

CONSERVATION FUNDRAISING AT A CROSSROADS

Creating Healthy Fundraising Organizations

*A useful, down-to-earth discussion of what's working,
what isn't, and how conservation fundraising can improve.*

— KIM KLEIN

MARY HUMPHRIES
Senior TREC Associate



About the Author:

Mary Humphries, Senior Fundraising Associate, worked with TREC for more than two years, training and coaching Western North America's grassroots conservation fundraisers in how to raise more money. Prior to that, she served as the Business and Development Director for Northwest Ecosystem Alliance, one of the largest regional conservation groups in the Pacific Northwest. In her spare time, Mary has raised money for local political campaigns and served on the boards of the local chapters of the League of Women Voters, the Audubon Society, and Washington Conservation Voters and on the board of the Alaska Wilderness League.



About Training Resources For the Environmental Community (TREC):

Activists Serving Activists with the Business of Activism Since 1997 Throughout the Intermountain West. TREC's mission is to catalyze the habitat conservation and wilderness protection community in Western North America to promote sustainable environmental integrity and diversity. We carry out our mission through coaching, consulting, and training services focused on leadership development, capacity building and leveraging resources to organizations dedicated to habitat conservation and wilderness protection. TREC services include consultation and training in the following areas:

- **Evaluation & Organizational Learning**
- **External Relations**
- **Fiscal Sustainability**
- **Governance**
- **Leadership**
- **Personnel Management**

Conservation Fundraising at a Crossroads: Creating Healthy Fundraising Organizations

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For additional paper copies of this report or other information about TREC's services, contact:

Training Resources for the Environmental Community

Dyan Oldenburg, Executive Director

600 Agua Fria Street

Santa Fe, NM 87501

PHONE: 505.986.8400

FAX: 505.986.8403

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EXECUTIVE SUMMARY

Funding for environmental issues is changing dramatically. When the environment was a “hot” issue in the 1970s and 1980s and hundreds of environmental nonprofits formed, most of them were supported by generous funding from the technology boom’s new philanthropists. With the tech boom past and environmental foundations narrowing their giving focus, conservation nonprofits must take a hard look at how to expand and strengthen their fundraising programs.

Difficulties with fundraising — including excessive reliance on one source of funding — are often merely the most visible sign of deeper organizational stresses. Five fundamental obstacles and two staffing problems hinder many conservation groups’ fundraising efforts. By understanding, acknowledging, and confronting these obstacles, groups will be well on their way to becoming healthy fundraising organizations.

Five Fundamental Obstacles

A Culture of Poverty

Many of us who founded environmental nonprofits are ambivalent about money: we don’t like how it has been used in the world and deep down we just don’t want to be associated with it. We have accepted — and made a virtue of — the idea that working to change the world means choosing long hours and low pay. As a result, we often devalue our organization’s need to bring in significant amounts of money to create the change we want to see.

Fundraising: The Neglected Child

Nonprofits that think poor and act poor neither face nor plan for their fundraising needs. They neglect to include detailed fundraising goals and objectives in their planning process and to calculate fundraising expenses as part of annual budgets. They overlook the need to build fundraising capacity.

Program and Fundraising: Estranged Partners

As organizations grow, fundraising and program activities tend to grow apart. This separation harms both sides: loss of information exchange hampers fundraisers in making their case and prevents program staff from bolstering fundraising efforts.

Donors: The Forgotten Ally

Donors are too often treated only as sources of funds, not as individuals with a stake in our organizations’ work. When we don’t develop relationships with our donors, we lose a vital connection to our constituents and audience. Donors who don’t feel cared for will drift away. In fact, as a group, conservation nonprofits are losing members faster than they can acquire them.

Fundraising Leadership: Missing in Action

Too many executive directors and board members fail to accept and employ their leadership roles in fundraising. As a result, all other aspects of a development program suffer.

Two Staffing Difficulties

When organizations are plagued by one or more of the problems described above, two staffing difficulties seem to follow.

High Fundraiser Turnover

Organizational problems often manifest in fundraising personnel who are poorly treated and who leave for one or more of the following reasons: unreasonable expectations for what they can accomplish and in what amount of time; lack of authority to help determine the feasibility of new programs or campaigns; being hired for jobs for which they lack the proper qualifications or attributes to be successful; pay that is not commensurate with other staff who have similar backgrounds.

Lack of Knowledge Transfer

High turnover among fundraising staff is costing organizations not only the dollars and time to recruit, hire, and orient new staff, but also the organizational experience that leaves with the departing staff person. Groups have yet to develop ways to keep organizational procedures and knowledge within the organization and ensure that other staff, board members, and volunteers are trained in basic fundraising tasks that can keep money coming in even during personnel transitions.

Creating a Healthy Fundraising Organization: Action Steps

A number of attitudes, strategies, and tactics will help an organization nurture successful fundraising. Among these, the following are key:

- *Successful fundraising is seen as the group's greatest asset, not its greatest challenge.*
- *The executive director and board provide fundraising leadership.*
- *All staff and board members participate in fundraising and are held accountable for their fundraising obligations.*
- *The fundraising program has clear, realistic goals and is represented in the organization's expense budget.*
- *Program works in concert with fundraising, with each carrying equal weight and value.*
- *Donors are valued as stakeholders and engaged in building fundraising capacity.*
- *Fundraising staff are regarded as professional colleagues; they mentor others in the organization.*

Organizations that fail to appropriate dollars for fundraising, or neglect to consult their fundraisers when contemplating costly undertakings, or mask expenses to avoid revealing the percentage of money spent on fundraising reinforce the message that fundraisers aren't equals and fundraising isn't commendable work.

Promoting change is never easy, but if we hope to leave a legacy of wilderness and wildlife across the U.S. and Canadian West, we need to improve how we do fundraising — and soon.

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CREATING A HEALTHY FUNDRAISING ORGANIZATION: ACTION STEPS

Many conservation organizations in the Western United States and Canada are facing difficulties with fundraising, from reduced foundation grant awards to sluggish individual donor programs. This report details major organizational stresses that contribute to poor fundraising performance. The problems TREC has seen plaguing organizations suggest we retool our attitudes and practices in order to reach the end result we desire — a healthy fundraising organization. Instituting the following elements will help change a dysfunctional organization into a vigorous one that nurtures successful fundraising.

- *The organization thinks of itself as prosperous and seeks to enhance that prosperity, eliminating a culture of poverty from its attitudes or actions.* Toward this end, the organization strives to provide a decent infrastructure of office space and equipment, and it reviews salaries and benefits on a regular basis.
- *Successful fundraising is seen as the group's greatest asset, not its greatest challenge.* The act of raising money does not carry stigma. When faced with a cash shortfall or unanticipated expense, the organization immediately devises a plan to raise the needed dollars rather than cut costs.
- *The executive director and fundraising staff identify a handful of major donors each year who might be willing to invest in building the organization's capacity.* They jointly decide how to build and maintain relationships with these donors.
- *The fundraising program has clear and realistic goals and an expense budget that appears as a line item in the organization's budget — above and beyond staff salary and benefits.* This line item equals between 5 and 10 percent of total budget costs.
- *Program works in concert with fundraising.* Fundraising and program staff meet on a bi-weekly or monthly basis to share updates and to discuss meaningful ways to capitalize on one another's work.
- *Raising money and doing program work carry equal weight and value.* Fundraising is seen as advancing the mission of the organization by building membership and building relationships with donors. Staff understands that members are not strictly a means by which to generate revenue but also enable the group to garner needed political clout.
- *The organization contacts major donors at least twice a year to tell them how their investment in the group's work has paid off.* This is done through personal letters, phone calls and visits to donors and involves, ideally, board members who act as the organization's ambassadors. The organization makes no effort to seek a contribution at these times because the objective is to build relationships.

- **The executive director and board members provide fundraising leadership.** It's clearly understood that fundraising is an integral part of the organization's operations. The board and executive director endorse efforts by fundraising staff to motivate, educate and provide fundraising support to all key organizational players.
- **All staff and board members participate in fundraising.** Participation includes a wide range of tasks, from writing thank-you notes to hosting a fundraising event, accompanying the executive director on a major donor visit, or writing all or part of a grant proposal.
- **People within the organization — staff and board — are held accountable for their fundraising obligations.** If someone fails to follow through on his or her commitment, corrective action is taken.
- **All board and staff members make a stretch contribution to the organization that is commensurate with their ability to give.** The executive director or a board member discuss each person's commitment with them privately.
- **The organization carefully and strategically upgrades member gifts through bequests, major gift solicitations, monthly gifts, challenge matches, and more.** Emphasis is placed on raising more money every year from individual gifts.
- **Fundraising staff are regarded as professional colleagues.** Where appropriate, they occupy senior management positions and participate in all deliberations that have an impact on the organization's finances.
- **Fundraisers mentor others in the organization and document their work and protocols.** Training manuals and key information are easily accessible. When a fundraiser leaves the organization, no one is left scrambling to try to figure out where things are.

When people ask TREC what one thing we would like to see change in conservation fundraising, our answer is this: that all of us treat fundraising as a profession and fundraisers as professionals. A career in fundraising is hard work, often frustrating, and sometimes scary — remember the first time you asked someone for money in person? But it is also tremendously rewarding and inspiring. Conservation fundraisers get to spend time with people who share their passion and commitment for saving wild places and wild creatures. They build personal relationships with generous donors — people who stand with us when we celebrate our successes and when we lament our losses.

Typically, fundraisers bear the weight of keeping an organization financially afloat, sometimes perpetually trying to avoid cash-flow shortages while struggling to earn the respect they so well deserve. If their work is seen as tedious, distasteful, and divorced from program priorities, they can feel alienated from the rest of the organization. Organizations that fail to appropriate dollars for fundraising, neglect to consult fundraisers when contemplating costly undertakings, or mask fundraising expenses to avoid revealing the percentage of money spent on fundraising reinforce the message that fundraisers aren't equals and fundraising isn't commendable work.

Solving the problems that hinder a conservation organization's fundraising success may require significant shifts in deeply held organizational beliefs and values and challenging people to change some of the fundamental ways they view fundraising so that it becomes an integral part of everyone's job.

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INTRODUCTION

In 15 years in the conservation field, including 10 as both a fundraiser and TREC Senior Associate, I've been development director, board member, fundraising volunteer and trainer. I've provided in-depth consulting advice to 40 or more environmental groups and raised millions of dollars by building and sustaining memberships, soliciting major gifts, launching monthly giving programs, engaging boards in fundraising and writing grant proposals.

As a result of this experience, I have several observations about the business of fundraising that can help you — board members, fundraisers, executive directors and non-fundraising staff of TREC-related organizations — improve your own fundraising programs. My “tough love” approach to the problems I identify here reflects the urgency I feel about the need to address these situations if conservation groups are to remain strong and resilient in the face of ever-changing political, economic, and social circumstances.

This paper does not discuss fundraising skills and techniques. Nor does it offer quick-fix solutions. Instead, it asks readers to take a hard look at why fundraising has become the Achilles' heel of so many organizations and to take steps to do something about it.

Many fundraising problems beset groups, yet I know groups that do a remarkable job of raising money even in the face of overwhelming odds. Others, I know, are striving to become healthy fundraising organizations. I am reminded daily that conservation groups are made up of individuals who care deeply about the natural world and who work long and exhausting hours because they understand all too well the folly of present-day actions on future lives. My goal in writing this paper is not to castigate groups for their failures, but to challenge people working in them to become better fundraisers. In doing so, I hope to make a meaningful contribution to the extraordinary work of my fellow conservationists.

What's Up with the Money Thing?

Most of the individuals TREC assists — who work passionately to defend our wildlands and wildlife — find FUNDRAISING fearsome and distasteful. We capitalize the word because it carries so much baggage. We've heard staff and volunteers describe it as a “necessary nuisance,” “a perpetual thorn in my side,” and “the thing I least like to do.” Indeed, it's the rare person or organization that embraces fundraising with enthusiasm and understands that success — that is, advancing the organization's mission — requires a true partnership between fundraising and program work.

TREC finds it peculiar that fundraising is so often met with hostility, resentment, and fear — isn't it money, after all, that enables groups to hire staff who work to protect beloved landscapes and creatures? So, what's up with the money thing?

It's important to answer that question because many conservation groups are slowly slipping into a fundraising abyss. Unless current fundraising paradigms and practices — and the mindset that many folks bring to fundraising — change drastically, and soon, TREC strongly fears that some crucial conservation battles may be lost.

Much of this paper deliberately focuses on dysfunctions within organizations; it challenges individuals to identify those dysfunctions and solve them. It takes aim at the very heart of an organization's culture because there are certain vested organizational beliefs and values, holdovers from a previous era, that must be shed if organizations are to survive, thrive, and ultimately fulfill their missions.

What You'll Find Here

This paper first looks at a number of fundamental problems that plague organizations: aversions to money, failure to embrace fundraising as an integral part of an organization, rifts between program and fundraising work, lack of fundraising leadership, and more. Next, we examine two major staff-related difficulties that follow from these challenges: high staff turnover and the lack of transfer of fundraising knowledge. Finally, you may want to review the action steps on pages five and six. The essential components of a healthy fundraising program presented there describe a model that contains the means to move your organization toward successful fundraising.



HOW DID WE GET HERE?

To understand why we are beset with fundraising woes, it's useful to reflect on the recent explosion in the number of conservation groups. Today, there are roughly 8,700 grassroots conservation groups across the U.S. and Canada. About 1,300 of these groups are working on environmental issues in the Western states of the U.S. and Canada that TREC serves. (TREC's service area includes the intermountain West but excludes Colorado and California.) Most of these groups were founded in the last two decades. For example, in 1985 there were five nonprofit conservation organizations in British Columbia. Today there are 55. During the same time, the number of employees in nonprofit groups in Bozeman, Montana swelled from 10 to more than 150. TREC's 2002 report of environmental executive directors, *Stressed But Steadfast*, found that most of the 148 Western environmental organizations that we surveyed were relatively new organizations, founded since 1980.

What Fueled the Mushrooming of Nonprofits?

We know that much of this growth was fostered by an increase in foundation funding, particularly during the 1990s, but how did this growth happen? Why the sudden increase of local and regional grassroots organizations devoted to environmental issues?

There seem to be two primary reasons for this phenomenon. First, during the late 1960s and early 1970s conservation became a mainstream concern, complete with media cachet. The first Earth Day in April 1970 ushered in what soon became a popular American crusade. Remember Love Canal? Three Mile Island? The horrific photos of baby seals being clubbed to death? These important environmental issues also became symbols of a degraded environment that spurred tremendous public interest in stopping such abuses as forest clearcuts, air and water pollution, and species extinctions. Landmark federal legislation followed in the U.S. — the Clean Air, Clean Water, and Endangered Species Acts. Throughout the 1970s and 1980s, and reaching its zenith in the late 1990s, caring about the environment

OLD BAGGAGE

Three unspoken perspectives or attitudes prevent many conservation groups from reaching their fundraising potential — perspectives that underlie all of the problems this paper examines:

- **A culture of poverty rather than one of abundance**
- **A willingness — conscious or not — to leave money on the table by failing to think strategically about how best to generate revenue from donors**
- **A pervasive belief that membership equals dollars when membership should equal constituency building, power and the capacity to foster change**

Think about it — does your group display one or more of these attitudes? If so, how does that directly affect your ability to raise money effectively and to fulfill your organizational mission?

was “cool”; financially supporting organizations that were protecting our lands, waters, and wildlife was a natural response — from individuals and foundations alike. In those early days, environmentalism taught people to understand that mankind’s survival meant moving beyond a long-held anthropocentric worldview. People began to appreciate that slowing down the world’s relentless consumption of natural resources was imperative.

Second, new wealth was generated in the 1980s and 1990s, largely through enormous profits earned in the technology and communications industries. During this period, thousands of people became millionaires seemingly overnight; many began to give some of their money away through private or family foundations. Philanthropic newcomers included the Paul G. Allen Forest Protection Foundation, the Brainerd Foundation, and Wilburforce Foundation. In the glory days of the mid- to late-1990s, the interests of these foundations intersected with the public’s concern for the environment. Money flowed freely from conservation-focused foundations to grassroots organizations, prompting a surge in the number of environmental nonprofits.

From the 1970s through the 1990s caring about the environment was “cool.”

How Fundraising Changes as Organizations Grow

With all this money and attention, groups multiplied. Many followed a trajectory of development that has become a familiar pattern — what is called a “typical lifecycle” of grassroots nonprofit organizations. Examining this lifecycle, we can see critical junctures at which many of our present-day fundraising beliefs, values, and challenges became entrenched.

Many grassroots organizations start out with a charismatic volunteer or volunteers deciding to do something about an issue important to them and seek charitable status for their budding organization. They have soon collected a board of directors, developed a program, found initial foundation backing, and begun to identify individual supporters. In a while the founder often becomes the first staff person; next, a program person is added. During this start-up, or infancy, phase, these key people have been managing both program and fundraising.

As their programs grow, however, many organizations decide they now need a dedicated fundraiser. While the logical move to get the organization’s fundraising planning and implementation to the next level, too many organizations at this point abandon most of the fundraising work to the new development person. What had been a shared responsibility becomes a singular burden, as groups breathe a sigh of relief in being able to turn over fundraising tasks to the new hire. Too many groups fail to understand that the work of a fundraiser is to organize and catalyze the rest of the organization to do thoughtful fundraising, and particularly to expand fundraising beyond foundation grantwriting to build a solid base of supporting donors.

If the founder and board chair fail to make it clear that everyone on staff and board is expected to maintain an active role in fundraising, the net loss to the group is incalculable.

The work of a fundraiser is to organize and catalyze the rest of the organization.

THE OBSTACLES THAT CONFOUND US

One of the most important things conservation groups can do is to address five fundamental problems of organizational culture that undervalue or undermine fundraising efforts and two major staff-related difficulties that follow from these challenges.

Five Fundamental Problems

At a recent TREC fundraising workshop, every group present realized that each of the big problems described below had a part in impeding their efforts to raise money. They also recognized that it will take lots of time and conscious effort on the part of key organizational stakeholders to tackle these problems. These are big problems that many groups face. Certainly none of them can be solved overnight. Once they are solved, however, organizations can grow and flourish.

A Culture of Poverty

My first conservation job in the United States paid \$12,000 per year. It was 1991 and even then, living on \$12,000 was a challenge. I didn't fault the organization for paying me wages that fell beneath the poverty line — it was simply the “norm” in the nonprofit world, and I was grateful to have a meaningful job. Therein lies an insidious problem for many conservation groups: the willingness to accept what could be termed a “culture of poverty.” Once a badge of honor, this “culture of poverty” is made manifest in things like working (at least) full-time hours for part-time wages, failing to ask a \$250 donor to double their giving, and absolving board members of their obligation to make personal donations. For many groups, this attitude constitutes a major roadblock to successful fundraising.

How did this culture of poverty creep into our organizations? It seems to be peculiarly unique to nonprofit organizations, and perhaps more pronounced in conservation groups — a belief that money is distasteful, even suspect. Consider that many of us who work in conservation would identify ourselves as one or more of the following: anti-corporate, anti-shopping, anti-television, anti-advertising, even anti-profit. Now what do corporations, shopping, television, advertising and profit all have in common? Money, and lots of it. What we really loathe it seems, is money. We're anti-money because it feeds the very things we find objectionable: big business, mass marketing, bad television, and so on. TREC firmly believes that this subconscious distaste for money has imbued many of our organizations with a fear and aversion to fundraising.

The baby boomers who started the many thousands of grassroots conservation groups in the country today began their work in an era when fighting for the common good meant accepting long hours and low pay. It's this legacy, and more specifically *the belief that poverty and scarcity are somehow “okay” (and, more than okay, make us spiritually pure)* that has become our most potent enemy. (Perhaps younger conservationists who are rising through our ranks have a

different view of money and are less willing to endure “must-starve” wages. Perhaps they understand that they are entitled to decent wages and benefits.)

Here’s a recent example of just how serious this problem is. As part of a group’s board meeting, I conducted a fundraising training that focused exclusively on how to solicit major gifts, covering qualified prospects, the letter, the visit, the gift range chart, and so on. We examined people’s fears about fundraising, and we role-played donor-solicitor phone calls. At the end of the session, almost everyone agreed they felt more comfortable about fundraising and would be willing to help solicit major gifts. In the next agenda item, the development director noted that the group might be facing a \$100,000 income shortfall. To my chagrin, board members started asking the development director and executive director where costs could be cut to offset the potential cash shortfall. *Cut costs, not raise money. Culture of poverty, not culture of abundance.* Fortunately, one board member ventured that since everyone had just learned the essential skills for soliciting gifts, he thought they ought to try raising the money.

You can see from this example just how pervasive and dangerous the “culture of poverty” can be.

A “culture of poverty” is a major roadblock to successful fundraising.

Fundraising: The Neglected Child

Numerous groups have asked us to identify foundations that will fund a direct-mail membership-recruitment campaign. It’s true that direct mail is a costly undertaking, requiring an investment of \$10,000 to \$25,000. When we tell them that there are only two or three foundations that fund this kind of work and suggest that the group instead approach a few key long-term donors for this money, the response is either bewilderment or silence.

Are we really willing to raise money from individuals for program work but not for fundraising work? Do we think fundraising work has no merit or that we can’t convince an individual to invest in capacity-building endeavors? Are we assigning a higher value and priority to program work?

There’s often a lopsided dynamic between fundraising and program work that manifests itself most conspicuously in organizational budgets and strategic plans. In many cases, groups’ budgets contain no line item for fundraising expenditures — things like traveling to meet with donors, hosting special events, conducting membership surveys, or launching monthly donor programs. (Sometimes these expenses are buried elsewhere in the budget. This is a mistake. Fundraising is a legitimate cost of doing business and it’s our job to make this clear to donors and foundation program officers.) Other times, the amount assigned for such expenses (personnel costs aside) is so meager — often around 3 percent of the organization’s total expense budget — that it simply isn’t feasible for the organization to undertake fundraising work without incurring a net loss of thousands of dollars. For example, if your organization had a budget of \$500,000 and you allocated \$15,000 (3 percent) for fundraising, one direct-mail membership recruitment campaign of 40,000 pieces would wipe that budget out.

There’s often a lopsided dynamic between fundraising and program work.

Similarly with strategic plans. In most cases, 90 to 95 percent of a strategic plan is devoted to spelling out program goals and objectives; the remaining 5 to 10 percent consists of general statements about fundraising. Most often these statements project unrealistically optimistic numbers of members an organization will recruit in years two, three, and five of the strategic plan and the amount of money the organization will raise from individuals in those years. Exactly how those members will be acquired or how those individual gifts will be secured is rarely set forth. And yet, goals and objectives for these activities deserve just as much attention as those for program. Their absence presents a paradox and sends a negative message about the value of fundraising to staff and board. This brings us back to the question of why groups are so reluctant to raise money for fundraising.

Fundraising is a legitimate cost of doing business.

Since so much of the problem here lies in our attitudes about what has value, we at TREC urge you to rethink what fundraising is really about: Fundraising is about building infrastructure so that an organization is able to accomplish its program goals. Fundraising is about identifying new potential allies, inviting them to join your ranks, and asking them to make an investment in your work. It is about building relationships with people and accumulating power and political clout. And ultimately, fundraising is about fostering change — protecting wilderness and wildlife — something that no one individual can possibly accomplish without the muscle — and money — of an organization.

While this may appear self-evident, too many staff and board members do not think of fundraising as an integral part of developing constituency and fostering change. So the next time you find yourself searching for money to raise money, approach one or two loyal donors for the seed money to build capacity and foster change. In the process, you'll have the chance to educate those donors about the value of spending money on building the capacity to do the necessary fundraising work.

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Program and Fundraising: Estranged Partners

As with so many relationships, no one can see the split coming. In nonprofits, though, it is usually spurred by organizational growth and the failure to anticipate the consequences of that growth. Sometimes the rupture begins because staff meetings have become cumbersome — there are too many participants and too many subjects to discuss. Someone suggests that staff break into smaller, more workable groups. Pretty soon program folks are having their own meetings, as are the fundraisers. Or maybe it's the structural hierarchies that become imperative when a group grows — the need to formalize who reports to whom. Or perhaps it's the need to have all the fundraisers working together in a separate room. Lack of time is also nurturing the split — everyone has too much to do and little time, if any, to concern themselves with the work of their colleagues.

Countless chances
for program and
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squandered.

The reasons are innocuous enough, but the consequences are not. As time passes, program and fundraising begin to operate like separate fiefdoms with little substantive communication between them. Petty rivalries occasionally emerge. Program staff may jealously guard activist lists and refuse to share them for fundraising purposes. Fundraisers may refuse to let program staff send an activist alert to members in a congressional district, fearing that an additional request for help will dampen response to the next fundraising appeal. Neither party wants the other interfering in their meetings or messing with their work. The divide becomes wider and deeper and is accompanied by three unfortunate results.

First, because fundraisers lack program information — information that might convince a donor to make an investment in the organization's work — they are faced with the difficult task of raising money without knowing how, when, or why a donor's gift will be spent. Because of this handicap, fundraisers won't raise as much money, program staff won't have the funds they need to accomplish their goals, and the organization will fail to advance its mission. It's tantamount to shooting oneself in the foot.

Second, countless chances for program and fundraising to complement each other's work get squandered. Program staff neglect to circulate sign-up sheets at public presentations. Fundraisers forget to include a question in a membership survey to recruit fundraising volunteers. Program staff fail to advise fundraisers about a newspaper editorial that endorses the group's work. Fundraisers forget to tell program staff about key donors they could meet with when they travel around the state lobbying lawmakers.

Third, groups begin to falter. They become less able to respond to quickly changing circumstances. They fail to develop coordinated and strategic initiatives that benefit both

fundraising and program work. They waste resources, suffer mission drift and, perhaps worst of all, become complacent. None of these effects is intentional. The split is not the byproduct of spite and malice. But the results, as you can see, can be downright self-destructive.

Donors: The Forgotten Ally

TREC fundraising associates review and edit countless fundraising letters. Most are well-written and speak earnestly about an organization's goals, projects, staff, successes, challenges, and more. But seven times out of ten, these letters fail to connect in any meaningful way with the reader and the reader's life. Instead, we need to consider what might motivate someone to make an investment in our group's work, make it clear how our work will better the life of the reader, and concentrate less on ourselves.

Fundraising is about building relationships. But building those relationships takes time and, for conservation groups as for other nonprofits, that's a commodity in short supply. It's also hard work, and it requires excellent people skills. Thus, quite unwittingly, we sacrifice relationship building for other competing priorities — submitting a proposal on time, sending out renewal letters, establishing a monthly donor program. As a result, our appeals are too often about us, rather than about them.

Every so often it would be good to pick up the phone to talk to a loyal donor or made an appointment to visit the member who's been giving you \$50 a month for the last three years. That is, find out more about that individual without making a pitch for money. Too often members are seen as little more than a convenient means by which to generate revenue. In failing to identify and connect with the actual people behind those dollars, groups are losing sight of what donors think about their work and, more important, about what motivates donors to make a gift. When the donor gets forgotten, groups become more insular. Their capacity to communicate with people — to talk in a language that is in step with peoples' priorities and reflects their daily hopes and concerns — drops, sometimes precipitously. If donors start to think that their opinions don't matter or that their gifts aren't appreciated, they simply stop supporting an organization. The organization, in turn, has a much tougher time effectively advancing its mission.

Consider the following facts:

- **We're not gaining new members.** Of the roughly 42 groups that TREC has worked with during the past two years, only seven are actually adding significant numbers of people to their membership ranks. The rest are struggling to keep pace with attrition.
- **We're losing members we've gained.** Most of the groups that launch direct-mail membership-acquisition campaigns report an attrition rate of 50 percent after the first year. Why the loss? Largely because we fail to communicate with our donors — personally and meaningfully — about how their investment in our work has paid off. Some groups even fail to thank donors for their gifts, while others send a pre-printed postcard that does little, if anything, to convey a sense of warm appreciation.
- **People's concern for environmental issues has waned.** A Gallup poll conducted in March 2004 found that Americans are less worried today about the environment than they have been in the past. In 2001, 77 percent of Americans worried a “great deal” or “fair amount” about environmental quality. In 2003, that figure had dropped to 68 percent; in 2004, it slipped further to 62 percent. The same Gallup poll reported that only 2 percent of respondents felt that the environment was the most important problem facing the country today. Perhaps most troubling, the poll found that Americans are now less

We sacrifice relationship building for other competing priorities.

Customer service — treating people with honesty and respect — is the key to a successful business enterprise.

likely to see the environment as a long-term problem; only 49 percent think that the environment should be given priority — a record 20-year low.

- **Conservation groups are losing power.** According to the IRS, the number of environmental organizations with more than \$1 million in annual income has fallen recently by nearly half — from 280 in 1995 to 151 in 2003.

All of these statistics point to the need to do a better job of connecting with our supporters. We could borrow a few lessons in this regard from the for-profit world. Here's why. Conservation groups are charities, yes, but they are also businesses. Our business is protecting wilderness and wildlife and our products include clean water, grizzly bears, ancient forests, wolves, alpine meadows, and solitude, to name a few. We market our products, and people purchase them with their donations. But the amount of ongoing money we receive largely depends on how well we remind people of the value of our products, their benefits to our donors, and the kind of customer service we provide.

Most any businessperson will tell you that customer service — treating people with honesty and respect — is the key to a successful business enterprise. For conservation groups, customer service would include things like thanking our customers in a timely manner for their gifts, telling them how their investment in our products has made a real difference, taking the time to visit them to get to know them better. We could ask our customers how we might improve our service and how we might market our products more successfully to other likely “consumers.”

If you are skeptical about the notion that conservation groups are customer service providers, think about what it costs your organization to recruit a single member and keep them engaged in your work for just one year. Think, too, about what kind of revenue you will generate from that member and what your membership attrition rate is. Many groups begin to lose money on their initial investment in a member by the third year. The scenarios described on the next page, *Calculating Lost Members and Revenue*, illustrate this point. Compare the figures in these tables with your own numbers to assess just how much money your organization may be losing because of deficiencies in customer service.

In the frenzy of accomplishing our work, let's keep sight of our most important asset — people. We need to get serious about building relationships with our members and set aside the time to do so. Board members, volunteers, staff, and other organizational stakeholders can participate in this work. Once we've made the initial investment in inviting people to join our ranks, we need to reinforce and strengthen that investment. Otherwise, we condemn ourselves to a perpetual cycle of losing both members and money.

Fundraising Leadership: Missing in Action

TREC provides in-depth fundraising consultation and training services to groups that want to ramp up their fundraising skills and improve their outcomes. But organizations have a hard time changing poor fundraising practices — over-reliance on foundation funding, less-than-robust membership programs, board members who don't make financial gifts — unless encouragement and involvement come from its leaders — the executive director and board of directors.

Executive directors and board members must acknowledge that they have a critical role to play as fundraising leaders. Fundraising leadership means taking responsibility for the fundraising success of the organization at the highest levels. The board and executive director must set the tone and the pace for fundraising success to occur. Fundraising leadership demands that the executive director sit down with board members individually to discuss

We need to get serious about building relationships with our members.

Executive directors and board members have a critical role to play as fundraising leaders.

CALCULATING LOST REVENUE AND MEMBERS

Excellent customer service can be reflected in members kept and money raised. The attrition rates in Scenario #1 represent averages from a large sample of nonprofit membership organizations — that is, most groups report that they lose 50% of members a year after direct mail acquisition. Attrition rates for other acquisition strategies — event member sign-up, canvass, tabling, gift membership, and so on are usually higher than 50% after the first year, which is why direct mail is still the preferred acquisition strategy for most groups.

Scenario #1: Using Industry Standards

CAMPAIGN	ATTRITION RATE	NUMBER OF RETAINED DONORS	AVERAGE GIFT	CAMPAIGN REVENUE	ACCUMULATED REVENUE	MAINTENANCE COST
Direct Mail Acquisition	N/A	500	\$30.00	\$15,000	\$18,190	
1st Renewal (11 months after acquisition)	50%	250	\$34.50	\$8,625	\$26,815	\$5,000
2nd Renewal (15 months after acquisition)	30%	175	\$40.00	\$7,000	\$33,815	\$3,500
3rd Renewal (19 months after acquisition)	20%	140	\$46.00	\$6,440	\$40,255	\$2,800
4th Renewal (23 months after acquisition)	20%	112	\$53.00	\$5,936	\$46,191	\$2,240
TOTAL:						\$13,540

Assumptions: Average gift increases by 15% for each subsequent request after acquisition. Cost to maintain one member (newsletters, special appeal letters, staff time, action alerts, and so on) is estimated at \$20/year.

Summary: Initial investment of roughly \$32,500 (50,000-piece mailing at 65 cents per-piece cost) has generated \$46,200 for net revenue of \$13,700 over two years. However, note that it has cost the organization a total of \$13,540 to maintain the ever-decreasing number of members, completely wiping out the net revenue gain. Moreover, the organization has also lost 388 members, thereby failing to build a constituency that will enable the group to advance its mission more powerfully. It also means the group is playing a perpetual game of attrition catch-up.

Scenario #2: Using Attrition Rates that Reflect Excellent Membership Services and Stewardship

CAMPAIGN	ATTRITION RATE	NUMBER OF RETAINED DONORS	AVERAGE GIFT	CAMPAIGN REVENUE	ACCUMULATED REVENUE	MAINTENANCE COST
Acquisition	N/A	500	\$30.00	\$15,000	\$15,000	
1st Renewal (11 months after acquisition)	20%	400	\$34.50	\$13,800	\$28,800	\$8,000
2nd Renewal (15 months after acquisition)	12%	352	\$40.00	\$14,080	\$42,880	\$7,040
3rd Renewal (19 months after acquisition)	10%	317	\$46.00	\$14,582	\$57,462	\$6,340
4th Renewal (23 months after acquisition)	6%	298	\$53.00	\$15,794	\$73,256	\$5,960
TOTAL:						\$27,340

Again the assumption is that average gift increases 15% for each subsequent request after acquisition and that cost to maintain one member is \$20/year.

Summary: Initial investment of \$32,500 has generated \$73,256 for net revenue (subtracting member maintenance costs) of \$13,416. While net revenue between Scenario # 1 and Scenario # 2 is almost equal, in Scenario # 2 almost three times as many members are retained over time, which translates into much greater future earning potential. Thinking about these attrition rates over more than a two-year period — a five-year timeframe, for instance — you can see that without excellent membership services and stewardship, an organization could easily lose a substantial number of members and significant income.

their personal gift to the organization and to secure their active commitment to helping the organization raise money. Fundraising leadership comes from a strong board chair or a key board fundraising ally who is willing to exhort his or her fellow board members to follow through on their fundraising obligations. It also requires that the executive director openly support and recognize fundraising staff for their work and contributions while also making sure that all staff participate in fundraising and do so without resentment and without denigrating the tasks.

Leadership means
keeping track of
the big picture.

Leadership means keeping track of the big picture — making sure that donors are treated well and that they are asked to upgrade their gifts on a consistent basis so that the percentage of individual gifts continues to increase. It means reviewing fundraising strategies and abandoning those that are outworn in favor of new, more relevant strategies. Such leadership sees to it that fundraising planning complements program priorities (such as finding members in locales where on-the-ground work is being done) and enables the group to sustain or increase its budget.

Board leadership and participation are essential to successful fundraising. Raising money is an integral part of board service, in fact the most important duty. It requires a great deal of work and a true partnership between board members and key staff, particularly the executive director. If neither the board nor the executive director are willing to fundraise actively — to set an example for others to follow — then it is hard to expect anyone else in the organization to raise money wholeheartedly.

Raising money is
integral part of
board service.

Because board members and the executive director are expected to ensure that the organization has sufficient resources to implement its mission, their personal involvement in fundraising must include making a gift to the organization. An organization cannot successfully approach a major donor for a gift if it has not entreated board members to give as well. Unless a board member is on the brink of financial ruin, there is no reason that they can't give the organization a sum of money that is significant to them. The same is true of the executive director and the staff. One of the best ways to reinforce the notion that fundraising is an organizational responsibility — to demonstrate fundraising leadership in action — is to make it clear that everyone is expected to contribute financially to the group.

Executive directors who are not willing or able to provide fundraising leadership ought to consider vacating the role of executive director. Fundraising is a fundamental part of an executive director's job; not doing this work seriously impedes the capacity of the organization to achieve its mission.

Fundraising
leadership and
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Finally, it is clear that fundraising leadership and fundraising accountability are deeply intertwined. Fundraising staff cannot expect to be held accountable for failing to raise money from major donors if the executive director and board are unwilling to participate in the work of soliciting those gifts. Moreover, if the board is unwilling to solicit major gifts, how can it hold the executive director accountable for failing to do the same?

Until groups diversify their fundraising by asking individuals for their support, most will continue to rely on foundation grant awards. That might work for now perhaps, but in six months or a year a foundation could say "enough" or move on to another conservation — or non-conservation — priority. Depending on one source of funding for a large percentage of an organization's funds is asking for trouble. Furthermore, the present fundraising climate — in which foundations have become much more selective in what conservation work they fund — is not going to change much. As a result, the competition for foundation dollars grows fiercer by the day. Groups need to do more than talk about diversifying fundraising revenue — they need to work at it.

Two Staffing Problems

Two staffing problems seem to be common among organizations suffering from one or more of the problems just described. These staffing problems certainly won't undo an organization, but they will cost it money. Moreover, these problems can provoke internal dissension, foster poor communications and, perhaps most damaging, engender poor staff morale. In fact, these problems perpetuate a vicious cycle: fundraisers feel their work is undervalued, unappreciated, or unsupported. The consequences, as you'll see, can be quite severe.

Fundraiser Turnover Rate

The following scenario may not seem unfamiliar: You joined an organization six months ago as development director. Now, the board and executive director have complained that you haven't yet raised an amount equal to your own salary. Furthermore, the executive director and conservation director have decided to launch a new program that will require \$100,000 in seed money. Although you were not consulted about this decision, you are expected to raise most of the money.

Executive directors, board members, and other staff don't deliberately try to make the fundraiser's job harder, but their actions can do just that. If the same scenario repeatedly plays itself out at an organization, you can bet that the fundraiser will leave out of sheer frustration.

Consider this: Participants in a recent TREC "Fundraising for the Future" workshop series included 12 full-time fundraisers, most of whom had occupied their positions for six months or less. By the time the series ended nine months later, only six of those 12 remained. *Half of those 12 full-time fundraisers had left their organizations.* Time and again the same groups sign up new people for TREC's fundraising workshops. Granted, people move, get pregnant, return to school. But the sad truth is that organizations are also driving fundraisers away. What's going on? We think four primary reasons account for such high turnover.

Unreasonable Expectations

It takes at least one, and usually two years before a fundraiser hits their stride. To expect someone to generate large sums of money in anything less than a year — unless extraordinary circumstances prevail — is unfair. Many new fundraisers find organizations where fundraising protocols, systems, and documentation either don't exist or are so ancient as to be worthless. Simply developing fundraising procedures, establishing relationships with staff and board, and becoming familiar with the organization's work and fundraising history can take six months to a year.

Lack of Authority

Fundraisers deserve a strong voice in every organization. Few decisions that an organization makes don't involve money. Not every decision requires the feedback of the fundraiser, but certainly the larger decisions do. Yet a stunning number of decisions are made — hiring new staff, opening satellite offices, launching new programs — without seeking input from the fundraiser. Who better to advise whether money can be raised to support new initiatives? When fundraisers are repeatedly excluded from deliberations that directly affect their work, they can get the impression that their opinions don't matter much, that they are seen as strictly money-generating machines who have little or no role to play as strategic planners. This can be demoralizing and enfeebling.

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Are we hiring the right people and are we clearly articulating our expectations of them?

Salaries have been declining at nonprofit groups.

Hiring Due Diligence

Are we hiring the right people and are we clearly articulating our expectations of them? Many new fundraising staff are young and enthusiastic but completely unprepared to handle the complexities and stress of the work. Others are a bad cultural fit. Some possess the fundraising skills needed but lack personal warmth, grace, or poise. Some are simply hired out of desperation to fill a fundraising role. Organizations need to identify carefully the skills and personal attributes they want candidates to possess and they need to specify clearly what they want that person to do. In the absence of one or both of these requirements, we can most likely expect to see a continuing exodus of fundraisers from our organizations.

Compensation

Salaries have been declining at nonprofit groups. OMB Watch, a Washington-based group that monitors government spending, reported in a recent study that the weekly earnings of charity employees (excluding private colleges and nonprofit hospitals) began to drop significantly in 2003. Indeed, the report states, “In the year ending June 2004, weekly earnings fell 5.2 percent,” representing a “significant break from recent trends.” Declining salaries means that it will become increasingly difficult for nonprofits to attract and keep strong, capable fundraisers. Fundraisers’ pay should be roughly equivalent to that of other staff who have similar backgrounds, including such things as education, tenure in the field, and previous experience.

Turnover costs money and takes time. One national environmental organization recently spent a year and a half searching for a development director. Regional and local groups frequently have to extend application deadlines or hire an interim fundraiser — someone who isn’t ideal for the job but who can attend to the most pressing fundraising tasks until a suitable candidate is found. Each time a fundraiser is lost, there are other “disruption costs” as well — renewal letters not sent, proposal deadlines missed, and key donor relationships broken.

Turnover cannot be avoided, but the rate at which it is now occurring is costing organizations precious dollars — dollars they can ill afford to surrender every 12 or 24 months. During the past two years of intense fundraising work with 45 client groups, TREC has witnessed the departure of 28 full-time fundraisers — a staggering turnover rate of 61 percent. This situation simply must change.

YOUNGER GROUPS SHOW FUNDRAISING SAVVY

Here’s a hopeful observation: newer conservation groups — those that were incorporated in the last five or six years — often differ from their older brethren in one very significant way: the value and necessity of fundraising have been encoded in the organization’s DNA. Staff and board members of these groups attend TREC’s fundraising trainings and quite willingly solicit gifts and ask people to join their organizations. They’re not fearful about asking for money and they consider the task an integral part of their ongoing work. Often, these organizations are far more aware of just how tough it is to raise money. Many of them started soliciting individual gifts in late 2000 and after, when the stock market began to spiral downward, when the nation was mourning and attempting to cope with the tragedy of September 11, and when the decline in government funding made competition for individual dollars much fiercer. These younger groups may have had the benefit of growing up in an era when board standards, board accountability, board trainings, and board roles and responsibilities are far better understood and accepted. Though young, these groups provide an interesting example of integrating fundraising organizationally for the rest of us.

The Knowledge Conundrum

Here is a rather peculiar phenomenon: Fundraisers learn skills, collect hundreds of tips and techniques, and acquire quite a lot of knowledge particular to the organization they're in, yet fail to impart it to their successors. Though people often leave organizations on short notice, there needs to be a way to make the transition period easier. Starting at square one each time a new fundraiser is hired costs the organization far too much money and wastes time and effort.

Transferring knowledge from one peer to another ought to be a mandatory and clearly understood job responsibility. It should start by requiring fundraisers to document what they do in detailed, typewritten explanations, instructions, and references — an operations manual that anyone can easily understand and use. The departing fundraiser then needs to make sure that someone in the organization knows exactly where important information is stored, both electronically and physically — the crucial fundraising plan and calendar, training manuals, prior fundraising letters, vendor contact names, proposal deadlines, previous fundraising plans, pledge forms, stock transfer information, and so forth.

Organizations would also be wise to develop specific “departure” protocols and to implement them each time a fundraiser leaves. When a fundraiser gives notice, they should be asked to stay long enough to spend two weeks to a month training the new hire. In circumstances where it takes several months to hire a suitable candidate, it's worth asking the departing employee if they'd be willing to provide some crossover time when the new staff member comes on board — by phone, e-mail, or in person. Of course, they should be paid for any time they spend doing this.

Mentoring others — paid staff, board members, or volunteers — while the fundraiser is on staff is an extremely valuable practice for both the fundraiser and the organization. The fact that someone other than the fundraiser knows how to do even the most rudimentary fundraising tasks will be especially key during transition periods between fundraising staff. It means, for instance, that the organization isn't left scrambling to meet important proposal deadlines or that routine tasks such as renewal and special appeal letters remain on schedule. While it may seem that there simply is no time to invest in training someone else, consider this: It takes no more than half an hour to give someone enough information and basic instructions on how to write a renewal letter. It will take that person about an hour and a half to write that letter. If you have 1,000 members and 20 percent of them (the industry norm) respond to this renewal request with a \$30 gift, you've just earned \$6,000 — even if your fundraiser has left the organization.

Seeing that
others are trained
is one of the
best things
an organization
can do for itself.



MAKING IT REAL

Chances are that at least two of the problems discussed in the previous section exist in your group. It will take time, ingenuity, fresh thinking, and a willingness to take calculated risks to solve these problems and to create a healthy fundraising organization. TREC can help with these challenges.

Although making the kinds of changes detailed in the Action Steps on pages five and six may not come easily, conservation organizations that take the time to think through how to institute them will not only do a better job of meeting their missions, they will also contribute to making the conservation movement as a whole a stronger force for change.

