



**Demographics, Generational Change, and Their
Impact on Philanthropy**

Catherine M. Girard

September, 2009

© 2009 On The Cusp Publishing

This is copyrighted material. All rights are reserved.

This work is licensed under a Creative Commons copyright that allows the copying, distribution, and display of this material if credit is given to the authors. This license is classified as an Attribution-Noncommercial-No Derivative Works 3.0 United States License.



ON THE CUSP
PUBLISHING

P.O. Box 510257
Milwaukee, WI 53203
(800) 805-7086
www.OnTheCuspPublishing.com



Demographics, Generational Change, and Their Impact on Philanthropy

Catherine M. Girard

Vice President of Development for Goodwill Industries of Southeastern Wisconsin

Last summer, I began the process of hiring a development manager to help my organization expand its fundraising activities. With the help of our human resources department, we posted the position everywhere we could think of. I activated my network, and put the word out among my colleagues in the field. What happened is probably all too familiar to anyone who has tried to hire qualified development staff in the past five years. In all, I received resumes from only three people who appeared to have the qualifications for the position. We interviewed all three candidates. One of them was late to the interview, was quite abrupt during our meeting, and did not bother to send a thank you note afterward.

Luckily, this particular story ends happily. One of the candidates turned out to be a person whose skills and personality are a good match for the position. She joined our organization in August and is off to a great start.

Not long after that, I came across a startling statistic. According to an article by Business & Legal Reports, “Members of Gen Y will hold 25 jobs on average in their lifetime.”¹

These two experiences have helped crystallize what I believe is the most important challenge facing philanthropy in the long term.

Over the next 20 years, several converging forces will compel dramatic change in the way nonprofits think about and manage the talent they need to drive the philanthropy function. The purposes of this essay are as follows:

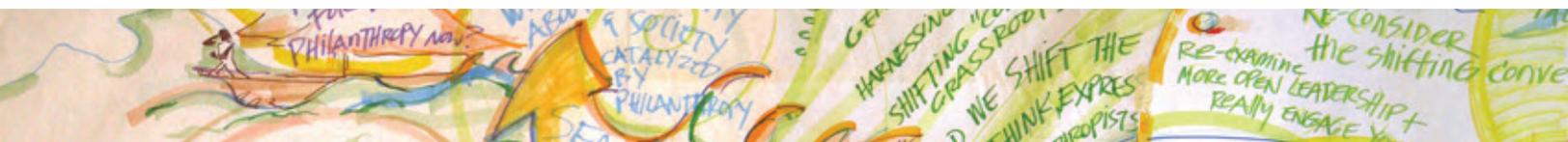
1. To describe the single most important challenge nonprofits face as they confront these converging forces
2. To articulate questions that organizations must answer and issues an organization must face in order to begin addressing this challenge
3. To suggest new ways of thinking about the talent that drives the philanthropy function

The Challenge

Perhaps more than at any time in the history of modern philanthropy, the success or failure of fundraising will be determined by how well an organization recruits, motivates, and retains its talent.

Perhaps more than at any time in the history of modern philanthropy, the success or failure of fundraising will be determined by how well an organization recruits, motivates, and retains its talent.

This issue represents a human resources challenge of great magnitude and significance. For those organizations that depend on philanthropy to fund their missions, this issue could well determine whether an organization continues its work or ceases to exist. It means that nonprofits will have to dig deep to find unprecedented reserves of creativity and flexibility. Some organizations will need to review their own cultures and take deliberate steps to build new cultures. Many will need to learn new ways to collaborate with fellow nonprofits to effectively solve problems that impact a large proportion of the sector.



This is already a problem in the short term, and will worsen significantly over the next 10 years.

The shortage of experienced fundraisers has been well documented in the trade media. In a 2007 article from the *Chronicle of Philanthropy*, Holly Hall stated the following:

The demand for people with a track record of securing big gifts from individuals has reached such a fever pitch that those fund raisers are commanding top salaries, benefits and incentives such as signing bonuses, employment contracts and other rewards... While that's good for fund raisers personally, it is increasingly problematic for the nonprofit organizations trying to hire them... In a survey conducted by the Association of Fundraising Professionals in 2007, "staffing issues in the development office" was stated as the most pressing challenge fund raisers now face.²

Philanthropy will have to address not only a current labor shortage within the profession, but the added demographic reality of an overall labor shortage in the future. It is sobering to note that this is not a problem only for the distant future. The U.S. Department of Labor projects that by 2012, there will be 165 million jobs, but only 162 million people in the workforce.³

Simply put, in a profession built largely on interpersonal relationships, we have an existing labor shortage that will only worsen over time, in a world where new entrants change jobs every two years.

This challenge gives rise to several questions. Time and space do not permit me to address them all here, but I suggest the following as a place to start:

- How do we keep people in the field long enough for them to achieve practice excellence?
- How do we encourage fundraisers to stay at an organization long enough to make a difference?
- Who will provide leadership on this issue at a national level?
- What will be the role of the human resources function?
- Is the "talent" paid staff or volunteers?

This issue will need to be addressed on all levels. On a national level, the Council for Advancement and Support of Education (CASE), Association for Healthcare Philanthropy (AHP), and the Association of Fundraising Professionals (AFP) should convene a task force to develop an action plan to address this urgent issue.

To a large extent, however, organizations will need to solve this problem for themselves.

The good news is that it's not too late, and there are existing models to emulate.

Strengthening the Existing Model

As a first step, organizations must ensure that their existing business models and practices are being used to the fullest extent possible to support the philanthropy function.

Recruitment and retention of philanthropy talent must be made a priority, and organizational strategic plans must include action steps to address this. To be most effective and ensure that the needed resources are received, this should involve shared responsibility between the development office and human resources. Many organizations will need to examine their HR policies to determine whether they are positioned as an employer of choice. Nonprofits who wish to attract and retain good development staff must ensure that they can offer the flexibility and real work-life balance demanded by Gen Xers and Millennials.

Leaders in nonprofits need to be vigilant in ensuring that their fundraisers have consistent exposure to the



mission so they remain focused and motivated. This also needs to be incorporated into organizational planning.

Organizations who wish to keep their fundraising staff must also devote resources to training and professional development. Where possible, this training should include a variety of opportunities and provide a chance to do cross-training in other areas of the organization. For example, a young development staff person could spend time working with staff in the accounting department, or where appropriate, with a case manager.

Envisioning a New Model

Strengthening the existing model through sound human resource practices could certainly have some impact on an organization's ability to retain its philanthropy talent. This challenge is so great, however, that it will require us to rethink the entire fundraising staffing model.

This challenge is so great, however, that it will require us to rethink the entire fundraising staffing model.

One such model is an internship program developed by the University of Michigan (U-M). Essentially, this program enables U-M to grow its own philanthropy staff. The Development Summer Internship Program (D-SIP), gives U-M students the opportunity to explore careers in philanthropy, and provides the university with a way to fill the talent pipeline with people who are already passionate about the institution. As their website states, "The D-SIP has become a model for our peer institutions....And alumni from our first two graduating classes are enjoying their first jobs in philanthropy at U-M, UCLA, Boston University, Penn State and Syracuse, as well as the Peace Corps and other leading non-profits."⁴

Another idea is an adaptation of a model that has been used for more than 20 years by a large sector of the nonprofit community. Imagine for a moment, a fundraising activity where most of the heavy lifting—literally—is done by volunteers. In fact, this is already the case in most special events-driven organizations, especially national health organizations.

For the first 22 years of my career, I worked for national health organizations, first with the National Multiple Sclerosis Society, and then with the American Diabetes Association. Both organizations relied heavily on revenue from special events, such as walks and bike tours, to fund their missions.

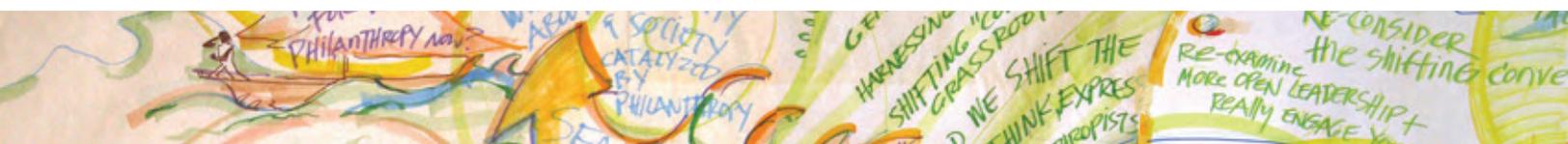
One of the greatest challenges faced by these organizations is staff turnover. In the world of special events, it not unusual to lose 50 percent of the special events staff in one year. Some years, an organization can see staff turnover rates in excess of 80 percent. And this is not a new phenomenon. Health organizations have lived with this reality for years.

How, you ask, can an organization continue to run safe and profitable events year after year with this kind of staff turnover?

The Answer: Volunteers

In the two health organizations I worked with previously, most of the essential functions of the events—communications, housing, and event participant support, to name a few—are the responsibility of volunteers. Ham radio operators are in charge of communications. Groups of volunteers load and unload luggage throughout the entire weekend. In one case, a group of volunteers from a community theater operated a rest stop for the entire weekend of the event. The dedication of these volunteers is extraordinary. Many have fulfilled their responsibilities for 10 or 15 years. Some even arrange family weddings around the dates of the events.

Perhaps the time has come to envision a new, volunteer-driven model for annual campaigns as well as major and planned giving.



In this scenario, we have expanded our thinking about the idea of who the “talent” is. No longer is it assumed to be paid staff, with occasional help from a volunteer. Rather, as in the special event model, the volunteers do most of the heavy lifting. They assume significant responsibility for donor cultivation, solicitation, and stewardship, and make a substantial commitment of time, year-round to an organization. Perhaps a volunteer could one day assume responsibility for department management.

This solution has the added benefit of providing meaningful volunteer jobs for individuals who want to become engaged in the mission.

In closing, I want to clarify that I am not suggesting that it is unimportant to maintain a paid staff. Staff members work very hard and put in long hours to coordinate, motivate, and recognize event volunteers as well as participants. I am pointing to new models already used by some of our counterparts in the nonprofit sector. U-M has built its own pipeline of development professionals while national health organizations have given up control to volunteers.

We will need to challenge old assumptions and biases about how to integrate the philanthropy function into the fabric of the organization. We may be able to find an entirely new talent pool by stretching our ideas about who the “talent” is and how we develop it. The work of countless nonprofits depends on it.

¹Business & Legal Reports, “*Improve Engagement and Performance through ‘Generational’ Total Rewards*,” Business & Legal Reports, <http://neas.blr.com/articles.cfm?articlenum=1>.

²Holly Hall, “*Fund-Raising Frenzy*,” Chronicle of Philanthropy, August 9, 2007.

³Michael Horrigan, “*Employment Projections to 2012: Concepts & Context*,” Monthly Labor Review, Bureau of Labor Statistics, February 2004, 3-4.

⁴Jerry A. May, “*Development Summer Internship Program: Welcome*,” University of Michigan, Office of University Development, <http://www.giving.umich.edu/institute/index.php?page=welcome>.



About this extract

In Spring 2009, Gary Hubbell Consulting convened a think tank of North American nonprofit organization and development leaders. Four topics were selected for discussion, each of which became the focus of an insightful essay by each of the hand-picked attendees. The four topics are: New Perspectives on Leadership, Reimagining the Future of Philanthropy, Development in a Systems Context, and Demonstrating and Communicating Philanthropy's Impact. The resulting e-book, *In Search of New Meaning: Philanthropy, Community and Society*, is available for free download at www.OnTheCuspPublishing.com. This essay is an extract from that publication.

Also Available from On The Cusp Publishing

Books

Forces of Change: The Coming Challenges in Hospital Philanthropy

Lessons from Benchmarking: Fast-Forwarding the Maturity of the Fundraising Operation

Staff-Led Feasibility: How to Design and Conduct Your Own Fundraising Feasibility Study

e-books and articles

Building Alliances to Enhance Philanthropy

Demographics, Generational Change, and Their Impact on Philanthropy

Donor Relations 2.0: Building Lasting Bonds

Fostering Relationships, Trust, Communication, and Competition within a System

Highest and Best Use of Charitable Gifts

In Search of New Meaning: Philanthropy, Community and Society

Keystone Questions

Paradoxical Leadership: A Contrary Take on Executive Clout

Releasing the Leader Within

Shape-Shifting in Philanthropy: 2009-2015

The Paradox of Letting Go and Other Lessons

The Prophecy of Millennial Philanthropy

They Don't Need Us Anymore

What is a Relationship After All?

When the Party's Over: Why, How and When to Conduct a Post-Campaign Assessment



ON THE CUSP
PUBLISHING

P.O. Box 510257
Milwaukee, WI 53203
(800) 805-7086

www.OnTheCuspPublishing.com