

RISE

Results in Independent Schools E-newsletter
Shining a Light on Fundraising

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

Join our Facebook
Community



July 29, 2021
www.fundraisingcounsel.com



Discontinue Advisory Councils?

by Arthur L. Criscillis, Ed.D.
Managing Partner

In my work with organizations, including the training and coaching I do, one constant question that arises relates to Advisory Councils. In some instances, an executive wants to start one and is seeking some advice. In other instances, one already exists but doesn't function effectively; the organization leaders want to elevate the work (which typically means more attention to giving and getting financial support for the institution) of the council.

It seems to me (and has for a long time) that, by taking some basic and fairly straight-forward steps, these leadership volunteer groups can be more helpful to the organization and its leaders, while also being more satisfying and rewarding for those who serve. How so?

Let's begin with being clear about what we want from this leadership volunteer group. Here we need to be honest with ourselves. I suspect we want some engagement in giving. We would also like for the members to help connect the executive director to important potential benefactors, companies that may benefit from the work we do, and/or the enrichments we may add to the community. We may also want and need advice. They could also provide insight into management/leadership principles that would be useful to the leadership team. They could act as a focus group to assist in planning. They could address concerns/issues that arise on an ad hoc basis. In short there are many ways this body could be meaningfully engaged in helping the organization and community she/he serves. Once we have clarity about that, we can more effectively recruit members and those members will have a clear understanding of what they are signing on to doing.

Let's move from expectations to nomenclature. When conducting training sessions for deans, I will frequently ask them the question: "How many of you have advisory councils?" Virtually all raise their hands. I quickly follow up with another question: "How many of you want advice?" Most of the hands drop and that question elicits knowing smiles and some laughter. In short, the name we give this volunteer leadership group sets expectations. If the expectations go beyond providing advice, then let's banish "advisory" from the name we give to the group. What we want is more like "leadership." Maybe Dean's Leadership Council would be a more appropriate name.

Consider how you want to handle the question of giving. Some go with a "pay to play" model, that requires a minimum contribution for members of the council. If you go that route, you will want and need to consistently enforce it. And you will need to indicate that this is a minimum expectation. Others indicate that providing philanthropic support for the organization is an essential component of

membership but indicate that what is appropriate from a given member varies, but is still expected.

What about membership? It's the organization's Advisory Council. Therefore, the executive director needn't relinquish her/his role in determining who to invite to be a member. In short, don't cede that to a "membership committee." The leader should strongly encourage members to recommend others for membership; and also rely—maybe informally—on the advice of some key members given in an informal way about membership. Members can and should be involved in meeting with and inviting prospective members to serve when that is feasible and reasonable. Establish terms and term limits for members to allow the council to be renewed and refreshed. It also can allow for an easy way to have a less productive member removed from the council.

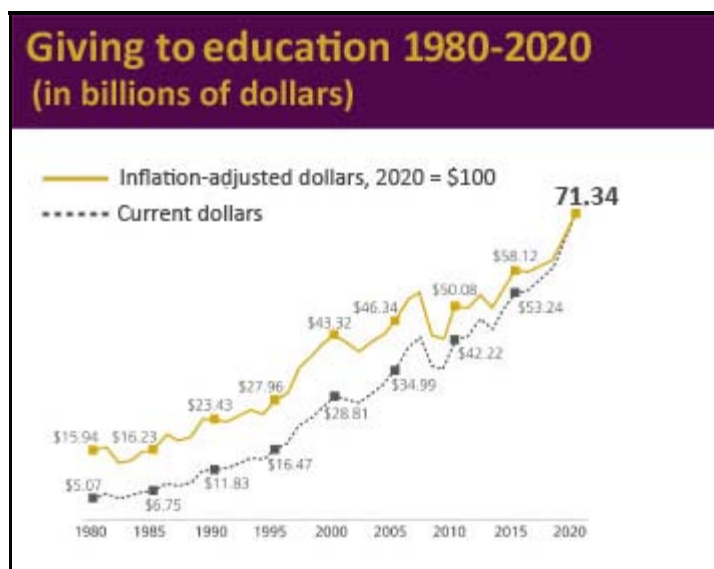
When forming these councils, there is no need to have bylaws—this isn't a governing body; it has no fiduciary responsibility; and it has no formal role in the administration of the organization. There is no need for bylaws, and they can only serve to give an incorrect impression about the role of the council. They can also unnecessarily bog things down.

These are, to my way of thinking, some key elements for more effective, more rewarding (for all concerned), and less confusing/frustrating leadership councils—clear expectations, broad opportunities for engagement that includes philanthropy, no bureaucracy.

Giving to Education in 2020

Giving USA 2021: The Annual Report on Philanthropy for the Year 2020, released on June 15, reports that an estimated **\$471.44 billion was donated to nonprofits in 2020**. Despite unprecedented developments in 2020 including the global pandemic, the ensuing economic crisis, and ongoing movement in pursuit of racial justice, generous giving coupled with the stock market turnaround in the final months of the year boosted contributions. As a result, **2020 is the highest year of charitable giving on record**. Total charitable giving grew 5.1% measured in current dollars over the revised total of \$448.66 billion contributed in 2019.

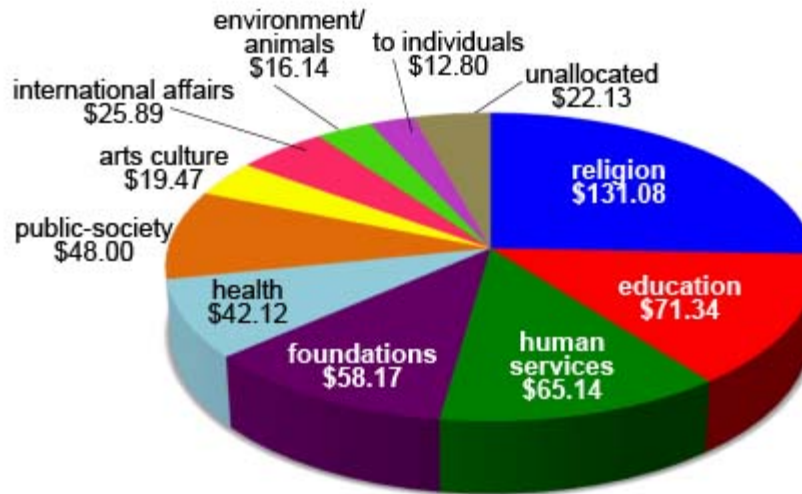
Giving to education is an estimated \$71.34 billion, which is a 9.0% increase from 2019 in current dollars. "It was certainly an interesting year – if your definition of interesting is "Please God don't ever let that happen again." Now we are half way through 2021, things are finding their "new normal" and I have a whole new series of questions about how 2021 philanthropy will turn out. I sure hopes it's better in every possible way than 2020," said our President & CEO, **David King**.



Giving to the education subsector amounted to 15% of total giving in 2020.

- Contributions to education organizations grew 9.0% in current dollars from 2019 to \$71.34 billion in 2020. Adjusted for inflation, giving to education organizations increased 7.7%.
- In 2020, contributions to education totaled the highest inflation-adjusted value recorded to date.
- According to the *Council for Advancement and Support of Education*, contributions to higher education institutions remained relatively flat compared to 2019 and totaled \$49.50 in 2020.
- Online giving to K-12 education institutions increased 8.7% between 2019 and 2020. Higher education institutions analyzed by *Blackbaud Institute* saw a 10.4 increase in online giving between 2019 and 2020.

Giving by Recipient



- Giving to **religion** grew slightly by 1.0% between 2019 and 2020, with an estimated \$131.08 billion in contributions. Adjusted for inflation, giving to religion was flat, reflecting a slight decline of 0.2% in 2020.
- A strong end-of-year stock market drove growth in giving to **education**. That growth was further boosted by COVID-19 relief, racial justice giving and MacKenzie Scott's gifts to HBCUs, tribal colleges, Hispanic-serving institutions and community colleges.
- Giving to **human services** increased by an estimated 9.7% in 2020, totaling \$65.14 billion. Adjusted for inflation, giving to human services organizations increased by 8.4%.
- Giving to **foundations** is estimated to have increased by 2.0% to \$58.17 billion. Adjusted for inflation, giving to foundations was flat at 0.8% growth.
- Giving to **health** is estimated to have declined by 3.0% (a decline of 4.2%, adjusted for inflation) to \$42.12 billion. In addition to large, nonprofit hospitals, health organizations include those that focus on addressing specific diseases. Many in-person walks, runs and other fundraising events that disease-specific health organizations host as major fundraisers saw a decline in participation and charitable revenue due to the pandemic.
- Giving to **public-society benefit** organizations increased an estimated 15.7% to \$48.00 billion. Adjusted for inflation, giving to public-society benefit organizations grew 14.3%. This category includes a wide range of charitable organizations, including national donor-advised funds, United Ways and civil rights organizations.
- Giving to **arts, culture, and humanities** is estimated to have declined 7.5% to \$19.47 billion. Adjusted for inflation, giving to the arts, culture, and humanities subsector declined 8.6%.
- Giving to **international affairs** is estimated to be \$25.89 billion in 2020, growing by 9.1% over 2019. Adjusted for inflation, giving to international affairs organizations increased 7.8%.
- Giving to **environmental and animal organizations** is estimated to have increased 11.6% to

\$16.14 billion. Adjusted for inflation, donations to the environment/animals subsector increased 10.3%.

- **Unallocated** giving was negative \$22.13 billion in 2020. This amount can be considered as the difference between giving by source and use in a particular year. This amount includes the difference between itemized deductions by individuals (and households) carried over from previous years. The tax year in which a gift is claimed by the donor (carried over) and the year when the recipient organization reports it as revenue (the year in which it is received) may be different.

We Think You Should Know

Catholic Schools Receive Big Gifts

Salesianum School, a Catholic high school in Wilmington (DE), received a \$12 million gift to its endowment from alumnus **Miguel Bezos** and his wife, Jacklyn. The gift includes \$10 million to establish the *Rev. James P. Byrne, OSFS Memorial Scholarship*. The fund will support full-tuition scholarships and stipends for incidental expenses including books, retreats, service trips, AP test fees, and prom tickets for 24 students with financial need. In recognition of the school's roots in Wilmington and legacy of educating immigrants, including Bezos, the father of Amazon founder Jeff Bezos, the program will give preference to applicants who are children of immigrants living in Wilmington. The remaining \$2 million will be used to match commitments in support of the endowment of \$100,000 or more over the next three years.

And, the **Catholic Diocese of Greensburg** (PA) received a multimillion-dollar gift from an anonymous donor in support of student tuition. The gift will support the *St. Pope John Paul II Tuition Opportunity Partnership* at Catholic schools in the Diocese of Greensburg. Last year, the same individual donated more than \$2.5 million in support of tuition for prospective students. PND, 7-25, 6-27

Only Half of Households Gave to Charity in 2018

For the first time in nearly two decades, only half of U.S. households donated to a charity in 2018, according to a study just released. The findings confirm a trend of donations to charitable causes reaching record highs, but the giving is done by a smaller and smaller slice of the population.

The study, conducted every two years by *Indiana University's Lilly Family School of Philanthropy*, suggests, in part, that the *Great Recession* made it difficult for some younger Americans to establish a habit of giving; finding only about a third of households headed by someone under the age of 40 gave to charity in 2018, a trend experts believe will be a challenge for charities.

Key Findings

- In 2000, when the survey began, 66% of U.S. households donated to a charitable organization. That number dropped to 49.6% in 2018, the latest year with comprehensive figures from those households.
- Declining levels of trust among Americans for institutions and each other may contribute to the move away from charitable giving. That mistrust is especially pronounced among millennials.
- A majority of households headed by a person who had a college or a graduate degree and was married or widowed gave to charity. Wealth was also a factor.
- Nearly eight out of 10 households with more than \$200,000 of wealth gave to charity in 2018. By contrast, fewer than four in 10 households with wealth less than \$50,000 made donations.

The study measures giving to charitable organizations but doesn't analyze donations made through informal crowdfunding campaigns, which tends to draw younger audiences. It also doesn't measure contributions of goods and services. COP, 7-27

We'd Like You to Know

Transforming Institutions

For more than 30 years, Alexander Haas has been a fixture in the nonprofit community. We are honored to have worked with some of the largest, and some of the smallest, independent schools that help transform our nations adolescents into our next leaders.

[Our Independent School Client Partners](#)

Our Transforming Fundraising Services

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transforming Services.

[Jump!](#)



3520 Piedmont Road | Suite 450 | Atlanta, GA 30305
404.525.7575

