

Promising Practices In 4-H Science



4-H Science
2012

Fund Development

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Introduction

As the largest youth serving organization in the United States, 4-H holds a preeminent position based on its rich history and prestigious connection within the Land Grant University system and its ongoing record of excellence and accomplishment in the youth development field. Despite these tremendous assets, 4-H faces significant economic challenges due to the shifting landscape of public funding at the federal, state, county and local levels. It is unlikely that public funding will return to its former levels therefore it is necessary to look at new sources of support from the private sector – individuals, businesses, corporations and foundations – to leverage remaining public funds in order to sustain and grow the program. 4-H has a compelling message and demonstrable impacts that are well aligned with the interests of private funders. However, securing funding from these new sources requires a set of strategies for engagement based on long term relationship building and ongoing investment rather than a singular fundraising approach based on short term gifts.

What is the difference between “fund development” and “fundraising?”

Fundraising is an important component of the 4-H program, whether at the local, county or state level. 4-H professionals, members and volunteers engage in ongoing efforts to raise money – bake sales, car washes, dinners, special events – as well as requests for in-kind goods and services to support their activities and operational needs. These essential efforts can be labor intensive and may result in a limited return on investment – the net income after the human and financial resources spent on implementation are taken into account. It is a given that the goal is to raise money and these fundraising efforts are an important piece of the short term financial picture. However, when viewed through the wider lens of a relationship-based fund development approach these efforts can contribute to a deeper connection with donors, cultivating them to become investors and organizational champions, and leveraging increased funding and sustained support in the long term.



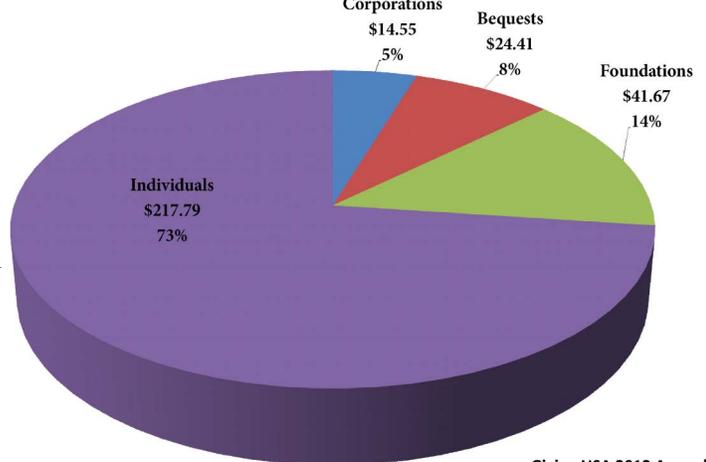
The fund development approach can be employed at every level – it is not just for development professionals nor is it just for raising major gifts. A 4-H volunteer leader’s organization can employ this approach when seeking annual gifts from local alumni with the same effectiveness as a 4-H foundation gift officer cultivating a six-figure gift. Engaged donors are inclined to give more, making 4-H a priority for their philanthropy. Everyone in the 4-H family plays a role on the fund development team. Program managers, program presenters, content specialists, researchers, volunteers, leaders and youth members can capitalize on their own work to make connections, share stories and demonstrate accomplishments, contributing to the cultivation of stakeholders and new partners, volunteers and participants. This joint fund development endeavor is a powerful force, representing both tangible impacts and visionary goals.

Context: The Current State of Philanthropic Giving (who is giving, what for and why?)

Despite the recent economic downturn, philanthropic giving has weathered the storm. The most recent **Giving USA™** report (compiled annually by the Center on Philanthropy at Indiana University) revealed that:

- Americans gave more than \$298.42 billion to their favorite causes despite the economic conditions. Total giving, when adjusted for inflation, was up 3.9 percent in 2011.
- The greatest portion of charitable giving, \$217.79 billion, was given by individuals or household donors, representing 73 percent of all contributed dollars.
- Foundations gave \$41.67 billion, accounting for 14 percent of all philanthropy, a slight increase over 2010.
- When adjusted for inflation, Corporate Giving remained relatively flat at 5%, representing the same level of overall giving as in 2010.
- More information can be found at www.givingusareports.org

2011 Contributions: \$298.42 billion by source
(in billions of dollars - all figures rounded)

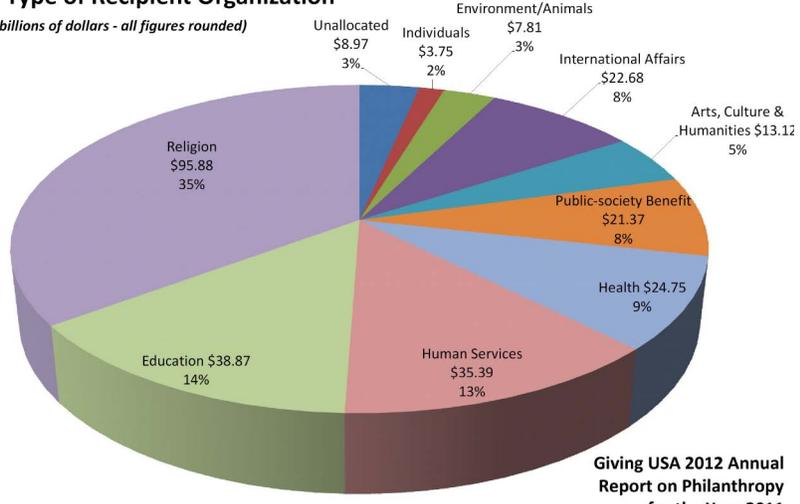


Giving USA 2012 Annual Report on Philanthropy for the Year 2011
Giving USA Foundation™

This data points to some good news for 4-H:

- Individuals make up the largest giving sector. 4-H has historically been built upon the involvement and efforts of a network of individuals. Strengthening this network through ongoing engagement of current stakeholders and re-engagement efforts aimed at alumni and new donors can result in greater individual investment in 4-H programs.
- Education giving increased by 4% over 2010 and is second only to giving to religious organizations. Education is the underpinning of the 4-H youth development program and it results in outcomes and impacts that can have wide-ranging relevance to funders.
- Philanthropic giving continues to play a sustaining role in organizations like 4-H that are **doing work that matters, have a record of accomplishment and the credentials to inspire confidence and trust.**

2011 Contributions: \$298.42 by Type of Recipient Organization
(in billions of dollars - all figures rounded)



Giving USA 2012 Annual Report on Philanthropy for the Year 2011
Giving USA Foundation™

The Shifting Paradigm: The Engagement Model

Funders are increasingly drawn to organizations that can demonstrate impact and address issues and priorities that they deem to be important, personally or professionally. Today it is rare for donors to write checks if they do not have a deep and historic attachment to the organization or an affinity to its mission. To address this shift, fund development professionals are now focusing on relationship building, reflecting a transformation:

- **from simply raising revenue** from short term donations to building sustained **relationships** with funders/donors
- **from program** driven funding (what we do) to **impact driven** funding (what we achieve)
- **from one-off recognition** (thank you notes, plaques) to **ongoing engagement and involvement** to cement relationships, activate involvement, encourage advocacy and create organizational champions

The **Engagement Model** illustrates the core elements of the relationship building process and provides a blueprint that can be utilized by staff and volunteers in ways that are relevant to their responsibilities and skills. It is not only useful for the ongoing stewardship of current donors and the cultivation of new funders from the private sector but is applicable to all 4-H endeavors – recruiting and

retaining volunteers, members and families; developing community partnerships; and maintaining and strengthening relationships with governmental agencies. The 4 key elements of the engagement model do not stand alone – there is tremendous nuance and overlap, each activity informing the next. With that in mind, each element creates a foundation and sets the stage for the next step, helping to ensure success.

Identify and Introduce – Every meeting, event, fundraising activity and conversation provides an opportunity to introduce people to 4-H and tell its story – what is happening, how it is being done and why it matters. Communicating the 4-H story to others is the first step in engaging their interest and in the case of current donors, strengthening and deepening their level of involvement. This process also includes an effort to identify those individuals, companies, and foundations that have or may have an interest in 4-H and its mission.

Cultivation – This is the discovery phase, an opportunity to listen and learn more about current and potential donors. Asking individuals to share their interests, funding priorities, past involvement and affinity for the impacts created by the 4-H program will inform the fundraising process, linking the value of 4-H to their personal interests. The cultivation effort results in a prospect list upon which to build a fund development plan.

Engagement Model



Asking – When we know what our donors want to support and how they want to be involved – “asking” becomes an invitation for them to fulfill that goal, involving them in ways that have meaning and value. Asking is at the heart of fundraising. If they are not asked, 4-H supporters and donor prospects will never have the opportunity to give. The “ask” can happen in many ways – individually in-person, in a letter, at an event, or through a combination of these methods. Regardless of the method, it is critical to remember that people do not give because 4-H needs something; they give because 4-H meets a need about which they care.

Stewarding – Acknowledging donors for their contributions is fundamental to the relationship-based engagement approach. Stewardship is more than a “thank you” when a gift is received. It requires ongoing communication and follow-up and means making good on promises (using the funds as the donor intended). Sharing progress, reporting results, telling stories and describing challenges are key components of stewardship. A transparent process tells donors that they are valued as stakeholders, contributing to 4-H and sharing in its accomplishments.



Getting Started: a User Friendly Fund Development Resource Designed Just for 4-H

In addition to the many online and print fund development resources referenced below, 4-H professionals and volunteers have access to the comprehensive National 4-H *Fund Development Toolkit* (<http://www.4-h.org/resource-library/professional-development-learning/fund-development-toolkit/>) developed in collaboration with The Osborne Group. Geared toward the 4-H community the *Toolkit* reflects current thinking and best practices in fund development. All of the topics introduced here can be found in greater detail through presentations, templates, guides, videos and more.

Articulating a Case for Support: Telling a Story that Illustrates Impact

The Case for Support is the essential message or story around which a relationship-based fund raising strategy is designed and provides guidance for the identification of donor prospects that share a similar vision. When engaging a potential donor in a conversation about 4-H, it is important to paint a picture that illustrates its impact on its participants and on the community in which it takes place, illustrating how participants benefit from their experience, how their experience contributes to their future academic and professional success, and what this can mean to a donor. *This is not a statement about what the 4-H program needs or even what it does; it is about how 4-H can play a role in meeting the needs of the larger community, and why 4-H is necessary, meaningful, and relevant.* A case for support can include data, programmatic details, outcomes, and connections to the mission and strategic plan. It should be customizable so that it can be geared toward various donor groups and be sensitive to their interests and giving inclinations. Most importantly, it is an opportunity to bring the 4-H experience to life by telling a story that they will want to hear, remember and retell, and that will engage prospective donors in a way that will provide validation for their decision to provide support.



Creating a Fund Development Plan Based on Reality

A **fund development plan** should be tailored to support the **strategic programmatic priorities** and **projected budget** for the organization. The strategic plan provides the overall vision for the organization – where it will go, how it will get there and what it will achieve; the budget establishes the costs related to achieving those goals; and the fund development plan provides the roadmap for securing the funds needed to meet the budget. To have a clear picture of the overall costs for the program, the budget should include all costs (operational, personnel, programmatic) and current and anticipated sources of income to cover those costs (from all sectors including university and county funds as well as government grants) and private funding from individuals, corporations and foundations). A careful analysis of current funding sources (both private and public) and the creation of plan to engage new donors is essential. Once the plan is aligned with budget and programmatic priorities, a **table of gifts** can be developed to determine how many gifts will be needed and at what amounts to achieve the goal. It will take a significant number of “asks” to achieve the desired number of gifts – not everyone will say “yes;” some may say “yes” but give less. This is part of the relationship building process – learning why a “no” was initially received and developing strategies to engage people more deeply so that their “no” will become a “yes” in the future. *A template for developing a table of gifts is provided in the 4-H Toolkit.*

Capacity to Give¹

		High	Medium	Low
Attachment ²	High			
	Medium			
	Low			

High Capacity + High Level of Attachment = Strong Prospect Potential

Prospect Research

To create a table of gifts, it is important to know as much as possible about current and prospective donors and determine those who have the greatest potential to give. University development departments and state foundations have resources available to determine the giving capacity and interests of the individuals that they plan to engage. At the local level, with limited time and access to confidential information, a more grassroots strategy can be effective as well by working with current stakeholders to identify and create a prospect list based on their personal connections in the community. Additionally, a cursory internet search can often tell a great deal about an individual donor – where they work, organizations for which they serve as board members or support in other ways, location of homes and businesses. Business and foundation websites often feature their philanthropic programs and record of support. Creating a **Capacity and Attachment Table** for donors can help in identifying the “low hanging fruit” – prospects with whom to engage first because they are the most likely to give. The table can be populated using the information gleaned from research including the input from key stakeholders involved in the fund development process. Confidentiality and discretion are critical when having these conversations yet when done thoughtfully, they can result in a realistic and focused strategy that will succeed.

Promising Practices

To ensure consistency and quality in fundraising and maximize gifts across the state, the **California 4-H Foundation** has developed several models to build fund development capacity at the local level, coordinating with county leadership teams (UCCE, 4-H staff and key volunteers) and developing tools and strategies to maximize revenues. Without coordination, individuals, companies and foundations can be solicited by different 4-H groups for varying amounts and purposes, causing donor confusion, in some cases resulting in smaller gifts or no gifts at all, as well as inconsistent follow-up and stewardship. To date, four successful models are being piloted, tailored to the unique staffing (paid and volunteer) and programming structure of each community. These include: **1) Training and Practical Support**, coaching, technical and material support to improve outcomes of existing efforts such as events and annual appeals; **2) Working the Engagement Model**, partnering with local leadership to implement a mission-based process designed to engage multi-year sustaining donors, and new community partners, volunteers and members; **3) Developing Fundraising Tools and Matching Gifts Programs**, supporting local staff and volunteer leadership to develop a business plan that can serve as a strategic vision and case for support for local donors; a comprehensive budget to achieve that plan; and a detailed fund development strategy including matching gift challenges, to reach budget goals; and **4) Solicitation Partnerships**, a collaboration between local leadership and the Foundation to solicit major gifts from local resources. The Foundation supports proposal writing, funds management and stewardship efforts. For more information about the Foundation's local fund development capacity building efforts, contact Annette Leeland, Executive Director, at aleeland@ucdavis.edu.

The **California 4-H Foundation** is employing a variety of strategies to build relationships with key funders capable of supporting the California 4-H program at a significant level. The Foundation and State Program Teams are working together to identify key partners from the informal education and out of school time communities to leverage program capacity through collaborative fundraising efforts. Additionally, marketing and promotional sponsorships are being developed to increase visibility for the 4-H program while creating a potential stream of unrestricted funding and revenue sharing to build organizational capacity. For more information about this strategy, contact Andrea Ambrose, Corporate and Foundation Major Gifts Officer, at apambrose@ucdavis.edu.



The Nebraska 4-H Foundation (<http://www.ne4hfoundation.org/>) has undergone transformational change through their recent Board development efforts. Members are now taking a leadership role in raising major gifts on behalf of the 4-H Program. To learn more about the Nebraska 4-H Foundation and their success in engaging their Board in their fundraising efforts contact Stuart Shepherd, Executive Director, Nebraska 4-H Foundation at sshepherd3@unl.edu.

Like many 4-H foundations across the nation, the **Oregon 4-H Foundation** has forged many strategic relationships. Two relationships of note have visible and positive impact on the Foundation's work. Oregon 4-H works closely with agents in the field to help share the impact that their programs have on so many youth throughout the state. These 'boots on the ground' staff members are invaluable partners in sharing the success stories of Oregon 4-H. Through this partnership, the Foundation is working to create endowments for counties to provide a long term sustainable funding model to ensure 4-H will continue to serve Oregon youth in perpetuity. In addition, the partnership with the Oregon State University Foundation, and the dual-relationship of the executive director/senior development officer, gives the Oregon 4-H Foundation access to fundraising and stewardship resources otherwise not available and helped enable the Oregon 4-H Foundation to complete its best year of fundraising in the program's history. To learn more about the Oregon 4-H Foundation fund development program, contact Scott Elmshaeuser, Foundation Director at scott.elmshaeuser@oregonstate.edu.

Because of changes in staffing, the **Virginia 4-H Foundation** board had been inactive for a couple of years. In order to build an effective fundraising model with limited staffing, the program leader and development office focused on engaging current board members and identifying new members. They looked for small wins and strategic successes. These included achieving 100% board

giving, strategically engaging board members based on their strengths and interests, and helping board members (and staff) leverage existing relationships. Over time, more board members have been willing to take ownership roles and have pushed for more success. Next steps include creating and implementing a strategic plan to match program needs with foundation efforts. Throughout the process the board has celebrated successes and looked for ways to work more effectively with agents and staff. Contact: Ben Grove, Associate Director of Development, ben.grove@vt.edu, or Cathy Sutphin, Associate Director 4-H Youth Development, cmsutph@vt.edu.

Fund Development Resources

National 4-H Council Fund Development Toolkit (<http://www.4-h.org/resource-library/professional-development-learning/fund-development-toolkit/>). For additional information, contact Jennifer McIver, Director of 4-H Field Support, at Jmciver@fourhcouncil.edu. The **My4-H Fundraising Professionals Community** (www.my4-H.org) connects National 4-H Development staff and peers from LGU's and 4-H programs nationwide.

The Osborne Group has partnered with the National 4-H Council in providing professional development and resources to build 4-H staff capacity at the state and local levels. For more information or inquiries, go to <http://www.theosbornegroup.com/corp/> or mail@theosbornegroup.com ("4-H" in the subject line).

The California 4-H Foundation and Program team has developed the **Revolution of Responsibility Toolkit** (<http://www.ca4h.org/Support/RofR/Toolkit/>) to support its current civic engagement campaign. It includes tools for developing, fundraising and marketing service learning projects for staff, volunteers and youth members.

The following **professional organizations and online resources** offer a wide range of programs, resources, professional development opportunities and affinity group memberships:

- Association of Fundraising Professionals, <http://www.afpnet.org/>
- Chronicle of Philanthropy, <http://philanthropy.com/section/Home/>
- Philanthropy Center, <http://www.foundationcenter.org/>
- Philanthropy Journal, <http://www.philanthropyjournal.org/resources/fundraising-giving>
- Network for Good, <http://www1.networkforgood.org/>
- Network for Good Article Index, <http://www.fundraising123.org/fundraising/article-index>
- Achieve Guidance, <http://www.achieveguidance.com/>. In addition to professional development opportunities, Achieve has just published the groundbreaking *Millennial Impact Report* found at: <http://themillennialimpact.com/wp-content/uploads/2012/06/TheMillennialImpactReport2012.pdf>
- Guidestar, <http://www.guidestar.org/>
- CASE (Council for Support and Advancement of Education), <http://www.case.org/>

Books and Articles

- *The End of Fundraising*, Jason Saul, Jossey-Bass, San Francisco, CA, 2011
- *Relationship Fundraising*, Ken Burnett, Jossey-Bass, San Francisco, CA 2002
- *Conducting a Successful Capital Campaign: The New, Revised and Expanded Edition of the Leading Guide to Planning and Implementing a Capital Campaign*, Kent E. Dove, Jossey-Bass, San Francisco, CA, 2000
- *Building Donor Loyalty: The Fundraiser's Guide to Increasing Lifetime Value*, Adrian Sargent and Elaine Jay, Jossey-Bass, San Francisco, CA, 2004
- Fundraising and resource development consultant Jerold Panas has written a number of excellent books exploring fund development including *Asking: A 59-Minute Guide to Everything Board Members, Volunteers, and Staff Must Know to Secure the Gift*, Emerson & Church, Publishers, Medfield, MA, 2006-2007; and *Making the Case: The No-Nonsense Guide to Writing the Perfect Case Statement*, Institutions Press, New York, NY, 2003

¹**Capacity to give:** Based on a broad mix of data including wealth indicator research, personal knowledge, philanthropic giving history, involvement, circle of friends, business affiliation.

²**Attachment:** Reflects the level of affinity for the organization and its mission and/or interest in related disciplines, causes, or similar organizations. Suggests personal involvement at some level - as donors, volunteers, members, sponsors, community advocates, program participants, or program partners.