



PHILANTHROPY MASTER CLASS SESSION 2

JANUARY 16, 2024

Navigating the Philanthropy Landscape IN 2024 Master Class



Tues, Jan 16
1 pm Central



NAVIGATING THE PHILANTHROPY LANDSCAPE IN 2024



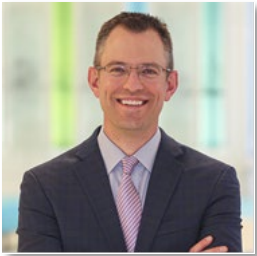
Eddie Thompson, Ed.D., FCEP
Thompson & Associates



Bill Littlejohn
Senior VP and CEO //
The Foundations of Sharp
HealthCare



David Flood
Senior VP & Chief
Development Officer
President //
Intermountain Foundation



Andrew Bennett
Chief Development
Officer // Kaleida Health



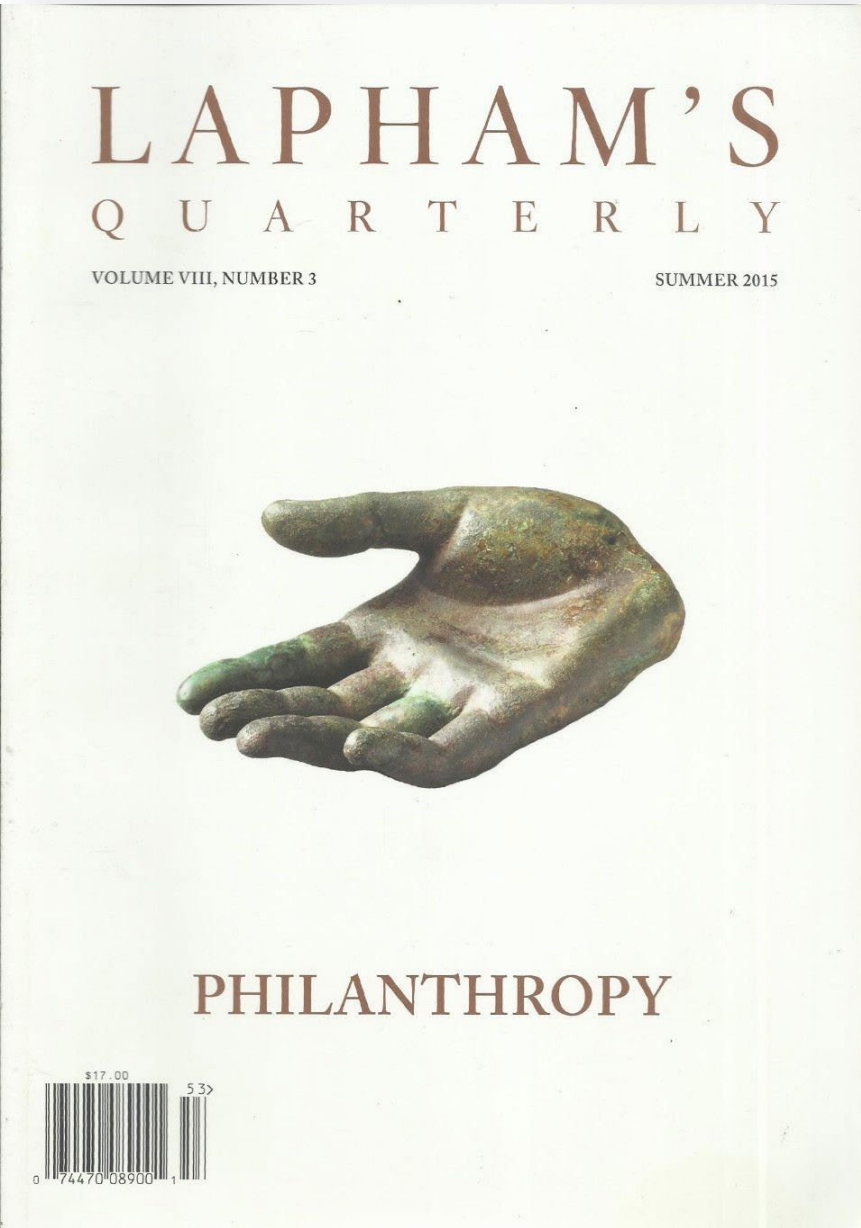
Susan Doliner
Vice President of
Philanthropy // Maine
Medical Center

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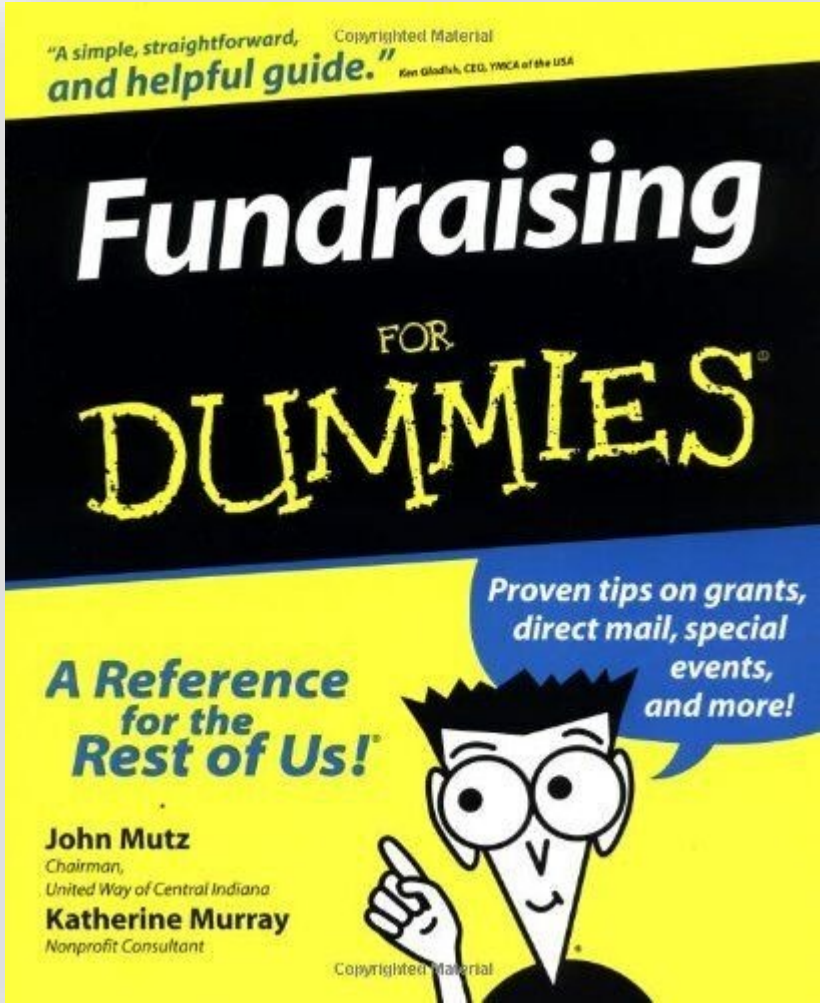
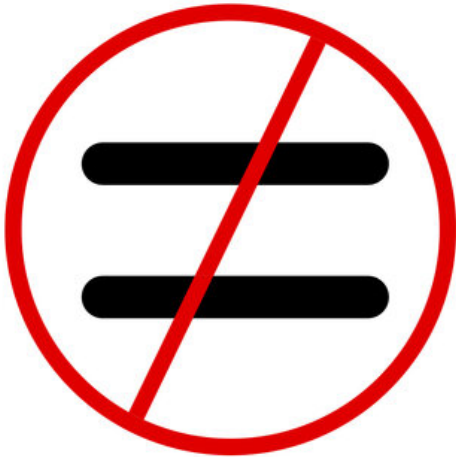


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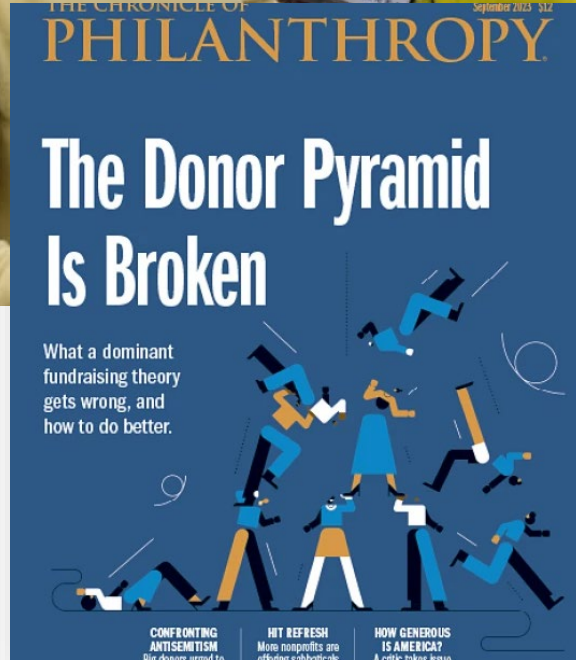




**Remember This
From Session 1
in Feb 2023?**



Drop in Giving From 2021 to '22 Was Among the Steepest Ever, 'Giving USA' Found



Thanks 2023!

TRENDS

The Trust Crisis

The public's declining regard for nonprofits may hurt fundraising, advocacy, and hiring. Even business gets higher marks. Charities are using data to look for clues.

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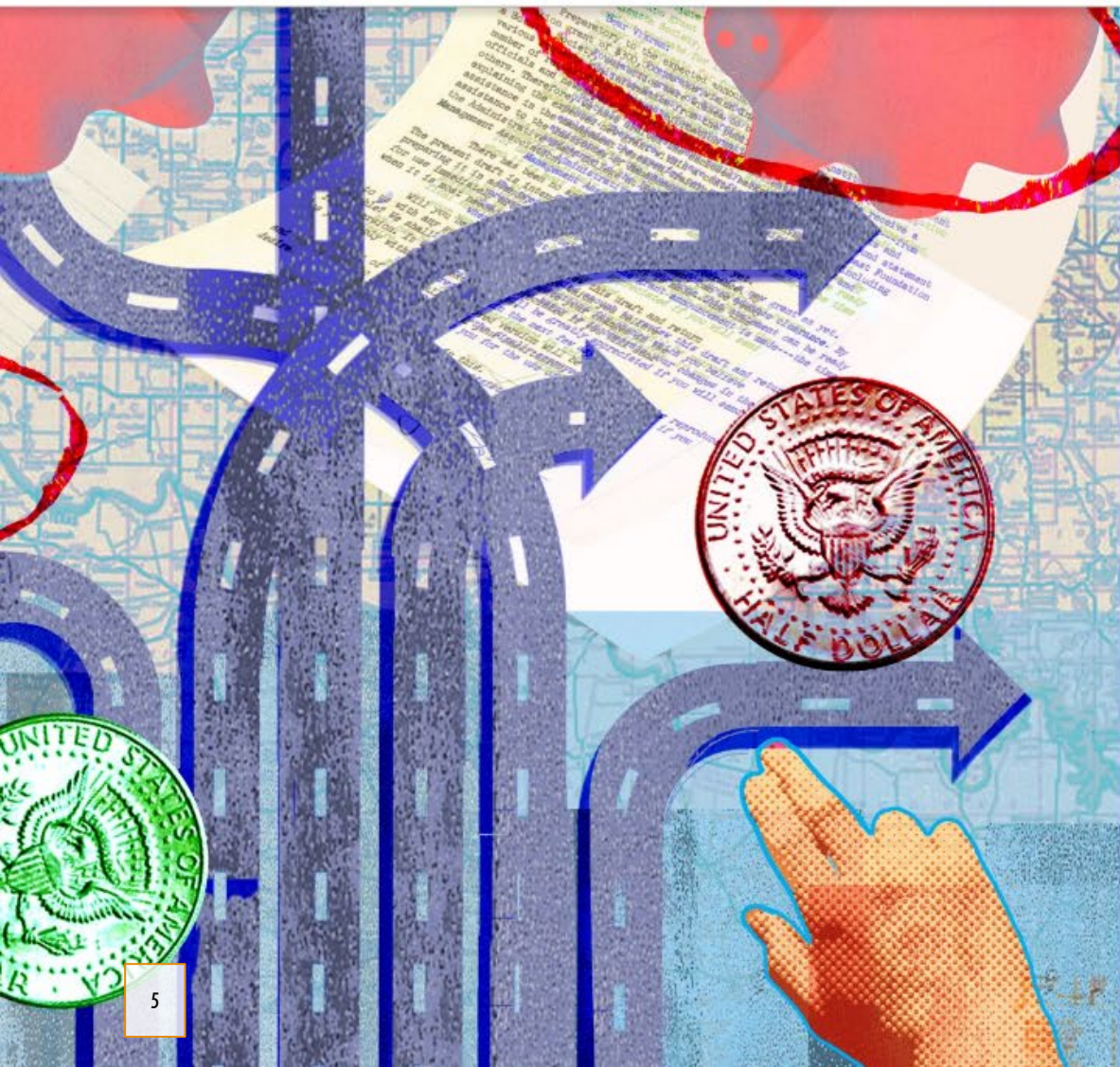
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HELLO 2024 — TODAY'S CHRONICLE OF PHILANTHROPY



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RENEW



How Donor-Advised Funds Are Changing Philanthropy

NAVIGATING THE PHILANTHROPY LANDSCAPE IN 2024

- Talent, Tenure and Succession Planning
- The Donor Crisis
- The Digital Transformation of Philanthropy
- (Health Care Focus) Strategic Alignment of Philanthropy in a Challenging Environment
- The New Dynamic of In-Person, Hybrid and Remote Work and its Long-term Impact

TALENT, TENURE AND SUCCESSION PLANNING

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TALENT IS ABOUT CHARACTERISTICS OF HIGH PERFORMING PROFESSIONALS



SHARP

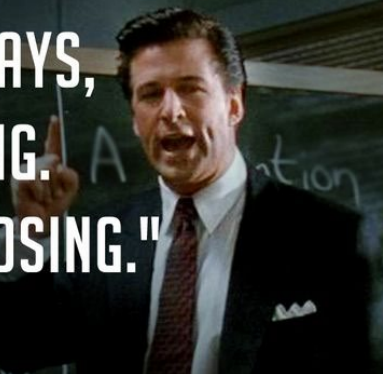
“At Sharp, we believe a first-class health care system is a vital part of a community. This is perhaps the most sweeping group of initiatives to enhance health care delivery in San Diego’s history.”

PEOPLE SKILLS



“You miss 100 percent of the shots you never take.” –Wayne Gretzky

WORK ETHIC



“A-B-C. A-ALWAYS, B-BE, C-CLOSING. ALWAYS BE CLOSING.”

BLAKE, GLENGARRY GLEN ROSS (1992)

**TRANSFORMING HEALTHCARE IN SAN DIEGO
GIFT APPROACH PROCESS CHECKLIST**

- Make your own **pledge first!**
- Select** your prospects to approach
- Make sure you have attended a **training** session
- Contact** your prospect with either a phone call or letter
- Invite** prospect to attend a **briefing**
- Schedule** the briefing with the prospect. Contact Marsha Lubick at the Foundation office (818) 902-3914 to inform her when the briefing is scheduled.
 - Arrange for **transportation** if necessary
 - Distribute** campaign **brochure** at briefing
- Before** the gift solicitation:
 - Choose a partner** (other cabinet member, volunteer or staff) to go with you on the gift approach call.
 - Meet or discuss** over the telephone with campaign staff the gift approach process
 - Who will take the **lead**
 - What **range of gift** to ask prospect to consider
 - Specific **talking points**
 - Naming opportunity**
 - Written proposal** if necessary
- Contact** prospect to arrange gift approach meeting
- Conduct gift approach** (use your notes!)
 - Ask** for a specific amount or range for prospect to consider
 - Offer** Naming Opportunity
 - Provide** Tax Advantages
 - Offer** written proposal (if appropriate)
 - Set** specific time for follow-up
- Conduct follow-up**
 - Get** **pledge decision**
 - Complete** Pledge Card and **Return** pledge card to Foundation office
 - Gift approach **debriefing** with campaign staff and follow-up as necessary
- Congratulations! You've done your job!**

ATTENTION TO DETAIL

TENURE CREATES THE GREATEST VALUE ADDED FOR AN INSTITUTION (OF HIGH PERFORMING PROFESSIONALS...)

Significant Money at Stake



© 2006 • The Advisory Board Company

**WATCH ONE.
DO ONE.
TEACH ONE.**

RAISING THE BAR — AND THE MONEY!



2003 – 2008
Transforming Healthcare
\$420 million five-year plan



2011 – 2017
INSPIRE
\$680 Million Five-year Plan



2021-2030
ENVISION
\$1.3 Billion Five-Year Plan

Institutional Philanthropy Relationships and Trust

Coaching, Counseling and Mentoring

Platforming Philanthropy

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SUCCESSION PLANNING (MOST VALUABLE WITH TENURE...)



The Transfer of Generational Knowledge and Experience



Professional Pathways

Succession Certification success profile

Succession Position	Current Incumbent	Eligibility Year	Urgency
CEO and Senior VP	Bill Littlejohn	2026	★★★☆☆

Position Demographics		Leadership Profile		
Location	Foundation	Presentation and articulation	Volunteer management	Ally (MD, Exec, Board) relations
Level	CEO	Team leadership	Board governance	Vision articulation
Area	System	Major Gift process	Complex gift arrangements	
Position Criteria		Nonprofit governance	Benchmarking and analytics	
Edu	Bachelors Degree	Health system finance	Performance evaluation	
Exp	10+ Years Healthcare Phil	Philanthropy analytics	MOVES Management	
Exp	Large program mgt	Strategic planning	Relationship Development	
Exp	Board/staff leadership	Ethics in philanthropy	Campaign Planning/Direction	
Know	Healthcare phil dynamics	External relations		
Skill	Campaign management			
Skill	Major Gift solicitation			
Skill	Planning			
Skill	Presentation skills			
Duty	Lead Sharp phil program			
Duty	5-year planning process			
Duty	Coach, counsel team			
Duty	Board leadership			
Duty	Represent Sharp in Community			

Succession Plan and Success Profile

THE DONOR CRISIS

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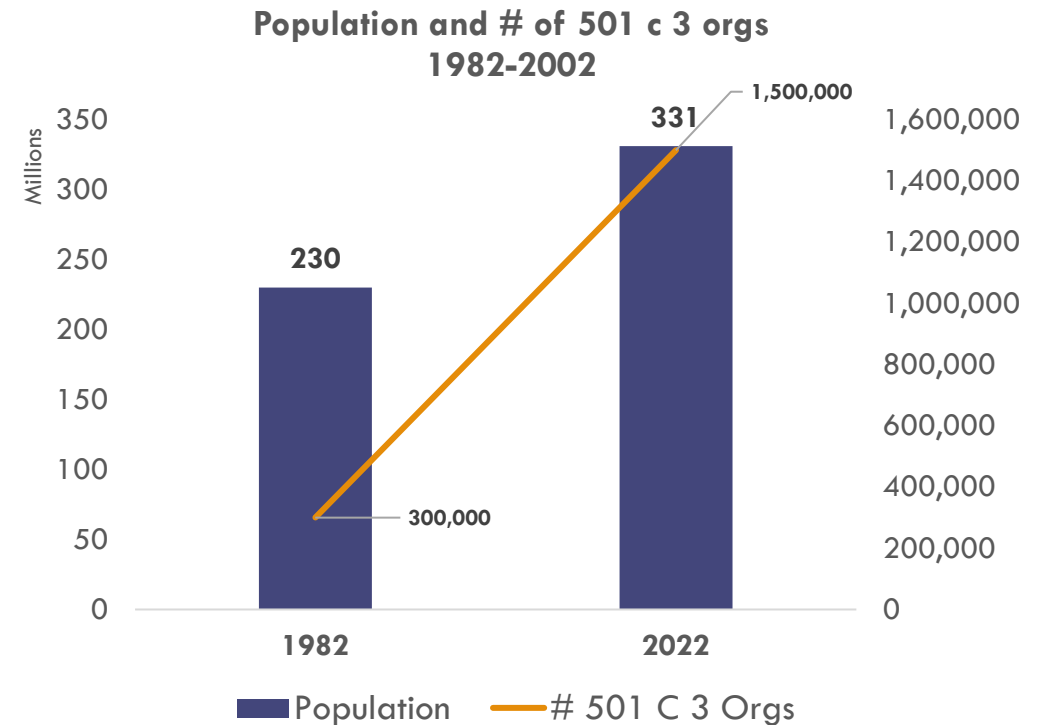
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THE DONOR CRISIS IS SEVERAL FACTORS AND TWO GENERATIONS IN THE MAKING

There just aren't enough donors and changing demographics to feed the nonprofit machine

- Since 1982 the population in the US has **increased 44 percent** from 230 million to 331 million.
- The number of 501 c 3 organizations has **risen 400 percent**, from approximately 300,000 to 1.5 million.
- In 1982 giving was 2.9 percent of GDP, in 2022 it was 2.1 percent of GDP.
- Every day, 10,000 individuals turn 65 (baby boomers) while more of the older generation passes on and with them long-established giving traditions (remember the 90-5-5 rule – spend, save give?).
- As such, there has been a significant decline in the number of households giving in the US, some estimates at less than half. Consequently, a relatively small number of very big gifts drive the total giving numbers.



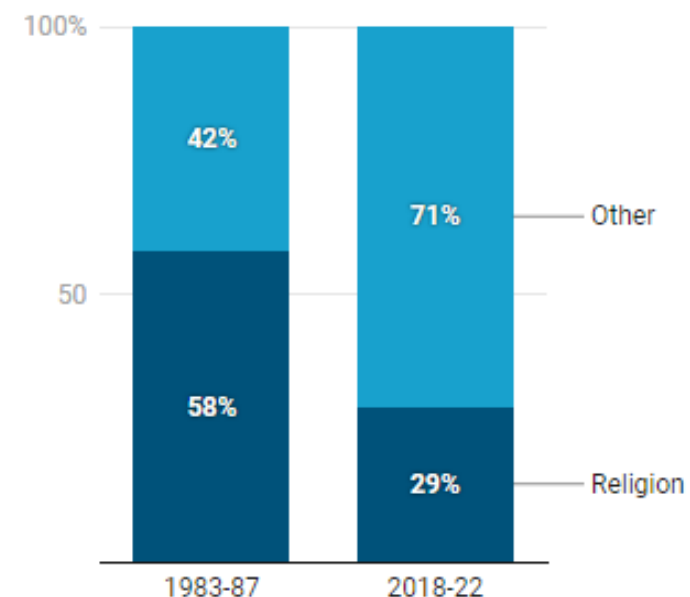
THE DECLINE AND CHANGES IN RELIGIOUS GIVING A CONCERN

Religious giving was not only motivated by cause but established giving traditions such as tithing and regular giving, as well as generational inspiration and the importance of giving

- With declining church attendance, the number of donors to churches is declining quickly. It doesn't mean those individuals or families are giving elsewhere (the decline in households giving).
- Churches are where many individuals and families began their giving and giving traditions were created. Giving is a learned or drawn-to dynamic.
- Religion raised the most, yet with the smallest gifts – powerful loyalty. It is challenging for other organizations to create that dynamic, yet many are endeavoring to (the \$11 or \$19 a month daily solicitations on TV).

Faith's Declining Influence

Congregations and religious groups have captured a smaller and smaller share of all giving in the past 40 years.



Note: Average share of giving over the five-year period
Source: "Giving USA" • [Get the data](#) • Created with [Datawrapper](#)

PHILANTHROPY BECOMING HIGHLY TRANSACTIONAL

The Explosion of Giving Platforms is Not Creating Stronger Donor Relationships or Necessarily Increasing the Number of Donors – One and Done Means Lapsing Continues to Grow

- Billions of emails sent every year by hundreds of thousands of organizations
- Giving Tuesday
- GoFundMe and other giving sites
- Social Media fundraising
- Donor Advised Funds
- AFP Fundraising Effectiveness Project has shown weakness in donors and retention
- Education, Cultivation and Stewardship take a back seat to solicitation, yet without much improvement in response



NO EASY SOLUTION — BEGINS WITH QUALITY OVER QUANTITY

Opportunity to Create Donor Loyalty and Connection to Mission and Impact and a Donor Relationship – not just a “Donor”

- Education and Cultivation Before Asking
- Investment vs Need
- Stewardship of People and Dollars
- Impact
- Build both Institutional and Philanthropy Loyalty
- Among the Top 3-5 Philanthropy Destinations
- Joining a Family of Contributors
- Facilitate the Giving Process



1986

**1.3 Million Miles
Star Alliance Gold**

THE DIGITAL TRANSFORMATION OF PHILANTHROPY

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A BRAVE NEW WORLD

The Digital Transformation Encompasses the Globe

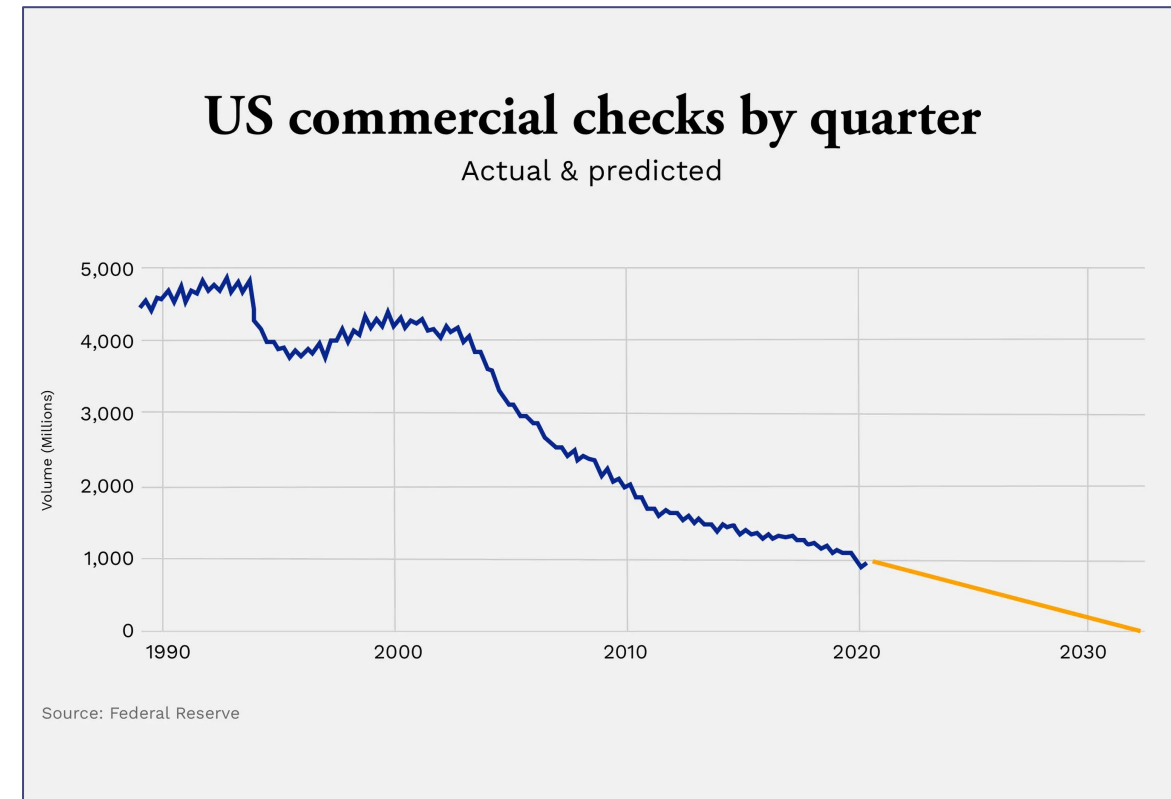
The intersection of devices, cyberspace, connectivity, and many life activities through digital interaction -- with the long-held traditions of philanthropy and fundraising -- is one to forge ahead with opportunity and making a difference in our communities and a Brave New World. Goodbyes to the “We’ve Always Done It This Way.”



TRANSFORMING A HISTORIC FUNDRAISING DYNAMIC

For Decades, Gifts Were Made By Check Which Will Be All But Eliminated by 2030

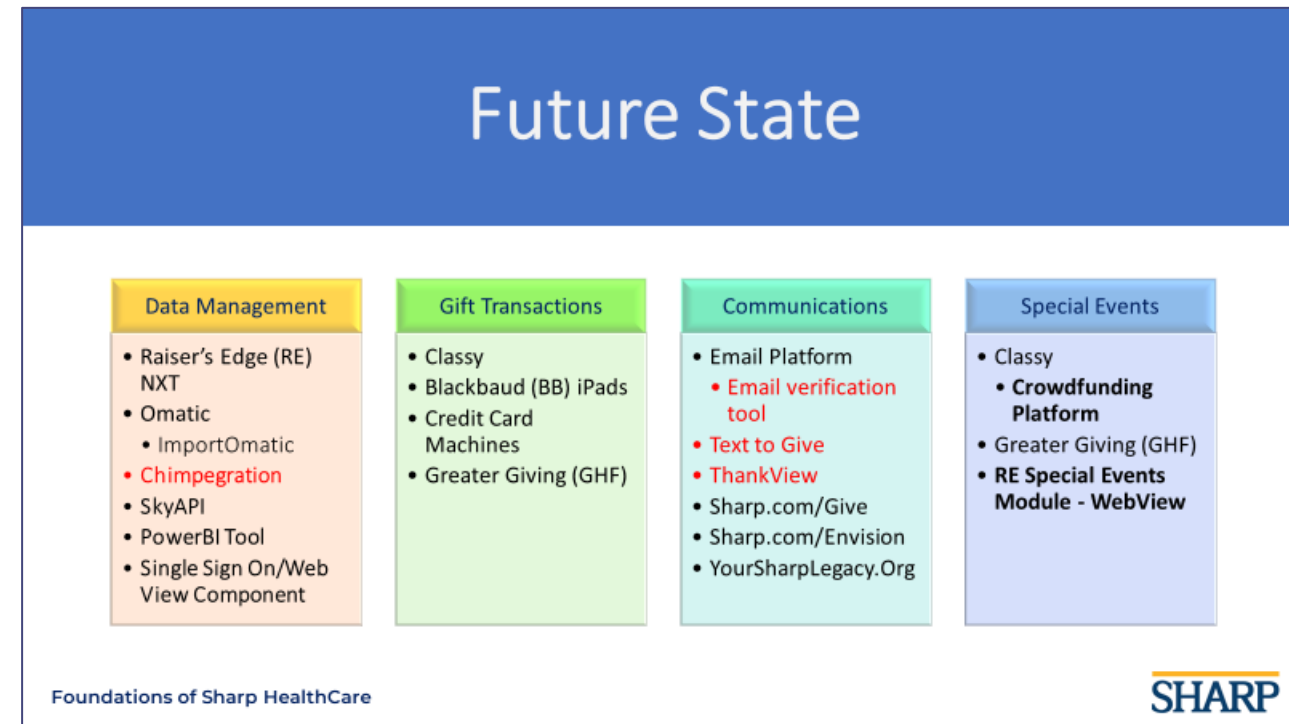
- Fundraising programs were designed and facilitated by raising money through checks – direct response, giving envelopes, pledge payments, special event invitations, and entire gift processing programs.
- First transition was credit cards, then EFT, then digital payment systems and wire transfers. For many organizations today, most of their funds are raised online and digitally – yet very transactional.
- But organizations have been slow to change their fundraising, still doing traditional direct mail and giving envelopes, except for now most include a QR code. And because it's cheap and easy, much more electronic solicitation versus stewardship and cultivation and long-term relationship development.
- As society transforms to a digital dynamic, so must philanthropy, yet effectively and productively.



DIGITAL TRANSFORMATION REQUIRES A STRATEGIC APPROACH

All the Elements of a Philanthropy Program are Impacted by Digital Transformation

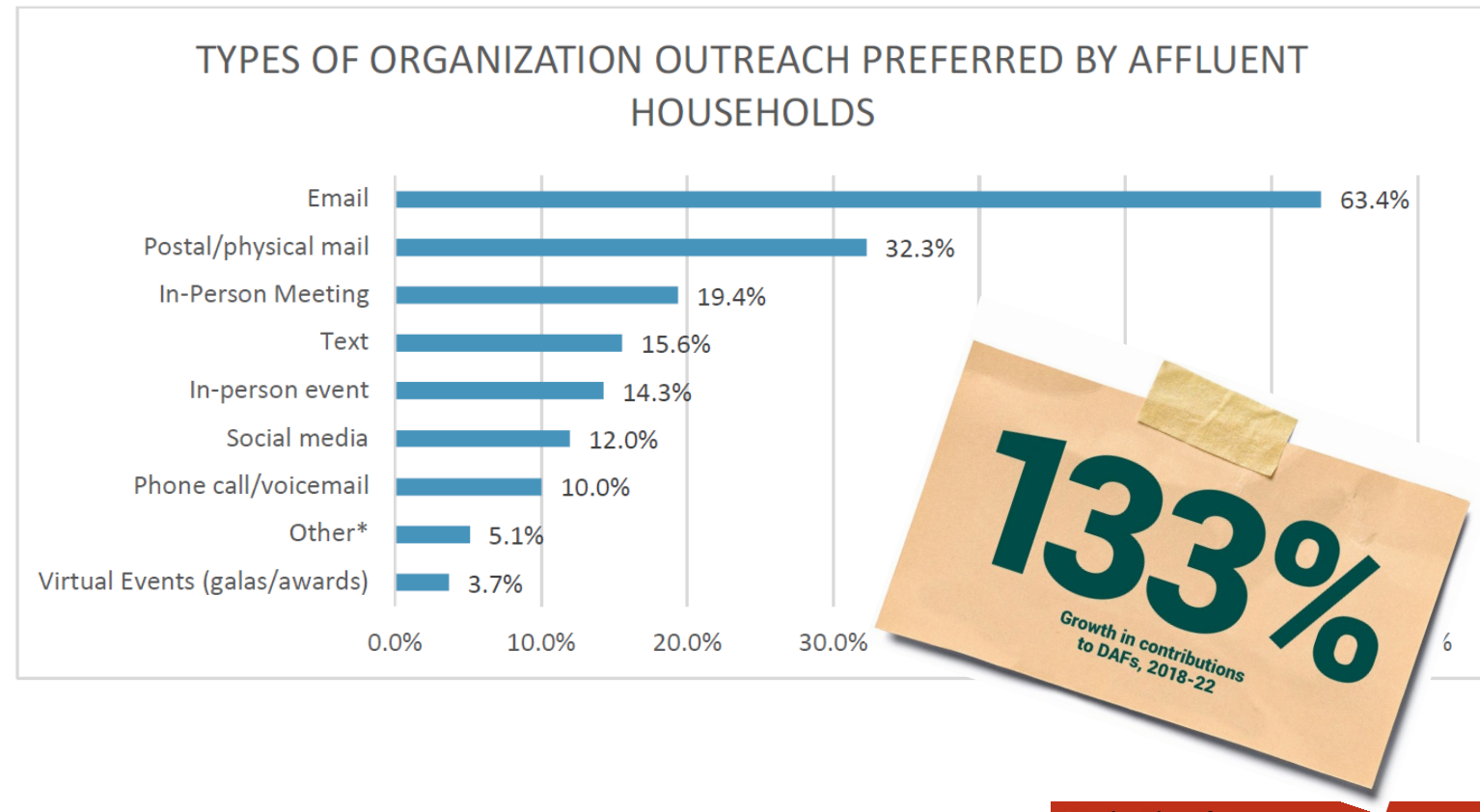
- At Sharp, we have a robust digital program including three websites, online giving platform, more than 1.5 million emails a year, social media activity and RENXT in the Cloud. But the future requires a comprehensive approach.
- We developed a Technology Road Map to understand our current state, requirements and opportunities in the future and a plan to get there.
- We are currently working with outside counsel on an assessment and plan for our continued digital transformation for the next decade.



MOST IMPORTANTLY, DIGITAL TRANSFORMATION MUST BE DONOR CENTRIC

As Society Transforms, Our Programs Must Align Effectively With That Transformation

- Long-held dynamics of donor and prospect engagement are not the most effective or preferred.
- The largest growth area in philanthropy is DAFs, which are almost all digitally managed and facilitated (and involve a third party)
- We must understand and create the donor relationships that incorporate multiple platforms of communication and engagement and subsequently measure their effectiveness.
- Philanthropy is the culture and dynamic, fundraising (including digital) is what we facilitate to elevate philanthropy.



(HEALTH CARE FOCUS) STRATEGIC ALIGNMENT OF PHILANTHROPY IN A CHALLENGING ENVIRONMENT

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THE IMPORTANCE OF STRATEGIC PHILANTHROPY IN A CHALLENGING ENVIRONMENT

In Danger of Being Marginalized, Strategic, Investment Related Philanthropy Can Become a Priority for Institutions

- Health Care has been under serious financial pressure for the last three years.
- These challenges can impact philanthropy thru a loss of trust of donors and that philanthropy can't solve the problem(s) (which is true).
- This dynamic can impact other industries or institutions.
- A strategic approach to philanthropy is the best way to weather the storms.

46 hospitals, health systems hit with ratings downgrades

Alan Condon - Updated Friday, November 3rd, 2023

NON-RATING ACTION COMMENTARY

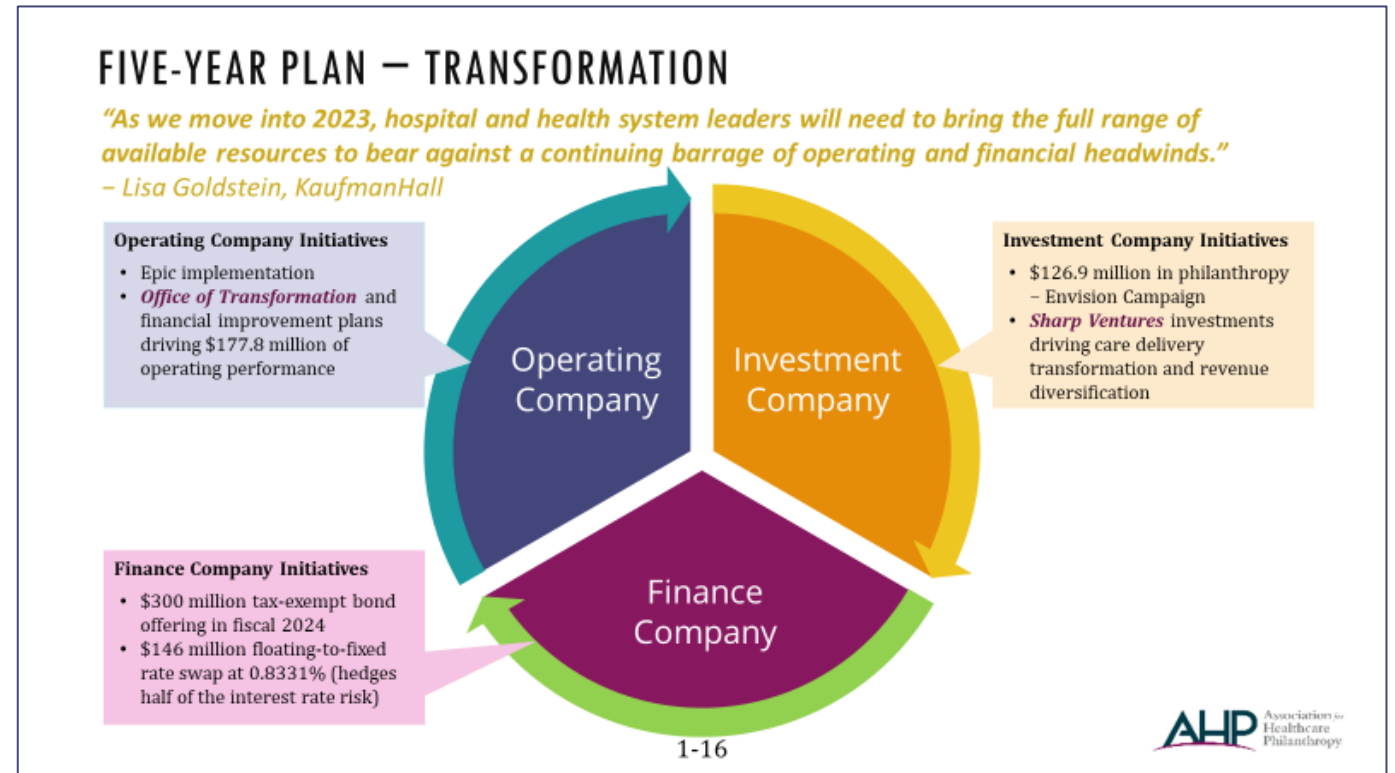
Outlook Neutral for US Healthcare (Medical Devices, Healthcare Providers and Pharma)

Wed 13 Dec, 2023 - 12:49 PM ET

IT'S NOT ANNUAL, IT'S NOT CAMPAIGN, IT'S STRATEGIC AND LONG-TERM

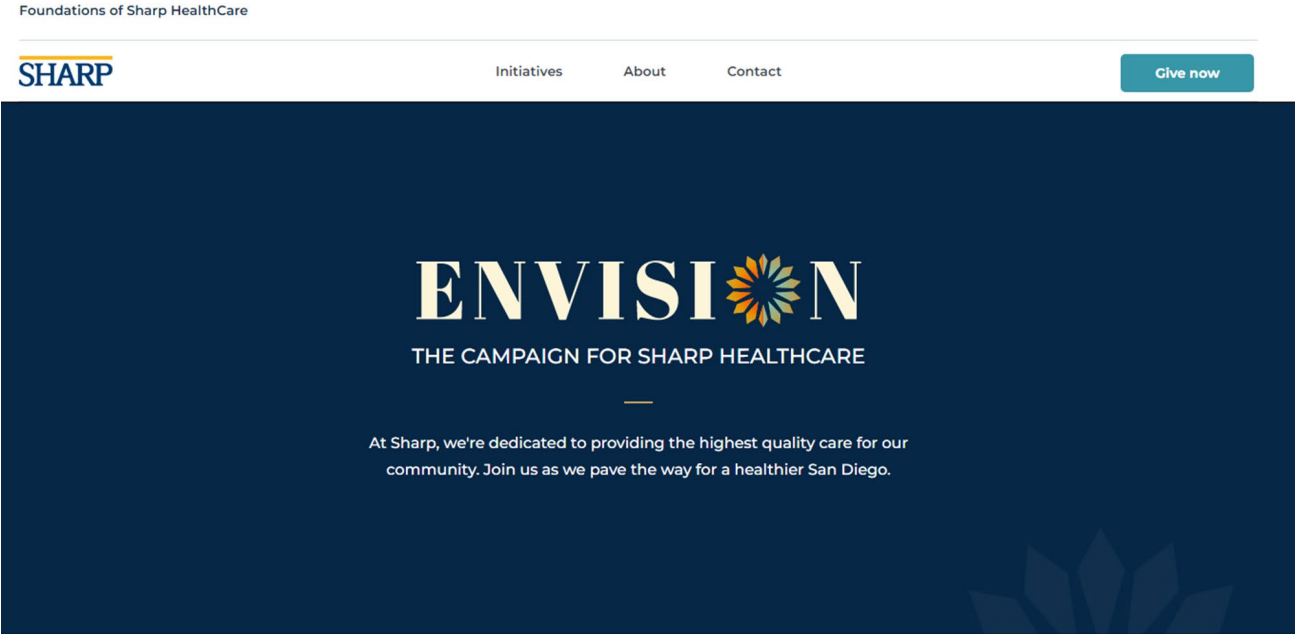
When philanthropy is tied to vision, investment and impact or change, it's powerful no matter what the environment

- Annual and campaign plans are incorporated into strategic plans
- Move from need based to institution vision and investment based
- Leveraged philanthropy
- Both dollar and donor or activity strategies and tactics
- Much better for long-term donor development
- \$ Targets are Distributions, not Raised



PHILANTHROPY STRATEGY TIED TO INSTITUTIONAL STRATEGY

Campaign Built Around Not Just Projects, But Institutional Aspirations of Excellence that are Visionary and Long-Term



STRATEGIC PHILANTHROPY IS NOT JUST FUNDRAISING...IT IS PHILANTHROPY AS TRANSFORMATION



When Philanthropy is Strategic, It is Built Around the Concept of the Ability to Help Transform the Institution or Achieve a Vision, Not Just Fill a Need

THE NEW DYNAMIC OF IN-PERSON, HYBRID AND REMOTE WORK AND ITS LONG-TERM IMPACT

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THAT DIDN'T TAKE LONG....

An Unknown Future of Work Environments in Philanthropy



We Ring the Philanthropy Bell in Person!



Potential challenges of Hybrid Working

✓ Possibility of burnout

✓ Proximity bias

✓ Cyber security risks

✓ Potential isolation

INNOVATION • ENTERPRISE TECH

Remote And Hybrid Work Changes The Career Advancement Formula

FORBES > LEADERSHIP > CAREERS

• EDITORS' PICK

The Productivity Problem With Remote Work

There's just a lot that isn't understood about the long-term impact and dynamics of a very different work environment, both for the institution and employee.

THE COLLEGIAL DYNAMIC MUST BE A PRIORITY WHETHER IN-PERSON OR REMOTE

Coaching, Counseling and Mentoring Best Done In-Person

- The collegial and group dynamic has always been powerful in philanthropy, especially in-person such as with Boards, committees and donor and prospect engagement.
- The same is true for philanthropy staff members. Virtual meetings can be efficient and productive but cannot fully replace in-person.
- In organizations like hospitals, philanthropy visibility on-site is extremely valuable.



Sharp 2023 Pillar of Excellence Award Foundations of Sharp HealthCare

REMEMBER THAT FORM FOLLOWS FUNCTION



**Design the Job or Role First, and its Most Productive Environment in Which to
Function, and Recruit for Characteristics**

SERVANT LEADERSHIP: THE MOST COMMON PHILANTHROPIC LEADERSHIP STYLE

The best leader is the one who leads not from power, but from primary motivation to serve.

Thus, the leader who begins with a genuine desire to serve others is the one who demonstrates sterling qualities of leadership.

Robert Greenleaf



3 TIERS OF PHILANTHROPY LEADERS

Let's change the world

Let's do things right/better

I'm qualified for the role

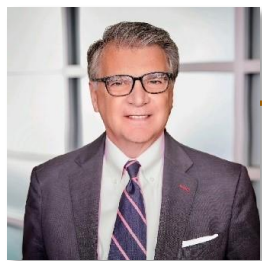


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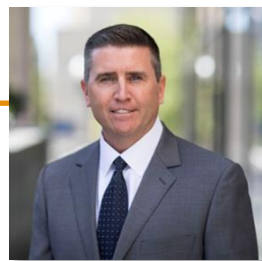
eddie@ceplan.com



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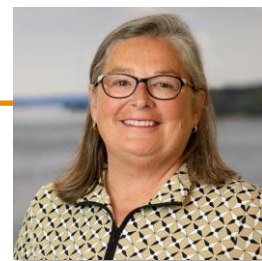
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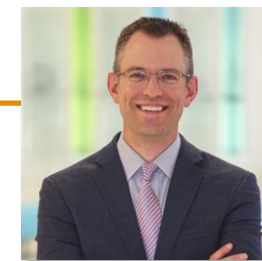
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