By George, I Think We’ve Got It! Or Do We?

It has been two years since UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising took the philanthropy world by storm. The report, conducted by CompassPoint Nonprofit Services and the Evelyn and Walter Haas, Jr. Fund, reveals that many organizations are stuck in a vicious cycle that threatens their ability to raise the resources they need to succeed.

“UnderDeveloped struck a highly responsive chord, particularly among fundraising professionals. It underscored what many of us have known for years and have experienced firsthand—the role of fundraising is simply not well-enough understood across the nonprofit sector,” says Susan Earl Hosbach, CFRE, chair of the AFP Foundation for Philanthropy and president and CEO of Pearlpoint Cancer Center in Nashville, Tenn. “Promoting an understanding that fundraising is not solely the task of one department or one person can be a challenge. It requires thought leadership, patience, effective communication and a commitment to forging strong and lasting relationships. It is a core value of AFP to promote ethical and effective fundraising that increases organizational capacity.”

In a recent conversation with Marla Cornelius, senior project director at CompassPoint in Oakland, Calif., and co-author of UnderDeveloped, she said, “We and our partners from the Haas, Jr. Fund were astonished at how well-received the report was and the pervasiveness of its distribution. We heard from many development directors who could see themselves in the report and were grateful to have their ‘voice’ heard. Thought leaders, consultants and writers across the sector confirmed that they had been talking for years about this conundrum of misunderstanding, but it fell on deaf ears.”

What sets UnderDeveloped apart from other fundraising-related surveys is the inclusion and emphasis on the points of view of both development directors and chief executive officers. This

The full report is available at www.compasspoint.org/underdeveloped. For the Canadian perspective by Andrea McManus, former AFP board chair and president of The Development Group in Calgary, Alberta, Canada, go to www.charityinfo.ca/articles/UNDERDEVELOPED-the-Canadian-perspective.

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perspective confirms a significant disconnect between the leadership of an organization and its development office. Misalignment compromises an organization’s ability to form meaningful, long-term relationships and sustain ties with its donors who build the capacity of philanthropy.

“As fundraisers, we can’t begin to create and mobilize our communities unless our internal infrastructure is capable of supporting our efforts,” says Andrew Watt, FInstF, president and CEO of the Association of Fundraising Professionals. “And it’s increasingly clear that in many organizations, staff and boards don’t understand how fundraising works. They believe it’s a bit like magic—you hire a fundraiser and support just appears.

Creating a culture of philanthropy must be the responsibility of everyone involved in the organization—all of the staff, top-down, and most importantly, all of the board members. Not everyone is actually engaged in the process of asking people for money. However, to be successful and rewarding, everyone on the team must understand and engage in the process of fund development.

The Winter 2015 issue of Advancing Philanthropy, which is devoted to creating a culture of philanthropy, prompted Hosbach to ask what real progress fundraisers have made in their daily work to build and promote a culture of philanthropy. This question motivated us to ask influential development professionals in successful organizations in North America two questions:

1. Was there a true culture of philanthropy in your organization when you assumed the senior development role?

2. What is the most significant impact on your organization as a result of investing in building a culture of philanthropy?

Timothy R. Burcham, CFRE, vice president for advancement for the Kentucky Community and Technical College System in Versailles, KY, notes that the benefits of a culture of philanthropy extend beyond the bottom line.

“When I became the first director of development for my organization back in 1990, there was no infrastructure, fundraising program or donor stewardship in place. Over the past 25 years, we have developed a robust and comprehensive resource-development program that has yielded nearly $200 million in private gifts, involved literally thousands of volunteers and helped us create a philanthropic culture in the communities where we are located, which has resulted in lasting relationships with key individuals, corporations and foundations that span the entire period.”

“Our fundraising program has created intimate relationships with volunteers and donors that extend well beyond their monetary support. They have become our champions, our advocates and our defenders. The most telling proof of that is whenever we mount a major fundraising initiative, they are eager to get involved and to give. And very often, they thank us for the opportunity to play such a pivotal role in meeting the needs of our community.”

Creating a culture of philanthropy at an organization also involves educating and engaging nonfundraising staff about fundraising.

“I have a unique opportunity to take people’s love of philanthropy and augment that with an understanding that philanthropy is strengthened when everyone in the organization engages in charitable fundraising or resource development.”

Following up on the widely discussed findings of UnderDeveloped, CompassPoint and Klein & Roth Consulting with the support of the Evelyn & Walter Haas Jr. Fund are currently conducting a national search of “bright spot” case studies among social justice organizations to serve as the basis for an in-depth exploration of how some groups achieve breakthrough results in individual giving. The results of this exploration will be released in a publication this summer.
development,” explains Tycely Williams, CFRE, chief development officer at the American Red Cross National Capital Region in Washington, D.C. “My immediate goal is to engage staff through peer-to-peer interaction. As specialists in fundraising, we essentially serve as ‘in-house fundraising counsel’ to create and drive strategy. However, everyone in the organization has charitable fundraising in their job description. We are also circulating an organization-wide weekly brief on our fundraising success and spotlighting how nonfundraising staff assisted.

Williams adds that the most significant impact for her organization is the ability to raise more revenue in order to advance its mission and deliver its philanthropic promise. “I believe in philanthropy and, more importantly, the donors, staff and volunteers who work hard to fuel and fund it,” she says. “I won’t be satisfied until 100 percent of our paid staff is engaged in charitable fundraising. We expect it from our volunteer leaders, and I expect it from my colleagues.”

Educating board and staff to establish a strong network of supporters is a high priority for Wayne Steer, director of development at Fresh Start Recovery Center in Calgary. “When I started with Fresh Start five years ago, the organization was in the silent phase of a $12.4 million capital campaign,” he explains. “My role was to take the lead on raising the remaining $6 million and grow operational fundraising. One of my initial tasks was to convince the board to invest first, demonstrating that they believed in the organization. As individual board members stepped up and used their stories to inspire other community members, the campaign began to gain momentum. Board members who steadfastly believed that their donation of time was enough of a ‘gift’ eventually left or came to understand the power of being financially invested.”

Steer’s strategy for engaging individual staff members started with ensuring they knew that both he and the executive director were invested. His next important message was to reassure staff that being invested was not a condition of employment, but rather a gift from them to those they serve. “It was my job to learn what inspired each of my co-workers to do what they were doing and to connect that passion with their power to help more people with a gift,” Steer says. “I spoke first with our chef, a Red Seal Chef who struggled with alcoholism. He came through our program years ago and stayed to work for Fresh Start. We spoke about how our donations could provide the men with fresh fruits and vegetables and a healthy protein daily. This inspired the chef to start donating, and he has been one of our most consistent and generous staff members ever since.”

Steer concludes, “The most significant impact on Fresh Start arising from developing this culture of philanthropy has been a loyal support network with a strong sense of pride and belonging, and the confidence to continue to support us and recommend us to others. This has helped us to grow in size, effectiveness and reputation. For the second year in a row, Fresh Start has been recognized as the best treatment center in Canada.”

This is the first article in a three-part series devoted to the challenges and rewards associated with creating a culture of philanthropy in nonprofit organizations. The summer issue of The Steward will feature this topic from the perspective of funders and grant makers who also play an essential role in supporting a philanthropic culture. Stay tuned! ●

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**UnderDeveloped Calls to Action**

*UnderDeveloped* identified ten calls to action for the nonprofit sector to fundamentally change its beliefs and practices related to donor relations and fundraising:

1. Embrace fund development;
2. Elevate the field of fundraising;
3. Strengthen and diversify the talent pool;
4. Train boards differently;
5. Apply the transition management framework to the development director position;
6. Invest strategically in grantee fundraising capacity;
7. Leverage technological innovation—embrace creativity;
8. Set realistic goals for development;
9. Share accountability for fundraising results; and
10. Exercise fundraising leadership.

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**Effectiveness of Overall Fundraising Activities**

Executive Director and Development Director Comparative Responses

![Graph showing effectiveness of fundraising activities](image-url)

Reprinted with permission from CompassPoint.
Maureen Hackett was honored by the Association of Fundraising Professionals this past November as 2014 Outstanding Philanthropist during the National Philanthropy Day Celebration in Washington, D.C. When asked what trends and changes she has seen in philanthropy over the past four decades, Maureen shared the following reflection:

“Thirty-five years ago, we determined the success of our philanthropy by counting the number of soup bowls served or children who received blankets. Today, we measure the success of philanthropy by prevention and the elimination of the need for those soup lines and blankets. Today, I think we are getting ahead of the game. For example, Miami has seen great success with juvenile delinquency prevention. In Dade County, two jails have been closed and numerous juveniles have avoided system involvement because of successful diversion programs.

When I look at this generation of young people, I see their expectations for philanthropy as all about investment and impact. They want to see a return on their investment—be that time, talent, service or financial resources. That’s how I look at philanthropy now as well. It’s not just about fundraising; it’s about making investments in humankind to yield systemic impact.”

Maureen Hackett credits her mother, who raised nine children “without two nickels to rub together,” with teaching her to recognize that we all have something we can give to others and the importance of paying forward our blessings.
On February 11, 2015, the Asociación de Profesionales AFP a formal, legal entity in Mexico signed an agreement with INDESOL, the National Institute of Social Development in order to partner on several programs for the nonprofit sector in Mexico. The agreement specifies that AFP will provide at least three fundraising training sessions to the nonprofit sector in Mexico, to provide guidance to INDESOL about the AFP Code of Ethical Principles and their development of a Code of Ethics for Mexican charitable entities and to provide information about scholarships to the AFP International Fundraising Conference and the Hemispheric Congress.

With the new partnership with INDESOL, the Asociación de Profesionales AFP is now filing paperwork that will allow us to provide charitable receipts for gifts received by the Foundation.

**SUCCESS STORIES**

I have learned so many things about fund development through AFP. I have a new understanding and outlook on individuals in fundraising. My fondest experience, in addition to being the President of the AFP Collegiate Chapter at Lawrence Technological University, is being a Levy Collegiate Scholar. It was an honor. I advise all students to take full advantage of the opportunities that are provided through AFP international and local chapters.

Tynisha McGee
AFP MI, Collegiate Chapter at Lawrence Tech University

I am extremely grateful to the AFP Foundation for Philanthropy–Canada for the scholarship to attend the 2014 AFP International Conference. Working in a small shop means I didn’t have a professional development budget last year, and the scholarship enabled me to continue learning and meeting professionals from around the world. Thank you to the committee and to everyone who donates to the Foundation.

Ligia Peña, M.Sc., CFRE
AFP Quebec Chapter, MOSD Foundation
1. What does it mean to you to be the Chair-elect of the AFP Canadian Foundation?

To say that I’m humbled and honoured to be Chair-Elect of the AFP Canadian Foundation would be an understatement. Over the years, AFP has given me so much in the form of education, networking, resources and, of course, a large group of great friends. I feel fortunate that I’ll have the opportunity to give something back. I’m looking forward to personally connecting with many of our generous supporters—it’s because of them that we’re doing the great work we do.

2. What is your vision for the AFP Canadian Foundation?

I see AFP in Canada continuing our groundbreaking work in the areas of research, ethics and education. I’m particularly excited about our major initiative around diversity and inclusion in Ontario. With funding of over $700,000 from the Ontario Ministry of Citizenship and Immigration, we’ve held workshops focused on philanthropy amongst under-represented communities, and are moving into a fellowship program that will nurture our future inclusive leaders in philanthropy. If I had to pick just one overall vision for AFP in Canada, it would be that we become the driver of conversations and initiatives around leadership development in Canada’s fundraising profession.

3. What advice, from your experience, would you have for a young professional eager to become involved with the AFP Foundation?

Now is a great time to become involved with the Foundation. Every year we look for fresh faces to join our board (you can watch for the call for nominations in late Spring each year), and we’re happy to have committee volunteers at any time. So, please don’t hesitate... come join us! The only prerequisites are interest and enthusiasm.

Susan Earl Hosbach, CFRE
Chair, AFP Foundation for Philanthropy
President & CEO, PearlPoint Cancer Support
# of years in the profession: 23
# of years as an AFP member: 21

1. What does it mean to you to be the Chair of the AFP Foundation?

I am passionate about our profession and the mission of AFP and the Foundation. To lead the Foundation and the group of amazing volunteers through its governance transition and to help increase its capacity through relationship building and major gifts cultivation is both challenging and inspiring. It is truly humbling and an honor to serve in this leadership role.

2. What is your vision for the AFP Foundation?

My vision for the Foundation is to implement a culture of philanthropy demonstrating to our members, chapters and other constituents that this foundation is the “best of the best” and to develop the necessary resources to ignite real impact for the future of our profession.

3. What advice, from your experience, would you have for a young professional eager to become involved with the AFP Foundation?

Find your passion and area of interest, and get involved by giving and volunteering. The Foundation has four pillars of focus—diversity and inclusion, professional development and leadership, ethics, and research—all important aspects for advancing our profession and philanthropy.

Share YOUR Best Practices!

How will you celebrate the people who dedicate themselves to your organization during National Volunteer Month in April?

Share your stories and photos or video clips of activities honoring your special volunteers through AFP’s social media communities.
A 2014 report from the AFP Foundation for Philanthropy–Canada and the Trico Charitable Foundation argues that the current regulatory framework in Canada is inadequate and limits the potential of social enterprises to generate profits for charitable causes.

The research, *The New Regulatory Regime for Social Enterprise in Canada: Potential Impacts on Nonprofit Growth and Sustainability*, was developed by Dr. Pauline O’Connor, research manager at the Centre for Voluntary Sector Studies at Ryerson University in Toronto.

Social enterprises are organizations that operate in the marketplace as businesses, but their revenues are used to advance social and charitable goals. Current laws in Canada make it difficult not only for for-profit companies to pursue social goals, but also for charities to earn business income and raise financing to support community needs and projects.

“Current laws simply weren’t designed with these kinds of hybrid, social enterprise organizations in mind,” said Scott Decksheimer, CFRE, chair of the AFP Foundation for Philanthropy–Canada. “They are growing in importance as charities and communities look for added ways to raise funds for important projects. It’s important we recognize the challenges, as well as what we can learn from other countries’ work with social enterprises, and create a legal framework that encourages their growth and success.”

The report raises several questions that need to be addressed regarding social enterprises, including:

- If the laws don’t change, will social enterprises continue to look as appealing?
- The nonprofit brand is very established in Canada. If nonprofits are expected to be self-sustaining, how can they do this under current tax rules?
- Do new rules need to address the type of revenue that social enterprises can raise?

The AFP Foundation for Philanthropy–Canada funds sector research through an annual Call for Research Papers. For more information, contact cdnfoundation@afpnet.org.

It’s important we recognize the challenges, as well as what we can learn from other countries’ work with social enterprises, and create a legal framework that encourages their growth and success.

I make my gift to AFP Foundation–Canada because through AFP I quickly established a network of fundraising professionals when I moved to Canada in 2001. I have benefited so much from the education, resources and network of AFP, and feel it is critically important to give back, to ensure the same opportunities are there for others.

*Jane Potentier, CFRE  
AFP AB, Edmonton & Area Chapter  
University of Alberta—Faculty of Arts*

*Making a difference & advancing philanthropy has become life-changing! Thanks, AFP!!!  
Jeff Kost  
AFP DC, Washington DC  
Metro Area Chapter*
The AFP Central Florida Chapter offered a second year of Summer Internships in Fundraising with a focus on advancing students’ knowledge of the fundraising profession while expanding Central Florida nonprofit agencies’ development capacity. It was the second year of a collaborative effort between the Association of Fundraising Professionals Central Florida Chapter and the Rollins College Philanthropy and Nonprofit Leadership Center.

Too few students at institutions of higher learning are aware that the development profession is a fulfilling career within the nonprofit sector or of the path to becoming an executive director of a nonprofit agency. The 300-hour paid internship provided three Central Florida students with direct experience in the development profession, especially working with the annual fund. Through the program, AFP Central Florida, makes a one-time grant of $1,000 to each agency to help offset salary expenses for all completed internship experiences. To be considered, students complete the application form and submit it with a resume. An intern is then matched with an agency performing work of interest to the student.

The Mentor Meet and Greet event took place on April 29, 2014. It attracted almost 80 participants and 12 senior fundraisers and leaders in the AFP community.

The evening opened up with informal networking, followed by a moderated Q & A panel during which attendees had the opportunity to hear useful career advice from the AFP Greater Toronto Chapter Board of Directors. This was followed by seven 5-minute rounds of speed mentoring in small groups, during which mentors discussed fundraising strategies and provided participants with valuable professional tips and motivation.

It was one of the Chapter’s highest-rated events for 2014. It afforded new fundraisers the rare opportunity to learn from seasoned AFP members and senior professionals about building a successful and inspired career in fundraising. The AFP ON, Greater Toronto Chapter received a grant from the AFP Foundation for Philanthropy–Canada Don Hardy Endowment for Mentoring to support this event.

How do you think you could personally influence the recruitment and retention of fundraising professionals from diverse communities of interest?

Post your response through AFP’s Facebook and LinkedIn networks.