It's a Woman's World

And other developments that fundraisers should pay attention to

By Lekan Oguntoyinbo

Since its 2010 founding, the Indiana University Women's Philanthropy Council has raised nearly $2 million and distributed more than $200,000 in grants to 20 projects throughout the eight-campus system. That's quite a feat for a group that did not launch a campaign or set a financial goal.

The council's fundraising success "comes through engaging more women, making them feel valued, and connecting them to causes they care about," says Laurie McRobbie, IU's first lady and a WPC leader.

Comprised of community leaders, philanthropists, and IU friends who make a one-time gift of $15,000, the council has made its imprint on the system. WPC grants helped establish the Rural Resource Center on Domestic and Interpersonal Violence at the Bloomington campus and fund initiatives of IU's newly established Center of Excellence for Women in IT. Now the council is preparing for its biggest project: an approximately $10 million fundraising drive as part of the university's upcoming campaign to celebrate its bicentennial in 2020.

The council's emergent role highlights a developing philanthropic trend: Women are increasingly wielding enormous influence as donors and fundraisers.

Women control a large share of wealth globally, dominate consumer spending, and often make their families' charitable giving decisions. As the philanthropic landscape shifts, some institutions struggle to engage women and recruit them for board and other high-profile volunteer positions.

"Universities are now realizing that women are an extremely important part of the alumni base in terms of donor funding," says Debra Mesch, director of the Women's Philanthropy Institute at the Center on Philanthropy at Indiana University-Purdue University Indianapolis. "They are trying to engage more women. We see more universities paying attention to women and women forming philanthropy councils to support the university. Universities are paying more attention to this because they see
the power of what women can do."

A few examples of women’s philanthropic might: Hewlett-Packard CEO Meg Whitman’s $30 million gift to Princeton University in New Jersey in 2002; the Gordon and Betty Moore Foundation’s $100 million gift, steered by Betty Moore, to the University of California, Davis to establish a nursing school in 2007; and Barbara Dodd Anderson’s $128 million gift in 2007 to her alma mater George School in Pennsylvania, among the largest contributions ever made to an independent school.

Despite this power, women are often overlooked for volunteer leadership positions and not cultivated for major gifts because of their giving history. Older women may not make large gifts during their lifetimes because they worry about having enough resources to support themselves, says Angela White, CEO of the fundraising consultancy Johnson, Grossnickle and Associates, based in Greenwood, Ind. However, they leave substantial gifts and should be cultivated for legacy giving.

**What leadership looks like**

Duke University officials found support for its new Women in Leadership and Philanthropy initiative after a review of internal data helped explain a troubling trend—the underrepresentation of women on its college and school boards. The analysis found that the number of women who give to the North Carolina institution equals that of men, but women give half as much as men, says Ann Gleason, assistant vice president for major gifts programs and special initiatives. Because women give smaller gifts, they are not on the radar in equal numbers for volunteer leadership roles.

"The dollars raised were important but not large enough to demonstrate commitment to volunteer leadership," Gleason says, noting that women make up about 30 percent of board positions. That figure mirrors the results of a 2010 Association of Governing Boards study, which found women accounted for 30.2 percent of board positions at independent colleges and universities and 28.4 percent at their public counterparts.

Such oversight, which is not exclusive to Duke, is a byproduct of a traditional development model that is very transactional, male-centered, and focused on obvious rather than high-potential sources of gifts, Duke officials say.

With the Women in Leadership and Philanthropy initiative, the university seeks to maximize giving to its $3.25 billion campaign and steer more alumnae into key volunteer leadership roles at the university. Among its first steps: Talk with high-level administrators and deans about the gender imbalance of college boards.

These internal discussions are part of an effort to shift the culture and make cultivation of women a natural part of the development process. "We’re changing the view of what volunteer leadership looks like," Gleason says. "It’s not just the banker from Wall Street who can chair the campaign; it could be a woman whose leadership style isn’t to stand at the head of the table but is more inclusive."

If women are cultivated to give as much as men, she says, Duke’s coffers could see an additional $200 million.

Anne Ernst, the executive director of the Women of Excellence program at Ohio’s Xavier University, notes another reason why institutions should do a better job of engaging women: They outnumber men on college campuses. About 57 percent of bachelor’s degrees conferred every year in the United States go to women, according to the National Center for Education Statistics.

Xavier started its Women of Excellence program six years ago when officials noticed that its alumni base was skewing female. From the 1990s on, women have accounted for 54 percent of living alumni; the Class of 2016 is 55 percent female, Ernst says. To attract women back to campus, the program hosts engagement events independently or with internal constituencies, such as a recent partnership with the university’s Cintas Institute for Business Ethics that brought environmental activist Erin Brockovich to
campus for a speech and a VIP reception.

"Our program has made a big difference in engaging women at Xavier," says Ernst, who is also a major gift officer. "It's a great hook. If I'm going to visit an alumna, it gives me an easy topic to start with and get them excited about Xavier."

**Growing affluence and influence**

The rising visibility of women in philanthropy is an outgrowth of dramatic changes in women's roles that began more than 40 years ago.

"Women joined the workforce in historic numbers [starting] in the 1970s, ... made their money, and they've outlived their husbands," IU's McRobbie says. "They make 85 percent of consumer decisions in a household. To a significant degree they are making giving decisions even though the donations are being made in both their names. Organizations that don't reach out to them are leaving money on the table."

Wealth and education, says Mesch, are the most significant factors in charitable giving, and women are hitting high marks on both counts. Women-owned businesses are the fastest-growing segment of new businesses, generating nearly $1.3 trillion in annual revenues and employing 7.8 million people, according to *The 2013 State of Women-Owned Businesses*, a report commissioned by American Express. "All told, 43 percent of the [U.S.‘s] wealthiest people are women, which translates to 3.4 million women holding more than $5.2 trillion in assets," reports *Capital Acumen*, the magazine produced by the wealth-management firm U.S. Trust.

So how do you engage them smartly?

1. **Include both spouses in any conversation.**

"You can't assume that it's always the man writing the checks. We found in our research that oftentimes the woman decides where the philanthropic dollars will go," IUPUI's Mesch says. "When talking to [a couple], you have to address the woman just as much as the man to find out what her values are and her passion for philanthropy."

2. **Understand the differences in how women and men approach giving.**

"Men's giving can be more transactional: 'Hey Joe, I just gave $50,000. Why don't you?' Women's giving is more relational," says White, who is also a faculty member at IUPUI's Lilly Family School of Philanthropy. "They take longer to cultivate. They want engagement and involvement. Men respond more to quid pro quo. Women want to understand what's happening at the institution in a deeper way before they make the gift."

Adds Mesch: "Women don't just want to write checks. They want to understand how the money is being used. Women are very concerned about where the money is going and how it will impact the charities they give to."

3. **Stop pigeonholing women.**

"You don't want to fall prey to [characterizations] that can be insulting," Mesch says. "One myth is that women are hard to engage, hold on to their money, and are risk-averse.

"Another stereotype is that women will respond to pink," Mesch says. Communication materials, such as direct mail appeals and websites, bathed in pink are "insulting to women. Women are strategic and interested in making an impact. If they're insulted and if you're not showing them people or a website or a story that resonates with them, you're going to turn them off. You have to go beyond the pink campaign."

4. **Reach out.**

Duke created a tapping network after a survey of alumnae revealed that women enjoy interacting with each other and that they are more likely to wait to be tapped for a
volunteer position than to raise their hands.
Such outreach is vital to populate boards with women leaders, who can then serve as role models, says White. "We need women to be bold about their gift and inspire other women to do the same thing."

**The Roots of Change**

The rising profile of women donors isn’t the only trend that is shifting the philanthropy landscape. Here are a few more:

**More foundations are collaborating.**

To better meet their objectives, some funders are sharing ideas and working together.

In Detroit, for example, 10 national and local foundations, including the W.K. Kellogg, Ford, and Kresge foundations, formed the New Economy Initiative. Together they committed $100 million to help strengthen the economic climate in southeast Michigan and last month infused the fund with an additional $33 million to continue the work for the next three years. Much of the money is dedicated to grants for service organizations, businesses, individuals, and colleges with entrepreneur-development programs. Through NEI, the region has seen the creation of 8,000 new jobs and more than 675 new companies.

In the past, says Sterling Speirn, the former president of the W.K. Kellogg Foundation who stepped down last December, many funders operated in silos. That’s no longer the case.
"We don’t compete," he says. "We look for partnership opportunities. We don’t go it alone. We make sure our programs are talking to each other. Is there a trend in more interdependency? I think so."

That’s good news for fundraisers. Collaboration creates opportunities for nonprofits to secure larger grants if they have programs that address those needs, says Dennis Alexander, director of foundation relations at Texas Christian University.

"It also widens your pool of prospective donors to include foundations [that] you’d never get funding from alone because they didn’t have capacity," Alexander says. "If [organizations] are partnering, then they do have capacity."

**Companies and service agencies explore doing good while making a profit.**

The public and private sectors are embracing social impact investing. The goal: Solve societal and environmental problems while also earning a profit. "We used to think the only way to [further societal causes] was to pull money out of our pockets," says Adam Spence, associate director of venture and capital programs at the MaRS Centre for Impact Investing in Toronto. "But investment dollars can be used for a whole lot of public good."

More than 900 Certified B Corporations (B stands for benefit) founded around a defined social mission operate in dozens of countries and generate $3 billion in revenue in industries ranging from telecommunications to footwear. Most of these companies give a percentage of their profits to charities or social causes.

Governments are also finding that they can help mitigate social problems with profit-motivated investments through social impact bonds, outcome-based contracts between a service provider and the government. This is how an impact bond works: A private agency invests its own money into a project typically funded by the public sector. If the agency makes tangible progress on a social problem and saves the government money, then the agency is reimbursed for its expenses and receives some of the savings as a profit. But the investing agency doesn’t profit if the project fails to meet predetermined targets.
Massachusetts is testing the concept with an $11.7 million federal grant it received to reduce young-offender recidivism. Last year the state entered into a pay-for-success contract with Roca, a nonprofit that provides services to high-risk youth. Roca’s payments will depend on how many participating juveniles it helps find employment and stay out of jail.

**Corporations are tying their charitable giving to their business goals.**

In the next three years, Caterpillar’s foundation is investing $200 million on initiatives to educate girls in developing countries. Why does a construction equipment manufacturer from the U.S. heartland want to empower women overseas? The payoff could be long-term.

"Women are three times more likely [than men] to invest back in their families," says Michele Sullivan, president of the Caterpillar Foundation. "If you start with the smallest villages, you give them water and the kids go to school and become educated, at some point they want plumbing and electricity."

Communities that need to build roads and other infrastructure "may go get a small-business loan to buy a piece of equipment to help build that road," she adds.

Caterpillar’s giving philosophy is similar to other multinational corporations. Compared to U.S. companies that generate more than 90 percent of their profits domestically, corporations with a larger share of overseas revenue make more international gifts, according to a 2013 study by the Lilly Family School of Philanthropy at IUPUI. The most prevalent reason: addressing local community needs. However, 52 percent of U.S. corporations say that giving in countries where they do business is critical to their success.

In 2012 the Coca-Cola Foundation, for example, awarded $18.4 million in grants to 58 clean-water initiatives worldwide. That the beverage giant, whose bottlers around the world require clean water to make products, would prioritize water stewardship makes sense.

Bottom line: Fundraisers need to do their homework and make sure that their proposals are targeted to corporate interests, experts say.

**The young titans of philanthropy are all business.**

The dominant foundations of the last century will likely be eclipsed by a new generation of foundations started by the young and newly wealthy who have vastly different perspectives, says David Callahan, Inside Philanthropy’s editor.

Think about the assets and influence of the Bill and Melinda Gates Foundation and the potential of Facebook co-founders Mark Zuckerberg and Dustin Moskovitz, who, like the Gateses, have commited most of their fortunes to philanthropy.

"Many [new philanthropists] are coming out of tech and finance, so they are taking a business approach to running philanthropies," Callahan says, adding that newer foundations are leaner, with relatively small staffs that make fewer but much larger grants than legacy foundations.

These smaller foundations "are going to be more selective in their grant-making and more rigorous in making their cuts on the front end," says Alexander of TCU. "Your proposals have to cut to the core of what the foundation is interested in."

Sondra Dellaripa of the nonprofit consultancy Harvest Development Group and other industry watchers say these new philanthropists often back causes overlooked by legacy foundations. One frustrated donor founded a nonprofit for school safety: It provides grants to public school systems that were denied funds for bulletproof glass.

The real impact of these new philanthropists is yet to come.
Noting the ages of Facebook’s co-founders (they turn 30 this year), Callahan says that they “could within a couple of years be giving away as much money as the Rockefeller or Ford foundations.” New billionaires, he adds, “are going to be setting up foundations that will be some of the biggest in the world.”—LO

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