BEYOND FUNDRAISING:

WHAT DOES IT MEAN TO BUILD A CULTURE OF PHILANTHROPY?

By Cynthia M. Gibson

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ABOUT THIS REPORT

This paper is one of three reports commissioned by the Evelyn and Walter Haas, Jr. Fund to address chronic fundraising challenges highlighted in the 2013 *UnderDeveloped* report. That report, produced in partnership with CompassPoint, gave voice to widespread frustration and raised the question, *what now*?

In response, the Haas, Jr. Fund engaged a group of creative and respected experts to help us explore potential solutions. The Resetting Development work group looked at the issues from different angles:

·   What can we learn about the "culture of philanthropy" as a way of breaking the vicious cycle of underdevelopment?
·   What can we learn from organizations that are beating the odds?
·   What are the contours of the national landscape of training for development staff?

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FOREWORD

Three years ago, the Evelyn and Walter Haas, Jr. Fund joined with CompassPoint Nonprofit Services to produce a study that sounded an alarm about the state of nonprofit fundraising. Our report on the study, *UnderDeveloped*, identified an array of challenges facing nonprofits when it comes to raising the resources they need to succeed.

These challenges include high levels of turnover and lengthy vacancies in development director positions, as well as deeper organizational issues, including the absence of basic fundraising systems and a lack of shared responsibility for fund development among key board and staff leaders at many organizations.

The report included a number of recommendations aimed at breaking this vicious cycle. One recommendation was that nonprofit leaders work to foster and develop a "culture of philanthropy" in their organizations.

Even as we made this recommendation, however, we acknowledged that the term "culture of philanthropy" was not yet well understood across the sector. Although it was (and still is) widely used by experts, there was uncertainty about exactly what it meant, what such a culture looked like in practice, and how organizations can go about building one.

In 2015, the Haas, Jr. Fund launched a new effort to "learn out loud" about how to break out of the sector's chronic fundraising challenges. As part of this effort, we asked Cynthia Gibson to look into exactly what the field means when we talk about a culture of philanthropy. In this paper, Cynthia synthesizes her conversations with diverse experts across the field, offers a framework for understanding what a culture of philanthropy might look like, and suggests a path forward for organizations as they explore how to build such a culture.

Cynthia's paper suggests that, without a deeper shift in how organizations hold the work of fund development, simply adopting new tools and techniques may not be enough. In other words, it may be more about changing the operating system for fundraising than it is about downloading a new app. Many thanks to Cynthia and all of the people she spoke with. It is our hope that this paper will help spark more conversation about what a culture of philanthropy looks like and its potential to help nonprofits raise the resources they so desperately need.

Sincerely,

Linda Wood
Senior Director, Haas Leadership Initiatives
Evelyn and Walter Haas, Jr. Fund

INTRODUCTION

Times have changed. Ten years ago, it might have seemed strangely out of character for a development director to say that fundraising is "everyone's job" or to insist on sharing credit for bringing in large gifts. Similarly, if a fundraiser demanded to be part of key organizational planning meetings or sought to break down the walls between development and communications or volunteer outreach, that person might have been viewed as a maverick.

Now, what was once seen as radical is emerging front and center as nonprofits search for new and effective ways to secure resources for their work at a time when fundraising is rapidly changing. One potential shift that's been attracting attention is developing a "culture of philanthropy."

What's that? Generally, a culture of philanthropy is one in which *everyone*—board, staff and executive director—has a part to play in raising resources for the organization. It's about relationships, not just money. It's as much about keeping donors as acquiring new ones and seeing them as having more than just money to bring to the table. And it's a culture in which fund development is a valued and mission-aligned component of everything the organization does.

In the 2013 report, *UnderDeveloped*, authors Jeanne Bell and Marla Cornelius of CompassPoint wrote that building a culture of philanthropy can help break what they referred to as the "vicious cycle" in nonprofit fund development. Instead of placing all the blame for fundraising challenges on lengthy vacancies and instability in development director positions, the report suggested that nonprofits should pay more attention to the deeper issues of building the capacity, systems and culture to support fundraising success.

Peter Drucker famously wrote that "culture eats strategy for breakfast." Drucker wasn't saying that strategy is irrelevant. Rather, he meant that the strategy a company employs will only be successful if supported by appropriate cultural attributes. Recognizing this, nonprofits with a culture of philanthropy see fundraising less as a transactional tactic and more as a *way of operating*—one that reflects the definition of philanthropy: A love of humankind and a voluntary joining of resources and action for the public good.

"STANDARDIZING THE CONCEPT"

Proponents say a culture of philanthropy can help increase giving levels and donor retention; strengthen trust, cooperation and engagement among board and staff members; and align mission and program goals more seamlessly with revenue generation. And, by sharing this philosophy with the larger community, it can help "lift all nonprofit boats in the community," says Paul Lagasse in a special issue of *Advancing Philanthropy*.[i]

Peter Wilderotter, president of the Christopher and Dana Reeve Foundation and a former development director, says building a culture of philanthropy is important even for organizations that may believe they are doing fine when it comes to fundraising. "The reality," says Wilderotter, "is that much of their fundraising success stems from the current leader's charisma or the assumption that their donors will stay interested in their organization ad infinitum. Unfortunately, leaders come and go. And donors can be fickle. That's why it's important to start embedding a culture of philanthropy deeper into the organization—now, rather than later—because it will help mitigate the potentially disastrous consequences of these kinds of changes."

Not everyone is convinced, pointing to organizations that are generating revenue without this culture in place. And, there's not a lot of hard evidence showing its added value to an organization. Others say it's "touchy feely" or too time consuming when organizations need funds *now*. Still others have problems with the word "philanthropy" itself because of its association with traditional philanthropic institutions.

Whatever one believes, it's clear that the concept of a culture of philanthropy is sparking conversation and attention; in fact, when Googled, this phrase pops up nearly half a million times. Yet, it's still not yet well understood: while there is general agreement, there are subtle but important differences in how the concept is defined, practiced and assessed.

Nailing down what a culture of philanthropy is will be essential if nonprofits are to make a significant shift in how they think about and approach the work of fund development. What's especially needed are indicators that can help standardize this concept, give organizations a sense of whether they have this kind of culture (or are moving in that direction), and support the field to evaluate whether it's really necessary for successful resource acquisition.

> *"This holistic cultural approach to advancing philanthropy (and as a byproduct, revenue) works. I know because it's consistently delivered double-digit growth for organizations I have worked for, including a total culture transformation and a $1 million gift for one of my clients."* [ii]
>
> *– Kimberley MacKenzie*
> *(Haas, Jr. Fund blog commenter)*
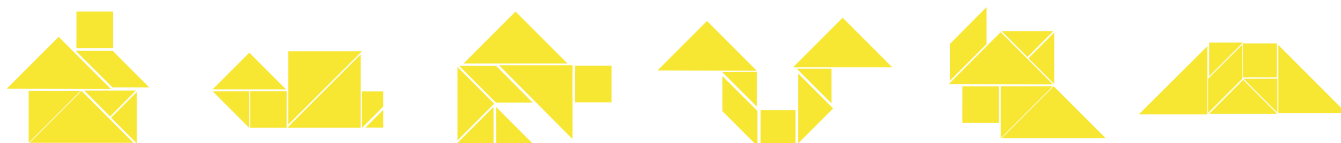
ABOUT THIS PAPER

This paper attempts to double down on these issues by synthesizing the rich and deep well of existing information about what it means to build a "culture of philanthropy." The goal is to offer the field an initial framework for assessing the value of promoting and building this kind of culture and its potential to help social-sector organizations, especially small and mid-sized groups, meet ever-growing financial challenges.

The following pages are based on a comprehensive research scan of hundreds of documents, websites, blogs, articles and other materials, as well as in-depth conversations with 15 nonprofit and fundraising experts with deep experience in resource development. The paper seeks to help answer the following core questions:

- **What is driving the shift to a culture of philanthropy?** The paper explores some of the forces that are causing nonprofits and the social sector to reconsider traditional approaches to fundraising—from new modes of communication and engagement to growing competition for resources brought on by the sector's growth.

- **What does a culture of philanthropy look like?** The paper identifies and describes four core components of a culture of philanthropy: shared responsibility for development; integration and alignment with mission; a focus on fundraising as engagement; and strong donor relationships. It also offers key indicators to know if an organization has created such a culture.

- **How can an organization get started building a culture of philanthropy?** The paper offers a series of questions to help organizations and their board and staff leaders as they set out to move toward a culture of philanthropy.

"Culture of Philanthropy": Is This the Right Term?

Not everyone embraces the term "culture of philanthropy." Some associate the word "philanthropy" with the charitable activities of foundations or wealthy donors. Others think the term is too confusing and suggest using another.

"The phrase 'culture of philanthropy,'" Penelope Burk, development expert and president of Cygnus Applied Research, says, "can sometimes get in the way of seeing what's behind it, which is a set of practices and values that are shaping the way fundraising is going to be done in the future."

But proponents of the term think it's time for the social sector to take back the word "philanthropy" and own it, based on its original definition: "a love of mankind and voluntary action for the common good." According to Simone Joyaux, founder and director of Joyaux Associates and a columnist for the *Nonprofit Quarterly*, the emphasis on action is especially important because "philanthropy becomes about respecting anyone who gives something for the common good, not just money."

Marla Cornelius, senior project director at CompassPoint Services for Nonprofits, adds that "philanthropy" is "too powerful a word to limit it to individual or institutional contributions." She continues, "When it's used in the context of its original meaning, it describes exactly what social change organizations do and how they do it."

Karla A. Williams, president of the Williams Group and a fundraising scholar, agrees: "If people don't use the word accurately, it's our own fault because we're not out there educating the field about what it means. It's a good word. Why not make it our own?"

WHAT'S DRIVING THE SHIFT TO A CULTURE OF PHILANTHROPY?

A rapidly evolving digital landscape is transforming the ways we communicate, work, socialize, and, yes, fundraise. These changes, says Gene Tempel, former fundraiser and president emeritus of Indiana University's Lilly Family School of Philanthropy, are forcing nonprofits to question the traditional wisdom about resource development that may no longer be as applicable to ensuring long-term sustainability. Among the changes that are driving the interest in new models—and a new mindset—for fund development are:

Rise in people power. Today, interactivity, transparency, crowdsourcing, collaboration, and co-creation are giving people access to systems and institutions that were once controlled by experts and other gatekeepers. In the social sector, people are using everything from email and text messaging to YouTube and Snapchat to connect, communicate, and engage in collective action and collaboration in ways that were previously unimaginable.

These changes are also transforming philanthropy. In addition to crowdfunding and other online giving platforms that are making it easy for "everyone to be a philanthropist," there is a growing push to democratize traditional philanthropic institutions. Foundations are experimenting with encouraging beneficiary feedback and grantseeker participation in identifying priorities, creating guidelines and making funding decisions.

Given the intense competition for financial resources, organizations have to be ready to capitalize on these and other ways people—not just donors—are getting involved in social sector issues and activities. That requires understanding there's no longer a bright line between individual donors and non-donors such as volunteers and activists.

Organizations are changing. The speed and multiple venues through which change now occurs have prompted organizations to adapt structurally. This includes moving from hierarchical systems and rigid department and job assignments (managerial models) to streamlined structures that allow for collaboration, openness, and horizontal decision-making (ecosystem thinking). Some are forgoing physical structures altogether and morphing into virtual entities or networks that can be more cost efficient and nimble. Organizations that continue to operate in traditional, tightly controlled, top-down environments, rather than adapt to more fluid systems and approaches, risk having their relevance and funding dry up.

New generations. Social change work is being reshaped by the attitudes and capacities of young people who've grown up with the Internet and embrace its efficiency, transparency, bottom-up action, and co-creation ethos. Young people are challenging conventional notions of hierarchical leadership, preferring collaboration and horizontal arrangements in which "everyone's a leader." They are also less interested in joining traditional issue-focused membership organizations because they view them as

bureaucratic and static. Some argue that millennials, in particular, may be less enamored with larger social movements and more likely to get involved in specific issues, causes or events.[iii] As a consequence, some nonprofits are struggling to recruit and sustain a membership base to replenish one that is aging.

Personalized and meaningful communication. Traditionally, organizations crafted and broadcast messages to "educate people." Today, that top-down approach has been upended, with message content being co-created with constituents and the public. This is positioning organizations as distributors of this content rather than gatekeepers of what gets communicated. As a result, organizations have to change the way they engage with their constituents—by seeing them as active partners, rather than just foot soldiers or check writers.

It also means that organizations need to spend more time spreading their fundraising and messaging efforts across more outlets, e.g., Facebook, Twitter, magazines, telemarketing, radio, TV, YouTube, etc. Because these and other platforms allow for more input and feedback from the public, organizations have to accept that they won't be able to control their message or brand as much as they used to. Young people especially want more personalized contact with organizations. Nonprofits have to find meaningful ways to involve and "allow young people to co-create experiences with you," says Kari Saratovsky, chief engagement officer of Third Plateau Social Impact Strategies, "because if you don't, they're likely to walk away."[iv]

Fierce competition for resources. The growing number of nonprofits has triggered more competition for resources, and the resources that are available are being outstripped by demand. The panoply of new media tools and technologies is increasing the competition for "mind-share," which is leading to "cause fatigue" among people who are overwhelmed by the sheer volume of information and requests they get from organizations.

These trends no doubt contribute to the downward slide in donor retention rates across the sector. According to data generated by Network for Good, at the average U.S. nonprofit, the percentage of first-timers who come back to give again the next year is just 27%.[v] That matters, given research showing that retaining and motivating existing donors costs less than acquiring new ones. A recent study from the Association of Fundraising Professionals and the Center on Nonprofits and Philanthropy at the Urban Institute found that for most nonprofits, reducing donor and dollar losses is the least expensive strategy for increasing net funding gains[vi], especially for nonprofits that are sustaining losses or achieving only modest net gains in gifts. Retaining donors, therefore, will be critical if nonprofits, especially smaller and mid-sized organizations, are to survive and thrive.

WHAT IS A CULTURE OF PHILANTHROPY? FOUR CORE COMPONENTS

While there are subtle differences in how people define, practice and assess a culture of philanthropy, the research for this paper turned up four core components that are explored in the following pages:

1 Shared Responsibility for Development

2 Integration and Alignment with Mission

3 A Focus on Fundraising as Engagement

4 Strong Donor Relationships

Who Has a Culture of Philanthropy?

UnderDeveloped, a 2013 survey and report by CompassPoint and the Evelyn and Walter Haas, Jr. Fund, defined a culture of philanthropy as having the following elements:

- Most people in the organization (across positions) act as ambassadors and engage in relationship-building. Everyone promotes philanthropy and can articulate a case for giving. Fund development is viewed and valued as a mission-aligned program of the organization. Organizational systems are established to support donors. The executive director is committed and personally involved in fundraising.

According to *UnderDeveloped,* 41 percent of organizations presented with this definition reported having "no culture of philanthropy," with larger organizations less likely to say they have it than smaller groups. Also, executive directors were more likely than their development directors to think they had a strong culture of philanthropy (20% vs. 12%, respectively).
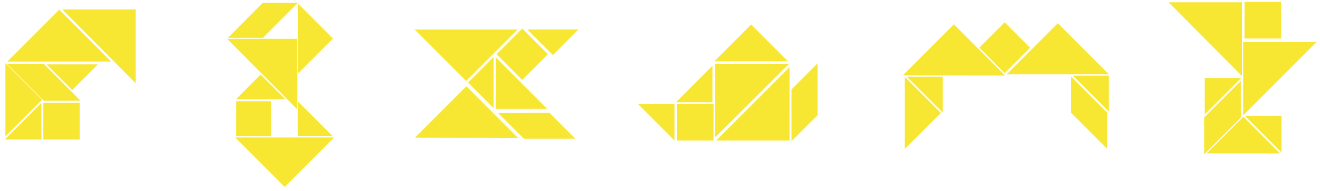
#1 SHARED RESPONSIBILITY FOR DEVELOPMENT

In organizations with a culture of philanthropy, fundraising isn't just one person's job or the job of one department or board committee. Everyone—staff, executive director, constituents, board and volunteers—shares responsibility for fund development.

A culture of philanthropy doesn't mean that everyone has to solicit funds, but they're expected to act as ambassadors and build relationships. Everyone also promotes philanthropy, can articulate a case for giving, and plays a role in helping to acquire all the resources needed (not just money) to do the organization's work. That can take the form of networking, making connections, building relationships, holding briefings, working on press events, and fostering relationships with constituencies.

As Karen Osborne says, "It's not about creating an organization of solicitors. It's about nurturing a group of people who believe in the power of philanthropy and the organization's mission and who embrace their role in that work . In the end, staff, boards, volunteers and constituents of your organization need not take on the role of fundraiser. But fundraising works infinitely better with their involvement and buy-in."[vii]

Adding resource development to everyone's job and volunteer responsibilities may sound like a tall order, but it's essential to an organization's sustainability and success. Instead of assuming there's not enough time to develop a culture of philanthropy, everyone in the organization could reframe this as a chance to share the responsibility, time and energy that's already abundant in helping development staff move the organization in this new direction.

Prue Precourt suggests organizations build in as many opportunities as possible for the leadership, board and staff to come together and learn about how creating a culture of philanthropy could bring positive results for them and the organization.[viii]

There are mixed views on whether the size of an organization affects its ability to successfully integrate a culture of philanthropy in which all staff feel vested in fundraising. Some think smaller organizations have an easier time because they're more nimble, have less complex structures and fewer firewalls that prevent people from communicating and collaborating across departments and job responsibilities. Others, however, argue that more established organizations—such as hospitals and universities—are better able to instill a culture of philanthropy because there are more staff to help facilitate that process

and more outlets for donors and non-donors to get involved in the institution's activities. Says Gail Perry, fundraising trainer and "Fired Up Fundraising" blogger, "when it comes down to it, it doesn't matter what size an organization is because stonewalling attitudes can exist in any place."

Shifting the sense of responsibility for fundraising across the entire board and staff of the organization can make development jobs less stressful and allay fundraisers' high burnout rate. Stephanie Roth believes that while it may not be absolutely necessary to have a culture of philanthropy, the reality is that if organizations are "depending on one person to bring in the money—whether it's the executive or development director—it's not going to be sustainable over the long term."

In addition, when the primary responsibility of development staff is not to raise money but to build a philanthropic culture, they're less likely to be seen as technicians and more as equal and valued partners with other facets of the organization and its work. Development staff can also then serve as facilitators, catalysts, advocates, stewards and the conscience of a philanthropic culture—a set of skills and roles that development professionals usually find more fulfilling and meaningful than just counting checks.[ix]

"Attending a class several years ago, the professor asked each of us how many fundraisers were in our respective nonprofit organizations. I was a one-person shop at [my organization] at that time so I answered 'one.' Answers varied from one to ten as we went around the room. The professor then said that the correct answer to the number of fundraisers in the organization was actually the total number of employees who worked there." [xi]

– Danielle Irving

Debating Pay and Incentives for Development Staff

Building a culture of philanthropy can be a key factor in attracting and retaining skilled development staff. But some say the most powerful incentive is paying them for their performance, i.e., providing raises and promotions based on metrics connected to fundraising targets or the number of prospect visits staff make.[x]

Few would dispute that pay is important, says Kim Klein, a social justice fundraising expert and trainer, but "performance expectations defined in financial terms alone deny the reality of what it takes to get givers, not just gifts."

Pay-for-performance systems are predicated on the belief that it's primarily the development person's job to raise the money, and that donors are going to continue to come to the organization through direct channels facilitated by the fundraiser(s). But some feel that this focus on "getting the big gift" limits the organization's ability to connect with a broader set of potential donors and build the relationships that growing evidence shows are crucial to long-term sustainability.
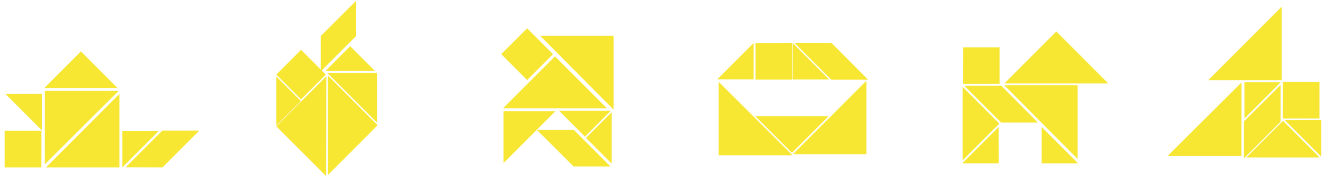
#2 INTEGRATION AND ALIGNMENT WITH MISSION

In organizations with a culture of philanthropy, fund development is a valued and mission-aligned component of the organization's overall work, rather than a standalone function.

Organizations with a culture of philanthropy see fund development as more than just raising money or a management function; they see it as baked into everything they do, including their overall missions. As Simone Joyaux notes: "Organizations that operate with a culture of philanthropy understand three things: the value of organizational culture, the importance of philanthropy, and the inextricable link between philanthropy and fund development."

According to *UnderDeveloped*, this is a marked shift from the approach to development the social sector has traditionally relied on. Now, creating the conditions for success at both the organizational and field levels will require everyone in the sector "to adopt a profoundly different stance towards fundraising— one that moves from a passive apologetic and/or siloed model to an integrative one that deeply values donors and constituents and puts them right at the center of organizations and movements."

When this happens, says Marla Cornelius, the question moves from "how can we raise more funds" to "how can we galvanize all our resources—including, but not limited to money—and people to be what we need to be to drive change?"

Put another way, building a culture of philanthropy means viewing fundraising as a tactic for achieving larger programmatic goals and mission, rather than an end unto itself. As Terry Axelrod, founder and CEO of Benevon, notes, "Fundraising alone is never going to bring about a culture shift. If donors are properly engaged from the start, then culture change may begin with fundraising; it's a means to a greater end."

This shift in how people and organizations view fundraising is driven in part by broader structural changes such as the advent of flatter, non-hierarchical organizations; these changes have made it easier to align fundraising with other organizational activities and priorities. Unlike traditional structures, where the development staff can be islands unto themselves, organizations with a culture of philanthropy eschew rigid lines between departments and job responsibilities. Instead, development and program activities are seen as equally important and overlapping, with all staff communicating and working collaboratively toward shared goals.

In fact, a hallmark of a culture of philanthropy is having less complex structures and firewalls among departments and/or staff responsibilities, which leads to "having more role empathy because you can see what others are doing and be more willing to help out," says Marla Cornelius. When staff members have the opportunity to communicate and collaborate across traditional department lines, it can also help build trust and cooperation.

Working in this way has other benefits beyond enabling the organization to fundraise more successfully. Perhaps the most important contribution a culture of philanthropy can make to an organization beyond fundraising is a healthy and supportive work environment. As Pamela Grow notes, "Sure, there are organizations that are quite successful in raising funds without this culture in place. But I wouldn't want to work for one. Would you?"

"In our organization, program staff are all involved in fundraising activities to some extent—whether it's helping produce a film for a fundraising event or raising money themselves for a volunteer-led fundraiser. Also, fundraising isn't walled off from what program staff are doing. When I need to write a donor a thank-you note and need inspiration, I'll ask the students participating in our programs what they like best about them. When we have big events, we involve the students as speakers and emcees. When we host site visits, we pull in students from our programs to be part of those conversations." [xii]

– Kristin Barrali

#3 A FOCUS ON FUNDRAISING AS ENGAGEMENT

In organizations with a culture of philanthropy, fund development is no longer separated from engagement. This reflects the fact that people today are connecting with nonprofits via multiple channels (e.g., social media, volunteering, blogs, meet ups, petitions) and engaging with them in multiple ways (e.g., as donors, volunteers, board members, constituents).

Increasingly, an organization's stakeholders and supporters want some kind of engagement with the organization and its mission that may not start with a financial contribution but, over time, may lead to that. As Pamela Grow and Sarah Mansberger observe, "that means organizations need to create environments where their entire community—donors, clients, staff and partners—have ample opportunities to engage with the mission in authentic and meaningful ways."[xiii]

New generations are embracing these changes, saying they want to see philanthropy be more transparent, democratized and relational. They want organizations to move away from rigid hierarchical structures towards ecosystem models with more collaborative and fluid structures.

According to Farra Trompeter, vice president of Big Duck, a nonprofit communications firm, "Organizations need to realize that the change they question or fear has already happened. Nonprofits' supporters— young and old—are communicating through multiple channels, and organizations that don't embrace some kind of fusion will slowly disappear." If you're not sure where to start, Trompeter suggests beginning by asking supporters what channels they use for their own news-gathering and activism via a survey or simple conversations at your next event. Then try one small experiment and see what happens. Build on what works and keep pushing to communicate online and in-person. What may feel awkward at first will become a habit and, eventually, you will find the new norm that so many other groups are adopting.

Organizations that understand the need to combine fundraising and engagement tend to operate differently. Some nonprofits, for example, are tearing down the walls between the fundraising, communications, marketing and program departments to make them collaborative and complementary, not siloed. In addition, rather than having a firewall between their donor and volunteer or activist lists, some organizations now have one list that includes everyone and is segmented and tagged based on their type and level of engagement.

These changes reflect an understanding that donors give to organizations not just because of their work; donors give because they aspire to the same goals and are looking for an organization to engage with and give *through* so they can achieve those aspirations. Millennials, for example, are more interested in supporting causes rather than organizations or institutions. Organizations with a culture of philanthropy, therefore, help donors fulfill their desires to create a specific impact in the world.

A 2015 study by Edge Research for Abila supports this hypothesis.[xiv] The study was based on a survey of 206 nonprofit officials involved in engaging donors and 1,250 adults who give to charities. It found that while donors feel most engaged with charities through the act of giving money (with millennials putting volunteering slightly ahead of financial support), there are several other ways they like to be engaged. Among these are receiving regular and personalized updates about accomplishments, volunteering, hearing personal stories, advocating for an issue, participating in fun events, and getting thank yous and other recognition. Donors felt less engaged around activities such as social functions, networking events, direct mail, websites and social media.

"In a culture of philanthropy, you don't start by 'doing a gala' or 'getting a grant.' You start by talking with and engaging people. You say, 'We don't want you to give money until you're engaged and you know us. When that happens, we know you'll be more likely to give us more and do more for the organization than give money.'"

– Terry Axelrod

Engaging donors as partners in the work doesn't mean donors are driving the bus; instead, they're engaged actors working with the organization to achieve its goals, rather than being passive "givers." In fact, some say that in a true culture of philanthropy, organizations would point prospective donors in other directions if they felt that their organization wasn't the right fit for their philanthropic aspirations. Simone Joyaux begins by asking donors about their philanthropic story. "If that doesn't fit with what my organization is doing, I'll tell them that and then suggest some other organizations that *do* fit with what they're seeking."

Social Justice Groups Fuse Activism, Fundraising

An example of how some social justice organizations are fusing fundraising and engagement is integrating online activism with on-the-ground action. Using the internet and other digital tools, these groups are connecting with and engaging their core base of supporters to encourage their participation in real-world action such as events, rallies, meetings with legislators, fundraising house-parties, volunteering, canvassing, and more. Sophisticated nonprofits are also using those in-person events as an opportunity to capture names and information for building online connections.

That doesn't mean it's easy. While most organizations agree that both online and offline strategies are important, no one has figured out the perfect formula for melding the two to ensure maximum fundraising success. Some older organizations that are more comfortable with traditional organizing, in particular, may find it more challenging to shift to this model. On the one hand, their existing constituent base is more comfortable with traditional organizing, but on the other, they recognize that a new generation of would-be supporters will want opportunities to engage in this way.
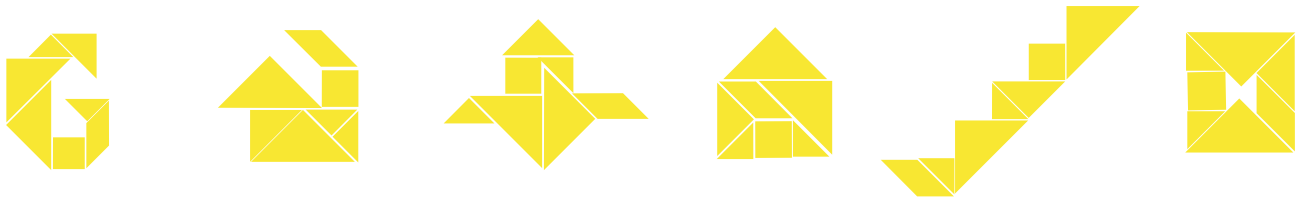
#4 STRONG DONOR RELATIONSHIPS

In organizations with a culture of philanthropy, donors are seen as authentic partners in the work, not simply as targets or dollar signs. These organizations establish systems to build strong relationships and support donors' connection to the work.

Building strong relationships with donors breaks the field's obsession with transactions and mechanics to focus on people's interests and values, says Simone Joyaux. Donors, as well as potential donors and others involved with the organization, are seen as partners who share its goals and aspirations and participate in achieving them. That means relationships, not money, are what matters most.

This is important, says Karen Osborne, president of the Osborne Group, "because donors have more to give than just money. They have other capital—time, skills, networks and talent—to bring to the table."[xv] In short, says Stephanie Roth, a development trainer and consultant for social justice organizations, "donors are people too, not just ATMs."

High-performing organizations also understand the importance of relationship building in ensuring donor retention—something with which social sector organizations continue to struggle. Every year, nonprofits lose about seven out of ten new donors. It's also seven times more expensive to replace a donor than to keep one.[xvi]

It's, therefore, time to "de-think" traditional approaches, Jay Goulart, founder and chief data artist at NewSci writes, and start realizing that "the answer to dropping retention rates lives with a keen understanding of your donors' desires and aspirations."[xvii] That will only come when organizations—and everyone in them—is intentional about having personal and meaningful relationships with donors.

Focusing on relationships doesn't relieve nonprofits of the need to provide donors with data-based evidence of organizational impact. Penelope Burk says that when someone hasn't yet given to an organization, it usually takes some kind of marketing message to interest them—not necessarily a spreadsheet of effectiveness data. It's only after donors' first gift that they pay more attention to results because they want to see what happens with their contribution. That's where evidence about impact comes in, and it's why broad-based appeals aren't particularly effective after someone gives their first gift. "You may get them to open the envelope using that strategy the first time, but 65 percent are going to drop off later because fundraisers don't understand that once donors give, they're looking for different things—including personalized attention and more information about how their investment made a difference," Burk says.

Of particular importance is being authentic. Cookie-cutter notes, tote bags or "fake emergencies," Mark Rovner, CEO of Sea Change Strategies, says, won't work. What will is "deeply understanding why the donor supports you and delivering on her (or his) expectations." It also goes beyond seeing a gift as a one-off business transaction to a step in a relationship, Marc Pitman, founder of FundraisingCoach.com, notes. "This forces us to create systems to deepen relationships with people that are fans of what we do, rather than just treating them as 'the public' or 'our constituents.'" [xviii]

Put another way, it's not about "selling" donors on your organization; it's about supporting donors in developing their philanthropy.

Increasing evidence points to the payoff from thinking about donors in this way. In 2014, Penelope Burk surveyed 23,000 donors in the U.S. and Canada and found that personalized thank you letters lead to more donations than standard gift acknowledgements. [xix] Specifically, 45 percent of donors said thank you letters with a warm, personal tone that made them feel as if they were "written just for me" inspired them to give again. Twenty-three percent said they gave more generously because of the quality of the acknowledgement they received.

This is part of what Burk calls donor-centered fundraising, which, like a culture of philanthropy, sees relationship building as key to long-term sustainability. A culture of philanthropy, therefore, requires the long view. "If organizations are patient and keep donors moving up the relationship ladder, they'll see the value of those gifts go up," says Burk. Unlike institutional giving, individual donors "can last a lifetime and beyond in bequests. The ability of individuals to give has no ceiling."

"Another way is to think of this as a culture of customer service. Or of relationship building. Your donor only knows one organization. They don't care about your internal organization chart. If they speak to the receptionist and are treated rudely, that impacts their desire to invest with you. So if you have siloed departments, it works to your disadvantage."[xxii]

– Claire Axelrad

Debating "Donor Centrism"

Some take issue with a culture of philanthropy's overemphasis on donor centrism. [xx] While it makes sense to meet donors' needs and fulfill their philanthropic aspirations, says Vu Le, executive director of Rainier Valley Corps and blogger, it can also "widen the dichotomy between donors and nonprofits, further distancing one from the other." He adds: "Donors alone cannot be the heroes … and we nonprofits alone can't be the heroes. None of us are heroes without all of us."[xxi] Le suggests taking the best elements of the donor-centric model and evolving it into a community-centric model in which donors and organizations are equal partners working toward a common vision of community "that extends beyond our own organizations and their survival."

Others say that in a culture of philanthropy the larger community not only matters, it's the only thing that matters if the goal is social change. As Stephanie Roth says, "The field has become so professionalized, we forget that an important part of development is involving the larger community in our social justice work. And involving the community is about all the ways people participate in causes: giving money, getting active as volunteers and activists, and having a say about what organizations they're part of should be doing."

Relationship building doesn't stop with individuals; it extends to the larger community. In a culture of philanthropy, fund development is the means to the end of community change because it melds the interests of the organization, donors and the larger community. A culture of philanthropy, says Marla Cornelius, moves the organization "toward stewardship in ways that have impact on the world beyond the institution. The latter is the vehicle through which to achieve the former."

In A Fundraising Culture...	In A Culture of Philanthropy...
Philanthropy = grants by institutions or gifts from wealthy individuals.	Philanthropy = love of mankind.
Development staff is responsible for revenue generation.	Everyone in the organization shares some responsibility for revenue generation by serving as ambassadors and building relationships with potential donors and constituents.
It's all about the money.	It's all about the relationships.
Donors = money.	Donors = skills, talents, time and money.
Donors are contacted only when money is needed.	Donors are contacted regularly with invitations to participate in activities, progress updates, and information about how their contributions are helping.
Fundraising and engagement are siloed and have different contact lists.	There is one list for every person who's affiliated with the organization in some way (e.g., volunteering, donating, organizing, etc.).
Fundraising is seen as a one-off or add-on.	Fundraising is incorporated into and across every staff position and activity in the organization.
Culture is seen as "touchy feely."	Culture is the most important factor in determining an organization's effectiveness.
The board relegates fundraising to the development committee.	The board development committee directs the participation of the entire board in fundraising.
It's about acquiring donors.	It's about keeping donors.
Mission, program goals and operations are separate from revenue generation.	Mission, program goals and operations are aligned with revenue generation.
The focus is on short-term tactics like appeals and events.	The focus is on the longer-term strategy behind the tactics.
The organization functions with a scarcity mindset.	The organization functions with a mindset of abundance.
The organization's leaders make decisions based on what's available.	The organization's leaders make decision based on what the community needs and a shared vision of how to meet that need.
The community isn't engaged.	The community is intentionally engaged and participates as a partner with the organization.
Development staff/directors are relegated to secondary status.	Development staff/directors are part of the leadership team and equal partners with other senior staff; they participate in all planning, strategy, financial and organizational meetings.
Development goals aren't part of everyone's job description.	Development goals are part of everyone's job description.
Board and staff have sporadic contact.	Board and staff have regular opportunities to engage and interact.
The focus is on big gifts.	All gifts are important.
Donations come first.	Donations come after we engage people in our work.
We will win over every donor for our organization.	We will listen and refer donors to other organizations that align more closely with their aspirations.
Money is dirty.	Money is what we need to do our work.
There are rigid lines between organizations' departments, including development.	Job responsibilities and departments are more fluid; more collaboration to meet goals.

CASE STUDY:

PRIDE FOUNDATION BUILDS A CULTURE OF PHILANTHROPY UNDER NEW EXECUTIVE DIRECTOR

When Kris Hermanns became executive director of the Pride Foundation—a community foundation supporting LGBTQ issues in the Northwest—one of her first priorities was partnering with her director of community giving to transform the organization's approach to development. Having been a development director for an LGBTQ advocacy organization, Hermanns had definite ideas about what she wanted to do in her new role.

At the top of her list as she started the new job in 2012 was creating a culture in which everyone—board, staff and volunteers—played a role in fundraising. "I'd never bought into the philosophy that development is 'dirty work' that no one else wants to do and that development people are solely responsible for raising all the money and saving the organization," Hermanns recalls.

Immediately upon joining the Pride Foundation, Hermanns was presented with an opportunity to build the culture she envisioned as Washington state became a focal point in the nationwide debate on marriage equality—one of Pride Foundation's top policy priorities. First, Washington Governor Christine Gregoire announced her support for marriage equality on the day after Hermanns took the job. Next, the issue was the subject of a statewide referendum in November 2012. This prompted a group of national funders to approach the Pride Foundation with an offer: they would give Pride Foundation $1 million to mount a public education campaign on the issue, as long as the foundation raised another $500,000.

Not one to balk at a challenge, Hermanns saw this as an opportunity for institutional change. She used the occasion of Pride Foundation's 30th anniversary and her appointment as executive director as an opening to bring in consultants charged with recommending improvements in the Foundation development and donor engagement work. As Hermanns says, "Don't get me wrong: I don't have all the answers and I know 50 percent of fundraising is experimenting until you find what works. So I just wanted Pride Foundation to be bold and try new things until we found what works for us as we and the landscape around us continuously evolves."

BROADENING RESPONSIBILITY FOR DEVELOPMENT

Hermanns was particularly interested in changing how the development function had been structured. Historically, Pride Foundation's director of community giving had primary responsibility for fundraising, meaning that only one person had nearly all relationships with donors. In Hermanns' view, this was too much for one person and had kept Pride Foundation from fully capitalizing on the networks and relationships that other staff and board members could bring to the table.

Distributing the responsibility for development required a shift in the way Pride Foundation viewed and related to its donors, volunteers and others in the community. According to Hermanns, Pride Foundation had "been looking at how we communicated with people, rather than how we engaged them more broadly or what their interests were. The consultant's audit made clear that we needed to be more intentional about finding out who our donors and potential donors were, how they came to us and how they wanted to invest in us."

Most important, Hermanns felt Pride Foundation needed to reinvent—if not rebrand—the development director position altogether, starting with changing the title to director of community engagement. This title change wasn't just symbolic; it underscored Hermanns' resolve to make development something that emphasized long-term relationships, rather than transactions. "I wanted to reconceptualize the position so this person was seen as a member of the leadership team, able to talk about any part of the organization and to represent our vision and values in the larger community," Hermanns wrote in a *Chronicle of Philanthropy* article.

Hermanns also made other changes, in partnership with her director of community engagement, such as developing an annual fundraising plan focused more on donor engagement activities than on contribution goals. The plan is segmented by donor and potential donor audiences, and it includes detailed information about donors' histories, profiles and interests. Pride Foundation's new "constituent platform" stipulates primary "touch points" for all donors, while identifying who communicates and develops ongoing relationships with them.

A RANGE OF ENGAGEMENT STRATEGIES

Pride Foundation engages donors and potential donors in its work via a range of strategies. For example, since Pride Foundation started inviting community members to review scholarship and grant proposals, more than 300 volunteers have signed up annually. Some of these volunteers are already donors, and others—such as past grantees and scholarship alumni—want to engage with the Foundation's work in a more in-depth way. Pride Foundation also brings together people who want to be connected with others who share their values and commitment to LGBTQ issues. "As people get more walled off by social media," Hermanns explains, "they're hungry for the chance to come together in person and participate in things like issue briefings and informal events that provide a sense of community among people who have shared aspirations. It connects them and reduces their isolation, especially in our geographic region."

This kind of engagement is crucial to achieving the organization's development goals, Hermanns says, because 80 percent of Pride Foundation's donors have come to the organization via relationships with existing donors and their networks. "We realized that we had to start providing supporters with tools and guidance they could use to attract others to our work because their efforts can go way beyond what I or my staff or board could do by ourselves," she says.

Pride Foundation helps board, staff and local advisory councils sharpen their ability to tell stories about why they got engaged with the Foundation and the impact of their investments in its work. The Foundation also organizes trainings with community members to encourage them to think about a

moment that inspired them and to craft a story that's compelling to potential donors and constituents. Last but not least, Pride Foundation provides stakeholders with sample social media messages and offers periodic briefings to keep constituents up to date on the organization's advocacy and policy efforts.

In short, Hermanns notes, "It's not all about the money; it's about engaging people in our education and policy work." Still, she acknowledges that ultimately Pride Foundation wants to see people become donors. "We always ask people to consider an investment, but we usually have multiple touch points before we ask for a bigger gift," she says. People who come to the Foundation's community events, for example, get the foundation's newsletters, updates and invitations to other activities on a regular basis.

"ALL GIFTS MATTER"

At the end of the day, Hermanns says that the most important thing is that people make a gift—no matter what its size. "We have a strong philosophy that *all gifts matter*—whether it's $2 from a person who's on a limited income or someone who gives us $100,000." At the same time, Pride Foundation, like many other social justice funders, is realizing it needs to ramp up its major donor program. To that end, Hermanns' team, based on the recommendations and guidance of the consultant, is culling Pride Foundation's database to identify potential major givers and communicating with them in more personalized, meaningful ways.

Hermanns' board culture is also changing. Both she and her board chair are being more direct about saying what they need from each member, as well as modeling the kind of development practice they want to see embedded in the board's way of working. They're also asking board members to give annually, invite people to Pride Foundation's events, review donor lists, make calls and visits, and, above all, "serve as Pride Foundation's ambassadors in the larger community." In addition, board members are asked to share their stories with donors and other constituents to underscore their passion and commitment to the organization's work.

These efforts are paying off. Pride Foundation's unrestricted individual donor gifts have increased, and lapsed donors are coming back, due to the organization's increased capacity and thanks to the personal outreach the organization has done to reconnect with them.

WHAT IT TAKES

For others wanting to implement a culture of philanthropy in their organizations, Hermanns suggests thinking about development as more than money. "It's about the organization's overall mission and mobilizing donors and resources for the change it wants to make. That means organizations need to move away from talking about money to talking about engagement and investments they want to see and emphasizing that without resources, those changes won't occur."

Hermanns cautions that there's no "cookbook" for this process, and it takes patience, especially on behalf of the board. "It's going to be trial and error as you learn and adapt, but it's important to take time to consider each dimension of this process as it relates to your organization's culture, as well as the landscape and context within which you're working." It is not always easy, Hermanns says, "but in the end, the benefits the organization will get from its supporters—donors and potential donors—are countless."
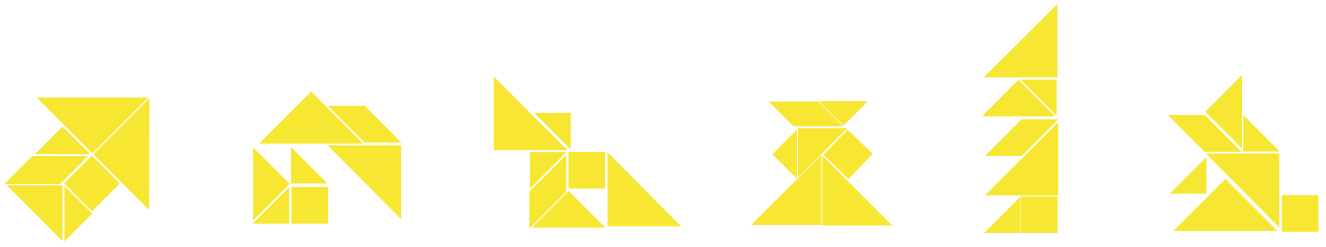
GETTING STARTED

How can organizations that want to incorporate a culture of philanthropy get started?

The most important thing is not to get overwhelmed, says Marla Cornelius. "When you start talking about implementing a culture of philanthropy, it's tough to get your arms around that especially because it affects so many parts of the organization."

Indeed, perhaps the most common pushback is that developing a culture of philanthropy just takes too much time, period. Like any culture change process, it's incremental. In fact, one of the biggest reasons why efforts at culture change fail is because it's hard to sustain the kind of commitment needed for it to take hold. The extent to which organizations move forward in the process, Robert Fogal, founder and principal of Fogal Associates, says, "will depend on the people who are leading it to maintain that culture. It doesn't just happen."[xxiii]

Cornelius begins by assuring people that there are many avenues for getting into the process. The one an organization chooses depends on where it is. "Some organizations, for example, may start out by working with their boards to bring them along in this process while others may start involving their development staff in budget and program meetings. There's no right or wrong way to start."

Karla A. Williams says that it's sometimes good to forgo using the term "culture of philanthropy" because it can get in the way of people embracing these kinds of changes. What's more important than the phraseology (and taking time to explain it) is "getting people to understand that their organization's approach to fundraising isn't working, how it needs to change and how a donor-centered model is key to that. That's what's going to persuade people in the organization to embrace change."

Richard Perry and Jeff Schreifels add that building a culture of philanthropy requires "patience and persistence, just like cultivating your donors." They continue, "A million-dollar gift doesn't happen overnight, and neither does changing an organization's understanding of the role of philanthropy."[xxiv]

SOME GUIDING QUESTIONS

For organizations seeking to start down the road to building a culture of philanthropy, here are some questions to help guide the process:

- **Do we have staff leadership that believes in a culture of philanthropy?** Monona Yin, a program consultant who leads the Capacity Building Initiative at the Four Freedoms Fund, has observed that the most important factor in ensuring success in building a culture of philanthropy is having "some kind of leader or person with power in the organization who 'gets it.' You can't just train people in this stuff; you have to make sure they have ongoing support. It's a leadership issue." It's especially important that the executive director is committed to this process because it's impossible to build a strong culture without the executive leading it. According to *UnderDeveloped*, the director has to be "an instigator, a champion, and a role model to bring fundraising into the heart of the organization and keep it there." Gail Perry agrees: "If it doesn't come from the top, it may not be successful."

- **How can we get the board to become champions of a culture of philanthropy?** Boards need to take responsibility for leading and modeling a culture of philanthropy in the organizations they govern. As Terry Axelrod notes, "You can have great development staff but if the board doesn't care about developing this kind of philanthropic culture, it will become staff-driven and, ultimately, not be as successful." Ask board members what their philanthropic story is. Carve out part of every board meeting to talk about fundraising. Bring in people to help train board members in all aspects of development. Give board members the opportunity to interact with program staff and clients.

- **Beyond our board and staff leaders, do we have other champions in our organization who can model and monitor our progress in developing a culture of philanthropy?** Who are the influential people in the organization who are eager to move a culture of philanthropy—including staff, volunteers and donors? They can help bring others along because "people will start believing in it when they actually see the new behavior at work and working."

- **Is our mission clear and easy to communicate?** While it's good to have a clear mission that reflects shared values, it's just as important that everyone in the organization can communicate it compellingly to potential donors and others involved in your work.

- **Does everyone in the organization understand philanthropy's role in advancing the organization's mission and values and have opportunities to participate in development activities?** Staff need to be able to see how fundraising "fits" with the organization and how fundraising is essential and noble work. The more staff understand that development enables the organization to sustain and strengthen its service of others, the more cooperation and ownership will result. It also helps to provide staff and volunteers with a limited number of clear and simple things each can do to help the development staff take the organization in this new direction. The more hands-on experience people have with these activities, the more they will see how important their participation is in helping the organization get the resources it needs.

- **Do we have a vision of what the organization would look like with a culture of philanthropy that everyone can get behind?** Because change is personal, the change vision has to address people's natural desire to see what's in it for them and how it will enhance the organization's work. Use the mission and vision to remind people of where the organization is headed in its path toward a culture of philanthropy when interest or commitment seem to be lagging. Explore how everyone in the organization, together, would describe the current culture and its personality and how it feels to work there, as well as how it affects people's enthusiasm, commitment, behaviors and interactions. How would people describe a culture that motivates its employees and volunteers, stimulates creativity and respect, and generates enthusiasm and collegiality?

- **How would we nurture and sustain this culture over time?** Culture transformation takes a long time so it's important that organizations designate and assess their progress at regular intervals. What kind of process would help your organization evaluate its organizational culture, define desired changes and make those changes? One core indicator, for example, is that fundraising efforts are donor-centric and focused on building deep relationships over time, not just asking for money when it's needed. How could this be operationalized in your organization?

- **Can we develop policies, procedures and measurable goals for making the plan concrete?** Codifying things in writing conveys that the organization is serious and intentional about changing and provides a more formal blueprint for staff and the board. Put philanthropy on the institutional dashboard and include it in performance measures. Make it a stated part of the values statement. Reward and celebrate progress. And establish clear and measurable goals. For example, if none of the senior program staff give, a goal might be to achieve 100 percent giving by a specific date. Next, create the strategies and tactics you'll use to achieve those goals. Use the indicators in the appendix to assess how your organization is progressing. Invite everyone—staff, donors, board, volunteers—to participate in this process and make it the focus of a regularly scheduled meeting.

BUILDING A CULTURE OF PHILANTHROPY

Roles for Development Staff

• Integrate development into every staff and board meeting.

• Ask program staff members for their advice on development materials such as appeal letters, social media strategies, etc.

• Spend one-on-one time with board members, donors and others involved in the organization's work. Get to know them individually. Find out their stories—why did they get involved?

• Share "mission moments." At every staff and board meeting share a recent story about a client, donor or community member and how they are impacted or inspired by the organization's work. Encourage staff members to share their stories.

• Shadow a program staff member in their work, and invite them on your donor visits.

• Invite donors into your organization, not just for the usual guided tours but also to attend board or staff meetings.

• Include donors on your board and invite them to share their perspective.

• Create regular opportunities for program staff to share with development staff their experiences with clients or constituents "in the field."

• Celebrate success. When you reach 100% board participation or a board or staff member has brought in new donors, recognize and celebrate it.

• Keep donors, staff, board, and other constituents updated on the organization's work, progress, challenges and accomplishments, including its development efforts.

• Share stories of donors, the individuals whose lives have been changed by the donors' gifts, and staff and volunteers who do the work.

• Use donor communications more effectively. When planning pitches and other communications, look beyond how much donors give and personalize the contact with them as much as possible by considering each person's giving history, aspirations and preferences.

Roles for Funders

• Provide and support opportunities to bring grantees' leadership together to engage in peer-to-peer learning about building cultures of philanthropy in their organizations.

• Provide financial resources for organizations to have room to explore and implement a culture of philanthropy.

• Support data-based and more rigorous research that assesses the benefits, challenges and value of a culture of philanthropy. Specific research questions might include:

   o *Do nonprofits need a culture of philanthropy for successful fund development (and how is "successful" defined)?*

   o *What's the value proposition for a culture of philanthropy in an organization?*

   o *What evidence is there that a culture of philanthropy has value to an organization?*

• Support the infrastructure needed to adopt a culture of philanthropy, e.g., technology tools, regular trainings, etc.

• Commission case studies that that describe how organizations have moved toward a culture of philanthropy, whether it's helped them raise funds, and other benefits or drawbacks it's presented to their work.

• Sponsor opportunities for the field to come together and build more consensus on the definition and indicators of a culture of philanthropy.

CONCLUSION

The research for this paper surfaced a lot of different ideas and some debate about what a culture of philanthropy looks like and how organizations can get started down the path to building one. But there also is notable consensus around the fact that increasing fundraising success will take more than technical fixes; organizations also are being called upon to make deeper changes in how they think about and approach the work of fund development.

The four components of a culture of philanthropy identified in this paper may not sound revolutionary or controversial to some people; indeed, there are many who have been calling for these kinds of changes for years. But taken as a whole, these ideas represent a huge shift in how people are thinking about the work of fund development for nonprofits.

These ideas also can serve as a call to action: At a time when organizations often focus on finding quick fixes or a miracle-working development director to finally turn things around, it may be time to step back and reconsider the core principles and assumptions that drive their fundraising efforts. And, it may be time for the field to dig deeper into the questions of what a culture of philanthropy looks like, how it can help nonprofits achieve sustainable fundraising success, and how to support organizations to make it a reality.

Just as organizational culture is co-created by the staff, board and other stakeholders of an organization, the sector's response to the entrenched fundraising challenges nonprofits face has to be a collective effort. Hopefully, this paper will help to start a field-wide conversation about what's next.
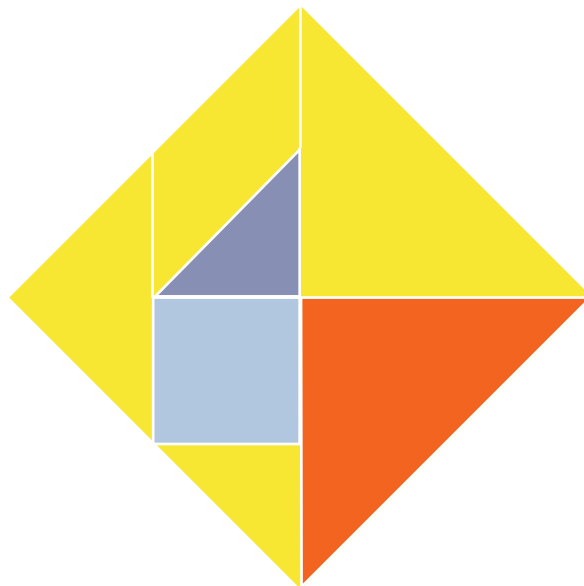
APPENDIX: WHAT DOES A CULTURE OF PHILANTHROPY LOOK LIKE? KEY INDICATORS

For some, a culture of philanthropy falls in the "you know it when you see it" category. As Simone Joyaux notes, "When it's there, every volunteer and employee feels it. Clients and donors recognize it whenever they connect with the organization. You know it as soon as you walk in the door."

Most people, however, are going to need more meat on the bones before they consider this an approach worth pursuing. Currently, much of the discussion about a culture of philanthropy leans toward the theoretical, rather than practical.

Confronted with trying to operationalize similar abstract concepts, other fields have responded by creating indicators that translate concepts into practice. These indicators aren't static; they can and should change as fields test and tweak them over time. Conversation and debate about the indicators can advance a field's shared language and practice.

The same process can be applied to unpacking and codifying a culture of philanthropy. Troy Arnold, director of development for the Justice & Diversity Center of the Bar Association of San Francisco, says: "We often think of culture as something 'squishy' or qualitative, when, in fact, it's achieved through highly quantitative tasks. To build and sustain a culture of philanthropy takes a lot of planning and implementing specific policies and practices." [xxv]

Interviewees for this study, in fact, believe that developing indicators that help organizations know whether they have (or are moving toward) this culture is a top priority. When there is general agreement about these indicators, they can serve as framework for practicing a culture of philanthropy more broadly across the social sector. Indicators, Karla A. Williams says, "will help move the field beyond measurement focused on outputs like 'how much money did we raise' or 'how many donors do we have' or 'how many prospects became donors,' etc. More nuanced indicators get us to something deeper and more sustainable, which is a culture of philanthropy."

To help kickstart this process, here is an initial attempt to capture indicators that have been collected and synthesized for this paper from interviews with practitioners, development experts, researchers and others who were asked how they assess a culture of philanthropy. Not everyone will agree with every item here, but the list is offered as a way to start a conversation about what a culture of philanthropy looks like—and how to know if you have one.

EXECUTIVE DIRECTOR/CEO INDICATORS

• The executive director leads and inspires a culture of philanthropy through his/her commitment to and involvement in fund development.

• The executive director creates and models a shared sense of responsibility for fund development for the staff and board.

• The executive director includes the development director as a member of the leadership team and consults her/him in all of the organization's major strategic decisions.

• The executive director dedicates regular time to cultivating and engaging donors throughout the year.

• The executive director is comfortable asking for contributions (of any kind).

• The executive director participates in regular fundraising trainings and educational opportunities.

• The executive director's expectation of development staff isn't solely to raise more money but to help build a better understanding of the role philanthropy plays in the organization.

STAFF INDICATORS

• All staff—from the top to the bottom and regardless of position—see themselves as ambassadors for the organization and its philanthropic goals; they value the role of philanthropy, talk about its impact and are involved in fund development.

• Everyone in the organization has contact with donors, can articulate and inspire the case for giving, and give examples of how philanthropy has enhanced the organization's efforts.

• Program staff communicate and work with development staff and vice versa to "get into the other's shoes" and find ways to meld program, fundraising and outreach activities.

• Program staff or others with direct contact with clients and the community are expected to cultivate relationships that will support the organization's mission.

• Staff are encouraged to give—in whatever form—to the best of their ability.

• Every new staff person is educated on donors' roles in the organization.

• Staff attend periodic fundraising trainings.

ORGANIZATION INDICATORS

- Philanthropy is embraced as a core value and/or organizational mindset that is understood and integrated across the organization.

- There are many opportunities for staff, board, donors and others to learn and talk about philanthropy and its impact on the organization's mission.

- Fundraising efforts are donor-centric and focused on building relationships over time—not just asking for money when needed.

- Everyone in the organization respects donors as individuals with unique needs, aspirations and personalities and treats them as partners, not just funders.

- Major decisions consider the question: "What would our donors think?"

- There is more time spent on keeping donors than acquiring new ones.

- The organization regularly evaluates its progress and invests in developing a culture of philanthropy.

- Staff, volunteers, board members and donors are encouraged to extend their philanthropic values and activities to other organizations.

- The organization recognizes that a culture of philanthropy is a component of organizational culture overall—one that operates as a cohesive system, rather than in silos.

DEVELOPMENT STAFF/DEPARTMENT INDICATORS

- Development staff take leadership for moving the organization toward a culture of philanthropy and assume "change management" responsibilities.

- Development staff serve as the conscience of the charitable mission and represent donors' interests during organizational planning discussions and meetings.

- The development director reports directly to the CEO, is a peer on the executive team, and attends and presents at board meetings.

- Development officers serve (and are respected) as leaders in encouraging staff/board to understand the donors' perspective and value to the organization.

- Development offices are fluid, rather than rigidly categorized (e.g., "director of major gifts," "special events manager," etc.), and include people with communications, marketing and program expertise/skills.

- Development professionals are not only skilled in the tactics of fundraising (e.g., direct mail, events, planned giving) but are also strategic thinkers and implementers.

- Development staff regularly communicate to the rest of the organization about how it is engaging donors and building relationships; they encourage storytelling about both donors and beneficiaries (recipients) to highlight the human side of philanthropy (not just the financial side).

- Development staff have opportunities to regularly expand their knowledge and hone their skills; the organization invests in their education by budgeting funds for professional development.

- Development staff are evaluated/compensated not only for meeting their financial goals but on the quality of their relationships with donors, board members, and other staff.

BOARD INDICATORS

- Board members embrace the concepts of a philanthropic culture and strive to ensure its success within and outside the organization.

- Board members can cite examples and tell stories of the financial and human impact of philanthropy on donors and recipients.

- The board is committed to and involved in fund development; they are ambassadors, not bystanders.

- All board members are actively engaged in fund development—from donor cultivation and solicitation to hosting events and serving as liaisons for external partners (e.g., corporations, foundations, public offices, etc.).

- Board members can articulate the case for support and are comfortable asking for contributions (of any kind).

- Fundraising responsibilities are discussed with prospective board members before they're elected to the board; personal philanthropic giving is included in the board members' expectations and agreement.

- Board development committees coordinate, educate and support the rest of the board in raising funds (rather than being seen as "the fundraisers").

- Board members are recognized publicly for their contributions.

DONOR INDICATORS

- Donors are valued for more than their financial gifts; their ideas, thoughts, involvement and leadership are continuously sought and welcomed.

- Donors are treated like partners in the work—rather than as "cash machines" or transactions.

- Donors' needs and interests shape discussions about where, what and how they might make a philanthropic investments to their organization or others.

- Donors are invited to partner in other ways that go beyond money such as contributing time or expertise.

- Donors are asked, "What's your philanthropic story?" and helped to find ways to express their philanthropic identity.

- Donors aren't "sold" on the organization; they're supported in developing their philanthropy and referred to other organizations if their mission is more aligned with donors' goals.

- Donors are contacted, thanked and engaged on a regular and personalized basis to ensure they know their value to the organization.

- Donors are encouraged to visit the organization and its program/activity sites.

- The donor "ask" is based on the shared desires of donors and the organization toward the goal of meeting both organizational and community needs.

- The number of new, retained and upgraded donors improves each year.

- Donors and prospects are attentive, interested and engaged with the organization's programs and comfortable with revealing their own interests and aspirations.

- Donors are given time to ask questions, talk and engage in two-way conversations with staff and volunteers.

COMMUNITY/CONSTITUENT INDICATORS

- Visitors are welcomed into program sites by everyone from the front desk personnel to the board chair.

- The organization is intentional about communicating with, reaching out to and involving the larger community in mission and work.

- Alumni, parents, faculty, board and other shareholders are viewed as partners in how the organization carries out its mission and invited to share their stories whenever possible.

- The organization champions the importance of philanthropy in the larger community.

INFRASTRUCTURE/INTERNAL SYSTEMS

- Marketing, communications, membership, fund development, volunteer/board recruitment, and staff engagement are collaborative and complementary, not siloed.

- Development goals are part of annual performance evaluations for all staff and board members.

- Publications, websites, social media and other forms of communications feature donor stories, describe impact and tell how to give to the organization.

- There are several opportunities for staff, board and donors to engage together during the year to build trust and relationships.

- The organization invests money in strengthening its development/fundraising infrastructure, including professional development, training and technology.

- All revenue streams—whether from special events, direct mail, major donors, online giving, grants or other—are seen as equally important and valued.

- There are opportunities for donors, clients, board and staff to "tell their stories" about their philanthropy; these stories, in turn, become the focus of development outreach, rather than the organization communicating what it thinks is the case for support.

- Results are measured by impact, not by arbitrary goals or deadlines.

ENDNOTES

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