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from the Alabama desk of
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Culture vs. Strategy: Which Matters More?

Famous management guru Peter Drucker said that “culture eats strategy for breakfast.” A good business strategy is vitally important to ensure success. In the absence of a positive culture, however, a company likely will struggle to be successful. Drucker was talking about the shared beliefs, attitudes, behaviors, values, and typical practices of members of a business enterprise. Every organization has a culture, whether positive or not; so, Drucker’s point was that a company’s leaders must intentionally focus on creating a positive culture, rather than just allowing it to evolve spontaneously.

Like businesses, not-for-profits also have cultures. In the organizations that we work with or for, we observe – and experience – their cultures. Some cultures are stronger than others, but they most definitely exist. Just like in the business environment, we create and implement strategies to achieve the desired outcomes – in our case, generating increased philanthropic support for the institutions we serve. Those strategies are crucial; they can be bolstered, however, if we honor and capitalize on the very best aspects of the institutions’ cultures.

While I am going to describe my experience when I joined Auburn University as its vice president for development, this situation is applicable to any nonprofit organization, including arts organizations.

When I joined Auburn University as its vice president for development, I learned very quickly how very strong Auburn’s culture is. There is an authentic sense of family, loyalty, passion, practicality, and commitment to hard work. Indeed, some of those characteristics are outlined in The Auburn Creed, penned in 1943 by then-Auburn professor and football coach George Petrie: “I believe that this is a practical world and that I can count only on what I earn. Therefore, I believe in work, hard work. . . And because Auburn men and women believe in these things, I believe in Auburn and love it.”

Among the most interesting practices – or rituals – at Auburn is rolling the trees at Toomer’s Corner in downtown Auburn following a win by one of its athletic teams. The vision of hundreds, sometimes thousands, of people throwing toilet paper into trees is probably puzzling to many, as it was to me early on. I quickly learned that “rolling Toomer’s” was a shared experience that brought together members of the Auburn Family, from toddlers to grandparents, from locals to people who traveled hundreds of miles to attend the athletic competition.

When we were planning the public launch event for Auburn’s first billion-dollar campaign, our

primary goal was to effectively demonstrate the University's impact and importance; to excite people about what we collectively wanted to achieve, both for Auburn and, by extension for society; and to inspire their generous participation in the campaign. Naturally, we had Auburn alumni and donors talk about the tremendous impact Auburn had on their lives; we showcased some of our superb students who talked about the outstanding educational and life-changing experiences they were enjoying; and we had some exciting surprises, both in the form of gift announcements and "celebrity" appearances.

To wrap up the event, and to ensure we sent our guests away with the strongest possible sense of belonging, enthusiasm, and commitment, we had life-sized replicas of the Auburn Oaks appear as a backdrop. As the Auburn Singers, our fantastic student choral group, concluded their singing of "Stars Fell on Alabama," pressure cannons shot rolls of toilet paper across the venue into the trees. There were numerous wow moments during the event, and this one literally took people's breath away. People still talk about the campaign kickoff event seven years later. The campaign was highly successful, and the Auburn Family continues to generously support the university.

This is but one example of how to effectively incorporate an institution's culture and traditions into an overarching strategy to engage people and inspire them to invest their philanthropy in your cause. Culture plays a key role in how and to what degree people feel an authentic connection to an organization. Determining how to effectively marry culture with strategy should be a constant in our work.

Fire the Staff. Pay the Board

A Blade of Grass, a small arts organization in New York, found itself needing to both boost fundraising and ensure a greater commitment to its mission, a need that was heightened during the pandemic. Executive Director **Deborah Fisher**, who joined the organization in 2020, laid off all full-time staff, taken a 10 % pay cut as the sole employee, and reduced the number of board members from 11 members to six.

And, oh yes, the organization has taken another unusual approach: it is now putting the remaining Board members, all artists or arts leaders, on the payroll by offering them an annual honorarium for up to three years, which will be funded by philanthropist and founder **Shelley Rubin** as she steps away from the Board a decade after she started A Blade of Grass.

Fisher believes that the change will create a board that will do more at a time when the organization needs strong leadership to thrive. With a paid professional board, she sees the organization being more committed to an artist-led point of view and able to work more creatively with a better understanding of what's at stake. But with the change comes new responsibilities, including, most importantly, fundraising expectations.

Sandra Kidd thinks this is intriguing, but wonders what donors will think....

Having board members actively involved in fundraising is the goal of every non-profit I know, but paying them to fundraise? Many questions. And if the goal is to move away from being donor-supported, how will paying the board help to develop other revenue models? Let's check back in a year. Best of luck to them!



Biggest DAFs Slower to Distribute

Nearly 80% of donor-advised fund accounts are distributing money to charities rapidly enough to deplete the initial contributions to those accounts within 15 years. However, a new study by the [Donor Advised Fund Research Collaborative](#) and funded by the Bill & Melinda Gates Foundation, also found that funds with the biggest assets are distributing money at slower rates — so the overall picture for payout is not as robust as that 80% figure suggests.

In 2020, the latest year for which information is available, grants to charities from the 10 largest DAFs

Wealthy Donors of Color Gift Report

A report from the Donors of Color Network (DOCN) found that \$56 million was given to charity from high-net-worth donors of color. The median annual gift was \$87,500. The report also found more than 65% of the donors had earned their wealth, as opposed to those who benefited from marriages or inheritances; more than 80% gave significant resources to their families and emphasized the value of increasing opportunity for people like them; and more than half of those interviewed explicitly ranked their donation priorities, with 44.4% prioritizing social justice, 39.7% prioritizing women's and gender rights, and 36%

totalled \$22.41 billion. That's roughly double the amount the 10 biggest foundations gave that same year. The study found that 52% of accounts have four-year average annual payout rates of 5% to 49%; 35% distribute less than 5%, and 13% of accounts award 50% or more.

Other Key Findings

- 14% of accounts saw no activity during the four-year period studied.
- The median four-year average annual payout rate among all accounts studied was 11%.
- 42% of the donor-advised fund accounts that opened in 2017 had granted out their entire opening contribution by the end of 2020, and another 22% had granted at least half. *COP*, 3-29

prioritizing racial equity. [Report is here.](#)

Fundraisers Optimistic

Conducted in late December 2021 and early January 2022, Association of Fundraising Professionals' latest *Fundraising Confidence Survey* asked fundraisers how optimistic they were about reaching their annual fundraising goal in 2021, respondents indicated an average confidence level of 8.04 (out of 10) for reaching their 2021 fundraising, up from 7.63 at the end of September 2021 and 6.52 in September 2020. In terms of raising more money in 2021 compared with 2020, the confidence level was 7.52, up from 6.59 in September 2021 and 4.89 in September 2020. *Giving USA 2021*, data to be release in May, will shed light on how successful fundraising was in 2021. *PND*, 3-7

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