

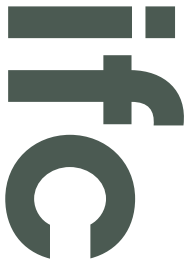


Donor-Driven Philanthropy

How the Dreams of Donors are Changing Philanthropy (and Redesigning Our Future as Fundraisers)

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Introduction

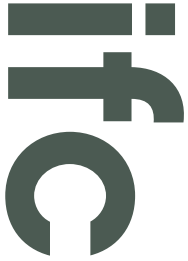
The future isn't what it used to be – it's going to be different. This future, once we play our role in shaping it, will also be better. So many predictors have collapsed, and new ones have emerged, profoundly affecting our role as professionals. The impacts of globalization, technology, conflict, unequal distribution of economic resources, and the spread of poverty and disease are a sticky mixture of challenge and opportunity.

In our world – philanthropy, marketing, and fundraising – the future is already here. And it is very different from anything we have experienced before.

- **If you are in direct marketing**, you know that. Traditional methods are being challenged, discarded, and ignored. New methods are being tested, tried, scrapped or adopted at record speed.
- **If you are in annual giving**, you have been confronted with changes in frequency, methods, and sources of giving – and are scrambling to keep up with social network, cell phone, and other accelerating technologies and the applications they have for engaging and retaining annual donors.
- **If you are in major and/or legacy giving**, the changes may be less chaotic, but they are persistent: greater demands for accountability, transparency, stewardship, and involvement. A growing insistence from donors for engagement on their terms cannot be ignored.

We need to understand change – especially when we are in the midst of it. This little e-book will take a look at some of the shifts that are occurring – some so fast that we have to read our fundraising web sources daily to be current – and why. A few things are very clear as we approach the end of the first decade of the twenty-first century:

- **The dreams of donors** – not our dreams as professionals on behalf of our organizations – are driving both major gift philanthropy (hundreds of millions of dollars in a single gift) and viral philanthropy (the entrepreneur with a website who has become a “citizen philanthropist”).
- **The number of people wanting to engage in philanthropy** is growing exponentially – and it has nothing, in most cases, to do with their wealth (philanthropy is not just giving – it is asking, joining and serving as well). People from all income levels are participating because they know the benefit their investment will have on their chosen issue or cause – and they derive a benefit for themselves as well. That benefit is as old as philanthropy itself: they are making a difference.
- **Confusion about the proliferation of organizations** with seemingly redundant missions has led many donors at both ends of the giving spectrum to do it themselves – creating their own dream-based organizations rather than putting their money in our hands. They may house that dream in a multi-office complex in Seattle or Kiev or London – or on a website.



- **Frustration with the pace** at which we are confronting and solving the world's problems has also led to the rise in direct impact giving – they avoid our organizations because we seem to lack the sense of urgency they perceive about the issue they are working to solve or improve.

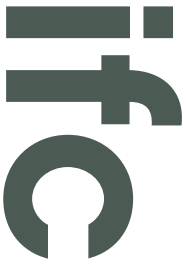
- **Our “tin cup” begging style of fundraising doesn't work anymore** – philanthropy is about meeting needs, not having needs. People are simply not responsive to those messages. They are looking for high-impact results from their giving. They consider their gift – large or small – to be a social investment.

And that's just the beginning. There's a lot more. And it's in this book.

We hope you will read it before, during and after the IFC. And, to see and hear the live version of many ideas in the book, don't miss the closing plenary. It comes complete with sound. And visuals. And stories of dreams and dream brokers you won't forget.

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Section 1

Whose Future Are Donors Designing, and What Does that Mean for Fundraising Professionals?

If the dreams of donors are driving philanthropy, and if dreams are about the future, whose future are donors designing?

That seems relatively simple: while donor-investors are hoping to reinvent the future of the world, they are also redesigning our future as fundraising professionals.

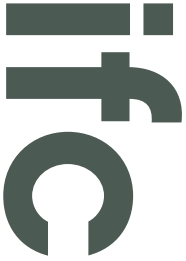
So how did the reins change hands? Why are donors climbing into the driver's seat and asking us in many cases to take the back seat? If we can't hold the reins, we need at least to be invited into the passenger seat.

There are both positive and negative reasons for these significant shifts in our professional landscape. There are strong reasons on both sides why philanthropy is being driven increasingly by the dreams of individuals, foundations, and corporations for a better world. Even some governments and/or their agencies are taking the entrepreneurial initiative.

These are some of the positive reasons for the changes we are experiencing:

- **Globalization** has made every curious person more aware of the needs in the world that must be met: economic sustainability, access to education and health, arresting the deterioration of our environment, finding and stopping the root causes of domestic and civil violence, and other major issues.
- **Philanthropy has recently enjoyed great media visibility** – the impact of donor investment in countries around the world is publicized not only by our professional publications, but by the world media (*The New York Times*, *Pravda*, *Le Monde* and newspapers in India and throughout Asia, South America, and around the globe).
- **There has been a growing sense among citizens of all ages and levels of wealth of wanting to “do something” to “fix”** so many of the world's situations – starting right within your country or your town – and, with philanthropic individuals, the process of self-actualizing is happening younger and younger: people are not waiting until they are 60+ to give back to their communities. Their sense of urgency is acute. They want it done now.
- **The rise of “citizen journalists” and blogs and access to web-based information about world crises and chronic needs has created “citizen philanthropists”** who are hearing about the micro-economic revolution in Africa and other parts of the developing world and finding out that for very little money they can be a partner in these enterprises and speed the solution.

To summarize: twenty-first century philanthropists (givers, askers, joiners, and those who serve) feel as though they can be participants in the vision of a better future for the world – and that dream is driving them to take action with or without us. The actions we take – both to guide these new donors and to respond to their dreams – are increasingly critical.



The negative reasons for these major shifts in donor behavior and involvement are just as insistent. Some of these were listed in the Introduction and are repeated and expanded upon here:

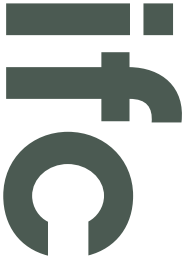
- **Confusion about the proliferation of organizations** with seemingly redundant missions has led many donors at both ends of the giving spectrum to do it themselves – creating organizations they can guide with their dreams and monitor first-hand – rather than putting their money in our hands.
- **Frustration with the pace** at which we have confronted and are confronting the world’s problems (and opportunities in arts and culture) has also led to a rise in direct impact giving. Donor-investors are avoiding our organizations in the hurry to get the dream realized. The August 8, 2008, edition of the US publication *Chronicle of Philanthropy* devotes most of the issue – including the front page – to the rise in direct donations and the threat this implies to the organizations in our sector.
- **Our “tin cup” begging approach to fund raising doesn’t work any more** – twenty-first-century philanthropy is about meeting needs, not having needs; it is about social investment. One problem with our global label of “charities” is that it has taken on a connotation that was not intended. People hear “charity” and think that we are highly dependent and weak organizations – rather than sturdy, effective and very powerful agents of change and action. People have two investment portfolios: financial and social. They take from one to enrich the other. They are looking for return and a relationship. They are not offering a handout.
- **We are not good at telling our own story** – and others in our communities are only just now beginning to tell it for us. We need to let people know how effective we are – our humility, which is consistent with our values and work, can be a negative, keeping us from telling of our successes. We need to let people know of the tremendous difference we are making – as organizations and as a global force, making a difference in all corners of the world, with hundreds of thousands of people.
- **We still haven’t learned that donors want to know how we spend their money.** In countless public and academic surveys and interviews, people still say they would give more if they “knew how it was spent.” A donor with a dream will either take on the project without our help, or hover over us to make sure we are spending the money well. We need to let them know what we have done with their money – the difference they have made through us. *And we need to tell them before they ask.*

Our Role: Dream Brokers

When people with dreams come to us, it is our job to try to find the opportunity within our organizations (or in collaboration with other organizations) to fulfill those dreams. So how do we become dream brokers? And how will this growing role with donors affect our role as fundraising professionals?

- How will our work be different; how will it have to change?
- How can we keep our work effective yet balanced, given the need to build relationships with potential donors while we are experiencing pressure to raise money quickly?
- How can we keep up with the latest technology at the same time as we are continuing to use more traditional materials and methods to reach our increasingly diverse donor base?

In short, how can we both adapt and perform in ways that ensure we will be partners in this new future?



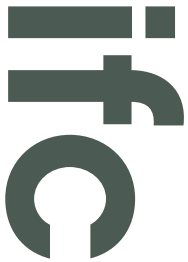
How Our Work Will Be (and Must Be) Different

A few observations about how our work will be different and how we will have to change:

- Things will get more chaotic and fast-paced in our work – more so than now: we will have to get used to it!
- We will need to be more knowledgeable and confident about how to use the vast range of technological “tools” at our disposal both appropriately and effectively.
- We will have to take modest risks. Social entrepreneurs, who began their movement in the 1990s, have defined and inspired many of the changes in twenty-first-century philanthropy, and are drawn together by common beliefs that are bold and courageous (Ashoka, www.ashoka.org; the Skoll Centre at Oxford, www.sbs.ox.ac.uk/skoll/; and the individual work of people with and without wealth who have risked to seed change), state as one of their beliefs that we need to be willing to develop projects needed by society even when the source of support is not clearly evident.
- We will need to remember that not all donors want the same kind or frequency of communications, and we will have to find out what they want by testing and asking and listening.
- Our need to be accountable and transparent will just keep growing.
- Donors – drawn by dreams and issues – will continue to “shop” for the organizations (or places) where they can realize their dream. We will have to be sure that our messages are focused on the needs we are meeting, on our impact, and on our values – not on the needs we have to sustain our organizations.
- We will need to become better listeners and partners – collaborating not only with our donors, but with other organizations to help donors realize their dreams.

If we do not embrace this opportunity for change, we will find existing and potential donor-investors less and less willing to advance their dreams through our organizations. They will work increasingly outside of and around our organizations to launch their idea (even if it fails), and they will try to do things for which they have more passion than experience. Although they would benefit from our counsel, they may not seek it. We need to sell our sector as a solution, not a roadblock, in the fulfillment of their dreams and ideas.

Donors who are taking initiative without our guidance or support are growing in number and impact.

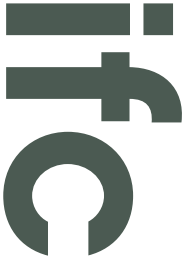


Section 2

Stories of Donors Who Have Realized Their Dreams

The stories are as recent as yesterday's professional and popular press. From the *London Telegraph* to *Pravda* to *Le Monde* to *The New York Times* – and in your own country's popular and professional publications – the stories are being told daily. From “mega-gifts” to “citizen philanthropy” in which thousands of small gifts move the needle towards change, dreams are the drivers.

- Alessandro Benetton is carrying on his family's decades-long commitment to social activism and responsibility with a cutting-edge program in the developing world. If the partnership between Benetton, top executive of his family's iconic \$3 billion clothing empire, and Youssou N'Dour, Africa's most popular musical superstar and founder of Birima, a microcredit program, bears fruit, Dakar may soon have more industry and fewer beggars. The Italian and African entrepreneurs are carrying out what has been described as Benetton's “master vision” (dream) of philanthropy and profit working together. <http://yunusphere.net/2008/03/10/the-sunday-independent/>
- Twenty-three-year-old Li Peng, when told that his blood donation was not needed following the earthquake in Sichuan (<http://edition.cnn.com/2008/WORLD/asiapcf/05/12/china.quake/>) set up a website that accepted donations of goods. “When they turned me down,” he said, “...a big idea (dream) occurred to my mind.” Within two weeks he and his friends had distributed 500,000 yuan (US\$72,000) worth of medicine and biscuits, with an additional 1.5 million yuan worth of goods on the way. Working with him were drug companies, DHL and a Chinese airline that provided free transport. Local volunteers made sure the goods went to the right agencies when they were delivered.
- The dreams and funded programs of great benefactors like Bill and Melinda Gates (www.gatesfoundation.org/default.htm) (and Warren Buffet working through and with them), George Soros (www.soros.org/about/foundations), and Ted Turner (www.tedturner.com/enterprises/foundations.asp), although begun in the US, are following a global dream of a world where disease is prevented or treated, where healthcare is accessible, where education is a priority, where the environment is clean, where violence has ceased, and where people have the opportunity to be fulfilled. These philanthropists, and others like them, have the biggest dream of all – for a better, safer, more humane and productive global society.
- GlobalGiving (www.globalgiving.com) was born from a dream of two World Bank executives who wanted a way to ensure microeconomic stimulation to people throughout developing and often struggling countries. Now joined by GlobalGivingGreen.com, their newly launched enterprise (www.globalgiving.com/cb/green/), GlobalGiving.com has become a “go to” site for investors with big dreams but modest means or giving experience to have direct impact on projects throughout Africa, Asia, South America, the Middle East, and elsewhere. The founder's dream was alluring to the donors: to strip away the layers of bureaucratic waste from the administration of funds for global development, and they have succeeded. Listen to Dennis Whittle talk about growing GlobalGiving: www.socialedge.org/blogs/global-x/archive/2007/05/01/dennis-whittle



- Dubai Cares – Dubai’s partnership with UNICEF (www.unicef.org/infobycountry/uae_42888.html) and Save the Children (www.savethechildren.org) and its contribution to the UN Millennium Development Goals (www.undp.org/mdg/basics.shtml) for providing primary education to every child by 2015 – has announced the launch of a US\$1 billion project to fund education in 12 of the world’s poorest countries. In Phase One, funding will reach Bangladesh, Bosnia, Chad, Comoros Islands, Djibouti, Maldives, Mauritania, Niger, Pakistan, occupied Palestinian territories, Sudan, and Yemen, redeveloping existing facilities and providing medical services and drinking water. Its goal: to educate one million children.

- And we cannot forget Kiva.org (www.kiva.org/about), whose “citizen philanthropists” – following their dreams and engaging their friends through Web 2.0 social networking – made the front page of the *Wall Street Journal* through the story of one young man whose dream grew beyond his wildest imagination as he found himself in the dream driver’s seat, bringing in funding for Kiva microloans from all over the world. Kiva builds teams of donors throughout the world and posts their activities on its website.

Corporations, foundations, a visionary wealthy government, individuals with wealth and dreams, as well as those individuals of more modest means whose dream alone is their driver – all are key players in the philanthropy of the future.

But are we listening to them? Are we hearing them?

We must do more than listen. We must do more than hear them.

We also must educate them not only about the potential of philanthropy to effect major change in communities, but also about our own wise insights into how philanthropy’s supporters – large and small – can work with organizations like ours to be more effective.

Are we losing our time-tested role? That is the question we will have to answer in the years ahead – starting now. Websites like Kiva.org and GlobalGiving.com, which allow donor-investors not only to give or loan directly but also to get direct feedback from the projects they fund about the impact of their giving, are part of a trend that is making the fundraising and development efforts of our organizations increasingly irrelevant to a growing group of donors.

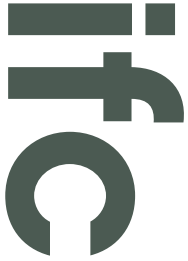
These donors are driving philanthropy with their dreams.

How can we become active partners with these dream-driven donors in what may well be the most exciting period in philanthropic history? The integrity of our work will be advanced only by our willingness to partner these new participants in philanthropy.

We must be willing to change what we do to advance what needs to be done.

We can be dream brokers – we can hear the dream, listen for the opportunities we can provide for its fulfillment, present those options while listening for alternatives, then do what we do best: help these people with a dream of a better community, nation or world raise the on-going, supplemental or initial funding that will make the dreams happen.

That is our job. Now. And into the second decade and beyond of the twenty-first century.



Donor-Investment Models

For generations in some countries and for a shorter time in others, the dreams of most donors have been achieved by working with and through our nonprofit organizations. Once organized philanthropy evolved in the nineteenth and twentieth centuries, those with money and passion sought the structured leadership of these new organizations. Although the US led the way, building on its founding legacy that was observed and written about by Alexis de Tocqueville in his 1830 book *Democracy in America*, other countries soon followed (www.guardian.co.uk/books/2004/apr/03/classics.history).

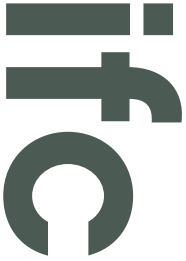
Throughout the world, organized philanthropy found its own shape and destiny, behind the inspired formation of organizations that were ready to engage donors in a future that these organizations envisioned. They sought ways to meet crises, solve chronic problems, enrich lives through education, religion, arts and culture, and set an agenda for communities. In more recent years, the flourishing of philanthropy in eastern Europe (<http://pinchukfund.org/en/>) and South America (http://philanthropy.ml.com/index.asp?id=66319_67035_67041_67441_68221) as well as Asia (www.asiapacificphilanthropy.org/profile-ch1) has made giving truly global.

But now we see the change. There is less attention and loyalty to organizations, and more to issues. While a crisis such as a tsunami or cyclone or earthquake still draws gifts through established organizations, on-going philanthropy addressing persistent and critical issues is veering away from established organizations as many philanthropists with increasingly large fortunes are setting up their own operating foundations to manage the money and do the work.

At both ends of the giving spectrum – from the “citizen philanthropists” to the billionaires seeking the next level of civic engagement – we see that the energy is focused not on our organizations and our fundraising structures, but on their *own* organizations. Many of the largest gifts each year in the US are directed by the very wealthy into their already-existing foundations. For George Soros, Bill and Melinda Gates, Ted Turner, and others whose names are less known, philanthropy means defining and doing most of the work themselves with increasingly large staffs to fulfill their vision and dreams. And, when these donors decide to work with an existing charitable organization, they increasingly want to keep a strong identity with and control over their investment.

Yet in spite of these changes, as professionals we still hang on to the belief that we can position our organizations as worthy of significant investment by the wealthy in our countries – even while ignoring the profound trends that are all around us. It is a new era: we must understand that with few exceptions (universities, colleges, places of worship) it is the issue or dream, not the organization, that attracts philanthropists.

The opportunities (and challenges) we have are global: although the US still has nearly half of the 1062 known billionaires in the world (468), (*Forbes Magazine* published the list in March 2008 based on February 2008 publicly traded stock holdings), Russia (87) has surpassed Germany (59) with the second-greatest number of billionaires. And many do not know that the second richest person in the world, Carlos Slim Helu, is Mexican, and that India is now home to 53 billionaires and significant donor-driven philanthropy. Of the top 10 billionaires in the world, only two are from the US (Warren Buffet, now the richest person in the world; and Bill Gates, now no. 3), and of the top 20 richest people in the world, just four are from the US (www.forbes.com/2008/03/05/richest-people-billionaires-billionaires08-cx_lk_0305billie_land.html).



While Gates and others do find projects run by the likes of us in which to invest (he funds existing education and health programs both in the US and globally), we are still not perceived as partners in the way we should be. Our sector, which harnessed the desire of people to give and to create healthy, safe, prosperous communities and created organized philanthropy as an incredible force for good in our world, must not stand by and watch as others – driven by dreams similar to those we once used to engage philanthropists – search for partners to fulfill their dreams and find us lacking.

What must we do to attract the large investors as well as the entrepreneurial, impatient, suddenly-awakened-to-philanthropy smaller investors of all ages to our organizations? In devising our strategies we need to remember that many of the newly awakened citizen philanthropists are not “20-somethings” but 60, 70 or even 80-somethings, who are impatient for different reasons and eager to see something happen with the dreams they have held for a lifetime. They are pushing us hard for action during their “RT” (remaining time).



Section 3

What We As Professionals Must Be and Do to Attract These Donors

As professionals we know we need to be more entrepreneurial, bold, risk-taking listeners to dreams. But it is not enough to listen.

What can we do to effect change in our organizations? If you are not the leader (PDG/ CEO/Executive Director), how can you initiate change? And if you are the leader, how can you encourage leadership in others? How can you let boldness bubble up?

The dilemma is huge: one of the principal attributes donors look for in organizations is leadership. This has been shown in countless studies. And yet, too often we are frustrated because we are not the leader and we have no way to deploy our leadership ideas. Or, we are the leader but we feel as though we are alone at the helm of the ship.

At this crossroads for philanthropy, we need to get our leadership ideas out among this burgeoning dream-driven group of prospective donors.

Dispersed Leadership

A great US public servant, citizen and thinker, the late John W. Gardner, believed in the theory of “dispersed leadership” (www.pbs.org/johngardner/sections/writings.html#books).

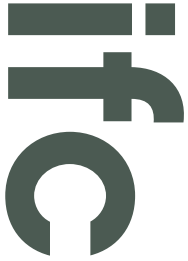
He wrote:

- “Vitality at middle and lower levels of leadership can produce greater vitality in the higher levels of leadership. In addition to all people down the line who may properly be called leaders at their level, there are in any vital organization or society a great many individuals who *share leadership tasks* unofficially, by behaving responsibly with respect to the purposes of the group...(the concept of dispersed leadership).
- “How many dispersed leaders do we need?...We have barely scratched the surface in our efforts toward leadership development. In the mid-21st century, people will look back on our present practices as primitive...The reservoir of unused human talent and energy is vast...among the untapped capabilities are leadership gifts. We can do better. Much, much better.”

John W. Gardner, Introduction to On Leadership, Free Press, 1990

Review John W. Gardner’s 9 Tasks for Leaders – whether dispersed or in charge – as developed in On Leadership: www.regionalstewardship.org/Documents/Book_OnLeadership.pdf

- **Envisioning goals.** This is something we all can do – share donor dreams and our dreams with each other and with our community.
- **Affirming values.** This is something we all must do – values are deeply held beliefs that drive organizations and donors, inspire dreams and right decisions, bring donors and professionals together and should be manifested in all that we do.
- **Motivating.** This means motivating our donors, ourselves and our co-workers.
- **Managing.** We need to manage our tasks, our time, and our responses to enquiries, so they are timely, appropriate, and thoughtful.
- **Achieving workable unity.** As leaders we will make decisions that are not always popular and will have to use diplomacy to minimize the negative reaction to change.



- **Explaining.** This involves telling our communities about our impact through our direct mail, our annual giving, our major and legacy giving programs – and also telling our volunteers and non-development staff.
- **Serving as a symbol.** Even at the market or on the ski slope, the minute you identify yourself with your organization, you symbolize it – a very big responsibility.
- **Representing the group externally.** We do this daily: in person, through our written materials, on donor calls and public engagement.
- **Renewing yourself, your ideas and your attitudes.** Your participation in this IFC shows how committed you are to this leadership task. De Gaulle, citing France’s unpreparedness for World War II, wrote that leaders were “wedded to errors that had once constituted their glory” – renewal is the key to success. In the words of Robert Waterman, author of *The Renewal Factor* (www.amazon.com/gp/offer-listing/0553052268/ref=sr_1_olp_1?ie=UTF8&s=books&qid=1220846897&sr=1-1), we must learn to “surrender the memories.”

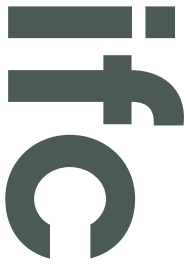
John Gardner further commented in another book he wrote:

“How can we preserve our aspirations and at the same time develop the toughness of mind and spirit to face the fact that there are no easy victories? One way is a tough-minded recognition that the fight for a better world is a long one.”

John W. Gardner, No Easy Victories, HarperCollins, 1969

We must be, as dispersed leaders in our organizations, flexible risk takers, open to change and willing to involve social investors as partners. For we have reached a moment in our history as a profession where it is their dream, not just ours, that will be critical to fulfill.

More than in any other economic or social sector, ours is a fight for a better world. Dispersed leadership is one way we are going to make it happen. Only then will we attract both the citizen philanthropists and those who will give millions. They, working with and through us, will make our quest for a better world successful.



Section 4

How Our Work Will be Different in This Redesigned Future

Changes are proliferating at Internet speed. Everything described thus far in this little book has happened within the last decade; most has happened in the past 3–4 years; and much of it has happened in the last 12 months. How do you keep up? Here are a few resources you should be checking weekly (if not daily) in addition to the listings from publishers such as Wiley & Sons, Emerson & Church and others that specialize in literature about the nonprofit sector:

- www.philanthropy.iupui.edu/TheFundRaisingSchool/PrecourseReadings/TFRSbibliography.pdf
- <http://philanthropy.com/fundraising>
- www.ahp.org/book-store/publications.php
- www.vancouverfoundation.bc.ca/resources/index.htm
- www.onphilanthropy.com/site/News2?id=7233&page=NewsArticle
- www.nptrust.org/philanthropy/donor_links.asp
- www.grassrootsfundraising.org/howto/links.html
- www.philanthropy.org.au/news/events.html
- www.nptimes.com/08Aug/npt-080828-1bnews.html
- www.canvasopedia.org/files/w-conv/Fundraising_Resources.pdf
- <http://charitychannel.com>
- www.agrm.org/dev-trak/links.html
- www.asiapacificphilanthropy.org/node/8
- www.foundationlibraries.org/cof2002/philweb/phil-web.htm
- <http://foundationcenter.org/gainknowledge/cnl/periodicals.html>
- www.nvpc.org.sg/Pgm/Content/NVPC_F_CMS_SubPage.aspx?PID=5&SID=100



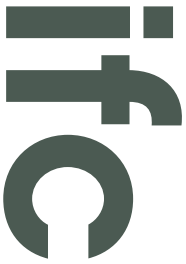
And what can you do as professionals to stay professionally renewed, besides attending the IFC annually and local/regional conferences occasionally for professional development? Here are a few of the many academic and community-based conferences, continuing education and on-line programs that can help you keep up with the trends:

- www.resource-alliance.org
- www.nvpc.org.sg/Pgm/Content/NVPC_F_CMS_SubPage.aspx?PID=5&SID=100
- www.pambazuka.org/en/category/fundraising
- <http://us.oneworld.net/issues/finance/-/article/workshop-fundraising>
- www.fundraising.cz/index.php?show=clanek&id=292
- www.kafpkenya.org/08workshop.html
- www.eventsetter.com/events/USA/Illinois/Chicago/Classes-Workshops-Clinics/event52762.html
- www.philanthropy.iupui.edu/TheFundRaisingSchool
- www.frii.se/index6.shtml
- www.efa-net.eu/english/dropdown_menue/countrydel.htm
- www.ngoschool.org

But even if you never have a chance to attend a course, and if your time for reading is as scarce as your time for pleasure, there are things we should be doing, and quickly.

Here is what we must do now in our organizations and for our communities:

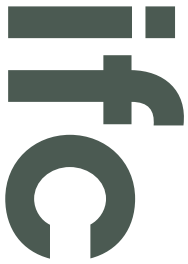
- 1. Really understand and believe that it is not about us.** You have to really believe that the donor-investor is the centre of our universe, whether that donor is operating a website or operating a mega-billion foundation.
- 2. Be transparent in your reporting to your donors and your community.** Decades ago, when no one really understood what the charitable sector was all about – except that we “did good” – few donors were curious about how and where the money was spent. It was enough to “do good” by giving. All that has changed. *We not only have to do good, we have to do well.* We must be willing to tell how we did it and the impact it made. And we need to be willing to let people know when we did *not* do well, even though we felt we were doing good. In a recent controversial decision, the Gates Foundation temporarily ceased one of its malaria programs in Africa – people were upset because the need for these programs is so great. But Gates stopped it because it was not working. That takes courage. Too often we keep doing something because we don’t have the courage to stop. Get over it. Be honest, be open, be transparent. Only then will we engage long-term partners for our programs.



3. Realize that when it comes to philanthropy, the world is flat. What Tom Friedman wrote about in his book of that title (www.thomasfriedman.com/bookshelf/the-world-is-flat) applies to philanthropy. Globalization is removing the boundaries and expanding the possibilities for impact. In a recent article in the US publication *Chronicle of Philanthropy*, writer Caroline Preston stated that “American nonprofit groups” raised more than \$110 million for victims of the natural disasters that hit Myanmar and China in May of this year. Why call these organizations “American?” Although US-based, aren’t they truly global? Yes, organizations like American Jewish World Service and AmeriCares signal their location in their names – but what about the others? CARE. Catholic Relief Services. Direct Relief International. Food for the Hungry. Foundation for the People of Burma. Give2Asia. International Medical Corps. Salvation Army. Save the Children. World Vision. Where are the boundaries? In truth, there are none. One of the magnificent attributes of philanthropy is that – because it is based in the love of humankind – it is without boundaries. We must believe that and convey that in our marketing and outreach. And even if your organization operates only in your city or your country or region for its benefit, we all know that – in the words of the early-seventeenth-century English poet John Donne – “no man is an island.” Donne’s most famous work includes the line, “never send to know for whom the bell tolls; it tolls for thee.” In this vibrant twenty-first century, more than ever, we all live within the sound of the same bells. What happens in Prague or Toronto, or India or Argentina, or South America or South Asia, affects each of us. So does our philanthropy.

4. Be open to change. We are change agents. And yet too often we are reluctant to change. Citing tradition, costs, lack of leadership, and other excuses, we hang on to the old practices and ideas. Test them. Validate them. If they no longer work, give them up. Do zero-based planning: if you did not exist, would there be a need for your organization? Would there be purpose in creating it again? Does the need you were created to meet still exist? If not, why not do something else or just close your doors? Staying viable as an organization is less about the organization than it is about the needs you are meeting. If they are no longer being met well by you – if others have come along whose programs or presence have diminished your impact, consider merging, or collaborating. Our donors with dreams are looking for ways to solve problems, fulfill their vision, make the world a better place. Having 10 organizations that do the same thing, fracturing the marketplace and confusing the donor as to where to invest, is foolish on several counts – not the least of which is the reality that, presented with too many investment options and having no firm belief in the ability of any of them to do the job well, these passionate dreamers go out and create yet another organization! When will we see that we need to consolidate around the issues or needs in our communities – and not make the organization the center of our thinking? How can we be more willing to change?

5. Use technology thoughtfully and appropriately. We know it is more than a donation engine, but do we use its full potential? It is a powerful tool for increasingly personalized communication, stewardship and relationship building. And this is what donors and their dreams want. The *cell phone* is becoming the preferred mode of communication and will soon rival the use of email. The study reported here is jarring to those who have relied on other direct marketing, including email, to reach donors: www.jupiterresearch.com/bin/item.pl/press:press_release/2008/id=08.08.04-social-and-portable-inbox.html/ In some areas, and among some people, the cell phone already has come to rival email. How are you using that tool? We need to use technology to convey impact: through text messaging or emails, get the word out about what you are doing well and the good it is doing. This has been the biggest attraction with the direct donation giving sites like GlobalGiving and Kiva: connection with the impact of the investment.



6. Engage partners. Not just funding partners. Thinking partners. People with dreams who can sit and think with you about how to work in partnership to fulfill the dream. While the dreams of donors are driving philanthropy, we do not have to be in the back seat. We can ride up front. We can broker that dream. We can hear it. We can match it with an opportunity we know exists in our community, and we can connect the donor. Partnership requires a willingness among all involved to share the dream, but also the work. We can let those with dreams know that we are willing to work to help them fulfill their dreams. They don't have to reinvent the wheel – we have a very good wheel that is ready to roll out their dream.

7. Donor-investors want involvement. There is no getting around this. They want to be involved with their investment. They will define that involvement: from regular reports to a seat at the boardroom table. If you want to keep them closely involved, and build a mutually satisfying long-term relationship, then you have to welcome them and not resent their presence. This is a tough hurdle for many organizations that are used to doing their business without involvement from people outside their organization. Those days are over. And, with youth beginning to be more involved as donor-investors, we will find that our meeting practices may have to be changed drastically (<http://philanthropy.com/free/articles/v20/i19/19003701.htm>).

Holding the attention of people raised in an Internet-gearred world requires letting go of some of the laborious and layered ways we make decisions. These next decades will see huge changes in board composition, decision making, and the willingness to take calculated risks. We must welcome those changes.



Section 5

The Big Ideas That Will Help Us Thrive in a New Philanthropic World: A Summary

Our role going forward will be different. We will have to go where the donors and their dreams are. They may not come to us.

But if they do come to us, they will be looking for conditions that tell them that their dream will be cherished and grown in an organization that is entrepreneurial, strong, and safe. And if their dream will not work within our organization – if we cannot be the broker they seek – then we must send them on to another organization. Part of transparency is the understanding of what you can and cannot do. Too many gifts in philanthropy have been taken in full knowledge that they would not be spent as the donor wished. We have passed that time in philanthropy. That is no longer conceivable or possible. The donor is looking for a return on investment. We must provide it, or suggest where they might find a home for their dream.

We will be defining our new role constantly in the next several decades – as long as many of you will be in this profession. There are some who question whether our sector will even be a discrete sector in another generation or two – or whether our work will have been subsumed by operating foundations, entrepreneurial public-private partnerships, and special divisions of corporations that will use their resources to accelerate the change we have begun.

Whatever the place of our sector in generations to come, those of us whose passions are tied into the work we do will want a role. Perhaps this is the biggest challenge we have: *to stay renewed and focused and to remember that the accommodation of change is perhaps the biggest change we have to make.*

The future isn't what it used to be. And, as it unfolds, we may find ourselves doing our work in ways and places we cannot imagine today. But wherever this journey ends, the demands on us will be the same. Our capacity to respond to these demands – however and wherever – retains its resilience when we remember these things:

- **We are dream brokers.** Never forget it. Listen for the dream and match it with an opportunity. Let those with dreams know that we are the sector that can help fulfill their dreams. Work with us.
- **We cannot lose sight of the vision even in the darkest, most stressful moments of our work lives.** There are few professions as stressful as ours. Many bosses. Insistent deadlines. Many constituencies. Pressure. Fear of failure that can damage our mission and our community. The vision we must stay fixed on is not what we see in the mirror – but what we see when we look through the windows of our organization and into the communities we serve: and find those donors with dreams. *If we lose hope, who will have it?* Create networks with each other – growing out of your IFC experience – and create a “hope line” that you can call when you feel overwhelmed.



In our roles as direct marketers, major giving officers, special events directors, executive directors – remember that the most important view is not the one in the mirror, but the one through our windows. It will give you hope and inspiration. It is where the dreams are. If we seem overwhelmed by our responsibilities, we do not look like a good investment for the donor with the dream in her heart.

- **We must encourage board and staff to be passionate pragmatists** – balancing the dream and the reality so that both are effective. Too far towards passion, and the dream dissipates; too far towards pragmatism, and the dream is forgotten. Fly your dream like a kite: with a firm grip on the string and your feet securely on the ground.
- **Dreams inspire and engage, but they are only possible when they are guided by accountability, transparency, and impact.** Throughout your organizations, the commitment to accountability, transparency, honest reporting, openness, candor, and disclosure is critical. It will be the litmus test for your capacity to incubate dreams. And, when positioning your organization as a good investment for today’s curious and capable donors at all levels, remember that your impact is what they care about. Tell your stories. Provide statistics. Connect them with results.
- **In everything you do, be perceived as a viable partner.** Make sure your marketing focuses on impact, not just reach. That you convey results, not needs. That you focus on the 5 “I’s” that intrigue these new social investors: *Issues, Investment, Involvement, Impact, Innovation.*
- **We must be bureaucracy bashers and keep our organizations lean and swift.** We cannot let the organization get in the way of our mission – if the issues in your agencies obscure the mission and dream we must accomplish, speak up and speak out. Practice dispersed leadership. Try to gain a foothold in the organization so you can lift yourself and others up to where people will see your leadership and be inspired. And, if you cannot move up, move on. Dreams are waiting.

They are the dreams of Palestinian billionaire Munib al Masri, who is turning his West Bank estate into an academic retreat for foreign scholars – a research center that will attract professors to teach at Palestinian universities and bring the “subjects we want to create a strong Palestinian state.”

They are the dreams of Victor Pinchuk, Ukrainian billionaire. And of Sir Tom Hunter, British billionaire. And they are the dreams of donors who turn to GlobalGiving or Kiva to give directly to what they care about. They are the dreams of donors who believe the words of Arundhati Roy: “Not only is another world possible, she is on her way. On a quiet day, I can hear her breathing.”

They are our future. They are shaping not only the world in which we live, but the world of philanthropy. And that is our future.

Closing Thought

“Be daring, be different, be impractical, be anything that will assert integrity of purpose and imaginative vision against the play-it-safers, the creatures of the commonplace, the slaves of the ordinary.”

Cecil Beaton, English photographer

Kay Sprinkel Grace
San Francisco, CA, USA
September 7, 2008