

Trend lines: Where can they lead us?

By KAY SPRINKLE GRACE

The philanthropic journals are filled with accounts of disruptive trends in philanthropic giving. We are alerted to generational differences in donor behavior (Millennials, Baby Boomers, Silent Generation). We are aware that more than \$13 billion in charitable gifts have been put into donor advised funds and are moving out into our organizations at the rate of only 16 percent each year. We have become more accountable, transparent, and willing to work with the increased expectations of our donors. Criticisms of the slow pace of our sector in resolving critical issues are on the rise.



It is a swirl, and we are in the midst of it. I believe we have a choice: we can initiate a renaissance in the sector, or we can allow a revolution from the outside to subsume the important practices we know have built our philanthropic sector.

Renaissance or revolution?

A renaissance is possible only if we review, savor, and applaud the basics of our incredibly effective public benefit (nonprofit) sector and have the courage to innovate. In the beginning of the professionalization of our sector, we did so many things to engage others in our efforts and our impact. We invited them to join with us to solve our community's most pressing problems. We engaged them as board leaders and major donors—enrolling them in a community vision that we were spearheading. We democratized philanthropy and opened our eyes, hearts, and doors to their innovative thinking.

But then we reached a point where we felt mature and capable of doing it on our own, forgetting that these partners were the source of our founding ideas and momentum. Now, we must recognize issues with our sector that are getting in the way of our ability to reengage our donors and our volunteer leaders. We must address those issues if we are to break through to the next level of community and financial performance and impact. You must show them that theological education remains urgent to our society and is relevant to our future as a nation and a world. You must show them that you are guided not by what you see in the mirror (institutional needs), but by what you see through your windows: that you know what is needed and are providing it.

There are five specific issues involved in what the entire sector—and your schools—must address if we are to gain the confidence and large investments of people and organizations in our society.

1 *Public perception of our impact*

At the Forbes 400 Philanthropy Conference in September 2012, Carlos Slim Helu, then the world's richest man, said, "We have seen thousands of people working in nonprofits, and the problems and poverty are bigger. They have not solved anything." I could not disagree more. Why do we hide our light under a bushel basket? Our legacy of humility and apology (usually for asking for money) has manifested in our not telling all who will listen about our impact. You need to describe, for example, the impact of your students in their mission work to tell the stories of lives changed through their efforts, and you need to make all of your messages ones of abundance, not scarcity. Continually reach out to people with the message that their investment is needed not because you *have* needs, but because you *meet* needs. And you must define those needs in terms that are real and relevant.

2 *Decline in trust in the nonprofit sector*

Let's face it. Ours is the only sector of the economy that describes itself by what we are not. What we are is the public benefit sector (as a whole), but your schools are societal leaders in the continuation of the study and practice of religious and spiritual thought—continually exploring, extrapolating, training, and having a huge impact on communities as well as congregations. While people will receive a charitable deduction for their investments in your schools, it would be great if we could get away from calling ourselves "charities." Charity, while biblical in origin and the category for tax deductible giving, connotes in much of today's society a handout, a weak organization deserving of steady but modest support. It is only when we define ourselves by our impact, promote our stories and purpose, and connect people with the importance of what we do that we will ever gain the truly major investments that other educational institutions, medical centers, and substantial arts organizations receive. Charity as a concept veers toward "tin cup" and begging: that is not what your schools are about.

3 *Perception of bureaucracy in action and decision making*

We are deep into the second generation of individuals for whom "fail fast," "pivot," and "send now" are words and concepts that guide their own actions. And they expect us to at least understand those ideas even if we cannot do them. Part of the renaissance is helping those newer to philanthropy understand the nature of the consensus model on our boards, why we need to be deliberate (to a point) in our actions, and why it takes longer to move things forward when the majority of our work is with people. However, it is good for us to aspire to a middle ground that is marked by more courage, innovation, and (yes) risk taking.

Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.

~William Pollard

4 *Reluctance to innovate*

This is related to most of these other issues but deserves a small comment on its own. There is a perception that academic institutions are the laggards when it comes to innovation. I don't know if that is so with your school, but that is the general perception about higher education of any sort. The "not invented here," "don't fix what isn't broken," "the principle is more important than the practice," and "we tried that once but it didn't work" accusations may be bogus, but they should garner your attention. Do your best to reveal all innovations—even those in progress—to alumni, donors, and friends who may be hungry for new ideas and willing to invest in the source of them.

5 *Fearful of taking risks*

During the recession, we all tightened our belts. We put off doing things until later. Well, later is now. When we were fearful of what the economy was going to do to our vision, we set dreams aside. The boundaries of risk are fear and dreams. It is once again time to dream. The new social investors, who will see in your school the rare

combination of traditional teaching and innovative application of ideas, want a really big idea for “scaling” that approach. Apology leads to thinking small. It was the late architect Daniel Burham who said, “. . . dream no small dreams.”

William Pollard, the late physicist and Episcopal priest, said it all: “Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.”

Get ready for tomorrow. Be part of the renaissance of our sector, starting with what you do at your school. I am convinced we can stave off a revolution and grow our sector to its full potential in the twenty-first century.



Kay Sprinkle Grace is principal of *Transforming Philanthropy, LLC*, in San Francisco, and a frequent speaker at Association of Fundraising Professionals local and regional meetings.