

Low-Touch to High-Touch: Rural Donor Services from Basic to Bodacious

Thursday, January 30 / 4:00-6:00 p.m.

Session Leader

Pat Vasbinder

Consultant; Former Vice President and COO, New Hampshire Charitable Foundation

Peer Leaders/Storytellers

Elizabeth Myrick: Senior Associate, Community Strategies Group, The Aspen Institute

Alexandra Reid: Director of Donor Services and Planned Giving, Humboldt Area Foundation

Judy Sjostedt: Executive Director, Parkersburg Area Community Foundation

Rural Donor Services

Judy Sjostedt, Parkersburg Area Community Foundation

The Environment:

- Six of the nine counties in my service region are classified by the Appalachian Regional Commission as being economically distressed; 27 of West Virginia's 55 counties meet this criteria meaning that they have per capita incomes of 2/3 or less of the national rate and poverty and unemployment rates that are both 150% or more than the national rates.
- In terms of per capita giving on a statewide basis (I don't have it just for our region), West Virginia is ranked 51 when the District of Columbia is included.
- We are fiercely county-loyal to our own detriment at times. While contiguous counties can be the best partners, they can also be each other's worst foes.

The endowment-building goal before we knew better:

- At the beginning of our story, we wanted to be a \$10,000,000 Foundation. Our primary goal was to become more self-sufficient (less reliant on our annual giving campaign and fluctuations of fee income) with a critical mass achieved. We had actual tangible goals for categories of funds based on their value; i.e., X number of \$50,000 funds, etc. Our focus was very internal.
- **After we knew better:** Having had only limited success in obtaining the specific categories of large fund goals, it was rather discouraging – thus, we decided to stop counting the beans for a while. Instead of focusing on how much we wanted to raise in assets, we decided to focus on how much we wanted to give out and why. As we were only able to meet a very limited amount of our grant making requests, we thought that by shouting out the need, versus what we wanted in our coffers, the case would be more compelling. So in early 2000, we changed our goal to that of being able to give out \$500,000 a year, a far more externally focused goal and began work on helping to stimulate philanthropy across the region.

Tactics, Targets & Story:

- OUR ENTIRE SERVICE REGION IS FUNDAMENTALLY RURAL! We provide all services listed as "Basic". We have four affiliate sites; some of the more complicated services are provided only through our Central Office. All staff members are generalists; there are no specialists.
- As to which categories of donors get which high-touch services: All donors – rural or otherwise – receive the same level of service with two exceptions: Donor-Advisors are contacted more frequently as our Community Actions Grants Program accepts requests twice annually for grants from our unrestricted funds; prior to the Foundation's announcing of

grants, all Donor-Advisors receive a copy of the list of grant requests in a summary format and any that may meet their particular interests are highlighted for their attention.

We have one break point on fees on higher balance funds – our fee is 1% on the first \$100,000 of a fund and .5% on the balance over that amount.

- Additionally, one service we provide to donors that does not appear on the list is arrangements for home visitation and/or transportation to Foundation events. We also use the web extensively although not all of our donors yet have access, but many do.

Our Special Story:

“Who Wants to Be a Philanthropist” – The premise being that rural donors just want to have fun, the Billy Graham version of a Philanthropic Crusade in Rural Communities.

Capacities:

- Financial – *Very low budget, high fun.*
- Staffing – *Volunteers have been trained to provide the program but I still get requested.*
- Board involvement and role(s) – *Limited (they close their eyes until it’s over).*
- Expertise/policies learned/needed – *Baked steak dinners get old. One has to have a sense of humor and the ability to field impromptu questions.*
- Relationships – *Very helpful in developing relationships with donors and a good entrée for new donors.*

So what? Outcomes and Lessons:

Tangible:

- Many new Donor-Advised Funds for service groups (Rotary, Kiwanis, Lions) and High School Alumni Scholarship Funds.
- Mostly moderate gifts have been achieved but community-building effect has been great; Cairo example has sparked competitiveness in other local alumni.
- Humor has opened doors by simplifying the message.
- Donors don’t mind a low budget approach if it’s enjoyable – “Under Construction” theme, Trustee sponsored events, joint events with non-profits, for ex.
- Donors like to see faces they know so bring the local Board or a volunteer along.

Top three truest lessons

- Making donor services personal and fun can be time consuming - everyone wants the same level of attention constantly – our fund count went from 130 to 243 in three years so lots more relationships! Less time to have fun can make folks feel you’re ignoring them.
- Although, once the local community is committed and funds are developing, if you’ve localized the approach well, once they own it – well, they own it. And, will thus have less use for you personally – so you’ll have to figure out how to deal with THAT;
- Your Foundation will earn more by focusing on what needs to be solved and how much you want to give out than by on how much you want to raise; people care how much you care about meeting their community’s needs – not about how much money you want to raise. We went from raising \$500,000 approx. per year to \$1.4 million last year with no large bequests.

Three pieces of advice

- Read the manual before driving the car --- learn from the experiences of others so you don’t spend the whole time stuck in first gear.
- Before embarking on forays into outlying territories, work with your Board to clearly identify expectations. One Board member may be seeing opportunities for the home county (i.e., the umbrella venture) while another sees the ability to spark regional philanthropy (the incubator-birth venture). Expectations can cause conflict down the road.

- If expanding to new counties --- never assign staff support solely to a single county; provide some common assignment to keep all folks engaged in the team. Recognize that teamwork across contiguous counties is not without friction, as each county tends to naturally want to act primarily to meet its own needs.