



PART ONE

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A PHILANTHROPIC CONTEXT  
FOR FUNDRAISING

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## CHAPTER ONE

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# A PHILOSOPHY OF FUNDRAISING

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By Henry A. Rosso

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### Introduction by Eugene R. Tempel

Twenty-five years have passed since Henry “Hank” Rosso undertook the development of *Achieving Excellence in Fund Raising*. The original edition won the prestigious Staley Robeson Prize from the National Society of Fund Raising Executives – now the Association of Fundraising Professionals. Fundraising was still two words then. Hank was a superstar among fundraisers. Many of us are privileged to call him our mentor.

Hank founded The Fund Raising School in 1974, 40 years prior to the time we began work on the fourth edition of *Achieving Excellence in Fundraising*. The work Hank started has grown and prospered with The Fund Raising School as an integral part of the new Indiana University Lilly Family School of Philanthropy. However, we continue to feel his influence through the IU Lilly Family School of Philanthropy’s Rosso Medal for Lifetime Achievement in Ethical Philanthropic Fundraising, through The Fund Raising School, through *Achieving Excellence in Fundraising*, fourth edition, and especially through this chapter.

In this chapter Hank offers his philosophy on fundraising, a philosophy developed over a lifetime of work as a fundraiser, consultant, and teacher. The principles upon which he founded The Fund Raising School in 1974 have stood the test of time and culture with adaptations and modifications rather than replacement, and

so has his philosophy of fundraising. Both his principles and his philosophy have been substantiated by research on philanthropy, donor behavior, and fundraising available today. This is why we have continued to include Hank's Chapter, A Philosophy of Fundraising.

This chapter covers some of Hank's basic tenets, including:

- The importance of mission in fundraising.
- Why you exist is more important than what you do.
- The importance of integrating fundraising into an organization.
- Substituting pride for apology in fundraising.

Hank's original chapter, "A Philosophy of Fund Raising," in subsequent additions, including this fourth edition, is included unaltered and in its entirety. The fourth edition is being published 25 years after Hank developed his original chapter. It is a tribute to all he contributed to the profession of fundraising and the development of philanthropy.

A central theme in Hank's philosophy and in the way he approached his work was "fundraising is the servant of philanthropy." He opened and closed the first chapter of his book with that theme. Fundraising is not an end in itself. When it becomes that, both the organization and philanthropy are diminished and fundraising becomes a mere technical application of skills. Fundraising in Hank's view was only a means to an end that rested on organizational mission. We know today that donors are motivated to give primarily because they believe in the cause. The pillars that support Hank's central theme are as relevant today as they were in 1991. For example, research shows that high net worth donors depend on professional fundraisers and colleagues to help them make decisions about their giving (Indiana University Lilly Family School of Philanthropy, 2014).

The most significant of these pillars is "why do you exist?" This question enables an organization to articulate its mission in terms of the societal values it is fulfilling. Mission is what gives us the privilege to ask for philanthropic support. Mission is particularly important in an era where nonprofit organizations are encouraged to develop new income sources, undertake market-based activities, focus on social enterprise, form collaborations and partnerships, and approach venture philanthropists with confidence.

Hank's philosophy also rested on the role of the governing board. He saw governing boards as not only being responsible for fundraising but also for stewardship of the organization's mission and resources. The governing board today must ensure the public trust of the organization if fundraising is to be successful. Heightened calls for transparency and accountability make the role of the

governing board even more important today than it was in 1991. Trust is the bedrock upon which philanthropy rests.

Fundraising as the servant of philanthropy must be part of an organization's management system. This is a pillar of Hank's philosophy of fundraising that is also critical today. Fundraising cannot be a separate, isolated, activity. Ensuring trust means conducting fundraising that is based on mission by staff and volunteers who are committed to the organization and who represent the organization with integrity. Staff and volunteers of an organization who embrace a culture of philanthropy enable fundraising by accepting philanthropy as a legitimate and important source of income to support a worthy cause.

Hank believed that philanthropy must be voluntary. Today this pillar of Hank's philosophy is more important than it was in 1991. The interest in self-expression through philanthropy calls for a more open approach by organizations. Pluralism becomes an important tenant. Another of Hank's beliefs is applicable here: "Fundraising is the gentle art of teaching people the joy of giving." To ensure long-term donor engagement and donor satisfaction that lead to increased philanthropy, fundraisers must remember that giving is voluntary. As we will see in Chapter 2, contemporary research demonstrates that there is a joy in giving.

Perhaps the greatest contribution Hank made was to teach the substitution of pride for apology in fundraising. As the number of people engaged in fundraising has grown, and fundraisers have sought a more professional approach, recognizing that fundraising is a noble activity based on organizational mission has been central to professional development. Another of Hank's statements about soliciting a gift is applicable here: "Set yourself aside and let the case walk in." The case for support as discussed in Chapter 4 gets back to the main reason why individuals give.

The last two paragraphs of this chapter carry the same subtitle as the opening line, with a slight variation: "Fundraising as Servant to Philanthropy." Hank explained the role of fundraising in terms that foreshadow the models currently needed to assist wealth holders in determining their philanthropy. He wrote of fundraising: "It is justified when it is used as a responsible invitation guiding contributors to make the kind of gift that will meet their own special needs and add greater meaning to their lives."

Today more than ever fundraisers need a philosophy of fundraising. The call for accountability, the need to inspire trust, the leadership of volunteers, the involvement of donors in their philanthropy, and the new approaches to philanthropy discussed in the following chapters all call for fundraisers to be reflective practitioners who can center themselves with a philosophy of fundraising. Hank's philosophy provides an excellent beginning for us to develop our own philosophy.

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## A PHILOSOPHY OF FUNDRAISING

Fundraising is the servant of philanthropy and has been so since the seventeenth century, when Puritans brought the concept to the new continent. The early experience of fundraising was simple in form, obviously devoid of the multifaceted practices that characterize its nature in the contemporary United States. These practices now make fundraising more diversified and more complex than ever before.

The American spirit of giving is known and respected in other nations. American fundraising methods are equally known and admired abroad, as foreign citizens who have attended classes taught by The Fund Raising School will attest. Ironically, the practice of resource development that is so much a part of the culture, necessity, and tradition of not-for-profit organizations in the United States is not sufficiently understood, often misrepresented, and too often viewed with suspicion and apprehension by a broad section of our own population, particularly by regulatory bodies. Few still argue with the observation that fundraising has never been considered the most popular practice in this country.

Dean Schooler of Boulder, Colorado, a scholar and student of fundraising, takes the teleological view of a vitalist philosophy that phenomena are not only guided by mechanical forces but also move toward certain goals of self-realization. Indeed, fundraising is never an end in itself; it is purposive. It draws both its meaning and essence from the ends that are served: caring, helping, healing, nurturing, guiding, uplifting, teaching, creating, preventing, advancing a cause, preserving values, and so forth. Fundraising is values-based; values must guide the process. Fundraising should never be undertaken simply to raise funds; it must serve the large cause.

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## Organizations and Their Reasons for Existing

Organizations of the independent sector come into existence for the purpose of responding to some facet of human or societal needs. The need or opportunity for service provides the organization with a reason for being, as well as a right to design and execute programs or strategies that respond to the need. This becomes the cause that is central to the concern of the organization. The cause provides justification for more intervention, and this provides justification for fundraising.

The organization may *claim* a right to raise money by asking for the tax-deductible gift. It must *earn* the privilege to ask for gift support by its management's responsiveness to needs, by the worthiness of its programs, and by the stewardship of its governing board. An organization may assume the right to ask. The

prospective donor is under no obligation to give. The prospect reserves the right to a “yes” or a “no” response to any request. Either response is valid and must be respected.

Each organization that uses the privilege of soliciting for gifts should be prepared to respond to many questions, perhaps unasked and yet implicit in the prospect’s mind. These may be characterized as such: “Why do you exist?”, “What is distinctive about you?”, “Why do you feel that you merit this support?”, “What is it that you want to accomplish and how do you intend to go about doing it?”, and “How will you hold yourself accountable?”

The response to “Who are you and why do you exist?” is couched in the words of the organization’s mission statement. This statement expresses more than justification for existence and more than just a definition of goals and objectives. It defines the value system that will guide program strategies. The mission is the magnet that will attract and hold the interests of trustees, volunteers, staff, and contributors.

The answer to “What is distinctive about us?” is apparent in the array of goals, objective, and programs that have been devised to address the needs of the value system as well as serve as symbols of fidelity to it.

“How do we hold ourselves accountable?” is the primary question. It is a continuing call for allegiance to the mission. It acknowledges the sacredness of the trust that is inherent in the relationship with both the constituency and the larger community. The organization is the steward of the resources entrusted to its care.

It is axiomatic that change is a constant. Shifting forces within the environment quicken the pace of change, thus posing a new constant. Not-for-profit organizations must always be prepared to function in the center of whirling pressure.

Organizations cannot afford to be oblivious to the environment that surrounds, and indeed engulfs, them. Forces within the environment such as demographics, technology, economics, political and cultural values, and changing social patterns affect daily business performance, whether this performance pertains to governance, program administration, fiscal responsibility, or fundraising.

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## To Govern or Not to Govern

Governance is an exercise in authority and control. Trustees, directors, or regents – the interchangeable nomenclature that identifies the actors in governance – are the primary stewards of the spirit of philanthropy. As stewards, they are the legendary “keepers of the hall.” They hold the not-for-profit organization in trust to ensure that it will continue to function according to the dictates of its mission.

The trustees must bear the responsibility to define and interpret the mission and ensure that the organization will remain faithful to its mission. Board members should accept the charge that trusteeship concerns itself with the proper deployment of resources and with the accompanying action, the securing of resources. Deploying resources is difficult if the required resources are not secured through effective fundraising practices. It stands to reason that trustees as advocates of and stewards to the mission must attend to the task of pressing the resources development program on to success.

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## Institutionalizing Fundraising

Fundraising projects the values of the total organization into the community whenever it seeks gift support. All aspects of governance – administration, program, and resources development – are part of the whole. As such, these elements must be part of the representation when gifts are sought. Fundraising cannot function apart from the organization; apart from its mission, goals, objective, and programs; apart from a willingness to be held accountable for all of its actions.

Fundraising is and must always be the lengthened shadow of the not-for-profit entity, reflecting the organization's dignity, its pride of accomplishment, and its commitment to service. Fundraising by itself and apart from the institution has no substance in the eyes and heart of the potential contributor.

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## Gift Making as Voluntary Exchange

Gift making is based on a voluntary exchange. Gifts secured through coercion, through any means other than persuasion, are not gifts freely given. They do not have the meaning of philanthropy. Rarely will gifts obtained under pressure or through any form of intimidation be repeated. These gifts lose their meaning.

In the process of giving, the contributor offers a value to the not-for-profit organization. This gift is made without any expectation of a material return, apart from the tax deductibility authorized by government. The reasons for making a gift are manifold.

In accepting the gift, it is incumbent upon the organization to return a value to the donor in a form other than material value. Such a value may be social recognition, the satisfaction of supporting a worthy cause, a feeling of importance, a feeling of making a difference in resolving a problem, a sense of belonging, or a sense of "ownership" in a program dedicated to serving the public good.



Trustees, administrators, or fundraising practitioners so often misconstrue the true meaning of this exchange relationship, and they violate the acknowledgement process by offering a return of substantive value. This alters the exchange, reduces the meaning of philanthropy, and diminishes the gift in its commitment to the mission. The transaction is one of a material exchange, a self-centered quid pro quo with none of the spirit of philanthropy in the exchange.

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## Substituting Pride for Apology

Giving is a privilege, not a nuisance or a burden. Stewardship nourishes the belief that people draw a creative energy, a sense of self-worth, a capacity to function productively from sources beyond themselves. This is a deep personal belief or a religious conviction. Thoughtful philanthropists see themselves as responsible stewards of life's gifts to them. What they have they hold in trust, in their belief, and they accept the responsibility to share their treasures effectively through their philanthropy. Giving is an expression of thankfulness for the blessings that they have received during their lifetime.

The person seeking the gift should never demean the asking by clothing it in apology. Solicitation gives the prospect the opportunity to respond with a "yes" or a "no." The solicitation should be so executed as to demonstrate to the prospective contributor that there can be a joy to giving, whether the gift measures up to the asking properly and in a manner that puts the potential contributor at ease.

The first task of the solicitor is to help the potential contributor understand the organization's case, especially its statement of mission. When a person commits to contribute to a cause and does so because of an acceptance of and a belief in the mission, then that person becomes a "stakeholder" in the organization and that for which it stands. This emphasizes that philanthropy is moral action, and the contributor is an integral part of that action.

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## Fundraising as a Servant to Philanthropy

Philanthropy is voluntary action for the public good through voluntary action, voluntary association, and voluntary giving (Payton, 1988). Fundraising has been servant to philanthropy across the millennia. Through the procession of the centuries, the thesis has been established that people want and have a need to give. People want to give to causes that serve the entire gamut of human and societal needs. They will give when they can be assured that these causes can demonstrate their worthiness and accountability in using the gift funds that they receive.

Ethical fundraising is the prod, the enabler, the activator to gift making. It must also be the conscience to the process. Fundraising is at its best when it strives to match the needs of the not-for-profit organization with the contributor's need and desire to give. The practice of gift seeking is justified when it exalts the contributor, not the gift seeker. It is justified when it is used as a responsible invitation, guiding contributors to make the kind of gift that will meet their own special needs and add greater meaning to their lives.