

# GG+A Quarterly Review

Winter 2012

GG+A  
Grenzebach  
Glier and  
Associates

*Philanthropic News & Analysis*

## Fifty Years of Philanthropic Management Consulting *GG+A Celebrates Dramatic Growth of the Fundraising Profession*

When John Grenzebach and Associates was founded by John Grenzebach 50 years ago, the timing could not have been better. The firm began providing philanthropic management consulting to fundraising institutions and other organizations in 1961 on the heels of a decade that saw private support of religious, education, health, and social welfare organizations increase 100 percent.

**Harvard University** had recently ended a capital campaign that raised “a staggering” \$82 million, and the **Massachusetts Institute of Technology** had just embarked on its Second Century Program to raise \$66 million (*Fund Raising in the United States: Its Role in America's Philanthropy* by Scott M. Cutlip, New Brunswick Transaction Publishers, 1965). Just three years later, in 1964, **The University of Michigan** became the first public university to launch a comprehensive capital campaign,

raising \$72.8 million by the mid-1960s (*Successful Fundraising for Higher Education* by Frank H.T. Rhodes, The American Council on Education, Oryx Press, 1997). It was a decade in which institutions began building their own fundraising teams along with the institutional capacity to raise money.

Fueled by the ever-increasing need of nonprofits for private support, advancement operations over the last 50 years have witnessed dramatic growth with “an absolute

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## Factors for Fundraising Success

While the success of an institution's fundraising operation still is determined ultimately by the amount of money raised, sophisticated measurement and tracking systems are better informing advancement decisions and broadening the ability of organizations to execute fundraising strategies. GG+A Chairman Martin Grenzebach cites a number of characteristics shared by high-performing fundraising organizations:

- Clearly articulated vision and priorities
- Good organizational structure with well-defined positions
- An accountable and active board
- Strong communication within and across the organization among development leadership, staff, and volunteers
- Clear metrics and reporting
- A development approach that focuses on the right behaviors instead of dollars raised
- Distinct expectations and roles for each staff, volunteer, and board member
- Tradition of celebrating success

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celebrating your success

**50 YEARS**

# Fifty Years of Philanthropic Management Consulting

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explosion of capital campaigns across America,” writes G. David Gearhart, a 30-year fundraising veteran who has held senior positions at **The Pennsylvania State University** and GG+A before serving as vice chancellor and currently chancellor of the **University of Arkansas**. “For an institution to ignore at least

completing the largest campaign in the history of higher education, reaching well over \$5 billion.

In this issue, advancement leaders offer their perspectives on the growth of the industry and what the future holds for fundraisers. In addition, members of the GG+A

for the **University of Washington** who has worked in fundraising for nearly 40 years, previously as vice chancellor for university advancement at the **University of California, Riverside** and for more than 20 years in various leadership capacities at **Washington State University**. “Private philanthropy today undergirds the ability of institutions to support many basic programs and to ensure students have access to stellar educational opportunities.”

“Organized fundraising in the U.S. began in the early 1900s with teams of fundraisers going from town to town raising money for specific projects like a YMCA or a library. Fundraisers were mercenaries for hire who would come in, raise money for an organization, then move on.”

GG+A Chairman Martin Grenzebach

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the discussion of a capital campaign is to risk being left behind amid intensifying competition,” he notes in *Philanthropy, Fundraising, and the Capital Campaign* (National Association of College and University Business Officers, 2006).

Fundraising offices, particularly in higher education, that began as modest efforts staffed by a handful of people typically housed in the office of the president or an alumni association have expanded to hundreds of staff members supported by multi-million-dollar budgets to execute billion-dollar-plus campaigns. This year, **Stanford University** has moved toward

Executive Committee are quoted throughout the newsletter, drawing on their experience in working with organizations across all sectors.

## The Growing Importance of Philanthropy

Increasingly, non-profit organizations that once looked to private support to strengthen their missions now use that support to sustain core operations. “We used to describe private philanthropy as providing institutions with funds to achieve a margin of excellence over and above normal operations, but that margin no longer exists,” says Connie Kravas, vice president of development and alumni relations

Widening recognition of the importance of fundraising has led to a more positive attitude about fundraising and a greater respect for the profession, according to Carol Herring, president of the **Rutgers University Foundation** and executive vice president of development and alumni relations for **Rutgers, The State University of New Jersey**, who has spent more than 25 years in the field in positions at **Princeton University**, **Barnard College**, and the **Asia Society**. “Fundraising used to be treated as a slightly suspicious and less open profession, but it has taken on a new role in the non-profit world.”

Terry Fairfield, vice chairman and former president of the **University of Nebraska Foundation**, attributes the shift to the fact that “institutions have recognized the intrinsic value of the profession

“Major gifts have always been the key to success in any fundraising campaign in higher education. Their importance continues to increase, and the old 80/20 rule, where 80 percent of dollars came from 20 percent of the donors, has gone to 95/5. Million-dollar gifts now drive between 50 to 60 percent of the goal, and often more.”

GG+A President and Chief Executive Officer John J. Glier

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and the role of private giving in sustaining them and moving them to a higher level,” he says. “In 1987, private support accounted for about two percent of the university’s academic budget. In 2011, private support represented more than 15 percent of the budget, having grown from \$12 million to \$176 million.”

## A Maturing Industry

With a host of associations serving the profession, academic programs dedicated to the study of philanthropy, and trade publications, websites, and blogs covering industry news, fundraising has emerged as a viable, long-term career option. “The field is growing faster than good people are entering it,” attests Herring, who expresses concern that the supply of qualified fundraisers who truly understand the dynamics of working with donors and institutional leadership will not continue to meet demand.

That talent pool increasingly must reflect the diversity of the donor

population. “Throughout the early years of my career, it was very rare to see another female fundraiser at a development conference,” says Kravas. “The profession has changed dramatically in terms of gender, race, and ethnic diversity. In many cases, advancement has led the way on these important measures at our institutions.”

During the last five decades, the diversification of the industry, in terms of both human resources and operations, has been driven by a wide range of factors. Senior development professionals interviewed for this

issue discussed critical factors that have changed the profession: technological innovations, improved access to data, changing donor expectations, and the evolution of volunteer support.

## Technology Expands Fundraising Reach

The growth of technology and its contributions to the ability to generate, collect, and analyze vast amounts of data have catapulted the fundraising profession into the information age. Technology has redefined reporting in the past few years, moving from a pull model to a push model, according to *Advancing Philanthropy* (“Tech Talk, Trends, Tips, and More,” May/June 2011).

Dale Seuferling, president of the **Kansas University Endowment**, describes how technology advancements have allowed institutions to enlarge their donor databases dramatically. “In the old days, you simply started prospecting

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“Fundraising is an institutional commitment, not just a function of the development operation. It is critical for advancement staff members to collaborate as colleagues and partners with all areas of the institution, including trustees, volunteers, and academic partners. The finance, planning, and development functions are all vital in developing an institutional financial model.”

Laurie L. Musgrove, GG+A

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with the first name on the donor list and continued down the list without any type of segmentation. Today, it is an absolute necessity to mine the database to identify new prospects, build relationships, increase annual fund participation, and even match donor visits to staff travel schedules," he adds.

Paul Ramsbottom, chief executive officer of **The Wolfson Foundation**, one of the U.K.'s largest private foundations, believes the greatest technological advantage is the ability to “quickly put your finger on important pieces of donor information. If fundraising is all about engagement, quick access to information is a critical part of that engagement.” He predicts that as institutions continue to segment donor groups more clearly, fundraising positions will become more specialized. “There will be increasing emphasis on careful strategic philanthropy rather than ad hoc ‘kitchen-table giving.’”

Technology also offers multiple platforms for communicating with donors, who may no longer have the time to attend numerous meetings with gift officers. “Technology can be an effective method in reaching donors who prefer a more transactional approach to fundraising,” says Ted Garrard, president and chief executive officer of the **SickKids Foundation**.



"FORTY YEARS AS YOUR PROTEGE  
SEEMS ENOUGH."

one of the largest foundations in Canada, which raises funds for the **Hospital for Sick Children**. “We are using technology to more successfully integrate fundraising programs and open new channels, such as online giving and social media, to reach donors.”

Malcolm Grant, president and provost of **University College London**, sees technology as one of the ways to reach younger graduates. “We are using technology to get out there earlier to talk to alumni. At graduation, we have student volunteers in the crowd with their iPads talking to

friends and recruiting them to the alumni association.”

The expanding use of technology has back-office implications for advancement operations as well. Development operations now often include information technology specialists who must keep systems up and running and train development staff members to use technology effectively. Garrard, who has overseen fundraising campaigns for **The University of Western Ontario** and **United Way of Toronto**, believes technology can help institutions streamline fundraising processes. “Organizations need to examine



“Easier access to information about potential donors makes it more important than ever that newer development officers learn to treat donors with respect as individuals, rather than as ‘ratings.’ Well-run programs coach staff members to use information to shape their approach to prospective donors without presuming a level of knowledge that could be offputting.”

Donna L. Wiley, GG+A

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ways to share back-room functions to reduce costs, which could mean giving up control of certain systems or sharing data in the interest of becoming more efficient,” he says.

## Data Makes the Difference

Many fundraising veterans recall the days when data input meant writing donor names and contact information on index cards, and data analysis entailed a review of gifts noted on those cards. Today, within seconds, fundraising professionals have access to a range of databases to help them track donor activity, identify new prospects, and manage staff performance, among other activities. The availability and reliability of vast amounts of data coupled with the use and understanding of fundraising metrics and improved reporting capabilities are making fundraising today all the more efficient.

Detailed and targeted reporting is now essential to prepare fundraisers

to address constituent concerns. “Board members never used to ask the kinds of questions they ask today,” says Garrard. “They are accustomed to having analytics and metrics in place to review the performance of their own organization. We need a dashboard to allow them to review our fundraising performance.”

The influx of data more readily allows institutions to monitor progress carefully against goals. “You can now track donors and measure their progress in various stages of the relationship,” explains Pati Greenwood, vice president for development for **Women’s College Hospital Foundation** in Toronto. “It is a systematic process that affects our ability to move prospects to a higher level of engagement.”

In today’s digital age, chief development officers must wrestle with new management concerns as well. Greenwood worries that

technology may be used a crutch. “Sitting in front of the computer searching for one more piece of data can keep gift officers away from the true work of raising money,” she asserts.

With so much data at their fingertips, advancement staff members at all levels must exercise the highest levels of discretion and take needed steps to protect donor privacy. “We must be extremely careful,” says Herring. “We are keeping so much data on so many people. We need to be sensible about the type of information we maintain in our databases and how we manage it.”

As Gearhart notes, “Once donors see confidentiality breached, they will be reluctant ever after to trust the organization or to enter into a relationship with it.”

## The Changing Face of Donors

Throughout the last five decades, donor expectations and demographics have undergone seismic shifts. In fact, fundraisers might want to be more concerned about changing demographics than economic swings, according to Judith E. Nichols, former deputy director for external affairs at the **Brooklyn Public Library**, who says charitable giving has undergone tremendous changes in response to

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new generations and their attitudes toward philanthropy (*The Chronicle of Philanthropy*, “Changing Demographics Could Be More of a Challenge to Charities than the Recession” by Paula Wasley, June 14, 2009).

Among the new generations of donors are greater numbers of wealthy young people who have the capacity to make mega-gifts and more women who are actively involved in philanthropy.

Across the board, it appears that today’s donors at all levels are seeking increasing involvement in the institutions they support. “Twenty to thirty years ago, organizations set the goals and the donors gave to achieve those goals,” says Greenwood. “Today’s major donors acknowledge institutional goals, but have their own ideas. They expect us to know their preferences, operate on their timelines, and give them more control of their investments.”

“The notion that donors are ‘intrusive’ or ‘crossing the line’ when they ask for frequent, detailed information about the use of their gifts is passé. Today’s donors exert a level of due diligence consistent with viewing a charitable gift as an investment that should be monitored for progress against clearly identified goals. Institutions that anticipate this increased interest in reporting will build stronger donor relationships over time.”

Donna L. Wiley, GG+A

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Paul Ramsbottom agrees, “Donors, whether foundations or individuals, are expecting more from institutions and are willing to do more homework about where they want to invest and how. They are looking at organizations in greater detail and applying more rigor to their philanthropic decision making.”

As donors have become more sophisticated, they have become less trusting of institutional leadership to make the right decisions with their gifts. “Donors want to see benchmarks, outcomes,

and achievements as a result of their giving,” says Seufferling. Still, he believes this new level of engagement can work to a fundraiser’s advantage. “It can create more opportunities to deepen relationships and develop additional gifts.”

Fundraisers in the U.K. continue to build on a tradition established by a number of generous 19th-century benefactors who established chairs and professorships that remain in place today. Grant asserts, “We are in the process of reinventing the concept of benevolence and public welfare among potential donors. We have been quite negligent in our relationships with alumni, so the next 50 years look very exciting as we work to change the culture.”

“The number and range of non-profit agencies can be overwhelming to younger donors who have not yet established patterns of giving or specific areas of interest. We should have some concern that the ‘industry’ of philanthropy may be becoming just one more large-scale enterprise about which they can be skeptical.”

Kathleen A. Kavanagh, GG+A

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### On the Shoulders of Volunteers

In decades past, institutional fundraising programs were often

launched on the shoulders of a large corps of dedicated, tireless volunteers. As internal advancement staff and other resources expanded, the involvement of volunteers diminished. Today, many institutions report a resurgence in volunteer participation to meet the growing demands on development offices.

“The pendulum always swings back,” explains Herring. “With greater pressure on larger goals, Rutgers is looking for participation on both sides of the aisle. I am of the school that volunteers are the most effective fundraisers.”

In the 1970s and early 1980s, strategic planning was primarily

conducted in the president’s office with little volunteer involvement, but volunteers in recent years want a voice in the process. “Today, opinion leaders, high net-worth donors, and high-level volunteers are invited to comment on the plan’s relevance,” describes Fairfield. “Visiting committees are not just giving the rubber stamp,

these volunteers want their messages heard.”

Today’s volunteers also work in greater partnership with institutions. “In the early days of campaigns, volunteers would do it all: open the doors and make the calls. Today, they still help us with many points of access, but volunteers

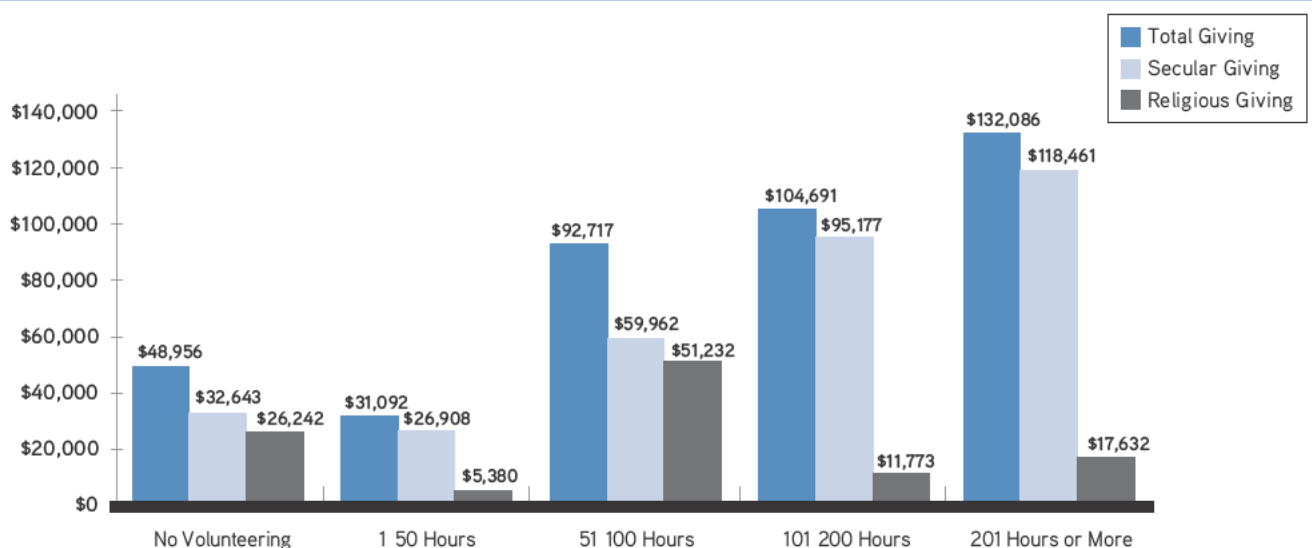
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“Few gifts today, large or small, emanate from a sense of obligation, loyalty, or that something is ‘owed back.’ Institutions must convey a strong, compelling rationale for gifts and must demonstrate that the gifts will have a clear, measurable impact on supporting the institutional mission.”

G. Robert Alsobrook, GG+A

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## Average Giving by Volunteer Hours and Type of Organization



Source: The 2008 Study of High Net Worth Philanthropy, Bank of America, 2008

## Johns Hopkins: A History of Philanthropic Success

The rich history of fundraising at **The Johns Hopkins University** can be traced to the university's founding in 1876 with a gift of land, railroad stock, and other securities from Baltimore philanthropist and entrepreneur Johns Hopkins. From its first endowment campaign in 1902 to raise \$1 million through current planning for a new campaign, Johns Hopkins has built an impressive track record of engaging vast numbers of constituents and exceeding campaign goals.

### Haley Takes Hopkins into New Era of Fundraising

When Robert "Rip" Haley joined Johns Hopkins as vice president for development in 1979, the university and hospital had a total of 16 development officers and very little volunteer support. Haley believes one of his greatest accomplishments was establishing a strong volunteer network. "There were two chairs of the 1970s *Hopkins Hundred* campaign, but there were virtually no other major gift fundraisers. We demonstrated the importance of volunteers in financially supporting the institution." Haley raised awareness that active involvement in fundraising was critical for trustees, especially those interested in chairing the boards.

He acknowledges two university board chairs who were particularly

instrumental during his tenure in raising Hopkins' philanthropic profile: Morris Offit, then chief executive officer of Offitbank, who chaired *The Campaign for Johns Hopkins*, and Mayor Michael Bloomberg, then chief executive officer of Bloomberg LP, who chaired *The Johns Hopkins Initiative* from 1992 to 1996. "They changed the attitude from fundraising is someone else's job to fundraising is one of the most important things that a trustee does."

In building a culture of philanthropy, Haley recalls his staff members spent a great deal of time with faculty members, deans, and physicians. "Fundraising was still a sensitive issue. We had to show physicians that their wealthy patients were making charitable gifts to other institutions, and Hopkins should receive some of their support as well."

In tandem with the growth of the fundraising effort was the introduction of technology into Hopkins' development operation. "Technology helped us accumulate higher quality information on our prospects," recounts Haley. "Thanks to technology, the amount of gifts from alumni, friends, and grateful patients went off the charts."

As the number of gifts grew, so did the advancement operation. By the

end of Haley's tenure in 1994, the fundraising team at Hopkins had grown to more than 100 staff members.

### Lindgren Leads Back-to-Back Campaigns

The stage was set for continuing success when Robert Lindgren, formerly vice president and chief development officer at the **University of Florida** for a decade, took the helm as vice president for development at Hopkins in 1994. He attributes much of Hopkins' fundraising success to its reputation and its decentralized structure. "Hopkins is a first-class university and hospital doing first-class work, and it attracts people interested in supporting the very best," he says. "It is a very decentralized organization, which means deans, department chairs, and individual faculty members have more at stake because they are responsible for their bottom lines. Hopkins' deans certainly are among the best fundraising deans in the country, and they have contributed enormously to the success of the institution over time."

At the midpoint of *The Johns Hopkins Initiative*, Hopkins conducted its first-ever campaign feasibility study. Based on the positive results, the university extended the length of the campaign and increased its goal



to \$900 million, ultimately raising \$1.52 billion. Following a second feasibility study, Hopkins made a bold move. “We launched the first back-to-back campaigns in the university’s history, an effort nearly unprecedented in the United States. At the time of its launch, the *Knowledge for the World* campaign was one of eleven \$2 billion campaigns in American higher education,” relates Lindgren.

He admits that Hopkins was able to pull off such a feat, in part, because of the nature of its constituency. “Half of our business is in medicine. The grateful patient prospect pool is regenerated continuously, so you are not going back to the same group of alumni, parents, and friends. Our

body of friends had continued to grow.” He also credits an increased number of big gifts. The *Knowledge for the World* campaign ended with nearly 80 percent of the dollars raised coming from \$1 million-plus gifts compared to around 60 percent in the previous campaign.

During President William Brody’s tenure, management of **The Johns Hopkins Hospital and School of Medicine** was integrated under the umbrella of **Johns Hopkins Medicine**, while the fundraising program had been integrated for many years. “If a donor aligned with the hospital, we would raise money for a hospital building or equipment,” relates Lindgren. “If a donor aligned with a physician who

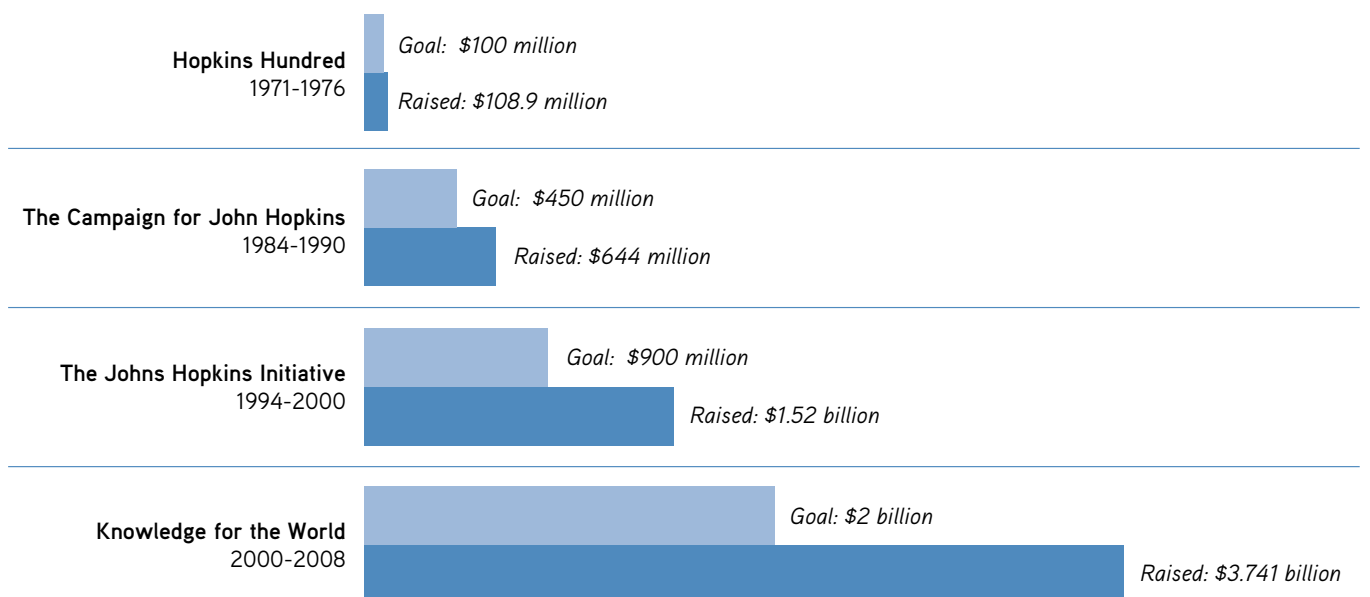
was connected to the medical school, we might solicit the donor for an endowed professorship.” By the time Lindgren left Hopkins to assume the presidency of **Randolph Macon College** in 2006, he was managing 350 advancement professionals, and the institution’s decentralized development budget totaled some \$32 million.

## Eicher Positions Hopkins for the Future

Mike Eicher, senior vice president for external affairs and development, joined Hopkins in 2006 from the **University of California, Los Angeles**, where he had worked in development since 1986 and as vice chancellor since 1998. He has taken an approach he calls

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### Recent Hopkins Comprehensive Campaigns



# Johns Hopkins: A History of Philanthropic Success

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“uncharacteristic,” spending more time engaging constituents at all levels and building the base of support. “Historically, Hopkins has been a big-gift operation and has not spent as much time on alumni, the annual fund, and some of the lower-end donors,” he describes.

His efforts have included appointing an associate vice president of constituent engagement to oversee the alumni association, annual fund, regional and international activities, and donor relations. “These are all areas that can be approached in terms of groups of donors versus major gift officers and their relationships with individuals,” explains Eicher.

“We realized we were investing dramatically less in the annual fund and alumni relations than many of our peers, so we have taken steps to correct that,” says Eicher. “We’ve also added major gift officers in strategic places.”

Eicher is also focusing on volunteer development. “We are doing a better job of describing roles that volunteers can fill beyond soliciting gifts. Many volunteers are much better at building relationships, developing strategies, engaging peers, or creating credibility for our case.”

## Leadership Gifts Drive Campaign Success at Hopkins

### Number of Gifts at the \$1 Million Threshold

The Campaign for Johns Hopkins	92
The Johns Hopkins Initiative	339
Knowledge for the World	873

### Number of Gifts at the \$10 Million Threshold

The Campaign for Johns Hopkins	1
The Johns Hopkins Initiative	39
Knowledge for the World	78

Source: The Johns Hopkins University

In addition, the Hopkins development operation has become more metrics driven. “We’ve spent a lot of time in the last few years developing individual performance metrics for major gift officers, and we’ve revamped our prospect management system,” explains Eicher.

A continuing concern for Eicher is the recruitment and retention of top talent. “The ability to attract a young and diverse audience into this field is important to the future of fundraising at Hopkins,” he notes. Recognizing that qualities that make an individual a superb major gifts officer are not the same qualities that may make him or her a good leader or manager, Hopkins has invested in a leadership development program to fully prepare its advancement management team. “We are coaching growth

and creating a better working environment,” says Eicher.

With the next campaign set for public announcement in 2013, Eicher recognizes a number of challenges beyond the economy. “Baltimore is an interesting challenge and opportunity as we are not located in an enormous metropolitan area with seemingly endless wealth.” He adds, “International affairs and world politics could have a big influence given our medical and research programs in 132 countries and campuses in Nanjing and Bologna. This campaign will define our future.”

*Grenzebach Glier is proud to say that it has provided advice and assistance to Johns Hopkins continuously since 1989. ♦*

## Fifty Years of Philanthropic Management Consulting

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“Volunteers have always played a central role across all parts of the independent sector. Their role has evolved strongly in higher education, including the role they play in comprehensive campaigns. The data tells us that volunteers are almost always our best donors, contributing at levels 15 to 20 times higher than non-volunteers.”

John J. Glier, GG+A

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expect university leadership or development professionals to do the heavy lifting with the ask,” says Seufferling.

With time at a premium for many volunteers, institutions must be more flexible in adapting to restricted schedules. Garrard explains, “Today, we have fewer volunteers, and those who volunteer have less time due to family and workplace obligations.” He describes how some Canadian companies now limit corporate executives to one volunteer assignment, forcing institutions to think long and hard about the best use of volunteers.

One response among volunteers: micro-volunteering or grabbing a few minutes when possible to assist with small tasks usually via technology. Volunteer leaders frequently bemoan this short-commitment mentality, but writer Susan J. Ellis notes, “We should not only value the intensity and duration of volunteering to get something done today, but

also recognize the cumulative effect of a continuum of service. We must develop a mindset that sees potential in all contacts...” (“Long-term Friends: How Often Are Your Volunteers Asked to Help Again?”, *The NonProfit Times*, October 1, 2011).

Kravas still believes in the value of the volunteer committee “even if it is a committee of one assisting in an area of special interest to the individual volunteer.” She attests, “We need to convert more outsiders to insiders, and we need to make committee work meaningful and engaging. I believe firmly that volunteers involved in committees support gifts, in both size and number, at astonishingly higher rates.” ♦

### GG+A Quarterly Review

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An international leader in philanthropic management consulting, Grenzebach Glier and Associates (GG+A) has 50 years of experience with educational, cultural, medical, and other non profit institutions. The goal of the *Review* is to provide timely information about issues and events that are relevant to philanthropy.

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## The Future of Fundraising

What does the future hold for the fundraising profession? Who are the donors of tomorrow? How will technology alter interactions with donors? How will success be measured for individual fundraisers and institutions? Without question, the industry will continue to undergo profound changes.

Within the profession, a great deal of discussion has centered on more formal mechanisms to validate and elevate the status of fundraising, including a reliable database of fundraising professionals and programs worldwide; clear, enforceable standards of fundraising reporting; and professional training with rigorous requirements.

GG+A consultants cite a number of key forces that could dramatically change the fundraising landscape, including:

**Greater accountability.** "Fundraising continues to grow more complex and business-like in many philanthropic organizations. New investments in staff and programs are evaluated and assessed in the context of ROI, the return such gifts bring to an institution's mission. More

and more, programs are held accountable by chief executives and boards to deliver necessary funds to our budget-constrained organizations."

*John J. Glier*

**Social networking.** "Social networking and the ability for people and organizations to organize and communicate directly and immediately has only begun to affect fundraising. Very few organizations have figured out how to best use this technology, which has enormous potential for philanthropy."

*Martin Grenzebach*

**Cost of higher education.** "The cost of higher education may change the fundraising landscape in a way that makes it very difficult to raise money. Donors have not really questioned the higher ed business model and cost structures, but this could be changing."

*Martin Grenzebach*

**Identifying the donors of the future.** "We have some ideas about predicting which prospects might look like future donors, but many organizations are struggling to build meaningful relationships now with

younger constituents in anticipation of finding the small number of donors who will be true leaders over time."

*Kathleen A. Kavanagh*

**The desire for dialogue.** "Major gift donors for campaigns that will begin in 15 or 20 years are in their 20s today and are prolific users of social media. This younger generation expects transparency, authenticity, and true dialogue with the organizations they support. Institutions must develop a real voice from real people, not the traditional, faceless institutional voice. Individuals must be empowered to communicate on behalf of organizations versus the single spokesperson approach."

*Bill R. O'Leary*

**Increased focus on mega-gifts.** "Younger fundraising professionals seem to be most interested in looking for those million-dollar gifts. There is a general lack of understanding of the value of building the pipeline and helping donors learn to be philanthropic. The sacrificial gift of \$10,000 is as important as the \$5 million commitment to the future of the institution." *Laurie L. Musgrove*

## Major Milestones

**1961** President John F. Kennedy establishes the Peace Corps, creating opportunities for American volunteerism worldwide.

**1964** President Lyndon B. Johnson begins his War on Poverty, creating programs to support nonprofits providing healthcare and social services.

**1969** The Tax Reform Act of 1969 vastly changes tax exempt law, increasing the deduction limit for charitable contributions to 50 percent of a taxpayer's adjusted gross income; detailing limits for noncash gifts; and paving the way for advances in planned giving.

**1974** United Way raises more than \$1 billion in America and Canada—the first time in history that an annual campaign of a single organization raised more than \$1 billion.

**1976** The National Committee for Responsive Philanthropy is created to represent the interests of groups that many people felt were being neglected by established philanthropy.

**1980** The National Council on Philanthropy and the Coalition of National Voluntary Organizations merge to create Independent Sector, which represents grant makers and charities.

**1981** Congress raises the amount of charitable contributions that corporations can write off annually from five percent to ten percent of taxable income.

**1984** The U.S. Supreme Court says that states cannot limit the percentage of charitable donations that nonprofit groups can spend on fundraising.

**1986** Stanford University launches the first billion dollar campaign in higher education history.

**1986** Congress overhauls the tax code and removes charitable deductions for individuals who do not itemize deductions on their tax returns with the Tax Reform Act of 1986.

**1988** *The Chronicle of Philanthropy* launched.

**1992** The University of Michigan launches the first \$1 billion capital campaign by a public higher education institution.

**1996** Congress passes a law that enables the IRS to penalize charity officials who receive or approve inappropriately high compensation. The law also requires nonprofits to make their Form 990 informational tax returns easily accessible to the public.

**1999** Microsoft executive Bill Gates and his wife, Melinda, contribute three gifts totaling \$16 billion to create the nation's largest philanthropic organization.

**1999** President and Mrs. William J. Clinton hold the first White House conference on philanthropy.

**2003** Memorial Sloan-Kettering Cancer Center is the first healthcare institution to launch a billion dollar campaign.

**2006** Warren Buffett announces that he will give \$43.5 billion in Berkshire Hathaway stock to a number of private foundations and charities. \$31 billion, the largest single charitable gift in history, goes to the Bill & Melinda Gates Foundation.