach to fundraising.
5. Break down organizational silos and encourage greater collaboration between teams.
6. Give supporters greater control over the relationship.
7. Promote the development of shared back office facilities.
8. Tackle high turnover rates in the fundraising profession.
9. Educate all stakeholders about the necessity of a longer term and integrated approach.

Theme 2: Developing public trust and confidence

1. Empower the regulators to enforce 100% filing of Forms 990 and increase their utility.
2. Blow the whistle on organizations claiming to have zero costs of fundraising.
3. Fund the development of a website in the U.S. to educate the public, boards, and other stakeholders.
4. Encourage nonprofits to develop complaint schemes.
5. Fund the development of a “philanthropedia” to facilitate peer-to-peer evaluations of nonprofits.
6. Develop new and more appropriate measures of performance.
7. Develop the self-regulation of fundraising.

Theme 3: Identifying new audiences, channels, and forms of giving with strong potential for growth.

1. Encourage the adoption of monthly giving.
2. Improve the sector’s engagement with young people.
3. Encourage and promote best practices in social media.
4. Encourage asset-based giving.
5. Develop expertise in broadening participation in giving.
6. Improve the quality of bequest fundraising practice.
7. Challenge the wealthy to plan their own philanthropy.
8. Create a nonprofit mutual fund.
9. Leverage companies to promote philanthropy.

Theme 4: Improving the quality of fundraising training and development

1. Invest in the development of fundraising research.
2. Create a fundraising research institute.
3. Redesign the system of professional development and certification for fundraisers.
4. Encourage the development of academic qualifications in fundraising.
5. Appoint a “sales force” for the fundraising body of knowledge.
6. Call out institutions offering certificates purporting to be qualifications.
7. Educate board members about the intricacies of fundraising.

Some resource materials for your professional development – and doing your work day-to-day

What do you read? What are your favorite resources? Why?

1. Great blogs and websites
 - a. See Jeff Brooks' Future Fundraising Now blog, www.futurefundraisingnow.com.
 - b. The Agitator (Tom Belford and Roger Craver) (www.theagitator.net) Also check out their research and premium service to get the full reports.
 - c. Seth Godin, marketing guru (www.sethgodin.com) See Seth's books, too.
 - d. Lisa Sargent's blog about donor loyalty, www.lisasargent.com.
 - e. Periodically check out www.neurosciencemarketing.com.
 - f. Visit www.sofii.org regularly for great ideas. SOFII (Showcase of Fundraising Innovation and Inspiration) is the brainchild of Ken Burnett, first user of the term "relationship fundraising."
 - g. Joyaux weekly blog, free e-news, and dozens of free PDFs at www.simonejoyaux.com. See also my regular web column at www.nonprofitquarterly.org.
 - h. For personal, face-to-face solicitation, visit www.askingmatters.com.
2. Regular publications (electronic and print)
 - a. *The Chronicle of Philanthropy* (Particularly the reports on research. Then I go to the original source and read – and collect and file – the full research.)
 - b. *Nonprofit Quarterly* (www.nonprofitquarterly.org). *Harvard Business Review* www.hbr.org. *Stanford Social Innovation Review* (www.ssireview.org)
 - c. *Giving USA: The Annual Report on Philanthropy* (www.givingusa.com)
3. Subscribe to Tom Ahern's donor communications free e-news from www.aherncomm.com.
4. Useful research for fundraisers and the nonprofit sector – just the tip of the iceberg
 - a. Center on Philanthropy at Indiana University (www.philanthropy.iupui.edu/research)
 - Giving and Volunteering; Fundraising and Administration; and Fundraising Climate (Philanthropic Giving Index – PGI)
 - b. *Giving USA: The Annual Report on Philanthropy* (www.givingusa.org)
 - c. Pew Research Center (<http://pewresearch.org>) Features original content 7 areas: People & the Press; Excellence in Journalism; Internet & American Life Project; Religion & Public Life; Hispanic Center; Global Attitudes Project; and Social & Demographic Trends.
 - d. Target Analytics (www.targetanalytics.com), Convio (www.convio.com), The Agitator and its premium service (www.theagitator.net) - and various professional associations.
5. Authors and books – a small sampling of some of my favorites and a few stacked up still to read:
 - a. Ahern, Tom – one of North America's leading experts in donor communications: *Writing for Fundraising*, *Raising More Money with Newsletters than You Ever Thought Possible*, *Seeing through a Donor's Eyes*, and with Joyaux, *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*

- b. Burnett, Ken: *The Zen of Fundraising and Relationship Fundraising* (Ken was the first to write the term “relationship fundraising.”)
- c. Capek, Mary Ellen and Molly Mead: *Effective Philanthropy: Organizational Effectiveness through Deep Diversity and Gender*
- d. Cialdini, Robert: *Influence: The Psychology of Persuasion* and *Yes: 50 Scientifically Proven Ways to Be Persuasive*
- e. Collins, Jim: *Built to Last, Good to Great, and Good to Great and the Social Sector*
- f. Fredricks, Laura: *The Ask and Developing Major Gifts*
- g. Godin, Seth: *Permission Marketing, Tribes, The Big Moo, Linchpin*
- h. Goleman, Daniel: *Emotional Intelligence* and *Social Intelligence* (See some of this information in *Strategic Fund Development: Building Profitable Relationships That Last, 3rd edition*)
- i. Grace, Kay Sprinkel: Check out Kay’s books for staff and for board members.
- j. Green, Fraser, Beth McDonald, Jose van Herpt: *Iceberg Philanthropy: Unlocking Extraordinary Gifts from Ordinary Donors* (about bequests)
- k. Hart, Ted: Leader in e-philanthropy, and possibly the first user of the term, www.tedhart.com. See Beth Kantor’s work in social media, too.
- l. Heath, Chip and Dan: *Made to Stick* and *Switch*
- m. Iyengar, Sheena: *The Art of Choosing*
- n. Jackson, Maggie: *Distracted: The Erosion of Attention and the Coming Dark Age*
- o. Joyaux, Simone: *Keep Your Donors, and Strategic Fund Development – Building Profitable Relationships That Last, 3rd edition*
- p. Lanier, Jaron: *You Are Not a Gadget – A Manifesto*
- q. Sargeant, Adrian and Elaine Jay: *Building Donor Loyalty*
- r. Sargeant, Shang, and Associates: *Fundraising Principles and Practice*. Essential information about donor psychology and more.
- s. Taylor, Martha A., Sondra Shaw-Hardy: *Transformative Power of Women’s Philanthropy*
- t. Vedantam, Shankar: *The Hidden Brain – How Our Unconscious Minds Elect Presidents, Control Markets, Wage Wars, and Save Our Lives*
- u. Warwick, Mal: Guru of direct mail (and 2009 book on fundraising in a tough economy)