THE FUTURE OF FUNDRAISING

ADAPTING TO CHANGING PHILANTHROPIC REALITIES

―――――――

JAMES M. LANGLEY

―――――――

MORE FROM JAMES LANGLEY

Get James M. Langley's bestselling guides *Fundraising for Presidents, Fundraising for Deans, Fundraising for Boards,* and *Comprehensive Fundraising Campaigns: A Guide for Presidents and Boards*, at:

https://www.academicimpressions.com/product/jim-langleys-fundraising-guides-university-leaders/

JAMES M. LANGLEY

CONTENTS

THE FUTURE OF FUNDRAISING

JAMES M. LANGLEY

INTRODUCTION

This book was begun before the outbreak of COVID-19 and finished at the peak of it. If it is read when few remember the virus, there will still be a lasting lesson that can be taken from it. It is that when the public sees people performing heroic, selfless deeds—as those performed so inspiringly by many frontline healthcare professionals—their trust in institutions is restored, their appreciation and gratitude soars, and their philanthropy rushes forward.

The fruit of philanthropy grows from the seeds of good deeds. Without philanthropy, fundraising would not be possible. Without people willing, wanting, or feeling morally obligated to give, fundraising appeals would fall on deaf ears. We've never imagined the possibility of the absence of philanthropy because we have been the easy beneficiaries of it for so long. The seeds of it can be found in centuries past, but it flourished in the New World in places where people were highly interdependent. They helped one another build barns and houses of worship, raise crops and husband livestock, sew quilts and preserve food, and provided solace in difficult times. While the same range of human behaviors we see today existed then, the demands of survival loomed larger and closer, so the dangers of selfishness and the advantages of collaboration were more apparent.

When they survived hardship, their faith deepened and their gratitude swelled. When they began to thrive, some concluded they had enough for themselves and began to ask how they

might help others, as their faith had called them to do. Some, seeing a new world of possibility, began asking how they could help build a more enlightened, more just, and more prosperous society. At least, that's how they were at their best. At their worst, they failed to apply the same principle to the indigenous, the enslaved, those they deemed to have fallen, and those that challenged or were not well-served by their norms. And yes, some, including some of the most prosperous, deeming their success largely or solely attributable to themselves, became less faithful, less grateful, and less inclined to give of themselves to help others or build a better society. It was ever thus and will ever be.

The grateful, however, so outnumbered the "self-made" that they formed a culture of philanthropy where the example of it was so great, so omnipresent, that giving became a norm, one that influenced the thinking and behaviors of the majority. That culture and ethic of philanthropy proved powerful, influencing those of faith, nominal faith, and no faith. The unifying principle of philanthropy often minimized or muted religious, regional, ethnic, and other cultural differences. At our best, we worked across ideology, idiosyncrasy, ethnicity, and social strata in pursuit of practical solutions and shared ideals. We sought to cement and sustain our values by building and contributing to institutions. Indeed, we came increasingly to think of philanthropy less in interpersonal or intra-community terms and more as the means of supporting institutions. Those institutions—including schools, colleges, and universities—seeing the faith placed in them and witnessing waves of gratitude arising from the good deeds they did, spoke to their adherents as a pastor to a devoted

congregation: "Give so that we might sustain operations." "Give so that we might build a more beautiful structure." "Give so that we might be even better at what we do." Implicit in those appeals was a tacit assumption: "You understand and appreciate the good we do. You trust us to make the right decisions. Here's what we need."

Ah, but somewhere along the way we began to lose faith in institutions. Public confidence in all institutions, as seen in indices such as the Edelman Trust Index, has been eroding for decades. The reasons for it are many and yet to be learned. The most obvious seems to be the tendency of institutional leaders to become removed from the lived realities of their constituents, particularly as they grow in size and stature. They begin making more and more decisions, believing they are acting on their constituents' behalf and with the assumption that those decisions will all meet their adherents' unquestioning approval. The more they assume, the less they listen. Gaps begin to open – gaps between what they hope from their supporters and what their supporters hope from them. On the societal side, the widening of the trust gap may have been fueled, in part, by rising tides of individualism and the increasing inhabitation of virtual worlds that satisfy sensory appetites but, in and of themselves, build only ephemeral human bonds, evanescent experiences, transitory commitments, and less engagement in activities that cause us to subordinate individuality to achieve a greater common good.

Yet, as some great philosopher once said, "It is what it is." Institutional leaders that blame societal trends for their

struggles or demise forget that no institution can hope to long survive, much less thrive, if it does not adapt and re-establish its relevance in the eyes of each generation. No institution can hope to be effective at fundraising, therefore, without picking up on and adapting to changing philanthropic behaviors – which are invariably shaped by changing attitudes, and none more significant in this instance, than the erosion of trust. The second is the segmentation of societal interests and tastes, which can be seen in every area of human consumption. One need only go to their favorite coffee shop, hover around the spot where people place their orders for ten minutes, and listen to the wide variety of orders placed. Virtually no one orders just "coffee." Yes, nearly everyone orders coffee, but the coffee shop has learned it will be far more profitable if it customizes the core product to satisfy a wide variety of individual interests. Café Alma Mater, for a long time, offered one option to its alumni – "You give; we decide how it will be used." That menu expanded open the years to include preferred giving options such as, optimally, unrestricted endowment, then scholarships, faculty support, and capital improvements.

Yet the philanthropic tastes of alumni, and those of the larger giving world, were expanding more rapidly than the options provided. And more and more were waving off the entire menu of giving options and saying, "Here are my preferences. How can you accommodate them?" And fewer and fewer alumni, saddled with more and more debt, felt less and less inclined to frequent the café. For some, the whole experience left such a bad taste in their mouths that they began staying away in droves. Many of those cafes are still open. Too many

are measuring their success by fewer and fewer patrons making larger purchases, remaining oblivious to increasing number of patrons they lost and the ones they never attracted. They insist that their pricing strategies, choices, and marketing are working based on sales receipts but do not acknowledge that the vast majority of their patrons are getting older and that fewer middle-aged and young patrons are showing up. They do not acknowledge that a consistent loss of volume will, at some point, drag down the bottom line – and keep it down for a long time. We can no longer be content with taking credit for what works some of the time, but less of the time, while failing to acknowledge the greater loss and damage being done by failing to adapt to new attitudes, new behaviors, and new philanthropic realities. Therefore:

- We must respect and respond to shifting sensibilities of our donors lest we contribute to a greater contraction of philanthropic participation in our society;

- We have an obligation to expend the resources available for fundraising in the most efficient and productive ways possible; money wasted on misguided efforts is money taken away from mission realization; and

- We must create conditions that allow those who work for us to use their time and talents most rewardingly and productively. If we send good people on ill-designed, unrealistic fundraising forays, their faith in and willingness to commit themselves to our causes slips, and with it, our ability to retain the most capable and conscientious among them.

Yes, even with the mounting evidence of the consequences of ineffective fundraising or fundraising that clamors for more, yet has little mission advancement to show for it, we still see many organizations jumping to false assumptions and clinging to dated practices. Why is this so and how can all of us – board members, presidents, advancement staff and others – become agents of positive change? We must first become agents of philanthropy itself by recognizing it is not infinite and inexhaustible. We must acknowledge the need to nourish it over time – not just extract as much as we can, as soon as we can, while offering as little in return as we can get away with.

In particular, institutional leaders must learn to question, challenge, and ultimately eschew tactical, transactional, and even gimmicky approaches that generate support from donors some of the time but do not sustain donors' interest over time nor come close to optimizing their greater philanthropic potential. To make matters worse, some of those same practices cause other donors to cease giving to institutions employing such practices, because they deem them uninteresting, beneath the dignity of an educational institution, or otherwise off-putting, if not alienating. This book, therefore, must not only acknowledge and share what we have learned from the most earnest and ethical practitioners, it must point out where we have gone wrong, where we have allowed myths to proliferate without countering with research and fact, we have let our egos get in the way of our better judgment and where we should have spoken up sooner about depletive, destructive practices.

The purpose of this book is to document changing philanthropic behaviors and expectations and then describe

the strategies and tactics that will allow fundraising operations and institutions to detect and catch the prevailing winds in their sails and thereby expedite the advancement of their missions and sustain, if not gain, donor trust. Throughout, we will contrast old, increasingly ineffective ways with current and emerging best practices, as well as how we must organize ourselves and how we must create new models of collaboration to develop a more adaptive craft, one that will lead us more certainly to more sustainable shores.

In Chapter 1, we will explore:

- How and why philanthropic behaviors have changed

- Why some donors have simply ceased to give to institutions

- Why encroaching realities have been ignored or misread

- Why it is important to adapt but not overreact to new philanthropic realities