



**Center for  
Nonprofits & Philanthropy**  
THE BUSH SCHOOL • TEXAS A&M UNIVERSITY

# Building a Culture of Philanthropy within Your Foundation

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Angela Seaworth, Ph.D., MBA, ACFRE

## FAIRY TALES FOR BOARD MEMBERS



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# Great Boards are not Accidental



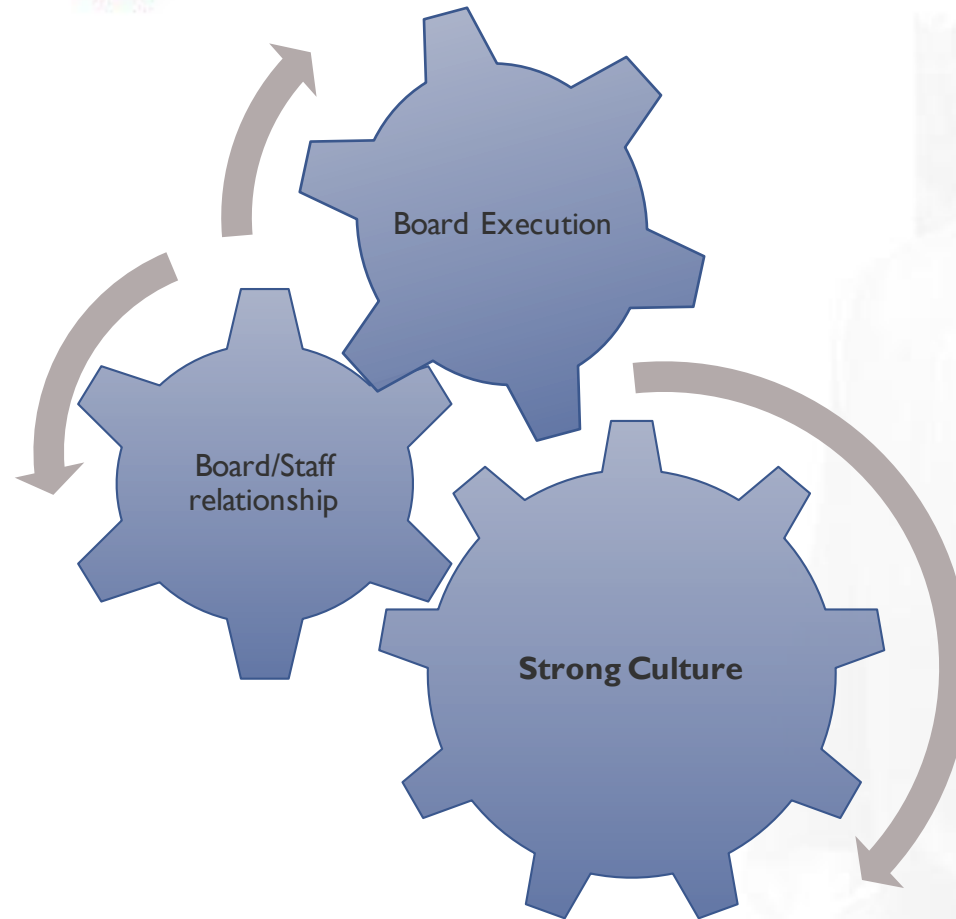
- Explore how boards make a difference in organizations and why they deserve our attention
- Discuss what we know about board fundraising and how we can support our boards
- Examine some best practices that you can intentionally use at your organization to support your board in fundraising and to create a culture of philanthropy in your foundation



# Board Behavior Impacts Culture



- How we live the mission
- How we interact with each other
- How we treat all our constituencies
- How we give
- How we execute





# Board Theory



Every board is unique and that makes it challenging to understand them. There are not many one size fits all solutions, but we have learned a few basic theories to help us understand boards.

Agency Theory– the board is the principal and executive director is the agent. Goal is to separate the risk functions of decision making and implementation, assuring stakeholders of sound operations

Resource Dependence Theory– the board role is to provide the information and financial resources from external sources to ensure the organization’s survival

Institutional Theory– the organization has its own set of institutional norms and rules that affect board behavior. When a board conforms to these norms, it leads to the “we’ve always done it this way” decisions



# Common Board Models



Various types of board models, and researchers are trying to develop one that best serves nonprofit organizations.

Corporate model	Philanthropic/ Stewardship model	Hybrid models
emphasizes strategic, entrepreneurial and management participation of the board	emphasizes resource dependence; asset and mission preservation	combinations of models based on board functions
few committees	numerous committees	numerous committees
composition is smaller and focused on professional representation; compensated	composition is larger, with wider community representation, limited internal members; compensation and term limits are rare	composition varies and it is tied to the board functions; rarely compensated and term limits vary



# Common Perceptions vs. Research



- Boards volunteer time and expertise, but do not have to give money
- Boards most critical role is fundraising, often stated as ensuring financial resources for the organization
- Larger boards raise more money
- Board members must “give, get, or get off” the board
- Board member recruitment should be based on finding people of “capacity and clout”
- Staff is responsible for fundraising



# How to Educate our Boards



- Boards need to understand:
- fundraising is a profession (certifications, professional associations and degrees)
- general trends in philanthropy, especially around foundations and corporations
- development planning process
- the fundraising cycle
- fundamentals of the process so they can help support and evaluate the process at their organizations

**It is our job as staff to make sure they are properly trained  
and that they are engaged**





In 2019, Americans gave  
\$449.64 billion to charity

# \$449.64 billion



Giving by foundations grew 2.5 percent in 2019, and has grown in nine of the last ten years.



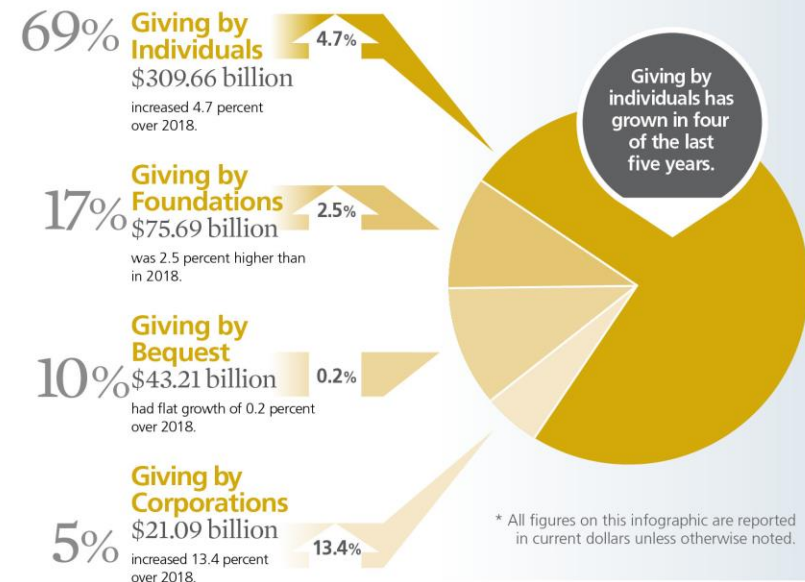
Education, public-society benefit, arts, culture, and humanities, and environment and animal organizations saw double-digit growth in 2019.



Giving to environment and animal organizations increased 11.3 percent in 2019, marking the sixth consecutive year of growth for this subsector.

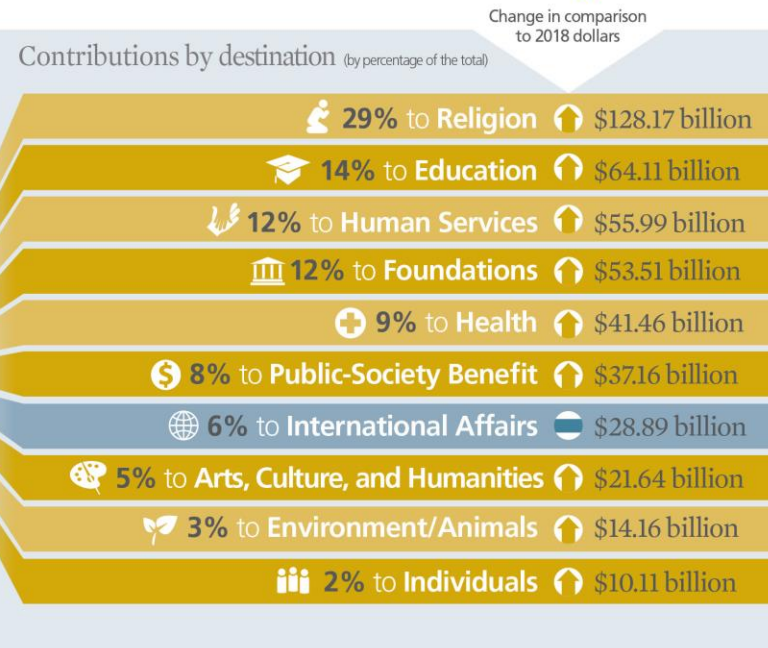
## Where did the generosity come from?\*

Contributions by source (by percentage of the total)



\* All figures on this infographic are reported in current dollars unless otherwise noted.

## Where did the charitable dollars go?



Giving USA data helps organizations understand the giving to organizations in the same subsector – for example, we see that organizations supporting environment/animals receive less money than other subsectors



Visit [www.GivingUSA.org](http://www.GivingUSA.org) to learn more and to order your copy of *Giving USA 2020: The Annual Report on Philanthropy for the Year 2019*.

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



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# Where did the charitable dollars go?

## Contributions by destination



Giving to public-society benefit organizations increased 15.7 percent in 2020, marking the eleventh consecutive year of growth for this subsector.

In 2020, Americans gave \$471.44 billion to charity, a 5.1% increase over 2019.

Source: Giving USA 2021



# Where did the generosity come from?

## Contributions by source

By percentage of the total

**Giving by  
Individuals**  
\$324.10 billion

**69%** ↑ 2.2%

increased 2.2 percent over 2019.

**Giving by  
Foundations**  
\$88.55 billion

**19%** ↑ 17.0%

increased 17.0 percent over 2019.

**Giving by  
Bequest**  
\$41.91 billion

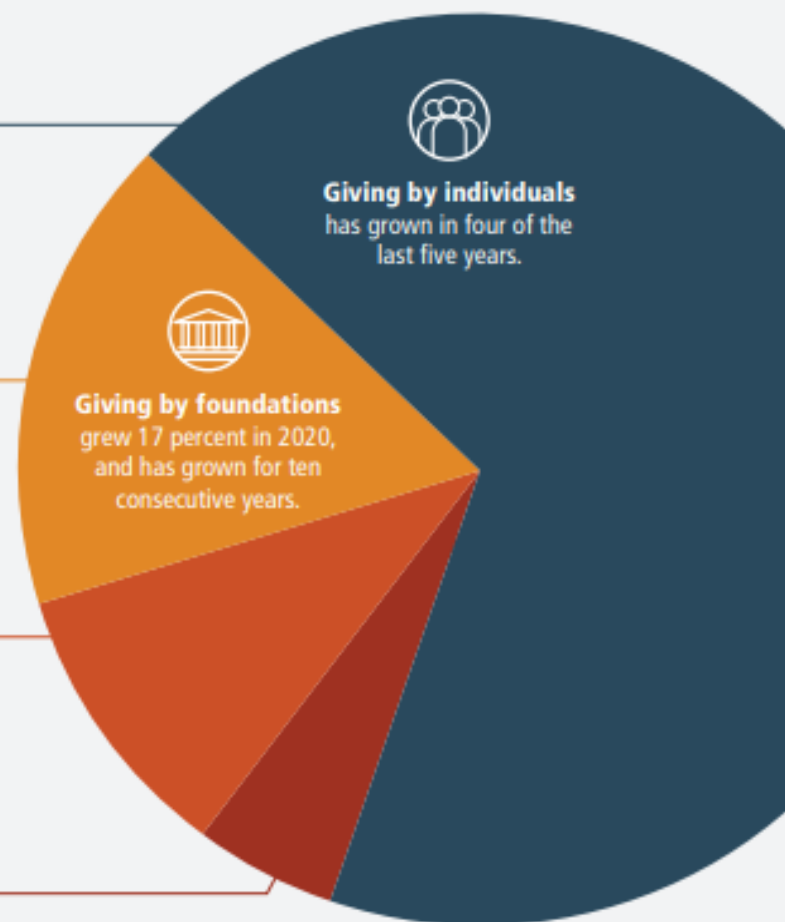
**9%** ↑ 10.3%

increased 10.3 percent over 2019.

**Giving by  
Corporations**  
\$16.88 billion

**4%** ↓ 6.1%

declined 6.1 percent from 2019.



**Giving by individuals**  
has grown in four of the  
last five years.

**Giving by foundations**  
grew 17 percent in 2020,  
and has grown for ten  
consecutive years.

In 2020, we only saw mild movement in giving by source.

Foundations giving increased the most but remained less than 20% of all giving

Corporate giving dropped slightly

\*All figures on this infographic are reported in current dollars unless otherwise noted.

# Nonprofit Planning Process



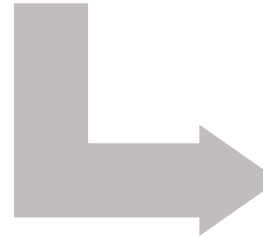
## Strategic Plan

- Involves all constituents in a deliberate process to evaluate the organization and determine its next steps



## Finance Plan

- Involves internal leadership (CEO, CFO, COO), board finance committee, investment committee to estimate cost and determine the business plan



## Development Plan

- Involves internal leadership (CEO, CDO, CFO), development committee and campaign chairs

Note that fundraising is the third stage of the process!



# A Place in the Giving Cycle



## Three Primary Fundraising Roles

### Ambassadors

Making friends and building relationships

### Advocates

Making the case (formal and informal)

### Askers

Making the ask

Front-line fundraisers



Boards have a  
role in every  
stage of the cycle





# Using Volunteers in Fundraising



Most fundraising programs use a combination of volunteers and staff

- Staff identifies and recruits campaign leadership
- Staff creates case for giving with organization leadership and volunteer input
- Leadership helps recruit volunteers
- Staff trains volunteers and provides support for solicitations
  - Provide script
  - Provide responses to objections
  - Provide answers for frequently asked questions
  - Help them understand what information to collect for you during the call
  - Train them to be donor centered, and to graciously accept a “no”
- Volunteers actively solicit peers and submit contact reports to the staff



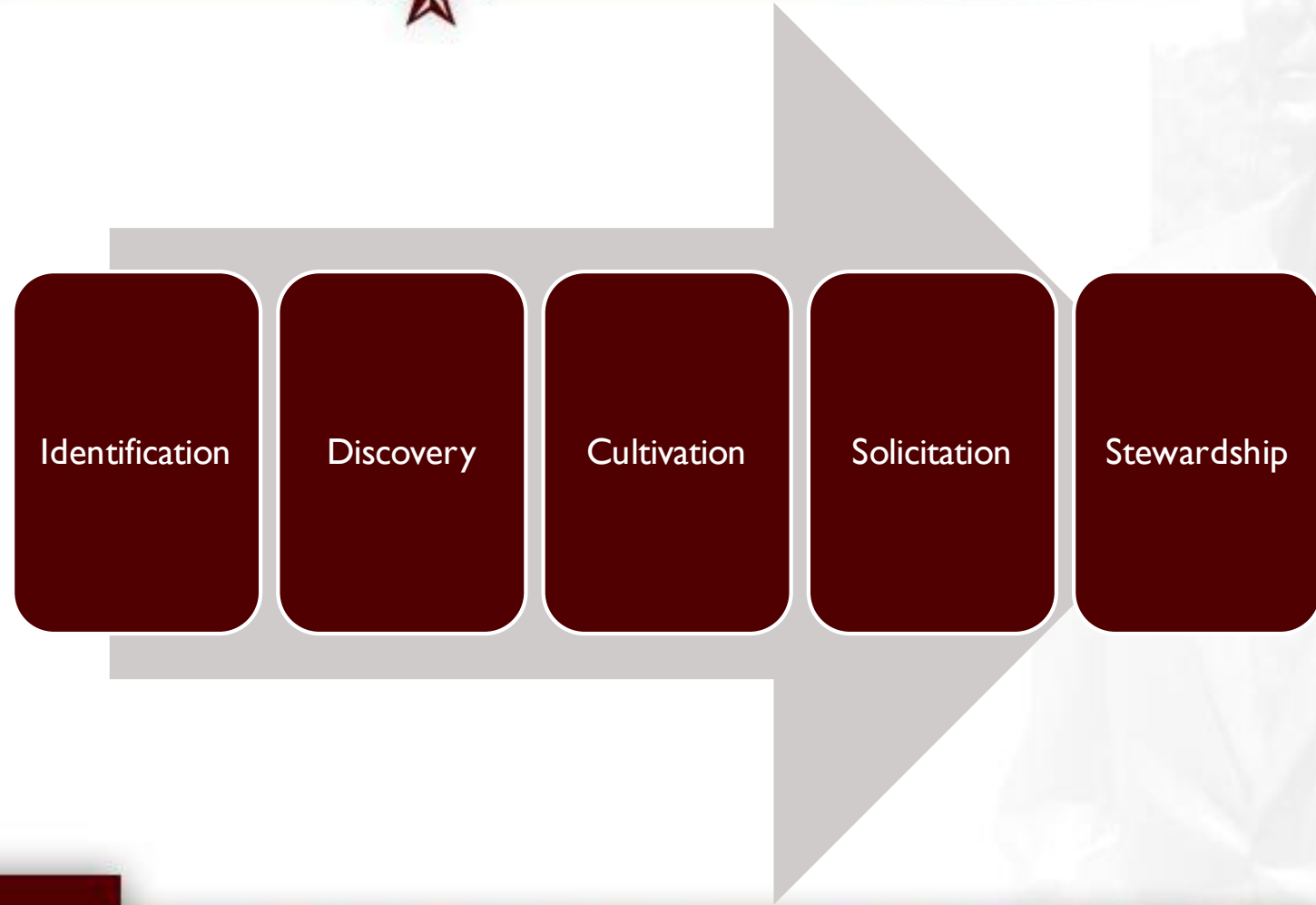
Make it  
easy to  
fundraise



# Board Roles in Fundraising



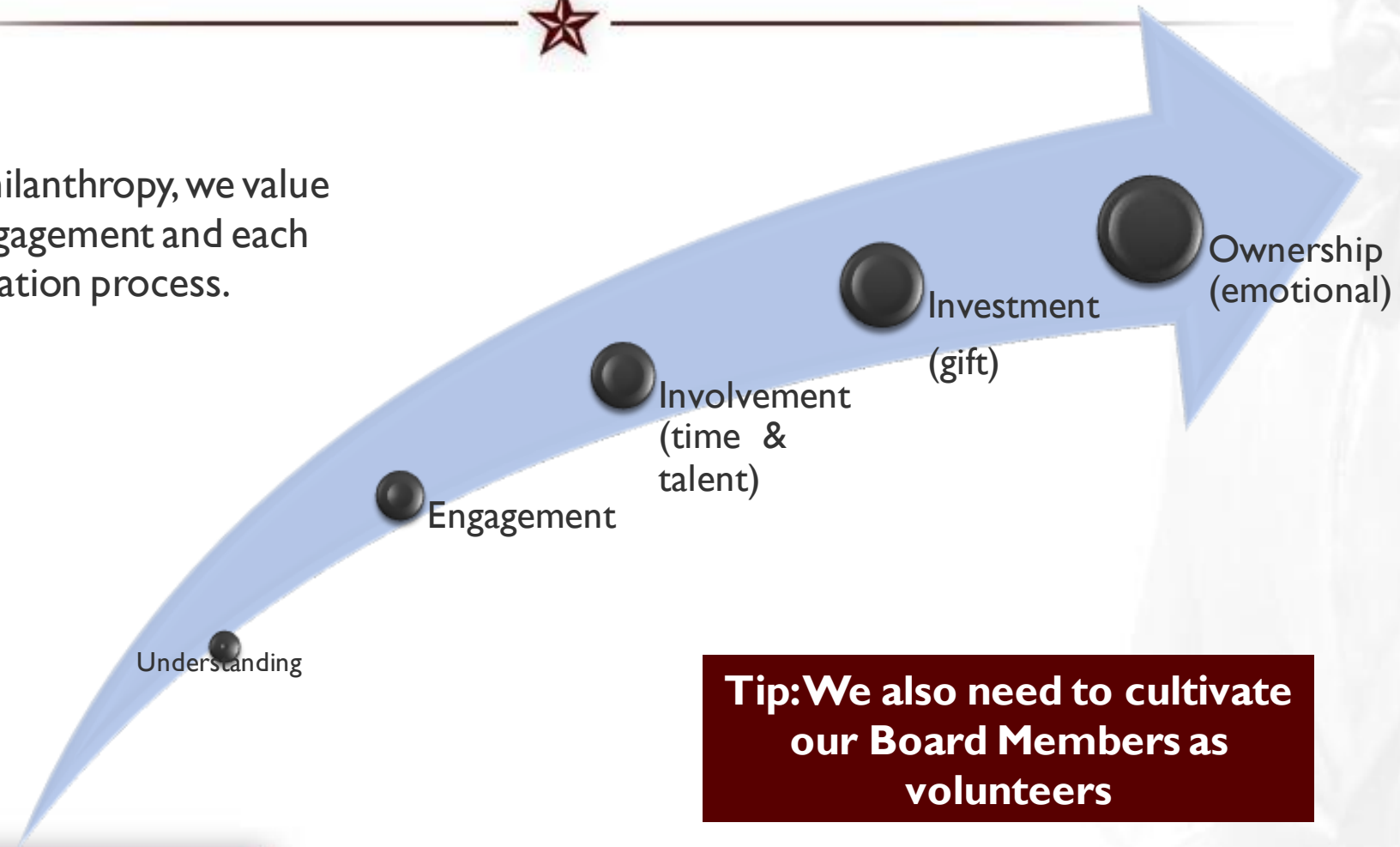
Let's identify how board members can be involved in each stage of the cycle



# Cultivation Steps



In a culture of philanthropy, we value every level of engagement and each step in the cultivation process.



**Tip: We also need to cultivate  
our Board Members as  
volunteers**



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# Importance of Stewardship



*Would you give again to a charity that contacted you personally to thank you for your gift, sent a prompt acknowledgment letter and followed up sometime later with a meaningful update on the program you funded?*

Definitely/probably – 93%

Definitely/probably would increase next gift – 84%

Definitely/most likely would continue to support charity for longer than normally considered or indefinitely – 74%

- 94% of study donors say that charities they support NEVER or HARDLY EVER call them without asking for another gift
- 98% say that charities NEVER or HARDLY EVER pay them a visit without asking for money

Source: Penelope Burke, Donor Centered Fundraising





# Case Study: A Good Board that Won't Fundraise



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# Case Study Discussion



What if you have adopted all the best practices for board engagement and the board still does not want to do fundraising?

## Questions

What is the most important issue in this case?

What do you think should be done first to address this issue?

What other steps would you take?

Are there other issues you feel need to be addressed? If so, how would you address them?

What could have been done differently by the people in this case to avoid the situation entirely?





# Board Exercises



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# Board Exercise 1



Make time at a board meeting to help them re-engage with their passion for the organization and with each other.

Ask your board

- Why do you care about our organization?
- What would you say if someone asked you why you serve on the this board?
- What would you tell them about the organization?
- Let them think about each of these answers and encourage them to take notes

Have them share the information with a few other board members, but time them so they have to be succinct



# Board Exercise 2



Make time at a board meeting to help them learn how to properly execute all the steps of the development cycle we discussed.

- Give your board specific examples of what they can do at each stage of the donor cycle
- Let them identify some prospects who might be interested in your organization and explain why
- Tell them about the fact people have different motivations for giving and which ones might be most suited to your organization
- Let the board identify top reasons to give to your organization
- **Role play to allow them to practice soliciting each other**





# Questions?



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For individual CNP staff contact information, please consult our directory under [Faculty & Staff](#).

Email: [bushschool.nonprofitmanagement@tamu.edu](mailto:bushschool.nonprofitmanagement@tamu.edu)

Phone: (979) 862-3195 | Fax: (979) 845-4155

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