

# **Low-touch to High-touch: Rural Donor Services from Basic to Bodacious**

## ***Providing Donors with Research and Learning Experiences***

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**4:00 – 6:00 pm**

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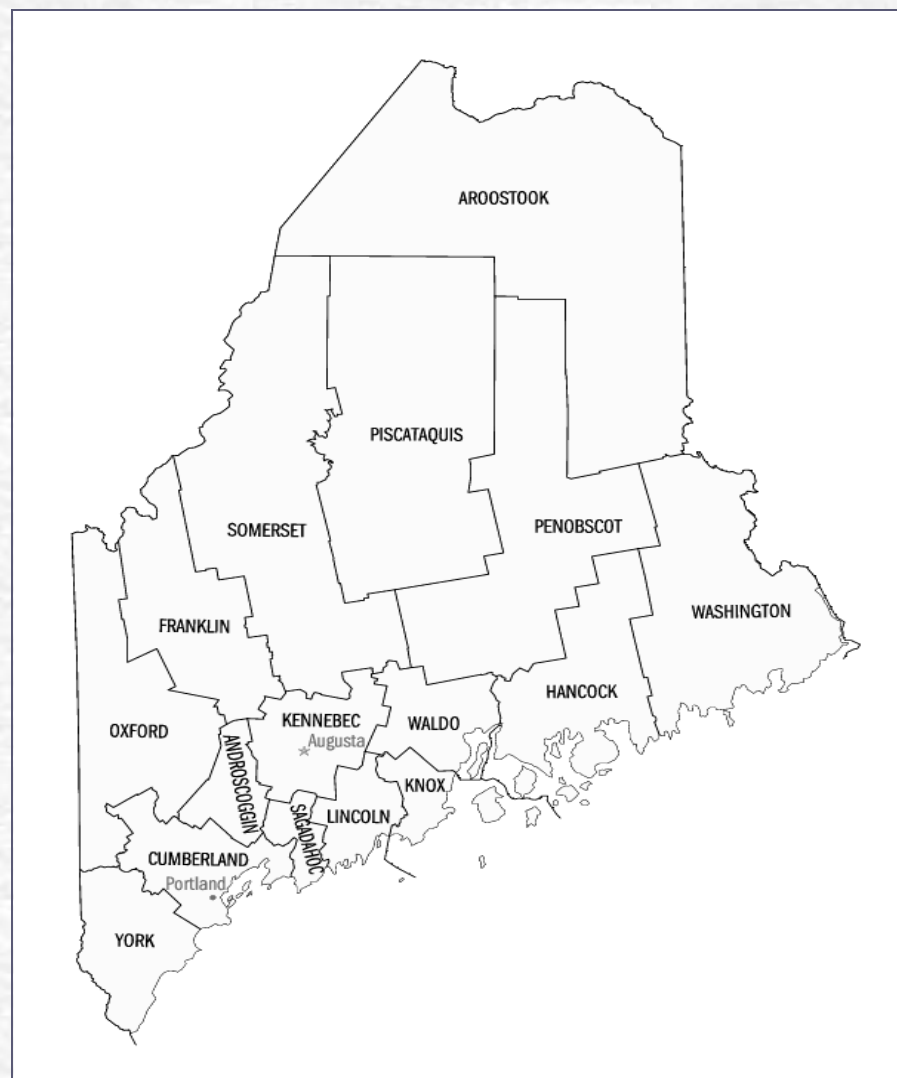
# Know your self and your environment

## About Maine

- \* Population: 1.27 million
- \* Largest city: Portland (230,000)
- \* 96.9% white population
- \* 10.3% live in poverty
- \* RURAL: 41.3 residents/sq. mile (T: 30,865 sq. miles)
- \* 16 counties & The Two Maine's
- \* Farming, fishing, timber, tourism & small-scale manufacturing economy

## About Maine Community Foundation

- \* Established in 1983
- \* Headquarters: Ellsworth & Portland
- \* Service Territory: Statewide
- \* App. \$100M in assets; 500+ funds; 17 staff
- \* App. 225 Donor Advised Funds
- \* Mission:  
To strengthen Maine communities by building permanent charitable funds, connecting donors to organizations and programs they care about, making effective grants and providing leadership to address community issues



# Know your self and your environment

## Culture & Character

- ☞ One very important factor in the development of the Maine Community Foundation (MCF) was that its second president had been its founding program officer. The link between program and development, therefore, was part of MCF's very DNA.
- ☞ Program staffing always outnumbered other “departments” and program officers tended to have journalism, liberal arts, humanities backgrounds.
- ☞ From its founding, MCF seemed to have solid mix of two donor “types”:
  - The “graying” donors—self-made individuals and business leaders—gave to more traditional nonprofits, had more of a “charity” approach.
  - “Hands-on” donors—activists, younger people, families—sought out opportunities to be “strategic” and highly involved in “philanthropy.”
- ☞ We provided *basic* donor services for the former (and larger percentage of donors) and more *high touch* research and learning opportunities for the latter (and lower percentage of overall donors) ...
- ☞ In most years, current donors and board members were the greatest source of new gifts—but, as MCF grew rapidly, we were receiving an increased number of complaints about our service and performance.

# MCF's Donor Service Menu

## Low touch...

- ✔ Fund management by professional investment managers.
- ✔ Distribution of funds in your name to projects you select.
- ✔ The opportunity to make a larger impact by pooling funds with other donors.
- ✔ Quiet distribution of funds to projects that you suggest but would prefer not to have publicized.
- ✔ An annual financial report on the activity of your fund, noting distributions, income, and current market value.

## High touch...

- ✔ Identification of needs and projects that match donors' charitable interests.
- ✔ Pre-grant research and review to help donors sort out funding requests.
- ✔ Post-grant evaluation of the impact of grants made from donor advised funds.
- ✔ Links to others whose charitable interests match donors' interests.

# Language describing benefits of choosing MCF:

## From the MCF website:

“People establish charitable funds at the Maine Community Foundation for many reasons:

- ☛ Many want to assure that the needs, issues or places they hold important in Maine will be supported long after they are gone.
- ☛ Establishing a fund enables donors to support a multiple of charitable interests because the Maine Community Foundation supports a broad-base of community concerns including the arts, environment, health, women's issues, economic development, youth and more.
- ☛ Funds can be established in the name of the donor or anonymously.
- ☛ **The Maine Community Foundation has a well-qualified program staff, the largest in the state, who are familiar with the non-profit sector and the issues facing Maine communities. MCF Program Staff help donors research the organizations and issues they care most about so that they can be assured their donations will make a difference.**
- ☛ Donors receive the maximum tax benefits allowed by law for their charitable gifts. Internal Revenue Service and other paper work is handled by the Foundation.”

# Endowment Building Goal

☛ *Our version...*

To build our rural endowment, we will raise the assets of existing donor advised funds over the next year.

☛ *Our theory: positive experiences with our donor services program would result in existing donors contributing more to their advised funds and to advised grants being more informed and strategic.*

# Tactics, Targets & Story

- ✔ **Target:** Existing donors with significant donor advised funds
- ✔ **Tactic:** High touch donor services
- ✔ **Specifics ... The Donor**
  - Donor was a recent transplant to Maine who wanted anonymity.
  - She had established a fund with MCF in the half-million dollar range (our relationship with her financial advisers indicated potential for it to become a \$1M+ fund).
  - The fund was called the Downeast Sustainable Agriculture and Aquaculture Fund and focused encouraging and increasing sustainable agri- and aquaculture in the rural, coastal counties of Maine.
  - The donor wanted to get to know the issues related to sustainable agriculture as they related to her newly chosen community in rural “downeast” coastal Maine.
  - The donor wanted to provide significant grants for the most entrepreneurial efforts related to sustainable agriculture – her interests combined those of an environmentalist with those of an economic developer.

# High-touch Services

This donor received the following “high touch” services:

- ☛ MCF’s CEO served as the *lead contact* for this donor because of concerns about anonymity, the potential of the donor to give dramatically and the CEO’s own interest in these issues (MCF assigned lead contacts to all “high-touch” donors)
- ☛ MCF convened a series of *luncheon discussions* with leaders and practitioners in the sustainable agriculture movement in Maine—including the Maine Organic Farmers and Growers Association, agriculture experts from the Cooperative Extensions, a few small business owners who promoted sustainable ag in their products, etc. The donor participated as an interested party, rather than “the funder.”
- ☛ MCF researched and wrote a series of *short issue papers* outlining the key topics related to statewide and the downeast experience and needs related to sustainable agriculture and aquaculture.
- ☛ Working with the donor, MCF developed a *grantmaking program* for the donor, including guidelines, an RFP, competitive review process, deadlines, pre- and post-grant publicity plans. MCF managed the advisory committee while also protecting the donor’s anonymity.

# Capacities

## Organizational Resources

- Comfort with and history of providing this type of hands-on service to donors
- Staff time, as well as interpersonal, research and writing skills
- A meeting place (new building)
- Administrative support to plan and host the luncheons
- Program staff to delegate research, grantmaking administration, applicant TA
- Financial and accounting resources to ensure all basic donor services
- A decade-old county fund in the region and a recent “Sustainable Communities” initiative that spoke to MCF’s commitment to serving the region and to promoting environmentally sound rural economic development

## Contacts in the Nonprofit Community

- Between the CEO, board members and program staff, MCF had a wide range of contacts in the nonprofit community and had partnered with the Cooperative Extension Service on other initiatives...these contacts allowed for relatively easy identification of key players.

## Location, location, location

- Founded and headquartered in Ellsworth, Maine – the start of the downeast coast – we were neighbors of the donor and the key players and our staff lived in these communities
- Our location was source of “rural credibility” with donors, community and nonprofits

## “Draw Power”

- After 15 or so years in business, MCF was at a point that the CEO and the institution wielded enough authority and stature bring together leading sustainable ag folks.

# So what? Outcomes and Lessons

## Outcomes

- ☞ The donor not only boosted this fund to \$1M within a year (about a 50% increase), she also established another: a more general advised fund. She encouraged staff to refer rural proposals to her for funding from this source. She also contributed about \$30K each year to MCF's unrestricted funds to be used at staff discretion to fund competitive grant requests.
- ☞ MCF developed even deeper bonds with the sustainable ag community not only through its obvious role as a matchmaker between resources and nonprofits, but also as one that cared about educating ourselves and donors.
- ☞ MCF gained new competencies and could refer other donors interested in environmental issues and economic development to this work.
- ☞ Staff was energized by the opportunity to “go deep” on truly relevant issues facing the state – and to see a really positive example of “donor services” in action.

## Lessons

- ☞ **Organizational Resources:** How many of these donors could we handle at once? Donor potential, operating budget, staff time, administrative capacity all must play into decisions to provide this level of services.
- ☞ **Contacts in the Nonprofit Community:** If you are starting from scratch, it will be difficult both to sell and to provide this type of service. Don't fib!
- ☞ **Location, location, location:** If we were not located in the region this donor cared about, it would have been logistically difficult to convene the players for luncheon meetings and for the CEO to invest travel and planning time in this project. Again, keep in mind the logistical and operational aspects of any service...always think through the costs vs. benefits.
- ☞ **“Draw Power”:** Do you have it? This is one of those intangible. Be honest...and don't sell something you haven't quite got yet. Instead, work on *building* the relationships and reputation that will *someday* support this level of donor service.