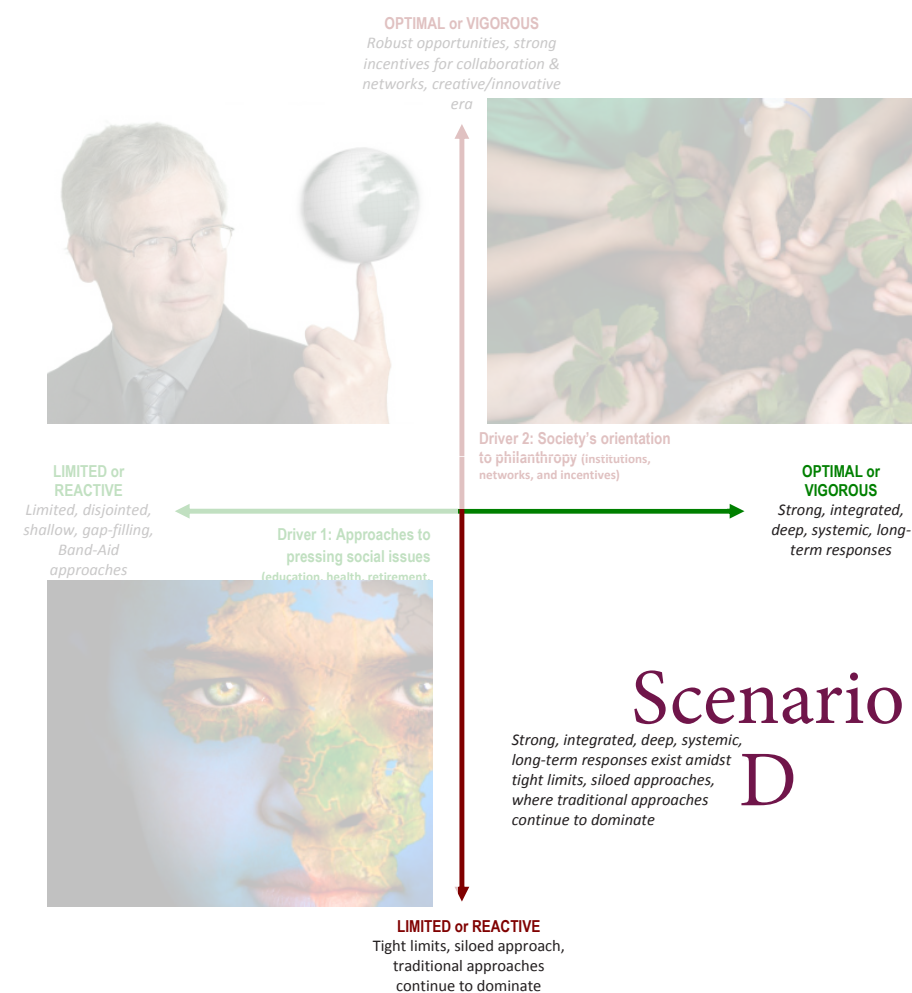


Imagining Possible Futures 2030 When Driving Forces Interact



SCENARIO D STORY CONTRIBUTION BY CONVERSATION 2012 PARTICIPANT



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PROBING THE FUTURE OF
PHILANTHROPY: CLINGING TO THE
PRESENT

Glenn Williams

Gary Hubbell Consulting *Conversation* 2012



PARTICIPANT BIO

Glenn Williams

Chief Advancement Officer, The Principia

Glenn Williams spent ten years learning development work at his alma mater, Washington State University in Pullman, Washington, where he started as a student caller in the phonathon program and left as a director of development for a branch campus. He moved to Williamsburg, Virginia in 1999 to take a position as a regional director of major gifts for Colonial Williamsburg where he befriended Thomas Jefferson, George Washington, and Patrick Henry while learning daily what it meant to be an American. He left in 2010 as Vice President of Development to join the staff at The Principia, where he is currently serving as the Chief Advancement Officer for an organization school with a pre-K through high school campus in St. Louis and a liberal arts College in Elsah, Illinois. While no direct connections have yet been established, it has been noted that the WSU football team went to its first Rose Bowl in over 60 years while he was on staff, the Americans were on the verge of winning the Revolutionary War (almost daily!) while he was in Williamsburg, and the Cardinals won the World Series soon after his arrival in St. Louis. Coincidence?

This is Glenn's second *GHC Conversation*.

Probing the Future of Philanthropy: Clinging to the Present

Glenn Williams

Development work properly executed is a game of chess; one must have the end goal in mind while constantly adjusting course as the situation dictates. Assessing each move taken is as important as the specific move itself, for without an evaluation in relation to the end result, inefficiencies can occur. As we take up the question of how differently philanthropy might look in 2030 compared to 2011, a quote from Patrick Henry seems especially relevant: “I know of no way of judging the future but by the past.”

Looking at how the development field might change in the coming years should benefit from a comparison of how it has evolved over the past twenty years. Through the lens of my own experience—which includes many conferences and training sessions attended over a quarter-century career—I can say that major and principle gift fundraising hasn’t fundamentally changed in that time. In fact, it hasn’t fundamentally changed in the last fifty years. There have been many developing theories and “best practices” instituted that appear to have improved transactional results (most specifically in annual giving). There have been numerous surveys of major donors to assess how their decision-making regarding philanthropy has evolved. Technology has brought new ideas on ways to give and with it lots of speculation on how giving will continue to change. But at its core, development has fundamentally changed little. Is that because development as a field has been slow to adapt or because there has been little need to truly adopt change?

At its most successful, development is about relationship-building in helping potential donors care about philanthropy’s work and its impact on society. So the issue is whether the external factors that are impacting the global economy and how people view philanthropy will force changes to the fundamental principles of development work in the coming years and how philanthropies should respond in order to ensure similar levels of success witnessed over the last few decades.

Defining Philanthropy

Mary Baker Eddy defined philanthropy more than a hundred years ago as:

...loving, ameliorative, revolutionary; it wakens lofty desires, new possibilities, achievements, and energies; it lays the axe at the root of the tree that bringeth not forth good fruit; it touches thought to spiritual issues, systematizes action, and

insures success; it starts the wheels of right reason, revelation, justice, and mercy; it unselfs men and pushes on the ages.¹

When viewing significant contributions of the past through this lens, I can only hope that the spirit of true philanthropy never changes.

Eddy's use of the words ameliorative and revolutionary is especially important in defining why development work is so rewarding, both to donors and solicitors alike: Well-directed philanthropy can bring major and/or fundamental changes to making a better and more tolerable world by improving, enhancing, enriching, and refining charitable efforts in society. This typically is what drives transformational donations toward non-profit organizations and causes.

Has that changed in twenty years—or even fifty years? Should we expect that this type of true philanthropy will be any different over time? The fundamental good that defines humanity hasn't changed through the ages and over the course of human events. The Golden Rule and the story of the Good Samaritan, for example, continue to be good models for philanthropic efforts. While technology, language, and professional standards may change, the basic principles of sound development-targeted relationship building has not and probably should not.

Future of Philanthropy

It is easy to say that the principles of fundraising should not change; in fact, the argument will likely be made that the effects of technology and recent events are so dramatically changing the global economy—and thus the global society—that our world will never be the same. However, in what period has that ever not been true for mankind? Every generation has made the same case throughout history. Could I possibly be proposing that the philanthropic world continue to perform in a “business as usual” manner without evolving significantly to changing circumstances? Yes and no.

According to the National Center for Charitable Statistics website, more than 1.6 million non-profit organizations are currently operating in the United States supported by nearly \$291 billion in contributions. Philanthropies should exist to improve society and the sheer numbers would suggest that there are a lot of niches being filled by non-profit groups. Funding to support these huge numbers is likely coming through time-tested fundraising techniques that can be transferred from one organization to another. I am confident in saying that the vast majority of major gifts made to these organizations did not come to fruition by a clever marketing campaign, slick mailing, technological breakthroughs, or from evaluating donor surveys but came rather through donors—over time—becoming so

¹ Mary Baker Eddy, *The First Church of Christ, Scientist and Miscellany*, p. 287.

familiar with the goals and needs of the organizations that they became emotionally, intellectually, and financially engaged.

Is there any reason to believe that this won't continue to be true of future transformational giving? From that standpoint, my recommendation would be that organizations continue to hold to the tested and true spirit of donor-prospect relationship building as the core of their major gift efforts.

Adapting to Societal Changes

Where organizations should be prepared to change and adapt is in assessing first their very cause for existence and second how much they depend on transactional giving.

As societies' needs are shaped by ever-changing economic, legislative, and social mores, specific needs that were once important may no longer be relevant. The reverse is also true, that evolving challenges will create new opportunities to serve society's needs. If one accepts the premise that non-profits are created to fill a niche, then they should only exist as long as that particular need exists. Sometimes closing one's doors is just what is needed. In some cases, organizational existence loses its ideological roots and becomes less about fulfilling needs and more about holding onto jobs and a perceived sense of relevancy. The greatest leaders are those who think not about self-preservation for themselves or their organization but what societal benefit their work is fulfilling. They are considering whether other organizations are doing similar work and perhaps doing it better, more effectively, and more efficiently. Is the cause for creation still relevant to the purpose for existence? Too few take this view, but how remarkable the result when it happens. Sincerity and integrity are important to this analysis.

Convinced of one's organizational validity, leaders need to assess their field of "competition" and consider ways to collaborate with like-minded institutions. While a few mergers have made the news, in 2009 the Charity Commission revealed that just 9% of charities had considered collaboration as a strategy.² By 2011, the National Council for Voluntary Organisations (sic) in London found that "three in four charity leaders were expecting to collaborate more with others in the next year." Mergers can occur for a number of reasons, but two important considerations according to Andrew Cole are generally a growing overlap between organizations that duplicate efforts and the desire to increase political clout. While perhaps slow to merge organizations, a growing trend has been to form consortiums that can help boost capacity, knowledge and skills.³

Economic circumstances could likely speed up the pace of mergers in the coming years if revenue sources continue to decline through traditional methods. Even if economic circumstances don't improve, more organizations should be looking at comparative work

² Andrew Holt, *Charity Times*, 09-18-09

³ Andrew Cole, *The Guardian*, 04-21-2011

by other philanthropies as the chance to improve services overall for the good of serving humanitarian needs, not just to strengthen bargaining position or the bottom line.

The Age of Possibilities

If this is the present reality given the current economic environment, what might be expected twenty years from now? Returning to Mr. Henry's quote, the past would suggest that given its cyclical nature, economic circumstances are likely to improve over time. How would that affect the pace of change and adaptation if broad revenue streams were once again made widely available? Collaboration and economy are typically driven by necessity. It is reasonable to expect that within a twenty-year window—in the United States at least—economic prosperity will return. Will this mean a return to the old ways of doing business or will philanthropies have learned from recent experiences how important it is to be nimble, collaborative, and responsive to evolving societal and economic circumstances in order to respond to humanity's and donors' needs?

It is reasonable to expect that as the world's governments deal with continuing—and even growing—pressures surrounding hunger, education, immigration and border issues, social justice, health care, employment, and retirement benefits, organizations will continue to rise with potential solutions. Governments will continue to be pulled on one side to reduce spending to meet deficit challenges and on the other an increasing demand for basic human needs such as food, shelter, and education. Charitable organizations are finding themselves meeting needs that not long ago were viewed as fundamental governmental responsibilities. The constant challenge for any philanthropic organization will be how to engage potential donors—who are increasingly sought after by more and more philanthropies—to a point that they are willing to invest at levels necessary to meet serious societal needs. This challenge is exacerbated by the fact that these potential donors who can make the biggest impact are likely completely removed from the challenges themselves due to their wealth and status.

The most effective method for encouraging the needed transformational giving is personal face-to-face connections. This was true during the last century and will continue to be the case in this one. Technology may be able to deliver the mechanisms to generate interest but it is personal connections that create the trust necessary for significant investments to be made. But it is also the most expensive method of fundraising, requiring substantial investment in staff and travel.

Reinforcing the Tried...and Most Effective

In these attempts to develop future scenarios, it is challenging for the human mind to conceive of rapid change in a way that can consistently predict the future accurately more than a few years out. Early quotes about the future of computing from the renowned experts at the time are a perfect example. A personal favorite is Thomas Watson, Chairman

of IBM in 1943, who said “I think there is a world market for maybe five computers.”⁴ Prognosticators abound in our society on subjects such politics, sports, world events, the weather, investments, and the future of philanthropy, but how many truly analyze the success of these predictions? It is important to speculate and plan, but it is just as crucial to analyze justly; the new and shiny thing is hard to resist but the tried and true—and ultimately most effective—has a crucial place in our work. It is extremely challenging to predict the distant future with reliable accuracy so it makes sense to reinforce what works even while experimenting with new ideas.

Mary Kimball Morgan, founder of The Principia, a school in St. Louis, highlighted the importance of right thinking in this activity when she said in 1927:

In this day of rapidly changing ideas and customs, the man or woman who persistently adheres to established convictions is regarded as old-fashioned and unprogressive. And it is sometimes quite difficult to discriminate between a rigid adherence to one’s habit of thought and a firm stand for Principle...There is only one way to act with decision and discretion in these matters, and that is to consider not what others are doing, but what wisdom dictates.⁵

The human experience is a pendulum, swinging from one extreme to another, generally driven by reactions to circumstances, fads, trends, and anxiety. In between the extremes is a common ground in which effective results tend to be derived from calm, realistic, and longer-term thinking. When determining where organizations should be investing most heavily in the future to secure transformational resources, it will always be wise, in my opinion, to invest in highly capable, sincere staff who have the ability to personally convey with passion how their organization is addressing specific, important needs of society. The human and humane touch will continue to garner the best results. It will be those who best understand the donor mentality that will be sure that “new and improved” tools meet their donors’ needs.

⁴ *The Kansas City Star*, Jan. 17, 1995

⁵ *Education at the Principia*, The Principia Corporation, 2004