The "State of the Union" in Fund Raising

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As I thought about our time together this morning and what your expectations might be for a session with the imposing title of the "State of the Union in Fundraising," I suspected that you might come here looking for a definitive, verifiable assessment of fundraising, one that would answer whatever questions you may have about the state or condition of our work, and one which would give a clear and strategic direction as to where we are headed. Isn't that the sort of complexity and thoroughness we have come to expect from the President's annual State of the Union remarks?

Well, I have to tell you I don't have those answers. I, like many of you, have some questions. And my hope today is to try to bring some focus to those questions and to try to give you some food for future thought and future discussion.

In my conversations with Michael Rubin about the focus of today's time together, we touched on a number of topics related to the state of the union in fundraising. We talked about certification, about advanced degrees, about the emphasis on technical skills, and on our role as change agents. I will direct a few remarks to each of those questions over the next few minutes. But, if I may, I would like to begin with a few personal observations about the "State of the Union" in fund raising.

First of all, how could anyone be more blessed than we are, we who get to toil almost every day in the vineyards of philanthropy? In the six years prior to my entry into fundraising, I very, very successfully sold restaurant equipment and supplies – pots and pans – for a living. I was my employer's top salesman in the country. I can remember nights when I came home having successfully consummated a huge sale and said to myself: “So what.” But the first time I came home after securing a $10,000 gift for a student scholarship fund, I experienced what it means to find fulfillment and meaning in my work. As some of the giants in our field – people like Jerry Panas and Bruce Flessner – have said and written, we enjoy the incredible privilege of sitting and working with people at some of the happiest and most fulfilling moments of **<u>their</u>** lives, those moments when they are making extraordinary gifts for the benefit of others. So my first observation about the State of the Union in fundraising is that working in this field remains an inspiring privilege that we should never take for granted.

My second observation may be controversial. I believe we, as a field of endeavor, and AFP, as an association, have expended too much time and effort trying to prove to our own satisfaction and to certain targeted external audiences that we are a profession. And now, we have named ourselves the Association of Fundraising **<u>Professionals</u>**.

Let me digress for a moment with a semantic distinction. Although I lobbied unsuccessfully during the name change process at AFP for a reference to philanthropy rather than fundraising, I am not troubled by the use of the word “professionals” in the association’s name. I believe we can be professionals without belonging to a bona fide profession. Is Sammy Sosa a professional baseball player? Certainly. Is baseball a profession? Is Brian Urlacher a professional football player? Certainly. Is football a profession? Is wrestling a profession? Is wedding photography a profession? Is painting a profession? None of those activities meet the criteria for professions, but the people engaged in those activities are professionals.

For a number of years, I felt like I – as much as anyone else I knew – had expended more than my share of time, energy, and effort to advance the “profession” of fundraising. Through my service within NSFRE and AFP, my creation and subsequent twelve years of teaching in my university’s M.A. in Philanthropy & Development program, my service as a charter member of the CFRE International Board, and my current service on the AFP Board, Ethics Committee and Research Council, I suppose I could say I’ve done my share to advance fundraising as a profession.

Today, it is politically incorrect in many circles to say that fundraising is an emerging profession. Many leaders in the field find the characterization of "emerging" to be demeaning and to represent a step backward. I suggest that fundraising is – at best – an emerging profession and that it has substantial ground to cover before qualifying as a full-fledged profession. But more importantly, I suggest that the pursuit of the holy grail of status as a profession is counter-productive and will serve well neither those of us in the field of fundraising nor those who comprise the beneficiaries of the agencies, organizations, and institutions that employ us.

I have reviewed much of the literature on the characteristics of a profession. One source lists twelve criteria. Encyclopedias and dictionaries list from four to six characteristics. Another source lists seven criteria.

And based on the nature of what we do in fundraising, and based on the excellent work of AFP, AHP, CASE and other organizations, we meet more than the majority of the established criteria for being a profession. We are, for example, working to create a defined body of knowledge. But every source I have reviewed stipulates that status as a profession requires meeting **all** the criteria, not just most of them. And the one crucial criterion we fail to meet – a criterion that immediately comes to mind when you think of the universally recognized professions such as medicine and law – is that we have no agreed upon performance or competence or knowledge standards as a qualifying basis for **admission** to the field and for continuance within it.

But – and here's where I climb far enough out on the limb that it is in danger of breaking off – I believe we should not aspire to qualify as a profession!

AFP currently has a task force exploring the topic of licensure. Now, I think it's healthy and wise to explore that topic, most importantly as an effort to stay abreast of whatever stifling and harmful initiatives toward licensure may be launched by various levels or departments of government. As we all know, when government seeks to regulate away relatively minor problems, they typically do so by grossly overreaching. I think it is prudent and appropriate for AFP to be exploring the topic.

But in principle, I believe licensure is a bad idea.

Nearly all of the very best and most ethical and most visionary and most mission driven fundraisers I know are people who entered the field almost inadvertently, certainly without years of planning and preparation. They became fundraisers because they were passionate, because they wanted to change the world, because they had been moved by their experiences as beneficiaries of philanthropy, because they wanted to do something meaningful and fulfilling, because they had volunteered for one or more causes and decided to dedicate the work portion of their lives to serving the needs of society.

Now, we could of course say the same thing about doctors and dentists – and perhaps even a few lawyers – but many of the fundraisers I know became successful not through formal training, but rather from the careful nurturing and mentorship of others, from self-education, from the trial and error of experience. How many of these individuals would never have considered dedicating themselves to the service of others if there were licensing barriers to entering what – particularly in the past – was anything but a lucrative field of work?

As I was organizing these notes for today, I remembered an example of one of the very best fundraisers I know, a woman who has been recognized by her AFP chapter as its outstanding professional fundraiser. She is a former student of mine in our Master's program at Saint Mary's University. And one of the assignments I give my students – an idea I have "borrowed" from my ELI experience at Indiana University and from Robert Payton – is to write a philanthropic autobiography.

The assignment is not the story of each of us as a fund raiser, it is the story of how philanthropy has intersected with our lives as actors, as observers, and – perhaps – as beneficiaries. It is truly an autobiography. The large majority of my students over the past dozen years have written that their first awareness of philanthropy – long before they ever knew or had heard the word – was in Church, with their parents, either when they saw their parents place money in a collection basket or when their parents gave them some loose change to place in the collection basket.

I suspect that for my generation that was the first philanthropic experience for most people. But this woman, in her philanthropic autobiography, wrote that her parents were unchurched, and that she had no awareness of, and no exposure to, the not for profit sector or to philanthropy until the day in her very late teens when she went to a rape crisis center as a victim………… She wrote about how overwhelmed she was by the compassionate care of these strangers who worked in an agency totally supported by donations; she said it was because of that experience that she decided to dedicate the rest of her life to the service of others through fundraising. That woman didn't need a license or a qualifying examination to be an ethical, moral, competent, mission driven fundraiser. But if there were licensing requirements, she might never have entered the field.

And I also think of the small, unsophisticated, grassroots organizations that you know that would find their access to fundraising staff severely limited if they could only select from a group of pre-qualified, governmentally licensed professionals. I think of the many small private schools we have served as clients through our university's outreach consulting program, The Metanoia Group, and how all of the junior staff (and some of the senior staff) of these places were individuals with no experience and little or no knowledge or learned fundraising skills when they started their work, and yet they have been extraordinarily successful in generating philanthropic support.

However, **all** that I have said to this point about professional versus profession is simply a build up to my main point. I believe that the single most troubling aspect of the so-called advancement of fundraising as a profession, a process in which I have been an active player for more than two decades, is that it has been accomplished at the expense of the central role of volunteers in philanthropy. Fundraising is increasingly a staff activity. Boards increasingly look at professional staff, and the escalating salaries paid to the members of those staffs, and conclude that they – the volunteers – have been relieved of their responsibility for fundraising and that the responsibility can and should be delegated and assigned to paid staff. Too many of us have been willing partners in this transition from volunteer intensive fundraising to staff intensive fundraising. And only a few people seem alarmed by this trend. For some in the field of fundraising, this is viewed as a positive trend because it provides job security and generates those ever-escalating salaries. It makes us more essential, more indispensable.

And the perspective that "we don't have to get our hands dirty anymore" is not limited to boards. In my consulting work over the decade of the 1990s – next to dysfunctional, micro-managing boards – the most nettlesome and frequent problems I found in organizations were the attitudes of both CEOs and board members that they were only to be a tag-along for fundraising, that staff was to open the doors, build the relationships, and then let the CEO or the campaign leaders enter the process at the time of the close.

By promoting ourselves as professionals, as experts, we have largely disenfranchised our volunteers and the continuation of this trend will, in my opinion, bring about the demise of philanthropy.

In the "old days" we were the National Society of Fund Raising Executives. And while I found the word "executives" to be somewhat elitist and certainly not representative of the vast majority of members, it at least suggested that our role was to manage and facilitate fund raising rather than to **be** the fundraisers. So, I'll get off **this** soapbox now, but not before I underscore one last time that I believe the most negative trend in our field of work is that too many organizations, too many volunteers, too many CEOs, and <u>too many of us</u> have come to believe that the advancement and sophistication of fundraising as an art or as a profession have become a rationale for diminishing the role of volunteers in fundraising and for ever-increasing expectations that the paid staff, the professionals, can and should lead, drive, and achieve the fund raising objectives of the organization. In the long run, that is a counterproductive trend which – in my opinion – cannot serve society or philanthropy well.

Before I move onto some of those other topics I promised to speak about, please allow me to raise a question which may be food for thought. I don't believe we can answer this question here this morning, but it may be worth some discussion today or at some future time: Who is AFP?

The AFP website says the purpose of AFP is to "advance **philanthropy** through advocacy, research, education and certification." In a list of more than a dozen purposes for AFP, the first listed on the website is: "to foster development and growth of fundraising professionals committed to preserving and enhancing **philanthropy**." The name of our magazine is "Advancing **Philanthropy**." There would seem to be a consistent emphasis on and commitment to **philanthropy**. Clearly, all the founding members of NSFRE and all of the leadership of the organization in its first twenty-five or so years were people focused exclusively on the not for profit sector.

But, today, is there not an effort on the part of AFP to become a more inclusive organization of all fundraisers, including political fundraisers? I believe there is, and I wonder what that means for the future of our organization. Recently the Code of Ethics was amended to limit the prohibition on percentage-based compensation so that it only applies **to charitable** funds raised. So, at the next international conference in Seattle, any of us might be sitting next to a member of AFP, who is in compliance with the Code, and who earns 100% of his or her income as a percentage of the funds raised, because none of the funds meet the definition of charitable. That person might be a political fundraiser, or might only run special events, or might be in charge of cause related marketing. I'm not saying that that's good or bad. I'm just posing the question as to what that means for the future of AFP.

And now I'd like to speak about certification. Before I begin, I must put my biases on the table. In 1998, I was asked by the then chair and chair-elect of NSFRE to be a charter member of the independent CFRE board. I served on that board throughout a period of intensely difficult negotiations with NFSRE/AFP that eventually led to formal independence in late 2001.

I believe strongly in the value of certification and equally as strongly in the value of an independent certification body that now enjoys thirteen participating organizations in five countries on three continents. In my biased view, the organizational independence of CFRE and the breadth of the participating organizations give the credential credibility and value it could not have achieved had it remained the proprietary product of a single professional association.

The promotional blurb for this morning's meeting asks the questions: "Does certification make a difference in pay and credibility?" And, "If so, why aren't more than 15% of us certified?"

Let me share a statistical fact. Then we'll examine its value.

In the year 2000, both AFP and ALDE (Association of Lutheran Development Executives) conducted surveys to determine if certified fundraisers earn more than non-certified fundraisers. These two surveys, independent of each other, generated the same answer: yes, certified fundraisers, on average, earn 17% more than their non-certified colleagues. So, we have compelling evidence in favor of CFRE. I don't see it that way.

The universe of non-certified fundraisers includes **all** the fundraisers who have been in the field less than five years. In general, one would expect that those "newcomers" would earn less than their experienced colleagues. So, the data really do not tell us whether it is certification that makes the difference, or just experience.

Does certification make a difference in credibility? I believe it does in many but not all cases. I mentioned Bruce Flessner earlier. He is one of the true leaders in the field. He is not certified. Pat Ryan, formerly head of Staley Robeson Ryan St.

Lawrence, past chair of AAFRC, another leader in the field. Not certified. Do those individuals need certification to be credible? Of course not.

But for most of us, I believe certification is an important element of credibility within the field and to an increasing number of people outside the field, including board members and CEOs. It is important that we acknowledge, however, the limitations of the certification process. It does not certify competence, only knowledge and past performance. The application form requires us to demonstrate certain levels of achievement, and some can infer competence from that, but the examination – what many view as the central component of the process – tests only knowledge and understanding, not competence or skills.

I believe that there are reasons beyond income enhancement and credibility to pursue, achieve, and maintain certification. I'll mention just two of them.

The first is a commitment to the field of fund raising and our colleagues. To the extent that more senior professionals commit to certification, the more accepted and recognized the credential will become by those both inside and outside the field. Certification, whether it is CFRE, ACFRE, or the AHP Fellows program, is the product of years and years of hard work and research on the part of our colleagues, on conducting statistically verifiable research, on continuous validation processes by professional testing and standards organizations, and by the gradual development of an accepted core body of knowledge. While one may find a question or two on the exam, or one portion of the application form that seems less than perfect, the reality is that CFRE, ACFRE, and AHP Fellow are the only existing and accepted credentials for demonstrating to employers, benefactors, and colleagues that we have met the requirements and mastered the specified standards in our field.

The second reason is that I believe we are the caretakers and the stewards of the philanthropic process. We are also stewards of the public trust. Through certification, we evidence commitment to specified levels of knowledge and commitment to a set of ethical and professional standards. I believe that an increasingly substantial certification program presents our best opportunity to forestall and avoid government intervention in deciding the rules and /or requirements for being a fundraiser.

Why aren't more than 15% of us certified? If you accept the premise that only 60% of AFP members have been in the field five years or more, then the AFP universe of certification-eligible members is about 15,000. So, just over 25% of those are certified. But the basic answer to why only 25% of those eligible are certified is parallel to the question of why only about 25% of those estimated to be employed as not for profit fundraisers are members of AFP. And the reasons include cost, time, access and many others, but essentially boil down to one: there is a perception that the benefits do not sufficiently outweigh the costs. That's how we make almost all such decisions in life. Some of you may disagree with my views on certification, and I am more than happy to entertain a dialogue on the topic.

And now to speak about advanced degrees. Will all practitioners need advanced degrees someday to be successful in the field? Absolutely not!

There are a number of well-established graduate programs in the country right now. There are scores and scores of graduate programs in various aspects of non-profit management. There are only four that I know of that center around philanthropy and fund raising or allow such a concentration, rather than the more general non-profit management.

Those four, in order of their longevity, are the Masters Program at the New School University in New York, a program whose curriculum Hank Goldstein, one of the true visionary elder statesmen in our field, was very instrumental in designing. Our M.A. in Philanthropy & Development at Saint Mary's University of Minnesota enrolls its 13th student cohort this July. Indiana University has a highly regarded M.A. in Philanthropic Studies, and Vanderbilt University has had a M.A. in Institutional Advancement (but I could find no reference to it on their web site last weekend).

Who enrolls in these programs, and why? I can only speak about the Saint Mary's program, but I think the demographic profile of our students is interesting. Each summer we have about seventy students in three different cohorts studying with us in Winona. With perhaps a handful of exceptions over the past twelve years, **all** are already employed as fund raising practitioners. The profile of these seventy students is as follows:

- 2/3 women
- average age: 39
- 33% - 50% are chief development officers in their organizations
- 40% from educational organizations
- students from 27 states and three foreign countries
- about 14% from Canada
- about 15% students of color

Anecdotally, I can tell you this about our nearly 200 graduates:

- many have used the degree as an important element in realizing a promotion or in qualifying for a new job
- nearly all testify continuously as to the personal **and** professional value of the educational experience
- the very best by-product of the program is the one benefit of the program I never envisioned when I designed it: the networking among cohort members. Not only do they stay in constant contact with each other, they have formed an informal network of consulting colleagues. We've even had two marriages result from the program. The relationships that have evolved among our students over the last twelve years is the primary reason I will resist any efforts to transform our program into one in which a substantial portion of the program is delivered on line.
- These programs are only as good as the faculty we can attract, and there we have been very blessed. Our faculty includes some of the best practitioners and consultants in the country, including two Gonser Gerber partners from here in Chicago, and people like Karla Williams ACFRE and Simone Joyaux ACFRE.

I believe that graduate programs in our field are wonderful opportunities for those who have a desire to learn, who have a desire to interact with other professionals, who can set aside the time and resources for such a program, and who have a strong commitment to personal and professional development. I believe, in general, that the M.A, credential may be of more value to those working in educational environments than to those working in social services or health care or culture, but I have no data to substantiate that opinion.

Another interesting question was asked of me when I began preparing my remarks for today: Are we focusing too much on technical skills and not enough on being agents of change within our organizations?

That question alone deserves a one hour discussion. So let me try to answer the specific parts of that question first, and then offer a comment or two.

Are we focusing too much on technical skills? If, by "we," we mean AFP, my answer is "no." AFP, CASE, Robert Sharpe, the Fund Raising School and many other entities do a superb job of providing the technical training needed to achieve success in the field. And none of those entities limit their educational programs or their publications exclusively to the "nuts and bolts" of our profession.

But I believe that some of the people in the field, by the choices they make, unwisely limit their education to learning all about the mechanics of the field.

I believe, for example, that there is value in some of the elements of the "moves management" concept. But, I believe that those who study and learn and practice moves management techniques – absent an appreciation or understanding for the importance of true donor-centered relationships and the fact that fundraising is not an end in itself but rather a means to an end of serving society's needs – I believe that those people are master manipulators who are poor stewards of philanthropy. I believe there are multiple opportunities in the marketplace for well-rounded, properly grounded learning and training opportunities that are not exclusively or excessively technical.

Are we focusing enough on being agents of change within our organizations? The question is particularly interesting to me because in the course I teach in our M.A. program – the course is called Perspectives in Philanthropy – the capstone assignment requires the student to describe how he or she will use all that has been learned in the first year of the program to be an agent of change within his or her organization.

The conventional perspective has been that the development office is a service office of the organization charged with building the relationships and gathering the resources so that all the other functional areas of the organization can advance the mission and vision and serve the beneficiaries. In that perspective, the fundraising staff cannot function as agents of change.

A more contemporary and enlightened perspective is that the development office provides unique and invaluable two-way conduits to external publics and should be regarded as an essential component in setting direction. At the very least, fundraisers can often serve as the charitable conscience of their organizations, ensuring that they maintain fidelity to their missions, and accountability to all their stakeholders.

We have all read and heard about organizations that have lost their way, that have forgotten that the justification for their existence is to provide service to beneficiaries, **not** to amass the most resources or to be more entrepreneurial or business like than their competition. Again, I believe we can and must serve as change agents within our organizations by continually encouraging accountability, full disclosure, and fidelity to mission.

But a perhaps bigger related question, one which we explored in a plenary session with all our students at Saint Mary’s last summer, is this: to what extent should we as fundraisers, and the entire not-for-profit sector be active agents for social change. Critics of philanthropy claim that factors such as private foundations, donor advised funds, tax incentives for giving, and philanthropy in general are simply ways or those with means and power to maintain control. We don't have time to explore that aspect of the question in detail this morning, but it may be one that merits consideration in the future.

I want to end with one positive note about the state of fundraising and the role of AFP. The day before the opening of the International Conference last month in Toronto, AFP co-hosted an international summit of some twenty international professional associations. The camaraderie and spirit of open dialogue among the representatives of those associations from Europe, North America, Asia, Australia, South America, Africa, and New Zealand was extraordinary. What was even more impressive was that in a single afternoon session, these delegates achieved consensus on universal elements common to ethical principles of fundraising, an outcome that I believe exceeded the expectations of even the most optimistic summit planners.

I believe that successful fundraisers in the future will have to develop increased awareness of international opportunities, as well as the increasing cultural diversity within the borders of our own country. Alvin Toffler's decades old observation that we are now in a permanent whitewater of cultural and societal change remains true. The successful fundraisers in the next decades will be those who understand and embrace – and become leaders in – the changes ahead, rather than resisting them.