Culture of Philanthropy – A Real World Example of Why It Matters

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Much attention has been given to the concept of culture of philanthropy over the past five to six years[1] – what it is, what it looks like in action, and whether it really matters for an organization. In my consulting practice, I have seen first-hand that a culture of philanthropy, a set of organizational values and practices that support and nurture fund development within a nonprofit organization – basically your organization's attitude toward philanthropy and fund development, makes a difference in fundraising performance and outcomes.

Over a ten-year period, I had the privilege of working with two different community mental health agencies on a variety of capacity building projects including multiple strategic planning processes, annual board/staff planning retreats, board governance work and for one of the agencies several development planning and implementation projects. These two agencies were similar in terms of:

- Mission
- Services
- Budget
- Staffing size

The main difference was that they served different geographic areas and that their fundraising success was markedly different. So, what accounted for this difference? Their organization's culture of philanthropy.

In Organization A:

- Fund development was not a priority.
- It was an afterthought. This is something that would be nice.
- There was no planning.
- There were no goals.
- The board was not engaged in fund development outside of making their own annual financial contribution and attending a couple of annual special events.
- The staff was not engaged.

- [1] "Beyond Fundraising: What it means to build a Culture of Philanthropy" - https://www.haasjr.org/sites/default/files/resources/Haas_CultureofPhilanthropy_F1_0.pdf
- "Fundraising Bright Spots" - https://www.haasjr.org/sites/default/files/resources/Haas_BrightSpots_F2_0.pdf
- https://www.philanthropy-institute.org.uk/new-research

- The development director was solely responsible for generating contributed income.
- The development director was not a member of the leadership team. As a matter of fact, the development director's office was tucked away in a back corner far removed from the executive director and other key leaders.
- The development director rarely attended board meetings and the board rarely received fund development reports.

In Organization B:

- Fund development was a priority.
- Resources were invested.
- A development plan was in place.
- The development director was a full member of the leadership team and had a voice not only in goal setting for fund development, but also in the agency's strategic direction.
- The development director's office was located next to the Executive Director which facilitated daily informal interactions and check-ins.
- Program staff viewed their role as building relationships in the community and could articulate a meaningful case for support.
- The executive director viewed relationship building in the community and with donors as a key part of her job. She made fund development a priority inside and outside the organization. She set organizational goals for fund development and made sure that everyone – board, staff, donors and funders understood the difference their financial support would make in the lives of those served.
- The board chair was a fund development champion. He walked the talk. He personally believed deeply in the organization's mission, gave generously, and was willing to ask others to give too. He included fund development as an agenda item at all board meetings, participated in all development planning initiatives, and held board members accountable for their participation.

As Peter Drucker, management consultant, educator and author, says, "culture eats strategy for breakfast." In this case, the organization that valued philanthropy and fund development at all levels of the organization was more successful in raising the contributed income needed to support the organization's work.