

## Eliminating the Fear Factor in Fundraising

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*InterActivity 2009 showcased the many ways children's museums are making an impact. Given the recent economic downturn, ACM decided to address development and management issues related to ensuring the financial well-being of museums. More than a dozen sessions, including Membership Matters, Federal Funding Brown Bag Lunch, Making Your Numbers Count and Corporate Giving: It's a Team Approach as well as a salon on Measuring Economic Impact and Management in a Challenging Economy, offered concrete advice and specific strategies for dealing with the here and now.*

*Along with museum directors Sarah Caruso (Minnesota Children's Museum) and Sheridan Turner (Kohl Children's Museum of Greater Chicago), Qm2 museum consultants Anita and John Durel led the session Managing Through Tough Economic Times, based on ACM's monthly Conference Call series. The timely information in this article evolved from both the session and those calls.*

**W**ith staff and resources cut, there simply is not enough time to accomplish everything you used to do. So maybe this is the best time to examine priorities and recognize that this is a great time to focus on one in particular: rallying the board to ask for money. It may seem counterintuitive, but hard economic times present a unique opportunity to engage museum trustees in fundraising.

In truth, some changes are nearly impossible to achieve when things are running smoothly. In good times trustees relax, leaving the corporate and foundation fundraising to the CEO or development director and the gala to the volunteers who know how to throw a good party—especially if those volunteers enjoy hefty staff support.

In hard times all trustees must face the full menu of financial challenges and get beyond merely overseeing expense cuts, as tough as those might be. After all, the board is responsible for the financial health of the institution, and there is hard work to do now. This is a critical time for the board—individually and collectively—to actively engage in the development process of identifying, cultivating, asking and thanking donors.

There has never been a more opportune time.

This past winter, as most museums were cutting staff and expenses, some leaders seized the opportunity to challenge their boards to fulfill their critical roles and change the board culture.

- At the Schenectady Museum & Suits-Bueche Planetarium, Executive Director Kerry Orlyk and Director of Development Carmel Patrick used the meeting at which they reported sharp staff layoffs to launch an enhanced board giving campaign. The board president, already primed for the occasion, announced that he was increasing his annual gift by 50 percent and expected others to do the same.

When the staff is making sacrifices, the board should be prepared to match that sacrifice with increased giving. Asking begins with the board president and with the board.

- The Lincoln Children's Museum board chairman became tired of the “hand wringing” over the economy. His board vocalized their unified perception that this was a bad time to solicit gifts. The reasons seemed obvious for not pressing people and corporations for contributions. The chairman told the board he had been hearing that same message all over town; but if other nonprofits were afraid to ask, then he'd be happy to be first in line to solicit gifts to ensure the future of the museum.

In both instances the board's leader rose to the occasion. By their actions they bolstered morale, established a “can do” attitude, and then outlined steps other board members could take to be part of the solution. That's the kind of board leadership you want now.

### Asking for Money

What's stopping the board from playing a larger role in development? The “ask” is only one small step in the process, yet it is the one that cripples many board members. So make it easy for them. Tell them straight out that, if they are timid, they never have to ask for a gift. But they must:

- use their networks to actively build connections with the museum;
- act as constant advocates for the museum in the community; and
- open doors, make introductions and

position the director to cultivate and make the asks.

No one joins a board to fail, but if we want boards to raise money, then we must provide a development plan with clear roles and expectations. The plan guides the major work of the board. It is typically drafted by the development director and includes all development programs as well as strategies and steps. After board approval, the development director and the CEO work in tandem to keep the board on task and laser-focused on the plan and results.

Specific assignments make the work manageable. The plan conveys that no one has to do everything, and that the work doesn't last forever. An effective plan keeps trustees from being sidetracked by perhaps less intimidating but certainly less profitable activities. There is also a danger that, without a worthwhile plan, trustees will go off and create another event or even begin to micromanage the staff. You really don't want either one of those situations.

### Ambassadors

Board members can play a vital role in communicating the value of your work. As ambassadors armed with PowerPoint presentations and talking points, they can educate the public about the essential role children's museums play. To do this, each organization needs a solid case for support that can be translated into promotional efforts and advocacy campaigns.

This is a critical time to activate trustee networks and build your reputation. By designing a speakers' initiative, trustees can identify individuals and groups and arrange venues to present the museum's messages of relevance and community impact. Trustees are the best people to assert how your institution is making a difference—and why the work matters.

Boards that have begun meeting with government officials, corporate colleagues, foundation program officers and individual donors will be first in line—and first in mind—when the economy turns around. These cultivation activities are among the most enjoyable development functions. Though often overlooked, the board's ambassador role builds visibility and credibility

while it offers every trustee a place in the development process.

### Messages

A report entitled *Public Confidence in Charities*, published by the Brookings Institute in 2008, indicated that the majority of Americans believe that nonprofits are neither well managed nor spend money wisely. If that is the public perception of museum management, then it's time to communicate to your donors and to the public that your museum is prudently run. In a down economy it can be reassuring to receive upbeat communications that emphasize how the museum is addressing its financial challenges head on. Before they invest even a small amount, donors want some assurance that an institution will be around for the long haul.

Remember that donors are also experiencing this economic downturn. Be prepared to listen to their stories about their circum-

stance. Earnestly thank them for their past support. If a donor is unable to give at this time, share your eagerness for the eventual economic rebound as well as your hopes for continuing the friendship. In these situations, donors often reveal their personal hurdles, making it possible for you to depart with a better sense of when you might return to ask again. It may not be a good time for a long-term commitment but you can offer prospective donors options for making and paying pledges. Look for ways to make giving less arduous, but above all, don't hesitate to ask.

When you receive gifts, let supporters and stakeholders know. Use your newsletter to emphasize the motivation behind gifts that are being made at *all* levels, not just the top gifts. In this economy, a story about a donor's reasons for making a \$50 gift may motivate others to give for the first time. Why now? There is room for everyone under this tent, and this is a time to applaud generosity. The goal is for messages to convey confidence, credibility, conviction and gratitude.

### Estate Planning

Each year about 6 percent of the money given in the U.S. comes from bequests. Though many bequests are small and may not produce immediate results, they make a difference and can be transformational. Given that most children's museums insist they are not good candidates for planned gifts, I've been fascinated by the success of the Lincoln Children's Museum in Nebraska. Each year the museum receives such gifts, often from unknown donors. The executive director, Darren MacFee, maintains relationships with planned giving advisers and legal counsel in his community. Estate planners and attorneys know and appreciate the work of the museum and confidently present their clients with the museum as a legacy option.

Your board members travel in the same legal and financial circles as local gift planning experts. Again, here is an opportunity to develop a strategy for identification and

*continued on page 12*

## FUNDRAISING & MANAGEMENT 2009: LEAVE NO STONE UNTURNED

- **If money is the biggest issue, then what is the entire staff doing to bring in money? Redirect staff time to writing grants and generating contributed or earned income.**
- **The board is responsible for the financial health of the organization. Therefore, every board member is on the development committee.**
- **Fill every board seat. If board recruitment is lagging, start a campaign to identify past donors and loyal members who care about your work. Get out in the community and ask who should be on our board. Approach prospects with clear expectations.**
- **Americans for the Arts reports that 88% of museum visitors vote. Schedule meetings with government leaders who have links to stimulus, education and justice department monies, to name a few. Keep a high profile and articulate how your organization can be part of the solution.**
- **Invest in stewardship: visit, call and keep top donors informed and excited about your work. Engage the board in this development work.**
- **Build confidence, but be honest about your challenges. Express needs but stress your ability to survive in tough times. Outline the ways they can help and state the vision in compelling ways.**
- **Membership renewal has never been more important. Follow up on lapsed members and offer those in financial distress an extension on their membership or continued free admission.**
- **Look for prospects that may have been neglected. Consider focusing on consistent donors and members who give year-after-year. They are waiting under the radar.**
- **Don't decide in advance who can and cannot give. Let prospects make that decision after you offer them the opportunity to make a difference through their gift.**
- **Keep asking.**
- **You cannot fulfill your mission if you do not exist. Do a complete cost analysis of all programs and departments. Weigh the value of income generated for each department and program versus the full costs, including salaries.**
- **Tell your staff the truth about your budget and about your needs. Use strategic and inclusive budgeting to help staff understand the financial model and how they can have a positive impact.**
- **Challenge the team to make all programs cost effective and income producing and stop doing those that don't measure up in every way.**
- **What are you doing that is new or different that saves or earns money?**
- **Use your resources, share and swap with sister institutions. Do what it takes to keep programs fresh.**
- **Consider merging back office administration with other nonprofits to cut operating costs.**
- **Ask leaders and influential people "What can we do for you—for this community?" Use that information to reshape your organization and move toward relevance by offering programs that are responsive to the community needs and priorities and that advance the museum's mission.**

cultivation that can pay big dividends. By identifying planned giving professionals and creating a plan to educate them about your museum, the board can create a manageable networking project that could be one of the most important efforts you ever mount.

### Fundraising Events

Nonprofits nationwide are experiencing declining gala ticket sales, a scarcity of sponsors and an overall lower return on events. In response most are cutting back on the expense side and lowering ticket costs; some are going to a two-year cycle.

Fundraising events have emerged as a central vehicle for raising money in children's museums. This is in part because events are the one fundraising approach that most boards feel capable of accomplishing—and people love a big party. Just ask your board how they feel about asking someone to buy a gala ticket versus asking for an outright contribution.

Now, I love a good party, but I cringe when I hear leaders say, “we throw the best party in town.” Instead I want an honest appraisal of how much money was raised and how much staff time it really took to pull off the event. If the staff and board directed the same amount of their time to identifying corporate and foundation prospects, cultivating donors, writing grants and building relationships and networks, could they raise the same amount or even more?

No doubt, events offer community visibility and stature for the institution, and that can be valuable if it is exploited. Events must be purpose-driven. What do you hope to accomplish? Is it visibility, reputation enhancement, raising funds, attracting new supporters or gaining access to influential, affluent people? Or, are the only goals the numbers of tickets sold and dollars gained? What's the follow-up plan?

Much is made of the corporate CEO who buys a table, but when show time comes the table is often filled with junior managers rather than high ranking, deep pockets. But

even so, rarely is there a follow-up strategy to connect selected guests to the museum. Today's junior managers may be the next decade's CEOs with increased giving capacity. Some of them may remember being treated well—and taken seriously as donors—at earlier events like yours. One critical measurement that is often not tracked is the number of guests who actually become initial or consistent donors.

Another void is that neither staff nor board members attending an opening or an event have cultivation assignments. They come unprepared to initiate and build relationships with identified individuals. Strategies for follow-up and prompt engagement don't exist. Even the messages at the gala frequently fail to be crisp and compelling. Most public statements to guests reflect on what has been accomplished instead of on what the museum intends to do for children, families and the community. The focus before, during and after is on the caterer, the band and the auction—not the future of the museum and your part in it. It is time to determine concrete strategies for every special occasion and to even devise more purposeful, mission-driven events.

### Building the Board You Want

If we want to change the culture of the board, we must start by identifying meaningful work, and we must make it easier for board members to succeed. That takes discipline. Executive directors must be brave and report to the board at each meeting on the status of all of its work in development—not merely the staff's fundraising. The trustees cannot improve if they don't know how they are doing. Use a development dashboard that shows:


- the number of trustees who have given to date, the average gift and the largest gift, measured against goals set for individual trustee giving;
- donations and connections that have resulted from trustee identification, cultivation and solicitation activities; and
- ambassador activities: the number of

visits and presentations made by trustees and the number of connections and networks they have activated.

Become a “thanking institution.” Go overboard in recognizing individual board members' roles in every little success. Who initially identified the donor, who made contact, who nurtured the relationship, who supported the ask and who called the donor with a personal thanks? Tell the philanthropic stories—especially for large and consistent gifts. People feel great when they give, and the more you talk about development as a rewarding, even joyful, experience the more eager your trustees will be to play a role even if they do not ask.

### Now's the Time

The beauty of this recession is that you have permission to try new approaches, abandon activities that drain the institution and finish off the sacred cows. This is the time to create a culture of philanthropy and to provide your board with the means to be successful in raising the money you need. Give them a plan with meaningful and specific roles to play. And think carefully about where you invest your time so that you can raise the most money with the least effort.

Today, if money is vital, then everyone in the organization must work on expanding income at some level. Museums that are organized and disciplined, that have plans and goals, and that engage their boards and staffs have a better chance of making it through these difficult times. 

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