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From Fundraising to Development for Catholic Schools: It's All About Relationship-Building

This issue of the Catholic School Management Letter supersedes Volume XXVIII, No. 4 of the Catholic School Management Letter published March 2007. It is dedicated to the memory of former Director of Education of the Archdiocese of Omaha, Nebraska, Reverend John Flynn, on the 20th anniversary of his death. Many consider Father Flynn to be one of the pioneers of the movement encouraging Catholic schools to shift from a focus on traditional special event fundraising to development.



To examine the evolution of fundraising and development in the United States, one must return to colonial times. Benjamin Franklin, the inventor and statesman of the colonial era, was an early philanthropist. To some he is known as the founder of organized fundraising in the United States. It was Ben Franklin who cultivated and solicited affluent and well-read men of his times to contribute time, talent, and treasured books to establish the Free Library system. Later, he raised money to establish a volunteer fire department, a hospital, and a university.

During the 1800s, “special events” became a popular vehicle to raise money for many causes, particularly for the Civil War. Special event fundraisers included gala dinner/dances, benefit concerts, flea markets, bingos, raffles, auctions, and educational events that utilized prominent speakers to fill large venues. Many early not-for-profit organizations used special event fundraising to raise money, as well as to raise public awareness for their specific cause.

In 1917, President Woodrow Wilson created the Red Cross War Council with a war fundraising drive goal of \$115 million. The War Council organizational infrastructure and the strategies utilized became the origin of the capital campaign model and ushered in a new era in professional fundraising. By 1921, the need for charity in a booming post-war economy brought legislation and a charitable tax deduction in exchange for personal giving.

After World War II, many of America’s colleges and universities instituted “development departments.” Higher education institutions hired their own personnel who had been trained by professional capital campaign companies, or the colleges paid companies to provide training – often at their professional conferences. In 1950, Thomas A. Gonser, Vice President for Development at Northwestern University, introduced a concept that serves as the underpinning for development programs currently in place at most higher education institutions.

In 1969, Dr. Robert Stuhr, a protégé of Tom Gonser, introduced the definition of “development” to Father John Flynn, Director of Education of the Archdiocese of Omaha, Nebraska, at the time. That definition states that:

“Development is both a concept and a process which holds that the highest destiny of any institution can only be realized when everyone in the life of the institution analyzes the philosophy, crystallizes the objectives, projects them into the future, and then everyone takes the necessary steps to accomplish them.”¹

Since 1973, the staff of Catholic School Management has spoken and written extensively about the need for Catholic school administrators and Board members to expand the financing mix at both the elementary and secondary levels. Specifically, we have called for a shift away from a basic two-tiered financing structure for Catholic schools including tuition and parish or diocesan support (with some minimum levels of fundraising) to a three-tiered financing mix, which recognizes the need for formal development efforts. Our work with hundreds of Catholic schools in more than 100 dioceses continues to teach us that development programs that produce additional operating resources and endowment growth are more essential than ever for the viability and vitality of Catholic schools. The term “development” is used here to refer specifically to programs focused on resource growth with the understanding that current terminology in schools often references “advancement” in order to include all programs that “advance” the mission of the school, including programs related to marketing for image as part of enrollment management.

Fundraising and development programs in a Catholic school environment involve selling and marketing. Traditional fundraising activities in a Catholic school tend to be special event driven and involve the selling of candy, raffle chances, gala dinner/dance tickets, auction tables, scrip, casino night tickets, wrapping paper, and numerous other products and services. Fundraising projects also serve as “friend-raisers” for Catholic schools.

The “concepts,” “activities,” and “effects” (found on Page 4) juxtaposing development and fundraising were prepared by the late Father Flynn and, in our opinion, effectively summarize the major differences between development and fundraising.

In order for development programs to be successful, school leadership, inclusive of administration and Board, must understand and commit to development as a concept and a process rather than a series of events. Development principles must be understood and implemented by faculty and staff as well as by administrators. We offer the following suggestions for successful implementation of development programs. These have been adapted from guidelines originally published by Catholic School Management in 1984 in the book *Understanding and Implementing Development*.²

1 **»** Successful development programs require clear and well-promulgated foundational documents.

The statements of philosophy and mission must be well defined and understood by all major constituents. Moreover, school leaders need to promulgate a clear statement of vision and a profile of the graduate at graduation. For a more complete description of foundational documents see *Catholic School Management Letter*, November 2015, Volume XXXVII, No. 2, “Key Foundational Documents for Catholic School Success.”

2 **»** The successful development program depends on effective long-range strategic planning.

A formal, written, long-range strategic plan for the school, developed with broad-based input, should always precede any formal development efforts. For additional information see *Catholic School Management Letter*, May 2016, Volume XXXVII, No. 5, “The Bridge from Mission to Vision: Effective Models for Strategic Planning.”

3 **»** A well-written comprehensive development plan is essential.

The development plan must be well thought out and will frequently include both a narrative and graphic display of goals, objectives, activities, and strategies along with an appropriate timeline and cost. The development plan must be arranged both chronologically and categorically with appropriate deadlines and deliverables noted. (See *Catholic School Management Letter*, September 2012, Volume XXXIV, No. 1, “Preparing and Using the Comprehensive Development Plan.”)

4 **»** The successful development program relies upon the development and maintenance of relationships with multiple constituents.

Successful long-term development is reliant upon relationships. It is imperative that Board members and school leadership develop and maintain ongoing relationships with multiple publics, including current parents, alums, alumni parents, grandparents, business professionals, area priests, and others. The maintenance of these relationships also relies on regular, frequent, and consistent communication, both personal and in written and electronic form. Both transparency and accountability are essential.

5 >> Development is very much the responsibility of the school's chief administrator.

The school president or principal plays the key role in the development program through the articulation of vision. The principal is frequently called upon to maintain positive relationships with donors and potential donors, but more importantly, it is the chief administrator's responsibility to promote the statement of vision and to invite donors to participate in "shaping the school's future" as well as investing in it. Expecting the development staff or volunteers alone to carry out the program of development most often sets the stage for failure. For parish-based schools, the involvement of a pastor in supporting the vision for development efforts strengthens the parish-school connection and commitment to the importance of supporting the ministry of Catholic education.

6 >> Development requires the involvement of all individuals within the faith community that is the Catholic school.

An effective program of development relies on members of the Board, administrators, owners (pastors, religious community superiors, etc.), faculty, staff, parents, and students to present on a consistent basis a favorable image of the school to various publics. All members of the faith community become part of the "public relations effort." Beyond that, all constituencies should be challenged to become contributors and investors themselves as part of the ongoing program of development.

7 >> The development program must begin "in-house."

Although it is always a temptation to seek "big money," successful institutional advancement programs should begin small and seek the investments of individuals already involved with the school. With this support obtained, approaches may then be made to businesses, foundations, or influential and affluent individuals within the community.

8 >> Development requires professionalism.

It is only infrequently that a Director of Development or Vice President of Institutional Advancement can carry out an effective program without substantial training and in-service guidance. Vice Presidents, Directors, Assistant Directors, and staff should be given the opportunity to attend workshops and seminars on development and institutional advancement periodically. Ongoing training and consultative guidance is not only desirable but also recommended.



In summary, successful development programs require the following:

- Clear foundational documents;
- Effective and collaborative strategic long-range planning;
- Professionalism and leadership;
- High-quality educational programs;
- Comprehensive communication programs;
- Accountability;
- Ongoing involvement of people;
- The development and maintenance of relationships;
- Fundraisers that are also "fun" for various constituencies;
- Programs of annual giving;
- Periodic capital campaigns;
- Solicitation of major gifts;
- Programs of planned giving for endowment growth;
- Training programs for staff and volunteers;
- Professional consultative guidance.

While Catholic schools continue to move from fundraising to development, the key to their success remains rooted in faithfulness to the mission, sound business management, clear accountability, and effective marketing strategies. It is only when the school combines these initiatives with a high-quality academic program in a distinctly Catholic environment that it will attract pupils, people, and dollars.

¹ *On Development* (Chicago: Gonser Gerber Tinker Stuhr, 1977)

² Burke, Richard J., *Understanding and Implementing Development*. (National Catholic Educational Association, Washington, DC.)



MEET ...

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FUNDRAISING MODEL

Basic approach/concepts

- Panic reactions to negative deficits start process of fundraising;
- Crisis orientation;
- Project-oriented;
- Year to year;
- Temporary solutions;
- Rely on gimmicks;
- Limited objectives;
- Short range/No long-range plan;
- Shaky, unreliable, insecure;
- Immediate solution demanded;
- No plan to continue efforts: hit and miss;
- Band-Aid approach;
- Negotiate from position of weakness.

Programs and Projects (event-oriented activities)

- Bingo, as a major form of financial support;
- Car wash;
- Annual bazaar;
- Thanksgiving raffle;
- \$50-a-plate dinner;
- Galas, balls;
- Sales program and advertising;
- Festivals;
- Magazine sales;
- Candy sales;
- Annual book fair;
- Calendar sales;
- Auction, Mardi Gras;
- Las Vegas or Casino night.

Results (effects)

- Recurring financial crisis;
- Raising money on crisis orientation;
- Fails to get people involved in programs;
- Confused roles and responsibilities;
- Job descriptions out of date;
- Vague organizational chart;
- High staff turnover;
- Working one year at a time;
- Vague financial reporting;
- Lack of trust and confidence to support investing in the school's mission;
- No clear cut goals or objectives;
- Unwritten assumptions;
- No records of event outcomes, past progress, or reasons for change;
- Do nothing to educate public about values of education or their role in supporting education.

DEVELOPMENT MODEL

Basic approach/concepts

- Commitment of chief administrator and Board members to the development program;
- Complete integrity;
- Good business management procedures an absolute necessity;
- Strategic planning;
- Goals and objectives clearly written and promulgated;
- Communications program;
- Public relations a prerequisite;
- Invite substantial investments;
- Positive attitude paramount and permanent;
- Publics involved with the institution on a continuing basis;
- Relationships are paramount.

Programs and Projects (ongoing, programmatic activities)

- Establishing endowment fund;
- Estate planning programs;
- Life insurance benefits solicited;
- Business and industry grants;
- Marketing research program;
- Needs of people;
- Research major prospects;
- Involve influential and affluent people;
- Encourage writing wills;
- Scholarship programs;
- Proposals to foundations;
- Written, distinctive mission, philosophy, vision, and profile of the graduate at graduation;
- Strategic planning;
- Policy, practice, and procedure manuals.

Results (effects)

- Large private donations received on a consistent annual basis;
- Foundation grants received;
- Private dollars generated;
- Insurance dollars attracted;
- Working from clearly projected strategic plan;
- Supporters strongly interested in programs;
- Function charts developed;
- Annual reports distributed to all publics;
- Financial transparency leading to confidence and trust;
- Problems are looked upon as challenges;
- Obstacles are seen as opportunities;
- Positive attitude developed;
- Life insurance policies/dividends/bequests received;
- Ongoing support of many people engaged in a "habit" of giving.



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