

HIGH NET WORTH PHILANTHROPY
Opportunities and Challenges Ahead
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LESSONS: 2010 Bank of America Study

- Individual giving—especially from HNW donors—is critical
- Volunteering means many things...but, it needs to purposely lead to greater commitment
- Applying lessons from the recessions: community, GOS, good communication
- HNW donors can change their giving priorities, but some considerations don't change: importance of mission, sound management, respect

PRIOR ADVICE: Spring/Summer 2009

1. Ensure your organization is one of your major donor's TOP 3: hearts, minds, and pocketbooks
2. Never miss an opportunity to demonstrate that organization is well-managed, focused, and strategic
3. Build a serious volunteer program
4. Commit time to engaging and educating "family"
5. Focus time on those donors who are philanthropically inclined

OBSERVATIONS: 2009 - Now

High Net Worth Donors

PRACTICES	IMPLICATIONS
<ul style="list-style-type: none"> - Attended more meetings - Focused on fewer charities - Gave "current income" vs. endowment gifts for scholarship, program, compensation - Responded to "budget relieving" annual request - Provided plenty of advice - Increased gifts to DAF and Foundations 	<ul style="list-style-type: none"> - Greater appreciation for challenges in running a strong organization - Better understanding of cash requirements - Keen awareness of the importance of the "unrestricted gift" - Know how to "help" with time AND money - At some point will contribute more from their funds

Smart Organizations

PRACTICES	IMPLICATIONS
<ul style="list-style-type: none"> - Didn't totally panic - Carefully and strategically pared expenses - Kept constituents informed about endowment, revenue loss, belt-tightening activities - Maintained annual, capital, planned giving efforts 	<ul style="list-style-type: none"> - Tell constructive recovery and results stories that resonate with entrepreneurs - Able to ramp up again; possible transformation - Clearer sense of strategic priorities - Tired, but not totally burned out

Effective Development Professionals

PRACTICES	IMPLICATIONS
<ul style="list-style-type: none"> - Kept the conversation going; listened and engaged - Calmed the panicked CEO and Board - Adjusted pledge amounts and payment schedules - Cleaned up the back office, corrected records, put stewardship practices in place - Synthesized advice, made smart staffing decisions, used volunteers - Looked ahead and applied the "new normal" 	<ul style="list-style-type: none"> - Weathering the storm vs. withering away - More agile fundraising team - Stronger donor relationships - Broader understanding of cash flow challenges - Can convert volunteer experience to fundraising action - Reinforce standard best practices: identification, cultivation, solicitation

NEXT STEPS

1. Further research on your HNW prospects: motivations, family influence, giving vehicles
2. Apply the lessons...it's not too late!