market smart

James M. Langley President May 12, 2021



Fundraising: What Needs to Change, Why and How

Three lenses

- Industry level
- Institutional level
- Individual level

- We don't need to worry about saving the planet. It will just throw us off and start all over. We need to worry about saving our asses."
 - George Carlin

- We don't need to worry about saving philanthropy; it will persist in some form
- We need to worry about the erosion of philanthropic support for institutions
- We all say we want to create a culture of philanthropy, but we can't see the orchard for the trees, or for that matter, the trees for their fruit

- Fly over our philanthropic culture
 - Nation
 - Institution
 - Culture = Orchard
 - Trees = Individual donor
 - Fruit = Annual yield

Flyover

- Disappearing trees, shrinking orchard
 - US 20 million fewer trees over the past 17 years
 - A decline of 13%
 - 53% of the population giving to support institution
 - Down from a high of 75% 25 years ago
 - Slow decline over time, accelerating in recent years
 - Fewer trees taking root, most die after the first year

Zooming in

- Few highly productive trees
 - HNW philanthropists
 - Higher ed 80% of support comes from 1% of donors
- Most productive trees are aging
- Younger trees not maturing as quickly and certainly as they once did, not producing yields anywhere close to that of the older trees; improbable to assume that they will

- Hovering closer
 - Mid-growth trees not yield philanthropic fruit as quickly, predictably or as trustingly as they once did
 - Waiting longer
 - Not falling into our buckets for our use as it once did
 - Fruit wants to reproduce
 - Seeking the fertile ground of innovation and impact

Your orchard

- Slight variations but the same general pattern
- Still celebrating the annual yield, or "giving days"
- Not acknowledging the loss of trees, the aging of trees and the growing dependence on the few must bountiful trees
- A bit like saying, "I'm enjoying a nice spring here so who needs to worry about climate change."



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Nothing will affect the future of fundraising more than the willingness of leaders to become more attuned to and respectful of donor motivation and demotivation.

- Jim Langley President, Langley Innovations Author of The Future of Fundraising



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Industry level

- Greater commitment to gathering, interpreting and sharing "field intelligence"
- Why the loss of trust in institutions
- What demotivates donors?
- What will it take to renew and, eventually, deepen that trust
 - Will have a lot more to do with listening than pitching and pleading
- <u>https://hbr.org/2021/03/are-you-really-</u>
 <u>listening?utm_medium=social&utm_campaign=hbr&utm_source=linkedin&tpcc=orgsocial_edit</u>

- Industry level be more honest with ourselves
 - Most fundraisers can't secure appointments with most of their top prospects
 - Most fundraisers who secure their first appointment with a prospect can't secure the second
 - Most prospects don't read or watch most of what we send them
 - Most of the people we contact don't respond to our appeals
 - Most major prospects and donors don't attend most of our events
 - Most prospects' minds are not change by most of what we do

Industry level

- We expect too much of fundraisers
- Orchard owners are expecting the harvesters to increase the yields from aging, depleted orchards, some of which don't have most bountiful trees that continue to mask the larger problem
- We trying to reap more than we have sown

- Institutional level
 - More emphasis on institutional deeds, from which the seeds of philanthropy can grow
 - Closer listening to our donors to ensure stronger commonality of purpose
 - Co-creation
 - Linking donors' convictions to organizational competencies
 - Partnership must replace paternalism, and a pathetic paternalism at that

- Fundraising doesn't acquire donors
- What does is defining purpose, making difference and showing where more differences can be made
- Resonates with donors' values, convictions and experiences, causing them to give or to become receptive to doing so

Current Donors

- Who's your retention czar?
- What have you learned about the major reasons for attrition?
- What are your strategies for achieving higher levels of donor satisfaction?
- Are you expecting too much from traditional stewardship activities?
- How have your acquisition strategies predisposed you to higher rates of donor attrition?

- Mature institutions
 - 80 percent will come from current donors
 - 80 percent of total giving will come from one percent of donors
- New major donor acquisition will be very tough
- New annual fund donors take years before moving up to higher levels of giving

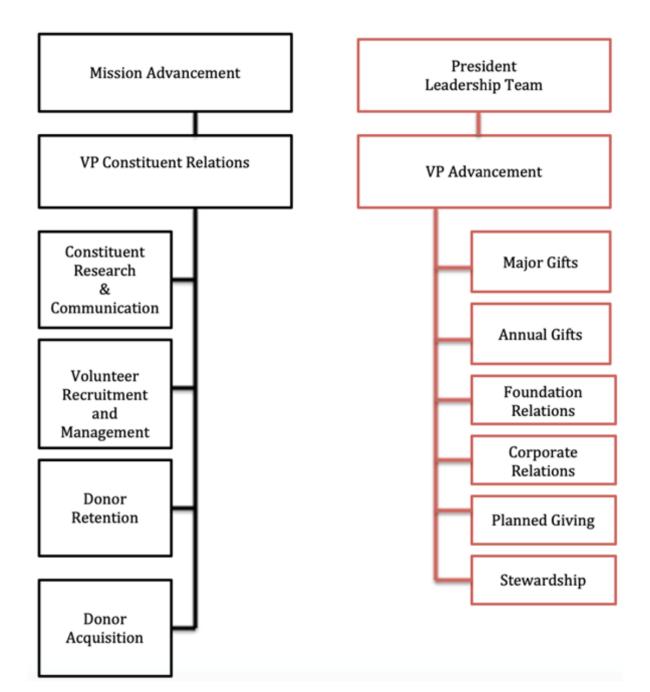
- Individual level
 - Listen, record, report
 - Look for patterns
 - Bring more outside information in
 - Research
 - Make all communication vehicles and events interactive
 - Our social media isn't very social
 - Mostly bragging

Individual

- Debunk the "lone wolf" school of fundraising
- Acknowledge all that contributes to the making of sustainable philanthropic relationship – long, mid and short
 - Those who have taken undue credit for themselves contribute to the unrealistic expectations parked on others

By Function

By Specialization



Individual

 Associate yourself with fundraising practices that sustain, if not renew, this great natural resource we call philanthropy.

Thank you

Questions