



2013 **NONPROFIT SUMMIT** **From Ideas to Action**

The Development Dilemma

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UNDERDEVELOPED

A National Study of Challenges
Facing Nonprofit Fundraising

The Development Dilemma

2013 Nonprofit Summit



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NONPROFIT SERVICES

What is UnderDeveloped?

- National survey of senior level development staff and executive directors: Response rate over 2,700
- 11 Focus groups of executive directors, development directors and board members
- Representing diverse regions, field types, and organization budget sizes
- Download the full report at:
www.compasspoint.org



Why this study?

- Concern about premature turnover of development directors
- Lengthy vacancies in the role
- Seemingly thin pool of qualified candidates

To answer this question...

“What ‘s up with development directors?”

Why is the development director routinely labeled a “revolving-door” position, “among the hardest to fill and retain,” by executives, board members, funders, and capacity builders alike?



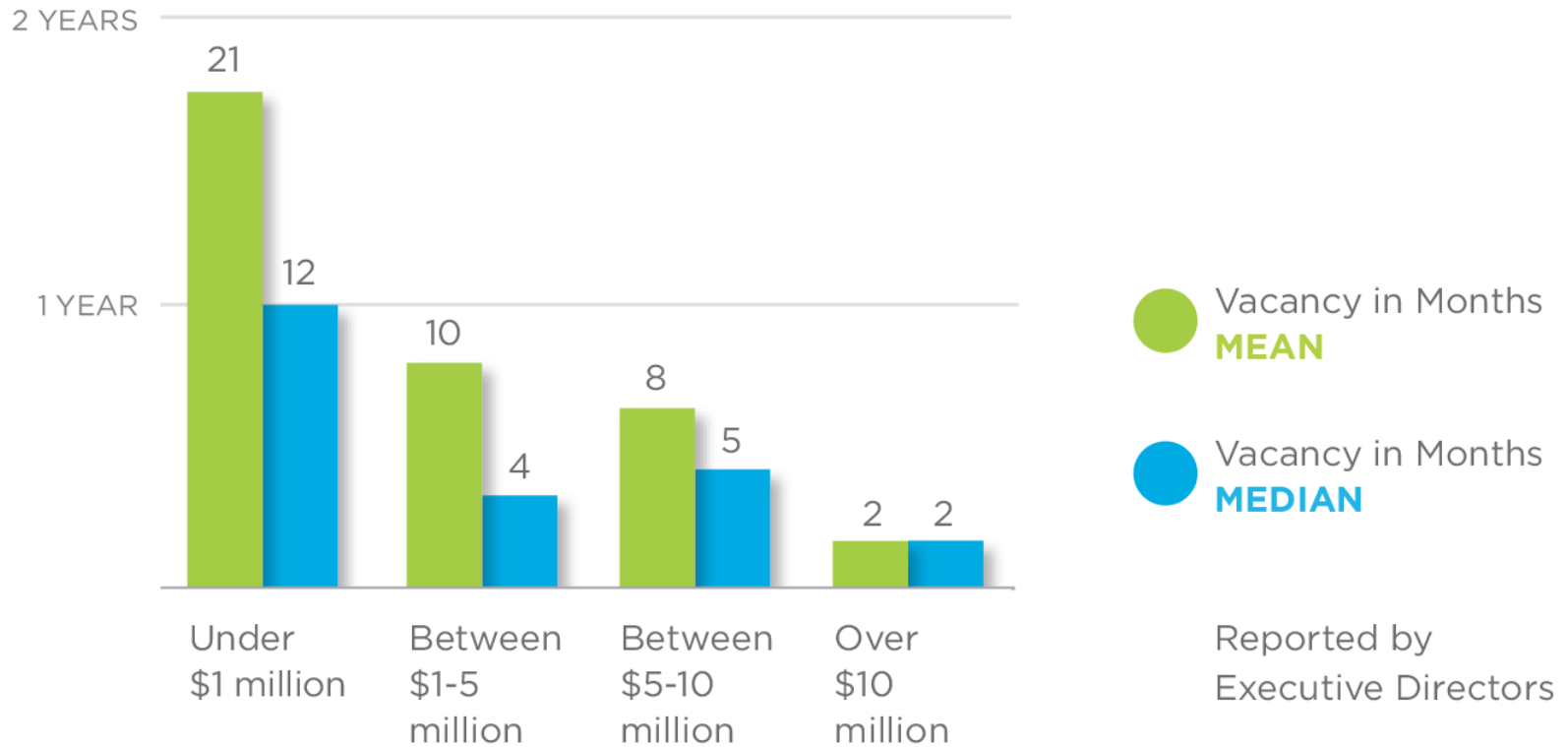
KEY FINDING 1

REVOLVING DOOR

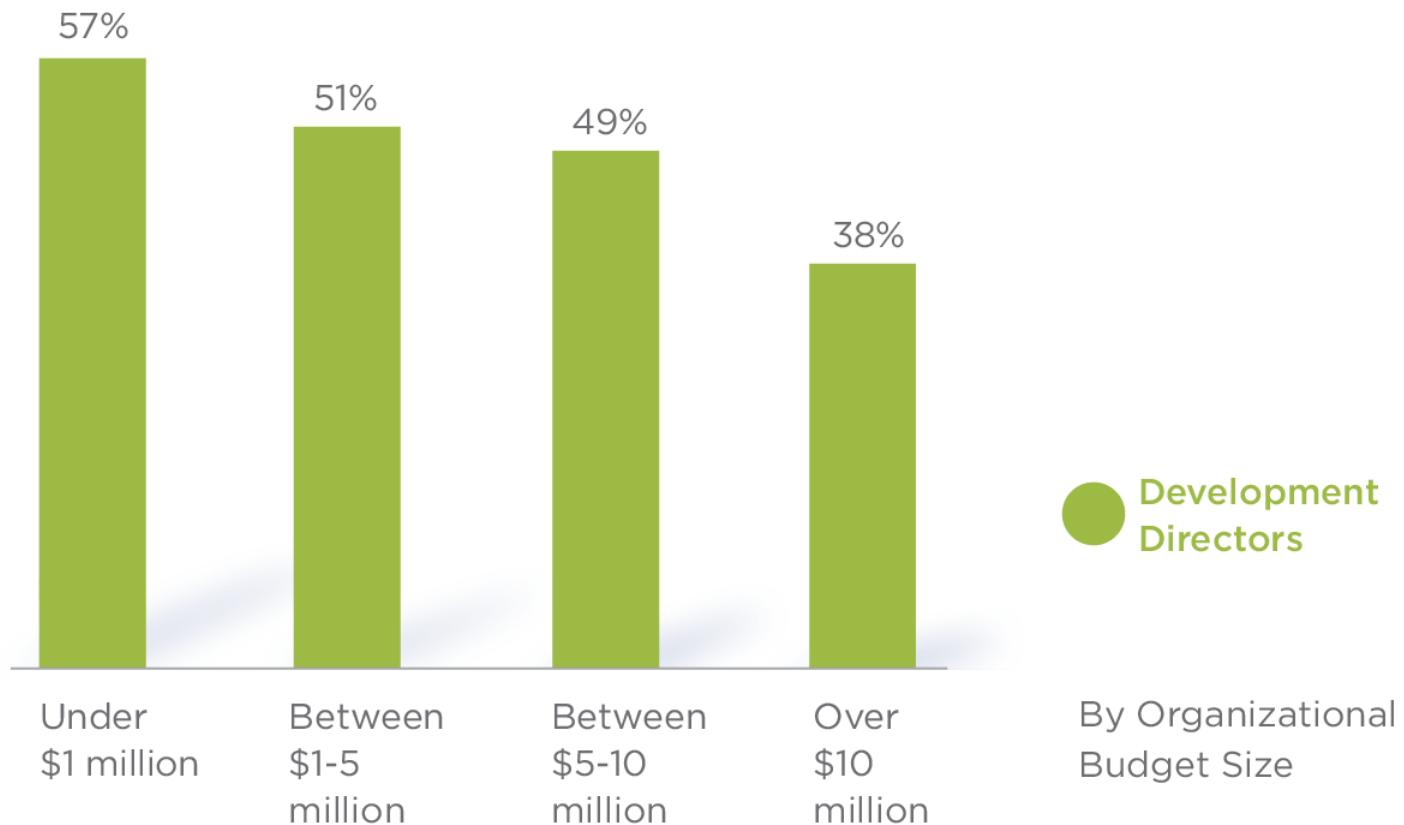
Organizations are struggling with high turnover and long vacancies in the development director post.



Development Director Position Vacancy Lengths

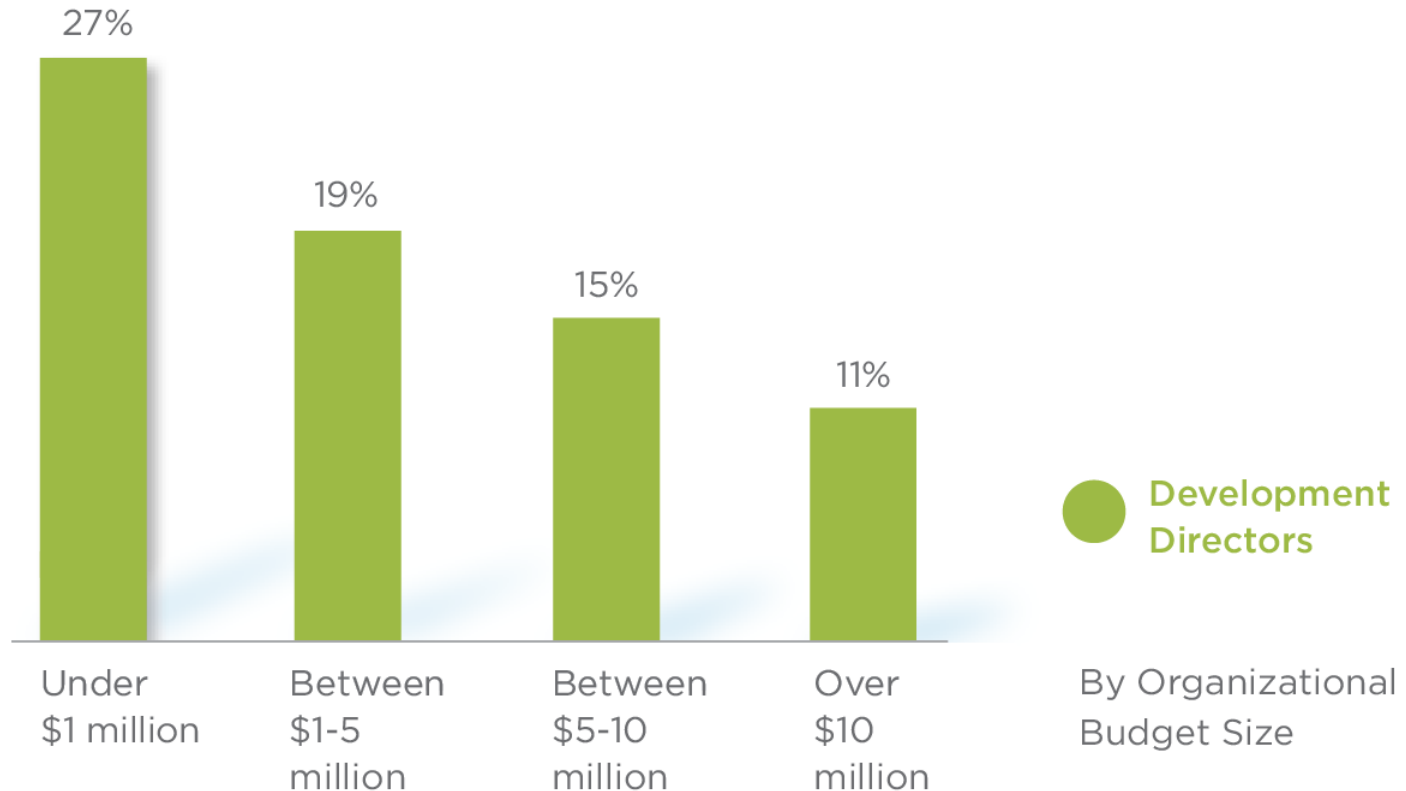


Development Directors **Anticipate Leaving the Organization** within 2 Years



Development Directors

Anticipate Leaving the Field of Development within 2 Years



KEY FINDING 2

HELP WANTED

Organizations aren't finding enough qualified candidates for development director jobs. Executives also report performance problems and a lack of basic fundraising skills among key development staff.

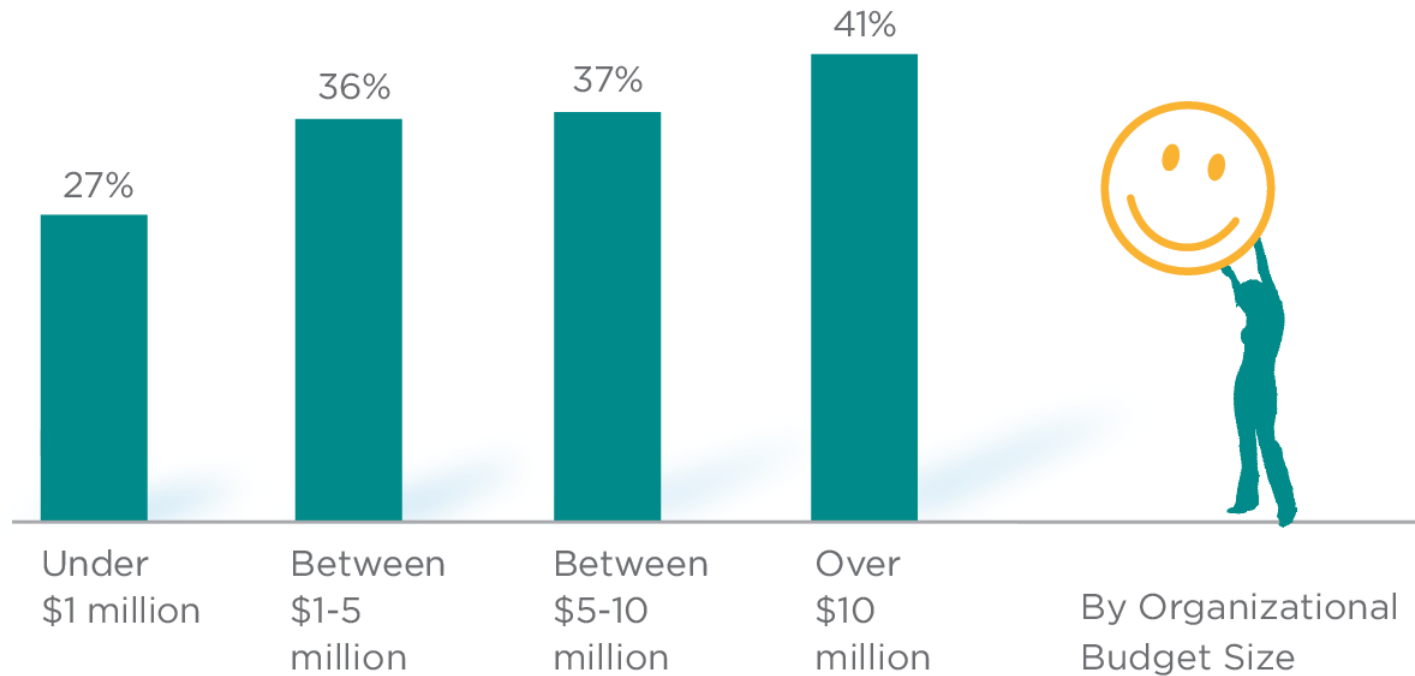


Help Wanted

- **50%** of EDs said last search didn't produce enough candidates with the right mix of skills and experience.
- **25%** of EDs fired last development director.
- **25%** of EDs said their development directors have no experience or are novice at current and prospective donor research and at securing gifts.



Executives Very Satisfied with Development Director **Performance**



“ I think some kind of self-perpetuating cycle is going on where, on one hand, the jobs are really hard and not that many people are successful at them, and then there is the issue of salaries, they just keep going higher and higher and higher. So development directors who are good can write their own tickets and command what they want. And the larger institutions pick off the best. And so then there's scarcity, so all of us have to pay more for a shrinking pool of people. ”

–Executive Director



Development Director **Compensation**

By Organizational Budget Size

<i>Budget Size</i>	<i>Average Salary</i>
Under \$1 million	\$49,141
Between \$1-5 million	\$65,974
Between \$ 5-10 million	\$80,015
Over \$10 million	\$100,127



KEY FINDING 3

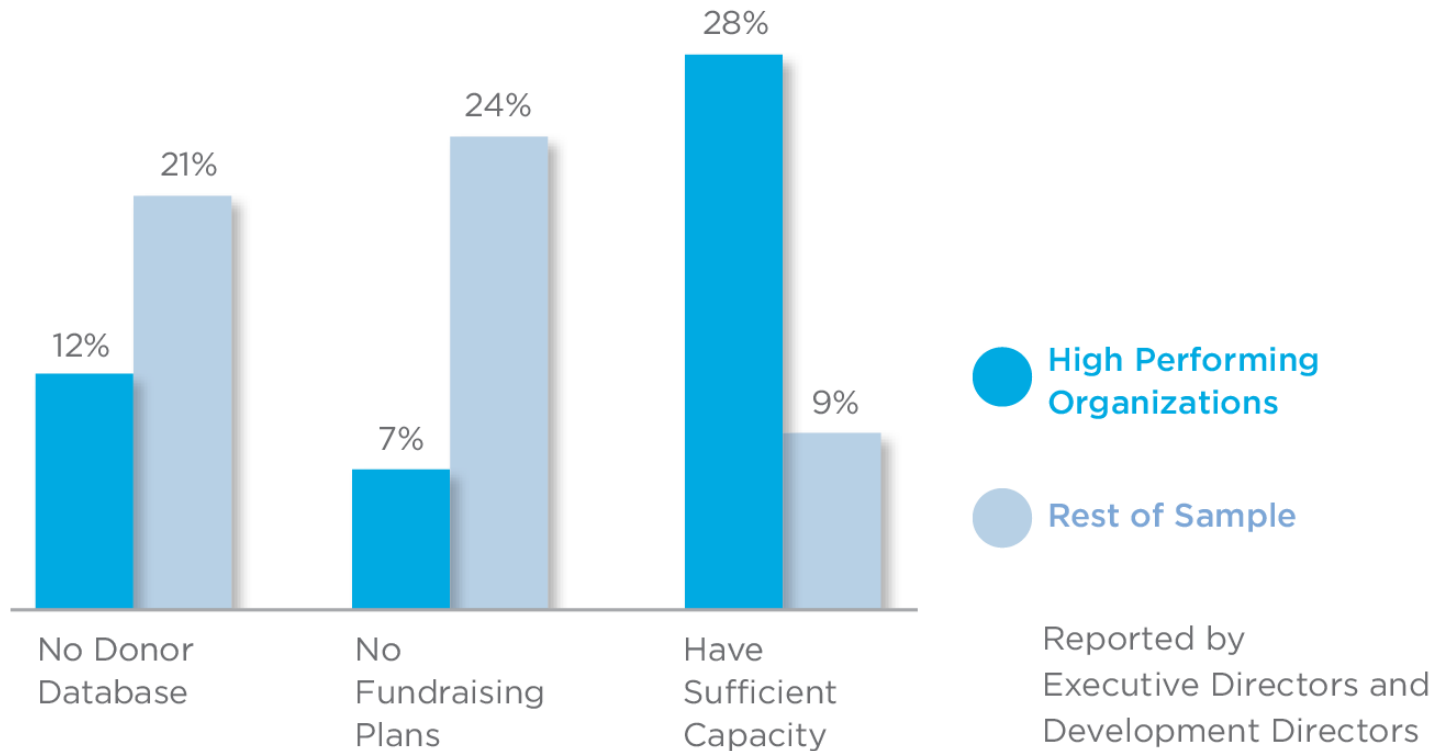
IT'S ABOUT MORE THAN ONE PERSON

Many nonprofits aren't building the capacity, the systems, and the culture to support fundraising success.



Fund Development Capacity:

High-performing Organizations and
Rest of Sample Comparative Responses



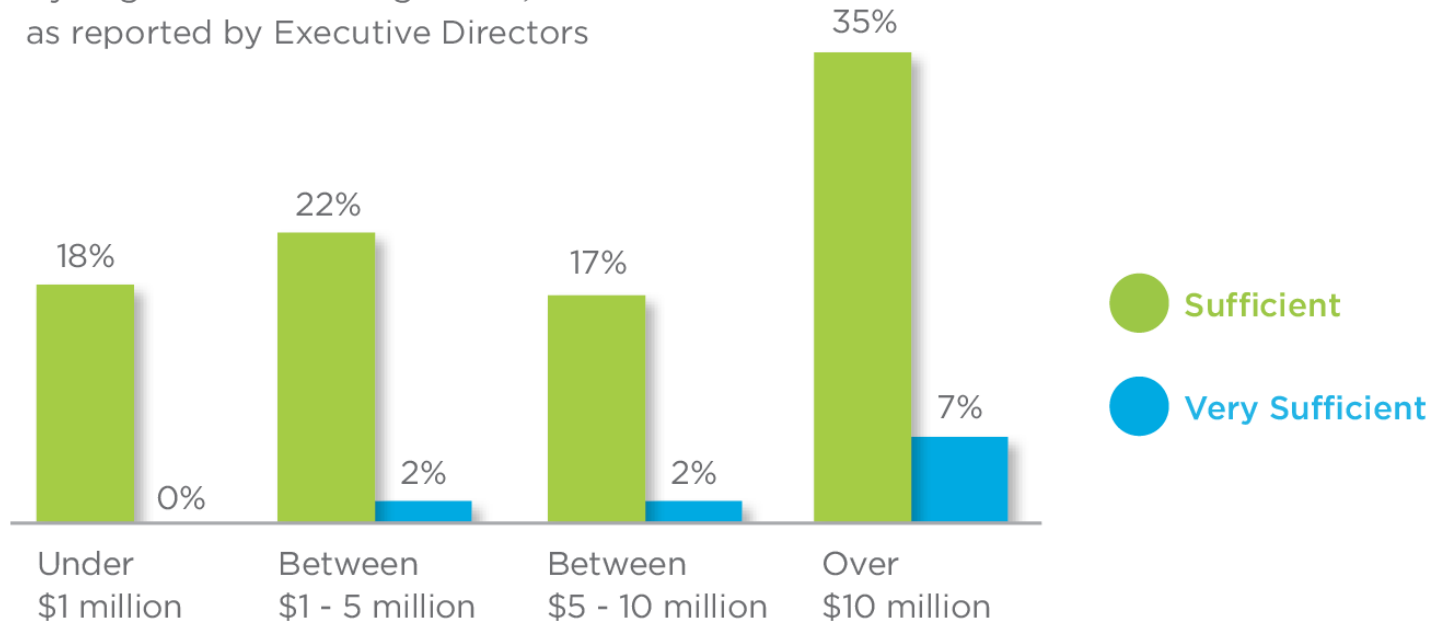
“ I was with an organization once with no fundraising infrastructure at all and I was responsible for building it. It was a five-year project that was probably the hardest thing I’ve ever done. We raised the money we needed to every year. We built the relationships. The process was managed well. But the hardest thing was to build an internal culture of philanthropy with staff and board, when they had no idea what it was and how it related to them. ”

–Development Director

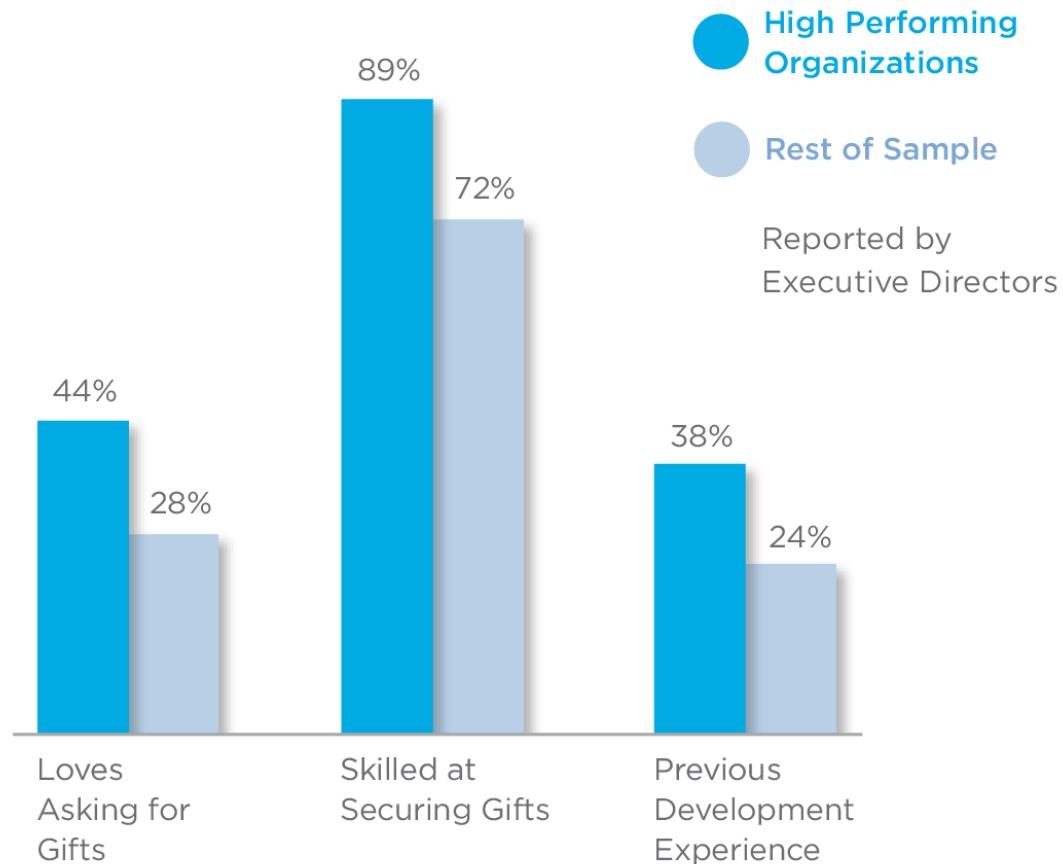


Board Members Sufficiently Engaged in Asking Individual Donors for Contributions

By Organizational Budget Size,
as reported by Executive Directors



Executive Director Fundraising Capacity: High-performing Organizations and Rest of Sample Comparative Responses



“ Fundraising is not something I enjoy doing. I don't like having to ask people. And the problem in this community is that this is a very involved community of people, and you just get to the point where you feel, ‘I can't ask my friends anymore’. ”

–Board Member



“

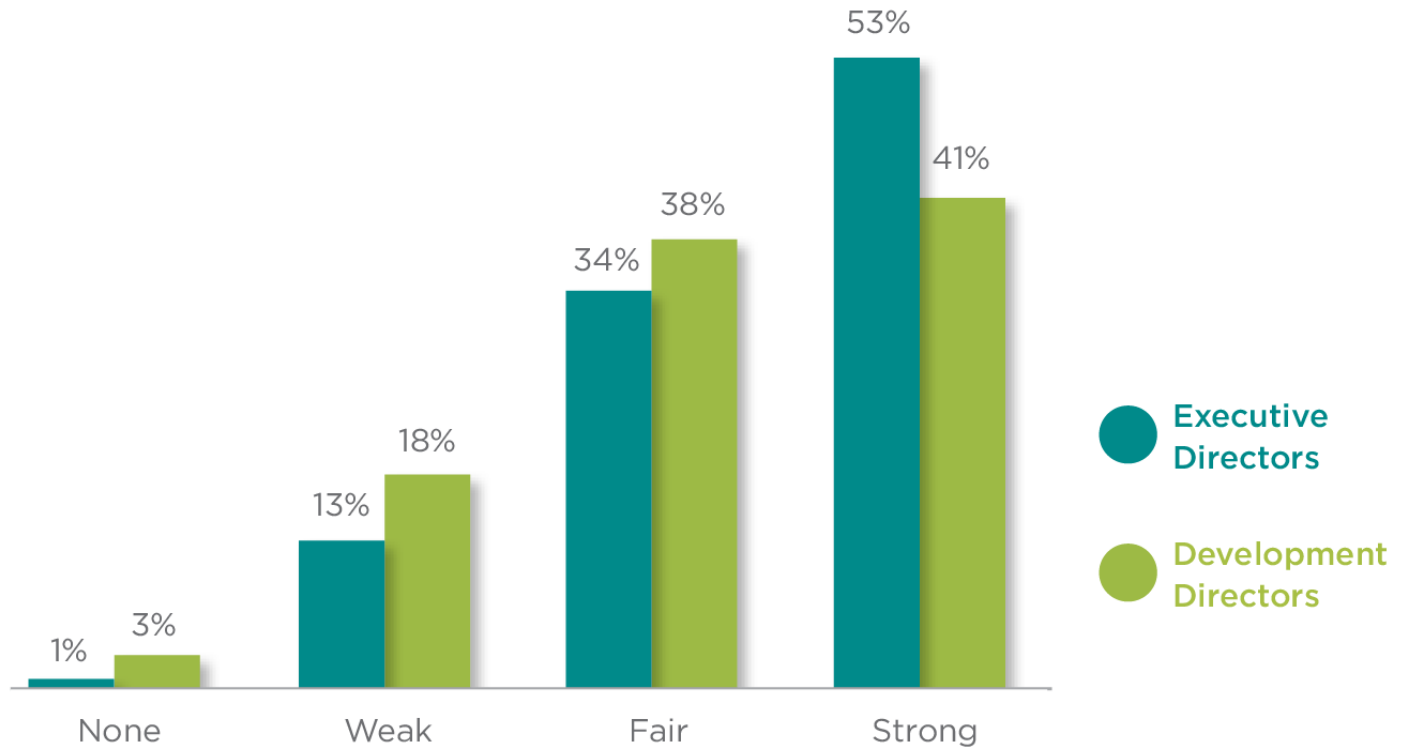
It is really, really difficult to motivate the board and get them to see the value of what we do. We have people who renew their term, but these are the very same people who will not pick up the phone, will not attend board meetings, will not come to a donor meeting or partner with the executive director, which is a huge, huge obstacle.

”

–Development Director

Strength of Partnership in Fund Development Work:

Executive Director and Development Director
Comparative Responses

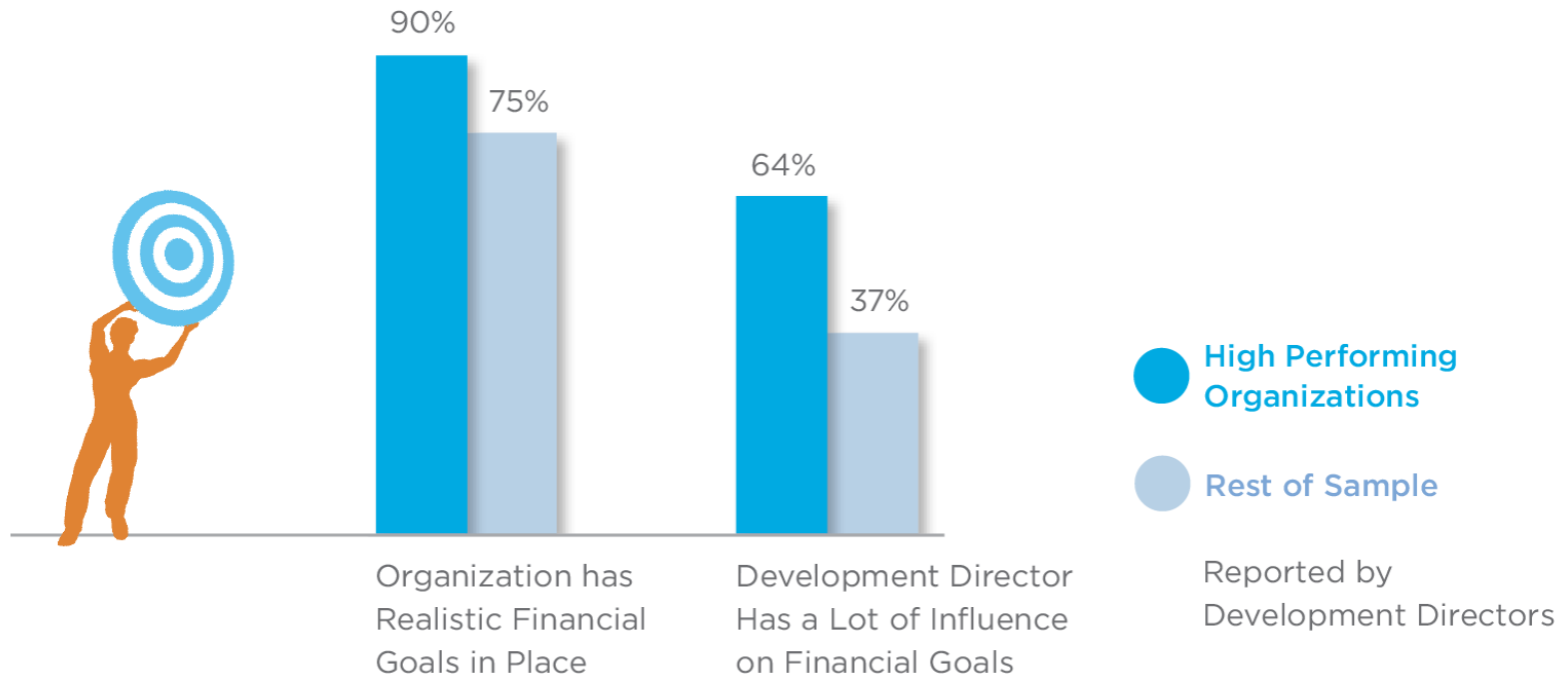


“ I was the first development director. Previously the executive director had been doing it and when I started it was like, ‘Oh thank God. Here’s someone to take this lump of work off my plate. ”

–Development Director

Realistic Financial Goals and Development Director Influence:

High Performing Organizations and Rest of Sample Comparative Responses

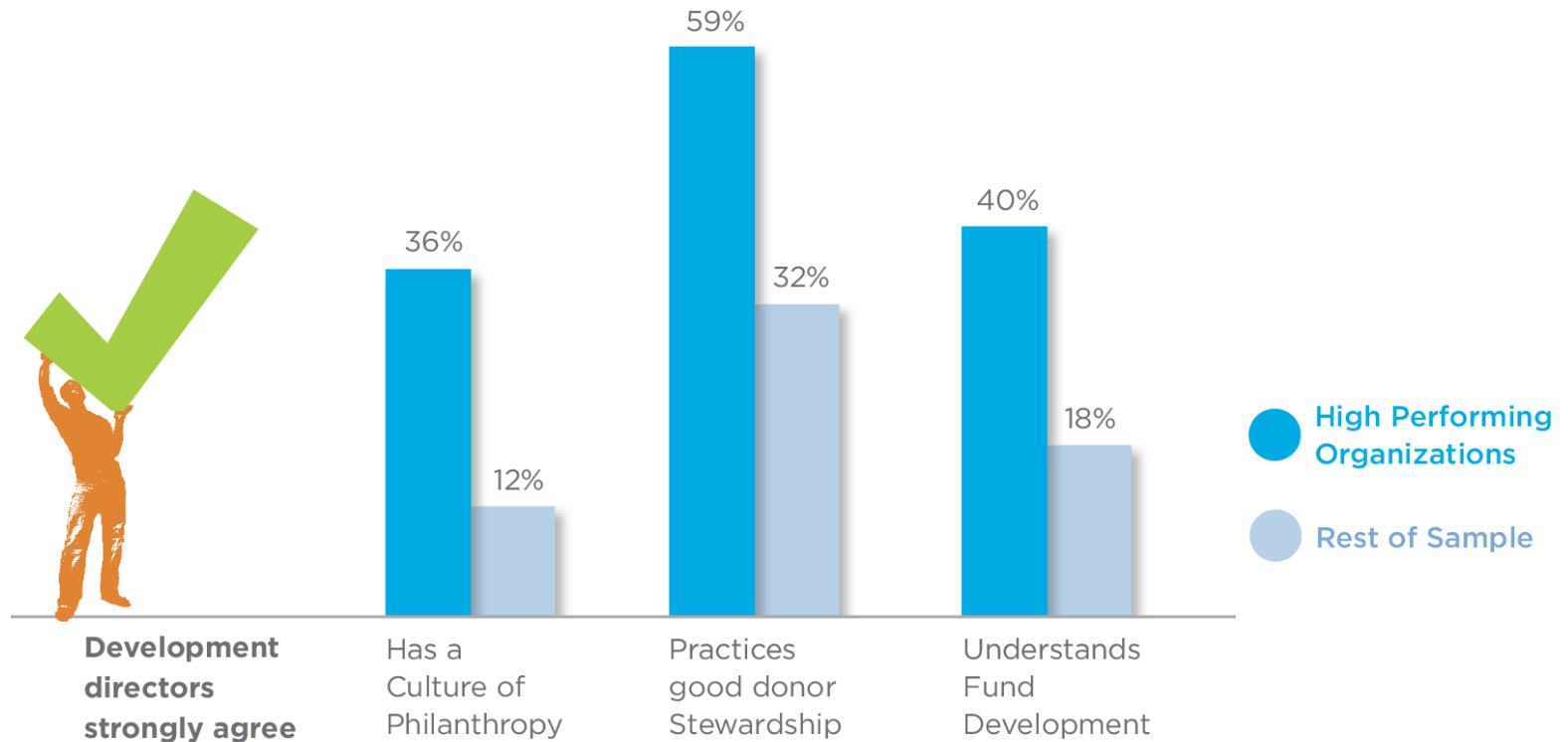


“ Culture of Philanthropy ”

1. Most people in the organization (across positions) act as ambassadors and engage in relationship building.
2. Everyone promotes philanthropy and can articulate a case for giving.
3. Fund development is viewed and valued as a mission-aligned program of the organization.
4. Organizational systems are established to support donors.
5. The executive director is committed and personally involved in fundraising.

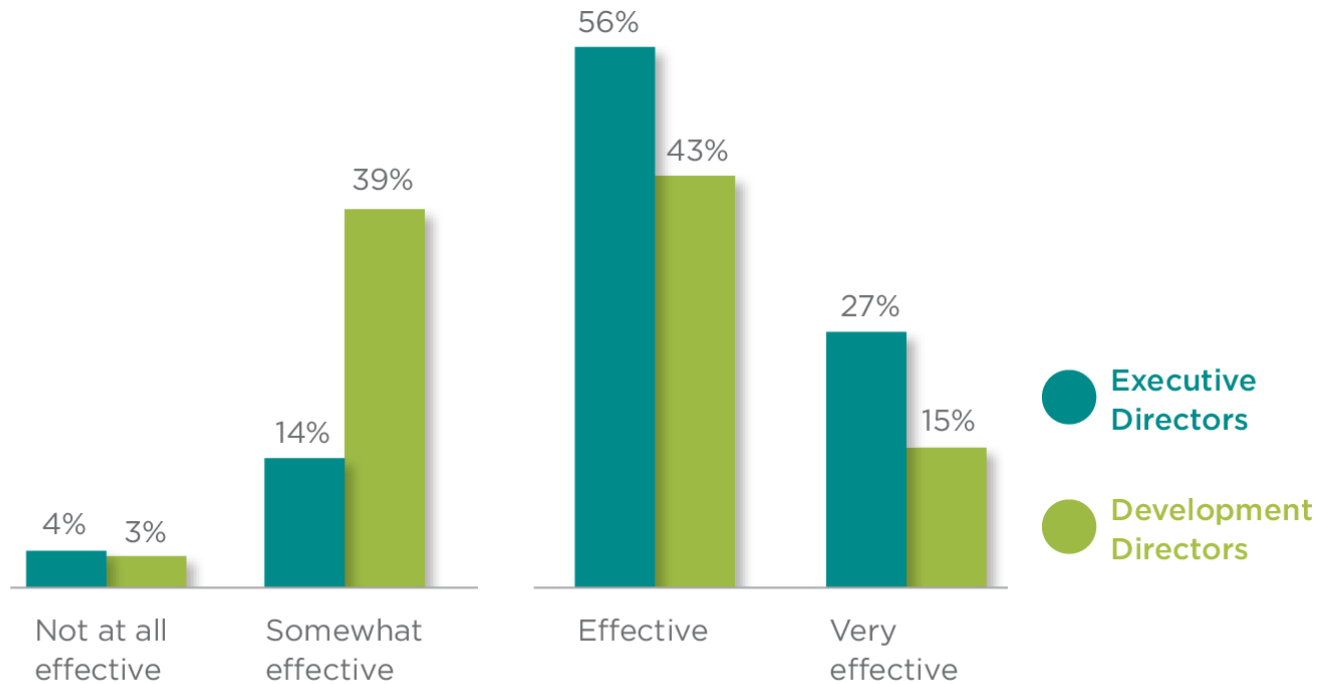


Development Director Assessment of Culture of Philanthropy



Effectiveness of Overall Fundraising Activities:

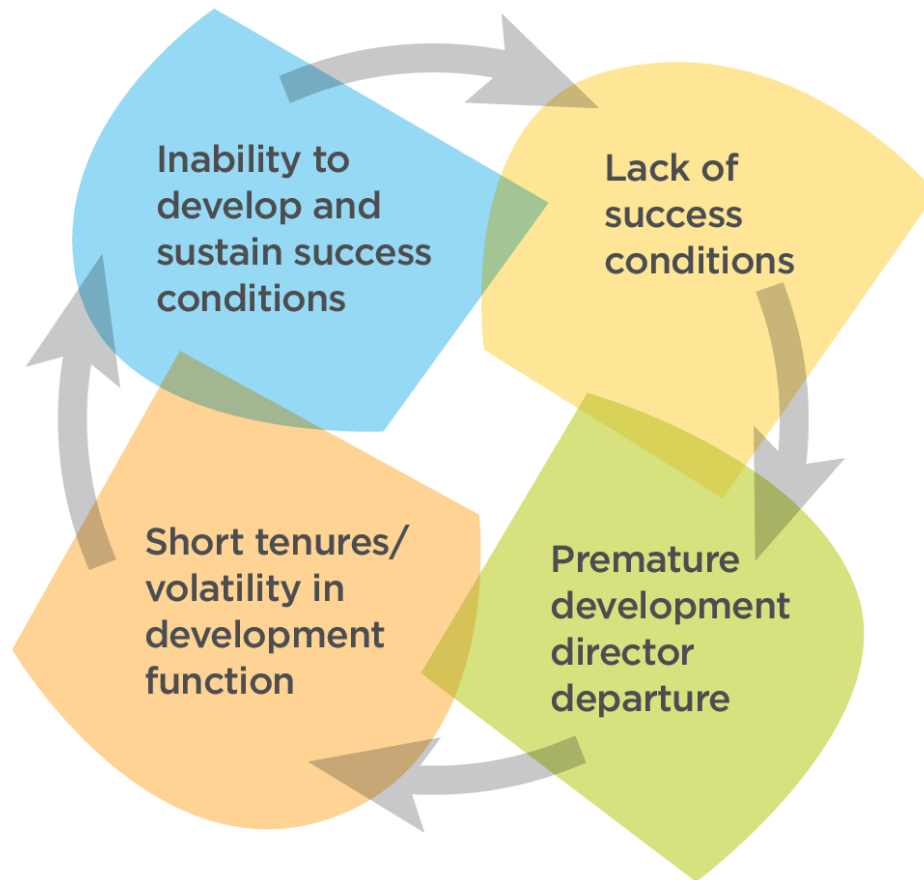
Executive Director and Development Director
Comparative Responses



This study reveals that many nonprofit organizations are stuck in a vicious cycle that threatens their ability to raise the resources they need to succeed.



The Vicious Cycle



Calls to Action

- 1. Embrace Fund Development: A Mental Model Shift across the Sector**
- 2. Elevate the Field of Fundraising**
- 3. Strengthen and Diversify the Talent Pool**
- 4. Train Boards Differently**
- 5. Apply the Transition Management Framework**



Calls to Action

- 6. Invest Strategically in Grantee Fundraising Capacity**
- 7. Leverage Technological Innovation—Embrace Creativity**
- 8. Set Realistic Goals for Development**
- 9. Share Accountability for Fundraising Results**
- 10. Exercise Fundraising Leadership**



Breakout Groups

1. Organizational Culture Change
2. Development Director Recruitment and Retention
3. The Role of Leadership (ED and senior staff)
4. The Role of the Board/Board Engagement
5. Infrastructure and Organizational Systems
6. Others?



THANK YOU!

download the full report:

www.compasspoint.org

