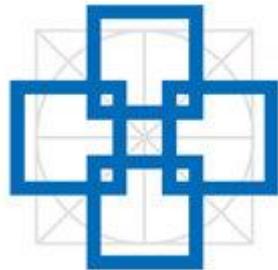


KENTUCKY HOSPITAL ASSOCIATION 2019 CONFERENCE

**ENHANCING & CREATING A CULTURE
OF PHILANTHROPY – THE NEXT LEVEL**



ABOUT ASHLEY|ROUNTREE:

**Regional provider of non-profit sector consulting services
founded in 2002**

Team Concept – 7 employees / 25+ contractor experts

Our Core Services include:

- Comprehensive Capital Campaign Assessment, Planning & Management
- Annual Giving/ Major Gifts / Legacy Giving Counsel / Grants
- Executive & Senior Team Coaching
- Interim Staffing & Executive Searches
- Board & Volunteer Development
- Strategic Planning
- Special Events Audit, Planning & Management
- Non-Profit Mergers
- Variety of Other Fundraising & Non-Profit Management Services

PHILANTHROPY TODAY:

Philanthropy today takes place in a context that is radically different from the environment in which many of its current practices and behaviors were initially developed.

Consider changing tax laws; globalization; increased economic pressures; ubiquitous technology and an unprecedented growth in the number of non-profits actively soliciting donors in the marketplace.

PHILANTHROPY TODAY:

The National Center for Charitable Statistics shows more than **1.5 million nonprofit organizations** are registered in the U.S.

This includes public charities, private foundations, & other types of nonprofit organizations, including chambers of commerce, fraternal organizations and civic leagues.

Over the past ten years, the number of non-profits registering with the IRS has averaged a 2.3% increase year over year.

It's a growing industry.

Health care competes for philanthropy with all other non-profits for gifts & grants – not just other health care organizations.

Kentucky Nonprofits: More Than Charity

A Major Employer

Source: Kentucky State Longitudinal Data System, 2015 data



1 in 11 Kentuckians worked at a nonprofit - 9.1% of the state's workforce



...and Growing

Source: Internal Revenue Service, The Urban Institute, National Center for Charitable Statistics, 2016 data



Engaging Kentuckians in their Communities

Source: Corporation for National and Community Service, 2015 data



\$1.7 Billion
estimated value of volunteer service

Focus on Foundations

Source: The Foundation Center 2017, 2015 data



Giving Matters

Source: Internal Revenue Service, 2014 data



For more information, visit www.kynonprofits.org/advocate/MoreThanCharity

THE HEALTHCARE SECTOR:

The Healthcare sector in particular continues to deal with unprecedented changes brought on by reform, provider shortages and growing capital / deferred maintenance / funding needs associated with aging and new medical technology – and many more challenges as this group well knows.

- How does this sector **engage** with philanthropy to a greater degree?
- How can donors **help** meet operating / strategic challenges and support priorities?
- Should philanthropy be a growing part of this sector's business **model for success**?

How can
creating / enhancing a
“culture of
philanthropy”
drive this success?



WHAT IS A CULTURE OF PHILANTHROPY?

Four Key Components:

- Shared Responsibility for Fund Development
- Integration & Alignment of Philanthropy with Mission
- A Focus on Fundraising as Engagement
- Strong Donor Relationships

Excerpts from “Beyond Fundraising: What Does It Mean To Build A Culture of Philanthropy”

–Evelyn & Walter Haas, Jr. Fund



SO, WHAT IS /WHO HAS A CULTURE OF PHILANTHROPY?

Defining How It's Done Right: “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 (CEO) is committed and personally involved in fundraising.”



HOW MANY THINK THEY DO THIS?

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 (CEO’s) were more likely than their Chief Development Officers to think they had a strong culture of philanthropy (20% vs 12% respectively).

1) SHARED RESPONSIBILITY FOR DEVELOPMENT:

In organization's with a culture of philanthropy, fundraising isn't just one person's job – or the job of one department or the “Board”

Everyone – staff, Executive Director / CEO, constituents, Board(s) and volunteers all share responsibility for fund development.



SHARED RESPONSIBILITY:

... Doesn't mean everyone has to solicit funds;

But, they are expected and understand their role (and responsibility) to act as ambassadors and build relationships.

- They promote philanthropy (and actively give), can articulate the case for giving, and play a key role in helping to attract resources needed (not just money).
- Networking, making connections, building relationships, etc.

SHARED RESPONSIBILITY:

What about actually adding “resource development” as a written / formal part of everyone’s job responsibilities?

- It will drive sustainability and fund development success;
- Don’t assume this is a task you can’t tackle – reframe the conversation and attitudes so it’s a part of everyday and everything;
- Hospitals can be perfect for this, as there is typically more sufficient staff and more outlets / “touch points” to engage donors / non-donors in institution activities.

SHARED RESPONSIBILITY:

The reality is that is the organization is depending on one person (or a couple of people) to bring in the money, it's going to be less sustainable over the long term.

The correct answer if / when asked “How many fundraisers are in your organization?”, the only right answer is “Everyone – the actual number of employees who work there act in that capacity.”

2) INTEGRATION & ALIGNMENT WITH MISSION:

Organizations that have a strong culture of philanthropy consider fund development a valued and mission-aligned component of the organization's overall work – rather than a “stand-alone” function.

- Don't apologize for pursuing philanthropy – embrace it as a critical part of your mission.



MISSION ALIGNMENT:

It's more than raising money; it's baked into everything you do:

- What are some examples of this?
- When you need a donor thank you note written, does it have to come from fund development staff?

Values: Organizational culture; importance of philanthropy; & link between philanthropy & fund development.

- Does your organization share these values?
- Fundraising is a “tactic” for achieving larger programmatic goals and mission – rather than an end unto itself.

MISSION ALIGNMENT & ORGANIZATIONAL STRUCTURE:

Less complex structures and / or firewalls among departments and staff responsibilities lead to higher culture of philanthropy;

And as a value-add, it creates a healthier and more supportive work environment overall.

- What do you think about this?
- Can it work?
- Can it work with your organization?

3) A FOCUS ON FUNDRAISING AS ENGAGEMENT:

Organizations with a culture of philanthropy do not keep fund development separate from engagement. This reflects the fact that people today are connecting with organizations via multiple channels and entry points (i.e. social media, volunteering, blogs, meet-ups, classes, etc.) and engaging in multiple ways as well (i.e. donors, volunteers, Board members, constituent, grateful family member / patient).



ENGAGING:

Increasingly, stakeholders and supporters generally want and expect some kind of engagement – and they typically expect the organization to initiate things.

It may not start with a financial contribution, but over time may lead to that.

This means you must get creative and create environments that present ample opportunity for engagement in authentic and meaningful ways.

ENGAGING:

New generations (of all ages) also expect transparent, relational and participatory engagement – and they expect to be listened to and heard.

Where do you start? Ask supporters what channels they use for their own information and news gathering via a simple e-survey or via direct conversations. Experiment, and see what happens – build on what works!

Does your communications / marketing department understand goals & outcomes are mutually beneficial?

ENGAGING:

You – as a staff member – may know and understand there are “different departments” within your organization.

Generally your constituents don’t or don’t care – “The XYZ Hospital” is the “XYZ Hospital” is “The XYZ Hospital.”

How to engage? Regular & personalized updates about accomplishments; volunteers; personal stories; advocating for an issue; participating in fun events; or thanking.

WHAT WOULD YOU DO?

Would you point a donor in another direction if you felt your organization wasn't the right fit for their philanthropic aspirations? Would you answer this question differently if the donor was a \$100 donor or a \$1 million donor?

- Are you focused on the transaction;
- Or are you tending to the relationship?

4) STRONG DONOR RELATIONSHIPS:

Organizations with a culture of philanthropy see donors as authentic partners in the work, not simply as targets of dollar signs. They build strong relationships and support donor's connection to the work being accomplished.

- Strong relationships focus on people's interest and values – it creates partners who share in goal attainment.
- Relationships, not money, matter most.
 - (And don't worry – the money will follow!)



RELATIONSHIPS:

Donors have more to give than just money.

They have other capital – time, skills, networks, talent.

Focusing on relationship will dramatically increase donor retention.

- On average a non-profit loses about seven out of ten new donors year over year. It's seven times more expensive to replace a donor than to keep one.

RELATIONSHIPS:

Can you “de-think” your traditional approaches?

Increase retention rates and overall giving by focusing on relationships – intentional and personal.

You still need to market to and communicate with to get that first gift – it’s after that first gift that donors typically begin to pay more attention to results because they also want to see what is happening with their financial contribution.

Are your results impactful and relevant?

“AUTHENTIC” RELATIONSHIPS:

Cookie cutter notes, trinkets or “fake emergencies” won’t work.

Deeply understanding why a donor supports you and delivering on expectations do work.

It’s not about selling donors on your organization; it’s about supporting donors as they develop their philanthropy.

- Personalized thank you letters vs. standard gift acknowledgements.
- A “warm and personal” tone to make the donor think that letter was “written just for me”
- Donor-centered approach without “mission creep” and drive to a common vision

“EXTENDING” RELATIONSHIPS:

Don’t limit relationship building to individual donors; expand it to the entire community you serve.

How can you meld the interests of the donors, your organization and the larger community?

- Can your organization become a steward for critical community issues (related to mission) that will have larger impact and relevance?

A SHIFT IN CULTURE:

Fundraising:

Grants & Gifts

Development Staff Responsible

Money

Board Relegates to “Committee”

Acquiring Donors

Short-term Tactics

Scarcity Mindset

Focus on Big Gifts Only

Donations Come First

Money is Dirty

Philanthropy:

Love of Mankind

Everyone Shared Responsibility

Relationships

Entire Board Actively Engaged

Keeping Donors

Longer-term Strategy

Abundance Mindset

All Gifts Are Important

Donations Follow Engagement

Money is Needed to Do Our Work

WHAT ELSE?

SOME PRACTICAL STEPS:

Share your successes / thoughts with others.

Comments / Questions / Concerns?

THANK YOU!

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