



Chicago Chapter

# Case Statement

Association of Fundraising Professionals

Chicago Chapter

### ***Philanthropy, Community and the Future***

To be human is to need affiliation. Whether around the fire at the mouth of the cave, or through the glow of the Internet portal, our desire to come together has always been irresistible. This urge is the very basis of community – indeed of civilization.

But as the social forces of modern society increase our sense of isolation and distraction, we must ask ourselves: will people continue to express their need to affiliate through *philanthropy*?

The question could not be more important. If the very concept of community is to flourish in the face of its challenges, it will be done through voluntary action taken for the common good – that is, through philanthropy.

Said most simply: *philanthropy is the future of community.*

## **EXECUTIVE SUMMARY**

The Chicago Chapter of the Association of Fundraising Professionals (AFP) advances the cause of philanthropy in Chicagoland. With 1000 members representing a broad spectrum of professional roles and institutional types, AFP-Chicago provides education, mentoring and advocacy to increase the professional capabilities of fundraisers across our region.

Fundraisers' need for these services is increasingly acute. An array of forces, including expanding community needs and the reduction of government support for social causes, has driven the proliferation of non-profit organizations nationwide, and the Chicago area is no exception. But even as non-profits become more important to our community's well-being, and even as they become more reliant philanthropic contributions than ever before, they face a shortage of qualified fundraisers.

AFP-Chicago has responded with an aggressive initiative to expand some of its most important and valuable programs, to advance the capabilities of underserved development professionals. Funds are needed for scholarships, mentoring programs, diversity initiatives, and to develop strategic alliances among fundraiser groups.

This initiative will require the philanthropic investment of major donors who understand the importance of a strong development profession for Chicagoland.

## **A CHALLENGING FUTURE FOR THE NON-PROFIT SECTOR**

At the outset of the 21st Century, the distinctly American tradition of philanthropy finds itself at a crossroads. Social, economic and attitudinal changes are changing the landscape in which non-profit organizations operate. Among the trends that are colliding:

**Society is placing a heavier reliance on non-profits.** Throughout the 80s and 90s, government reduced its role in social issues, cutting support for public welfare, education, and cultural programming. Legislators signaled that the slack should be picked up by non-profit organizations. The government's downsizing trend reached its highest expression with the recent tax cut of \$1.25 trillion. In returning these funds to citizen's pockets, legislators in effect told their constituents: "You can make wiser choices than the government about how to spend your money for social good." But will the current generation of Americans choose socially responsible uses for their windfall? What kind of guidance will it take to encourage them to do so?

**Non-profit organizations are proliferating.** With the government's retreat from social action, the non-profit sector has grown to address the need. Nationally, the number of 501(c)3 institutions more than doubled between 1982 and 1998, to more than 750,000. Simultaneously, each non-profit's reliance on contributed revenue has increased; today funds contributed by individuals make up 20 percent of the average non-profit's income. As more non-profits have each sought more philanthropic support, the demand on traditional funding sources has increased.

**Models of support are changing.** Donors are changing the way they make decisions about support. In the past, many Americans chose to give through broad-impact organizations such as the United Way. At the other end of the scale, some loyal, wealthy patrons chose to virtually adopt a favored non-profit. In both cases, gifts were usually given with the expectation that the institution knew best where to apply the funds. Today, the tables have turned: "consumerism" has become part of philanthropy, with investment-minded donors restricting their giving to specific projects and programs -- and asking hard questions about "bang for their philanthropic buck."

**Intergenerational transfer of wealth.** As non-profits jockey for position in the tougher philanthropic marketplace, the stakes are increasingly high. The current generation of philanthropic decision-makers is about to pass its wealth to a new generation -- a transfer that some researchers predict could reach \$170 trillion over the next 50 years. However, there is no certainty that this wealth is about to pass into the hands of people who share their parents' attitude toward philanthropy. For instance, our rapidly changing economy has deposited windfalls on many "new millionaires" who may have little understanding of philanthropy. Will the "Me Generation" Baby Boomers and the Internet-wired Generation X'ers "give back" and take responsibility for society in the same way the World War II generation did?

## **PHILANTHROPY IS THE FUTURE OF COMMUNITY**

The forces clouding the future of philanthropy are powerful and pervasive. But none has more potential effect on giving than the perceived changes in the nature of *community* itself. Some observers lament the decline of neighborhoods, the erosion of affiliation organizations, the rise of the telecommuting workplace – in short, they note modern life’s ironic tendency to draw people apart even as it gives them more tools to connect with each other. Non-profit leaders naturally wonder whether their community-building messages will continue to be heeded – or even heard. And indeed, people do need leadership to find their way to community involvement: in a recent University of Illinois survey, Illinoisans who were not involved in community activities said they had either not been asked (42 percent), did not know how to get involved (32 percent), or did not feel they had the skills to make a contribution (22 percent).

There is no need for despair. Americans today have no less reason or desire to pull together for the common good than their parents did. But many need, perhaps, to be reminded of how and why to do so -- and of what their concerted action can achieve. Who will make this clear to the American public?

Clearly, this job falls to those who have made a career of advancing philanthropy: professional development officers. They are the ones coping most directly with aforementioned social forces. They are the ones who, every day, show people the value of affiliation through giving. They are the ones who help constituents make a difference in the world. They are the ones who facilitate human compassion in service to others -- the ones who build community.

If philanthropy is the future of community, then our community clearly has a stake in strengthening its development professionals.

## **AFP'S RESPONSE**

Strengthening the development profession, and thereby advancing philanthropy, is the mission of the Association of Fundraising Professionals. AFP educates fundraisers, provides mentoring and networking opportunities, conducts public advocacy for philanthropy and sets professional standards for its more than 20,000 members worldwide. AFP-Chicago, the largest of the organization's 156 chapters with more than 1000 members, leads the way in many of these programs.

### **Education**

Specialized education is vital for fund raising professionals. On the surface, their job is deceptively akin to "sales." But their challenge is actually unique: in what other sales situation is the customer expected to act out of sacrifice rather than self-interest?

Expertise and confidence are indispensable to those who build such relationships. AFP-Chicago's education programs blend theoretical training and practical perspective for thousands of participants each year. Now in just its sixth year, the chapter's three-day Midwest Conference is the envy of other chapters, regularly drawing nearly 1000 professionals from five states. Throughout the year, well-attended luncheon programs provide development officers with new perspectives on their craft and community.

### **Mentoring/Networking**

Gaining one-on-one access to expertise is a chief benefit of AFP membership. This access becomes even more important as one-person development offices proliferate. The Chicago chapter's Mentoring Program matches less experienced professionals with veterans in relationships that encourage the transmission of best practices. Networking activities and the chapter's Executive Referral Program provide pathways to new career opportunities -- a vital function if development is to appeal to talented people as a viable career.

## **Advocacy**

AFP advocacy activities keep opinion leaders focused on the role and value of philanthropy. Through dialogue with legislators, AFP works to sustain laws that encourage giving. Advocating philanthropy among the public is just as important as influencing lawmakers. AFP-Chicago celebrates and popularizes the American value for philanthropy in many ways, most notably through its annual Awards Luncheon, which attracts nearly 700 community leaders and draws attention to the achievements of Chicago's most committed donors, volunteers and professionals.

## **Professional Standards**

Professional, ethical behavior is the key to encouraging the public's trust in fundraisers and philanthropy. Rightly, both veteran and novice funders are demanding ever higher levels of credibility and competence from development professionals. When a fundraiser fails to meet these expectations, it damages the public trust in every other development professional -- and, by extension, every institution that relies on philanthropy.

AFP-Chicago facilitates rigorous certification procedures to elevate standards for the profession. It issues statements of ethical policy to guide the behavior of members. Perhaps most powerfully, it creates a society of colleagues where newer members can be exposed to leading role models in a culture of professionalism.

## **AFP AS INVESTMENT**

Internationally, AFP's role in strengthening the development profession is unique. While there are other, more narrowly focused development societies, only AFP addresses a full range of professional needs, is relevant to all non-profit sectors, and is not limited to a single geographical area.

As perhaps the leading chapter of this international organization, AFP-Chicago's success is clear:

- it is AFP's largest chapter -- and growing
- its comprehensive Business Plan has enabled rapid, stable, well-targeted growth
- its volunteer leadership is dedicated and hands-on -- and supported by a highly professional staff
- in the last few years, it has achieved an enviable financial stability – including a 108 percent increase in gross revenues between 1995 and 1999
- its programs are regularly studied as models for other chapters

These strengths notwithstanding, the chapter's greatest asset may be its genuine sense of vision. AFP-Chicago is not content to simply "serve members' career needs." Our focus is higher: to equip those who will advance philanthropy to its potential as a force for community.

## **PRIORITIES FOR THE FUTURE**

AFP has an important objective, is uniquely positioned to achieve it, and is succeeding. But the future holds increased urgency for our activities.

Following the national trend, Illinois non-profits have proliferated, putting greater pressure on the supply of qualified development professionals. Many fundraisers have entered their role with inadequate preparation, often pressed into those roles because of their organizations' increasing reliance on contributed funds. The local market for experienced fundraisers is voracious; even younger staffers are being sought for senior responsibilities. The result is a growing need for education and mentoring: AFP-Chicago anticipates a 31 percent growth in membership between 2000 and 2003.

For our organization, this is a watershed moment: our services are needed more than ever, and our current success offers a foundation on which to build unprecedented momentum. We must move now to expand programming to meet the profession's needs and to reach out to groups of underserved professionals. We have targeted four key opportunities for impact:

**Scholarships:** Too often, those who most need AFP's education programs are those least able to afford them. We seek scholarships to cover individuals' expenses of membership, attendance at the Annual Conference and involvement in many other programs.

**Mentoring Programs:** Educational programs can never be "one size fits all." There is a widespread and growing need for one-on-one mentoring, where veterans can meet the specific needs of less experienced professionals. In 2000, 25 partnerships were created in this new program. With additional funds, AFP-Chicago will match up increasing numbers of professionals for these relationships.

**Diversity Initiatives:** Chicagoland's diversity is not adequately reflected among its development professionals. AFP-Chicago wants to reach out to underserved segments of the profession, many of whom have not taken part for financial, cultural and other reasons. Many of these professionals

serve organizations that are active in the neediest parts of our community, and we are committed to providing them access to expertise that can help them strengthen their communities. Moreover, we hope to bring their perspective more fully into our chapter programming. Support for scholarships and other diversity-targeted programs will make this vision a reality.

**Strategic Alliances:** Among the region's development professionals, interest groups have arisen along geographic, cultural and institutional-type lines. The growth of such groups is a strong indicator of unmet need for programming that focuses on their specialized issues and concerns. AFP has committed itself to developing alliances with these groups, to bring the chapter's broad experience and resources to bear in meeting their specific needs.

## **PHILANTHROPY'S IMPORTANCE TO AFP**

By strengthening the development profession, AFP-Chicago has demonstrated its importance to philanthropy. The reverse is also true: philanthropy has never been more important to the success of AFP-Chicago.

The chapter has undertaken a major gift initiative, inviting the participation of the community to help achieve important goals. We will not be able to offer these enhanced programs without major gifts. These programs are not direct member services, and therefore cannot be funded through member fees. Instead, they are strong examples of our commitment to reach out to advance philanthropy in creative, necessary and selfless ways. But without new partnerships and new sources of investment, our ability to build on our current advantages will be limited.

What rewards will major donors receive from giving to AFP-Chicago? Certainly, they will experience the satisfaction of helping AFP meet the needs of underserved segments of the profession. They may welcome the opportunity to show the way for their peers, or to express gratitude for AFP's role in their own lives. Without a doubt, they will be gratified by the pervasive effect their gift will have on development professionals, institutions and donors across our region -- by the opportunity to advance the cause of philanthropy across Chicagoland.

Who will provide major support for AFP-Chicago? Our donors will be those who recognize the challenges facing the non-profit sector today, and who understand the key role to be played by development professionals. Our investors will be those who understand our organization's importance to area fundraisers, who realize the value of dynamic new programs built on the foundation of AFP's recent successes. Indeed, our donors will be those who recognize that support for AFP-Chicago is support for the transformative power of philanthropy in our community -- those who recognize that philanthropy is the future of community.

## **THE CRITICAL QUESTION**

Today's non-profits face a critical question: Will people continue to express their innate need to affiliate through philanthropy?

Many factors will determine that answer, but AFP-Chicago is committed to ensuring that development professionals -- talented, prepared, and ethical – will exert a powerful influence on this proposition. We seek your help, through major gifts.

Every development professional pursues a cause. In partnership with the other staffers in our organizations, we educate the next generation. We inspire people through great art. We cure the sick. We feed the needy. We bring people closer to the divine spirit. We do this, knowing that these things enrich people's lives.

But one and all, we development professionals also share another, *common* cause: the cause of philanthropy itself. For we know that participation in philanthropy *also* enriches people's lives.

Indeed, that willingness to reach out and take action for the common good is not only one of the highest expressions of our humanity. It is also the future of community.