Dream Big, Fund Big!

How Faculty Can Propel their Work through Philanthropy

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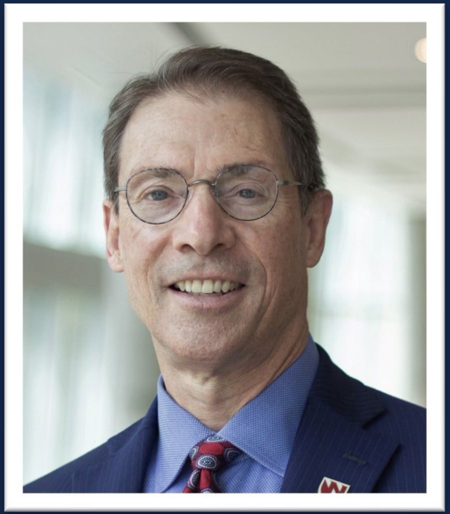

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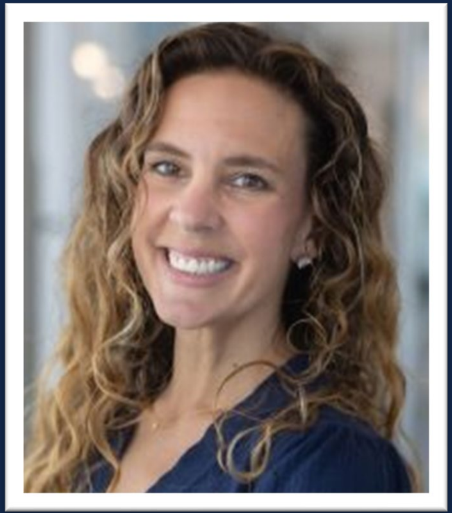

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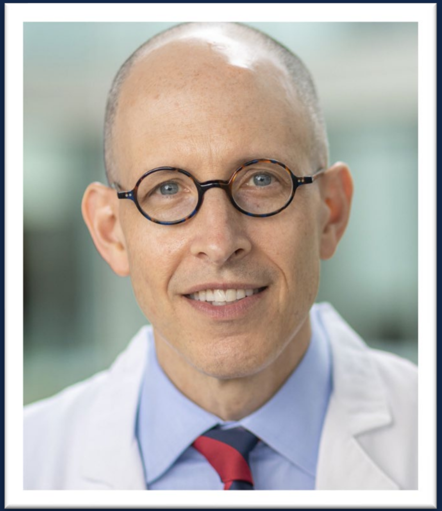

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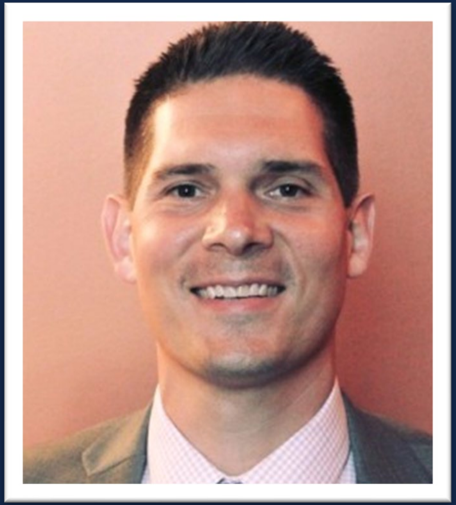

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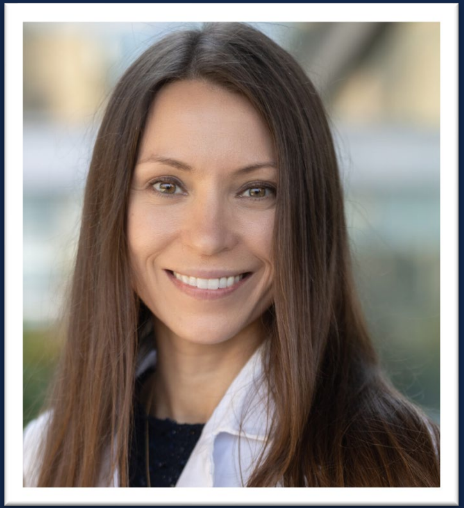

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Objectives

- Deconstruct the process of advancement
- Provide a basic understanding of the roles of individuals involved in obtaining philanthropic support
- Introduce competencies and tools to make you more comfortable and effective with philanthropy
- Reinforce the team nature of philanthropy

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Who, What, Why, How?

Why: Philanthropic Giving by the Numbers

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- Baby boomers are expected to pass down approximately $53 trillion to Gen X, Millennial, and Gen Z heirs and charities over the next two decades (gifts and inheritances)
- FY 2022 - total amount of charitable giving was $499.3 billion (all sectors)
- Americans gave 1.7% of their personal disposable income to charity in 2022 (the lowest level they had given since 1995
  - Decrease of 3.4% from FY 2021
- FY 2022 - charitable giving to colleges and universities = $59.5 billion (a 12.5% increase - largest in more than two decades)
- 20 institutions (nine public and 11 private) received about 25% of all giving to colleges and universities

Who: “Categories” of Philanthropic Donors

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- Alumni, family, friends (sometimes students), parents of students or alums
- Current or former employees
- Philanthropists (high income individuals or families)
- Corporations
- Foundations (Individual/Family or Corporate)
- Institutional admirers
- Grateful patients

What & Why: "Categories & Purposes" of Gifts

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Regardless of the amount of the gift, all donors want to see impact

- Engagement
  (participation)
- Support Existing Fund
  (advance an existing initiative)
- Establish Endowment
  (for any number of purposes)
- Create a transformational institutional outcome

NOTE: These are general categories; exact amounts vary by institution

What: Determining "Capacity"

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- The Foundation prospect management team does ongoing research on current and potential donors to determine (among many things):
  - Wealth (verified or presumed)
  - Capacity to give
  - Inclination (potential interest) to give
  - Opportunities to give (from either the donor's or the institution's circumstances)
- The Foundation matches the faculty and/or institutional needs to the interests and motivations of prospective benefactors
- The Foundation may create portfolios of donors by geographic region, capacity, or area of interest

How: Who Leads? Who Asks?

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Who is ultimately involved in the process of presenting a proposal and asking for an investment depends on multiple (often related) factors, including but not limited to:

- Who can best explain the proposal
- Who has a relationship (or the capacity to effectively engage) with the donor
- Who the donor wants, or expects, to speak with
- The amount of the potential gift
- Who has the "position authority" to represent the unit
- The institution's organizational structure and procedures for philanthropy (centralized v. decentralized)
- Who is most likely to get a "yes"

NOTE: Multiple individuals will likely be involved in meeting with a donor; perhaps at different times for different reasons

Some Thoughts on Communication

- "Nothing is so simple, that it cannot be misunderstood."

  Freeman Teague Jr.

- "The single biggest problem with communication is the illusion that it has taken place."

  George Bernard Shaw

- "As a matter of fact, have you never noticed that most conversations are simply monologues delivered in the presence of a witness?"

  Margaret Millar in "The Weak-Eyed Bat"

The Basics of Philanthropy

Types of Funds

Fund Agreements

The Process

Types of Funds

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- *Restricted* - specifically outlined conditions for use (usually endowed funds)
- *Unrestricted* (aka "discretionary") - intended to be used at the discretion of the individual(s) who have "spending authority"

- *Endowed* – fund invests the original principal, resulting in some portion of the interest being available annually to advance the purpose of the fund ("spendable net income"). Endowed funds are attractive to donors because they exist in perpetuity, are generally "named," and create a legacy
- *Expendable* – fund is more time-limited. The gift "spends down" over the life of the fund (this may be several years). When the money is spent the fund ends. Expendable funds are attractive to donors who may want to make a larger impact immediately, and are not as concerned about creating a legacy

- *Planned Gift* – A "pledge" to finalize the fund at a future date, often as part of an estate plan to be distributed upon the donor's passing. Usually for a specific purpose, may come from donors at any level, and may be either endowed or expendable.

Fund Agreement

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- Fund agreement is the document (loosely "contract") in which the benefactor establishes the name, amount and type of fund. It includes the distribution model for the fund and any other parameters (e.g., conditions, timeline) for fund use, based on the specific goals of the benefactor.
- The more "general" the agreement the more latitude it allows
- Can be "negotiated" with benefactor, and may include multiple options for fund accumulation and distribution
- May identify a pledge or payment over several years to establish the fund (3-5 years for large gifts)

The “Philanthropic Cycle”

The Office of Advancement will have multiple individual cycles in progress simultaneously, each at a different point in the cycle

Roles & Responsibilities: Academic Leader

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- Provides idea or need and rationale for support (Faculty member to Department Chair)
- Provides information to Department Chair and DoD on idea
- Actively participates in cultivating donors (for themselves and the institution)
- Actively participates in cultivating and educating faculty members
- Participates in stewardship and reporting
- May initiate conversation with donor(s)
  - Be alert – increase your attention to key words and statements
  - Be willing to facilitate conversations (make referrals)
- Provides DoD with feedback on donor interaction

Roles & Responsibilities: Director of Development (Foundation Office)

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- Cultivates a large donor base
- Connects faculty/units to larger institutional plans
- “Matches” donor’s interests to institutional interests
- Communicates with Department Chair to identify faculty member or “spokesperson”
- Arranges and conducts meetings
- Prepares academic leader for meeting with donor
- Asks for gift and creates fund agreement
- Conducts stewardship
- Provides instruction/feedback on process/technique for academic leader

Roles & Responsibilities: Donor

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- Identifies a value proposition - seeks to solve a problem and make an impact
- Invites information on giving needs and opportunities
- Identifies purpose(s) and goal(s) of philanthropic investment
- Monitors the outcomes of investment
- Evaluates the strength and viability of the vision/proposal
- Considers new or continuing investment
- Identifies other potential benefactors within network

Reframing Philanthropy

Philanthropy is Not About Asking People for Money

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"Common" reasons faculty give for not wanting to participate in philanthropy

- Raised to "not talk about money"
- Intimidated/fearful/embarrassed
- Feels too "opportunistic" (ingratiating)
- "I don't like it when people ask me for money, so why should I ask others for money?"
- Not "trained"
- Don't have time or interest
  - "I have *real* work to get done"

Philanthropy as Faculty Responsibility

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- Philanthropy is not a burdensome “add on” to your role that you can “take or leave,” it is an *integral part* of your role that you need to engage/cultivate (admittedly, likely a “mid-career” or emerging leader emphasis)

- Philanthropy is not about *asking,* it’s about *inviting* (the invitation should be clear, succinct and in “beginner’s mind” language – as opposed to “expert mind”).

- The “skill set” for effective philanthropy can be learned, practiced and improved upon… just like the skill sets for clinical care, teaching, and research

Assume a Donor's Perspective

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- You're not inviting a donor to ***give a gift;*** you're inviting them to ***make an investment***

- An investment implies a ***shared interest, a long-term commitment, and an expectation of a successful return***

- Philanthropists are **NOT** a source of money; ***They are accelerators of positive change***

- A donor will "interview" the academic leader and DoD, often with a detail and intensity commensurate with size of gift (think "Shark Tank")

Philanthropy is a Team Sport

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- Philanthropy is mostly about building relationships (among all participants)
- A quality partnership (built on mutual respect and trust) between the academic leader and the development director is the key to successful fund raising
- Philanthropy is a *practiced partnership* between the academic leader and the director of development. Each has specific roles and must be able to “read” the other and engage in improvisation. Success depends on *preparation and continuous quality improvement*.
- Most “asks” are sincere conversation(s) seeking to get to know the interests, goals, and background of the participants and examining possible opportunities for alignment and *joint* goal setting

Successfully Partnering with the DoD

Tips for the Academic Leader

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- Build interpersonal relationship with director of development
- Know the metrics by which the development director is evaluated
- Give the time to educate development director on needs/ideas with understandable and usable information
- Refer potential donors to the DoD and communicate with the DoD with plans to contact a donor
- Identify the “gift level” for involvement
- Openly endorse the donor’s primary relationship manager
- Advocate for unit, but treat donors as “university citizens”
- Be willing to play a role in cultivation (for their own work and the institution)

Characteristics of a Successful Team

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Academic leader and development director are equal partners:

- Both are willing to admit what they don't know and ask for help
- Both are willing to ask high impact questions (and are open to sharing knowledge and coaching)
- Both acknowledge/credit the role of the other (and don't blame)
- Mutually create/clarify role expectations and "script" (may be for each encounter)
- Both invite feedback and "debrief" after each encounter
- Both avoid the model where the academic leader is the "closer"

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Developing & Presenting a Proposal

... Or at least creating a plan

What Donors Need

- A significant problem
- A specific solution
- Accurate information
- A “direct line of sight” between the problem (need) and the proposed solution
- To understand why and how you arrived at the solicitation number
  - To understand if a proposal is budget relieving or additive in nature
- To get to know you on a professional and personal level
- To be kept informed
  - The proposal is just the first of many formal documents
- To see impact/change

Modeling a Proposal

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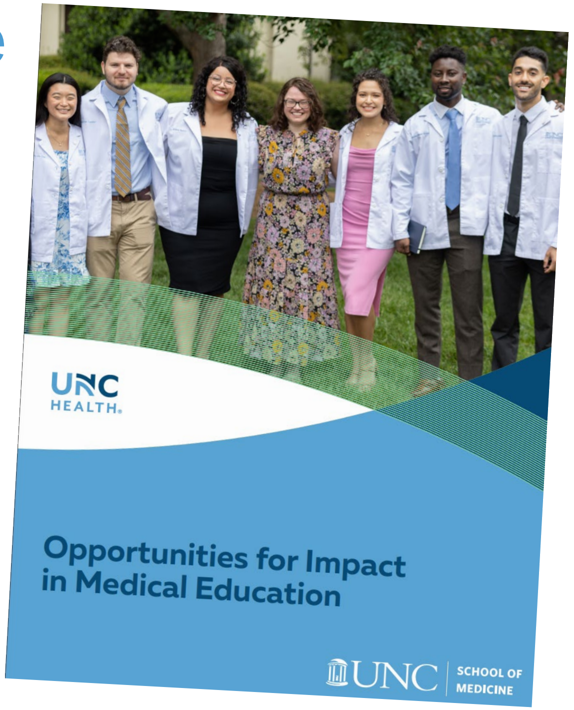
- A proposal is like a grant (persuasive), not a manuscript
- Quad chart may be an effective tool to create (or organize) a proposal
- Keep it short and simple ("beginner's" mind v. "expert" mind)
- Use statistics wisely (i.e., specifically, minimally, and to connect to your proposal)
- Identify potential impact/outcomes

- Possible "Formats" (Foundation will help and may have a format)
  - What? So What? Now What?
  - Problem – Promise – Plan (or Need)
  - Then – Now – Imagine



Quad Chart Format

INSERT Proposal Title Here

INSERT Focus Area(s) here

University Logo

PI: Insert Name of PI or Primary Contact

Problem, Hypothesis and Relevance

- State the problem to be studied, or the hypothesis to be tested or the funding proposal
- Concisely outline the rationale for the research project or proposal
- Describe relevance (relationship to selected unit/college/initiative
- Recommended *minimum* 12-point font

#1

Insert a picture or graphic here that represents the proposed research or funding proposal

#3

Proposed Solution

- Describe objectives of the proposed research project or funding proposal
- Summarize the specific aims (for research) or goals for funding proposal
- Concisely identify anticipated study or funding outcomes
- Recommended *minimum* 12-point font

#2

Timeline and Cost

Activities FY	Yr 1	Yr 2	Yr 3	Yr 4
Enter description of major activity or phase 1; insert or delete rows as needed				
Enter description of major activity or phase 2; insert or delete rows as needed				
Enter description of major activity or phase 3; insert or delete rows as needed				
Estimated Budget ($K)	XXX	XXX	XXX	XXX

#4

Elevator Speech

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- Create accompanying 30-45 second "elevator speech,” incorporating these elements:

  - Identify goal/problem/need
  - Explain importance
  - Communicate your (or your organization’s) unique “value proposition”
  - Engage listener (open ended question)
  - Seek action (next step… seldom is this “closure”)

- Practice with someone who doesn’t know anything about your work/idea and modify based on feedback

Become a Storyteller

- The most important skill you can develop for effective philanthropy is to become a good storyteller.
- Your purpose is to convey a story (not a set of facts) - an inspiring story that allows the donor to “match” their interests/goals with your needs/goals, and “see” themselves in the story.

A well-crafted story allows the benefactor to:

- Identify as the “protagonist”
- Understand the other “characters”
- Envision their impact in the “arc” of the story
- Embrace their role in achieving a positive “ending”
- Remember the “hook” to share with others

A Final Note

To be maximally effective at philanthropy, you need to understand and enjoy the process:

- It is primarily about interpersonal relationships
  - Donors will support who they trust and like, not who needs the most money
- There is an element of “gamesmanship” in the process:
  - It is a competitive enterprise
  - Anticipate that donors will test/judge the viability of the vision/proposal
  - Anticipate that donors will scrutinize the academic leader
  - The process is generally one of “playing the long game”
  - The process should be “donor-centric”
  - Each meeting has a purpose and a format: prepare accordingly and engage in continuous quality improvement
    - Emotional intelligence is a major key to success

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