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Creating a Culture of Philanthropy: Three Things to Keep in Mind

by Keith W. Zirkle

Abstract

A culture of philanthropy is necessary for a nonprofit to be successful in 2016. Resources and funds are not so bountiful as they were in the past. Every nonprofit is different and has a different audience, but in general, there are three items to keep in mind while developing a philanthropic culture: 1) nonprofits should strategically plan their culture; 2) nonprofits should engage their own employees and volunteers in the culture; and 3) nonprofits must actively appreciate their donors, old and new.

Three Things to Keep in Mind

The nonprofit sector fills the void between government and corporations. Generally, nonprofits provide services the government cannot offer, due to budgetary or political reasons; and that corporations do not pursue due to various restraints or competing interests. Since most nonprofits subsist off grants and donations that are not guaranteed regularly and decreasing in number, nonprofits must transition toward creating and maintaining a culture of philanthropy for longevity (King, 2008; Whitchurch & Comer, 2016).

A culture of philanthropy can be defined as “a set of organizational values and practices that support and nurture fund development within a nonprofit organization” (Tunis, 2015, p. 3). The idea of philanthropic culture isn’t new: universities long ago jumped on the bandwagon and recognized that their donors, typically alumni of a university, are far better for donations than reliance on state governments to provide capital (Haderlein, 2006).

Some nonprofits may hesitate at the idea of philanthropy because most nonprofits are not created to raise money. They are created for programming, to provide unique services, and to work toward a mission. Fundraising may seem auxiliary or even antithetical to a nonprofit’s mission (Tunis, 2015). But while programming may be why nonprofits exist, philanthropy is how they exist (Joyaux, 2015). Whether we like it or not, the concepts of philanthropy and programming are intertwined, and a nonprofit’s success is tied to its philanthropy. Every nonprofit needs fundraising (Axelrad, 2015).

It has become paramount that nonprofits adopt cultures of philanthropy. There are three required intentions to effectively implement a philanthropic culture in a community that this paper outlines: 1) strategy: nonprofits must intentionally develop and foster a culture of philanthropy; 2) an inside-out approach: philanthropic culture must start from within the organization’s internal structure; and 3) donor centrism: nonprofits should never forget where primary funds come from and must treat these relationships accordingly.

A culture of philanthropy doesn’t happen overnight (Whitchurch & Comer, 2016). It “requires patience, consistency and often a creative eye to address the obstacles that inevitably arise” (p. 118). In other words, without strategy and intention, a culture may never be fostered. Philanthropic culture requires direction and planning, and a nonprofit must set intentions—to develop a culture of philanthropy—and identify the steps necessary to facilitate a fruitful culture. Sometimes this requires a nonprofit

refocusing and adjusting their mission to align with philanthropy (King, 2008). A nonprofit's mission should, implicitly or explicitly, entail fund development and appreciation of those providing funds. Otherwise, the mission may be deemed shortsighted or blinkered from financial realities. Nonprofits must balance this fundraising need and accompanying perceptions: donors mustn't think an organization is too focused on fundraising so much that it forgets its service to others. This may be curtailed by adopting fundraising as part of the mission. This is also urges the nonprofit to keep philanthropy at the top of the executive agenda (King, 2008).

Nonprofits may find familiarity in revisiting their why (Venzin, 2016). Why does the nonprofit exist? Why is it a nonprofit and not in the business sector? These questions allow a nonprofit to amend their mission if necessary and see where fundraising fits into the big picture. From here, plans for fundraising may be conceptualized and timelines laid out. Further, the nonprofit should ensure their mission is relatable to donors (Yoon, 2016). This makes creating a philanthropic culture much easier and may even be crucial. Fundraising can keep in mind the why: philanthropy doesn't need to focus solely on funds. Engagement and services offered can be part of the philanthropy.

The strategic plan should target both the nonprofit's internal structure—i.e. employees and executives—and donors. The inside-out approach will focus more on how to target employees and executives, but part of the strategic plan may involve training and professional development centered on creating, facilitating, and maintaining relationships both within the nonprofit and with donors. These relationships should be considered in the short term and the long term. In terms of donors, new, nontraditional donors should be considered. A nonprofit should not be constrained simply by who has donated in the past.

Finally, strategic planning should not neglect providing information, education, and resources to both employees and donors (Haderlein, 2006; Axelrad, 2015). This may be, for example, providing statistics and benchmark analyses of where the culture is at strategic time points, e.g. in one year, in two years, etc. These benchmarks may come from SWOT analyses, SMART goals, and other methods for setting direction. These updates encourage donors and staff to recognize a nonprofit's success and also feel a part of it.

As mentioned, part of strategizing includes targeting employees. The nonprofits' workforce, including volunteers, are critical for successful fundraising (Crumpton, 2014; Joyaux, 2015). Without employees, no culture would exist (King, 2008). In fact, the internal team of a nonprofit has the "inherent power to deliver or discourage participation in and support of philanthropy on a broad scale" (Haderlein, 2006, p. 542).

While there may be an explicit development team at a nonprofit, everyone should be considered as part of development (Gibson, 2015). Volunteers and other staff are the universal intermediaries between nonprofits and their donors (King, 2008). These people must be visible, relatable, and available. Donors will not respond to strangers the same as they will to friendly faces they know (King, 2008).

Nonprofit employees should be should be active contributors to facilitate philanthropic culture. This begins at the top. The chief executive officer and chief financial officer should be seen visibly and regularly, at least annually, giving to the nonprofit. Staff should also be encouraged to give (Axelrad, 2015). Once a large portion of a staff gives, the rest may follow suit given peer pressure and social giving (Seargant, Shang & Associates, 2010; Crumpton, 2014). To encourage this giving, nonprofits should remind staff why

they're important. The staff should see where they fit into the nonprofit's mission and vision. Staff positions, including custodians, shouldn't be overlooked (Venzin, 2015). All employees make a nonprofit, and they similarly make its culture of philanthropy. Giving may be further facilitated by annual employee giving goals and peer ambassadors (King, 2008).

Employee giving might be most important because it demonstrates trust. These people see where money is going, and if they are giving, donors can then be expected to trust and give in turn. Employee giving also allows for testimonials from staff to donors of how much they give, how long they have been giving, and where the money is going (Whitchurch & Comer, 2016; Raub, 2016).

Besides giving, employees need to be trained to solicit money or at least identify potential donors so that the appropriate persons may then solicit donations (Whitchurch & Comer, 2016). Oftentimes, people don't like asking for money. This is why training is important (and should be encompassed in strategic planning for a culture of philanthropy). Staff must, at the very minimum, understand basic principles for a successful giving relationship. They don't need to personally ask, but they have to be able to set the relationship in motion for asking: it can be as simple as asking if they can pass on the potential donor's name to the development office. Ultimately, development should be a part of every employee and staff members' job description (Gibson, 2015).

Nevertheless, fundraising is not just the employees' responsibility. It is everyone's responsibility (Gibson, 2015; Kimberly & Karlene, 2009). This is where donors enter the picture: Once a nonprofit has laid out a strategic plan for a culture of philanthropy and engaged their employees in their strategy, they must remember

and focus on donors. While employees are part of creating a culture of philanthropy, donors are necessary to sustain it.

Donors should not be viewed simply as piggybanks. The relationship should be emphasized, not the (potential) transaction (Gibson, 2015; Tunis, 2015). Long-term donors will donate because a nonprofit's mission matters (Gibson, 2015). This should be kept in mind when interacting with donors; show donors where money is going and what change they are funding (Axelrad, 2015; Gibson, 2015).

Furthermore, relationships must be maintained once a donor has given, even while building new relationships (Yoon, 2016). Appreciation and gratitude should be expressed (Axelrad, 2015; Gibson, 2015). Customer service is just as important as solicitation (Venzin, 2015). Donor appreciation should be considered part of the nonprofit's service and mission (Axelrad, 2015). In some ways, nonprofits serve donors; donors never serve nonprofits (Axelrad, 2015). That is, while donors may give money to fund operations, the nonprofit is always at the whim of donors. Treat donors as investors and a culture of philanthropy will thrive (King, 2008).

In summary, for nonprofits to prosper, they must create and uphold a culture of philanthropy. To ensure a successful philanthropic culture, a strategic plan should be implemented that focuses on engaging employees, from the top down, as givers and appreciating donors, old and new, so that the culture flourishes long after it has begun. Meeting these goals will take on a different look for each nonprofit, but the aims will remain the same.

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