

DIALOGUE

A Periodic Newsletter for Grantseekers

- Bill Somerville, Editor -

Dialogue is published by Philanthropic Ventures Foundation to help improve relations between funders and grantseekers at non-profit organizations. *Dialogue* was started at the request of a development officer, and follows a question and answer format. Readers are invited to submit questions. Send your question by email to bsomerville@venturesfoundation.org.

Predictions on the Future of Professional Philanthropy

The following are the predictions of Bill Somerville, Editor of *Dialogue*:

- Foundations will move away from just waiting for proposals in the mail to a willingness to take the initiative and cause things to happen.
- Foundations will be more willing to venture in making grants and to accept some failures in grants made.
- The philanthropic field will be dominated by women.
- The public will become more demanding of philanthropy.
- On-line giving will be short-lived. It is too anonymous.
- Electronic communications with foundations will increase and challenge the concept of creating relationships between the giver and receiver.
- Corporate involvement in professional giving will increase significantly, as we saw with Fidelity Investments.
- There will be more focus on results in grantmaking - what is significant, high-impact, how to measure accountability.
- With the exchange of wealth over the next twenty years, there will be an explosion in philanthropic giving.
- Philanthropy will become more amorphous as many more players enter the field.

Bill Gates has said that with regard to software technology we are just beginning. The Editor believes that with regard to philanthropy, we are just getting started.

Note To Readers: Please feel free to submit your predictions on the future of professional philanthropy.

Comments on the Future of Philanthropy

The Editor's predictions on page one are based on 45 years of experience in the nonprofit and foundation field. Prior to entering the foundation field, which he has been in for 31 years, the Editor was a grant seeker for 14 years. He has also consulted at over 290 community foundations. This has provided a unique opportunity to observe the field from many different vantage points.

Some of the predictions are based on new practices that the Editor has observed, and has encouraged, in his consulting. Some are based on what seems like a logical progression of where we will go based on innovation. For example, women in philanthropy: 30 years ago the field was all men (as an aside, the category 'women' was not in the Foundation Center Grants Index at that time). Today, not only are more women running foundations, but they are also in more executive succession positions to become the future directors.

Regarding commercial involvement in philanthropy, there is a discovery phenomenon. Some companies are asking: "What are we waiting for?" regarding setting up their own public charities and offering donor advised accounts, tax-exempt giving, charitable remainder trusts, etc. Unfortunately, some of these commercial entities have pushed the boundaries regarding what is charitable. The result: new legislation coming down the pike to further define and regulate what is appropriate. Nevertheless, the prediction is that commercial entities will play a larger role in offering philanthropic services.

The electronic age is upon us with all sorts of angles, techniques, and mechanisms for philanthropic giving. The only trouble is the anonymity of the process. Hopefully, giving will be based on more than, "it sounds good." Albeit, this is a big assumption, especially in light of the fact that a whole industry – mail solicitation – is based on "it sounds good."

The purpose of predicting is to be prepared. It is to take steps to guide change as opposed to just letting it happen.

Resources

"Rules for Raffles: Ignorance Was Bliss But Now It's Folly To Be Unwise"
by Penelope Greenberg, Esq., *Perspectives on Law*, Spring 2005, newsletter of Carr, McClellan, Ingersoll, Thompson and Horn.

This is a one-page clarification of rules relating to raffles. Although primarily focused on California law, the basic principles are useful. Call 510-645-1890 and leave your fax number for a copy.

Q: What irks a funder during a site visit?

A: When it is too scripted. Allow for spontaneity, be transparent, walk and talk at the same time. Let the funder talk to clients and staff. Try to be open, warm, sincere and honest.

Q: What do you think about online grant applications on funders' websites?

A: There is too much anonymity between the giver and receiver already and online applications tend to exasperate this anonymity. In addition to anonymity, there is carelessness: the Editor receives email grant requests that often give no address and are signed first name only. Having said that, the Editor recognizes that many funders encourage online grant applications. However, without a relationship with the grantmaker, the application will have a low rate of success.

Q: I never heard back from a foundation—what to do?

A: Phone them and ask if they received your communication. If they say “Yes” then ask is it eligible for consideration, is it scheduled for consideration? David Packard demanded that his foundation staff acknowledge all correspondence in 24 hours even if it was only a postcard saying we got your letter.

Q: What does it mean when a foundation states they are holding off on grant making so they can do strategic planning?

A: It means they are reassessing themselves. Ask when the planning might be completed and at that time call to find out what are the new principles of the foundation.

Q: How do foundations like to be initially approached?

A: An increasing number of foundations like a letter of intent/inquiry first off. Make it short - one page - include addendum if you wish. A letter of intent is three paragraphs—who you are, what you are proposing to do, what you need money for.

Q: How important are relationships with foundations? Do I need to know someone?

A: Relationships are all important. It is the basis for trust and confidence by the funder. It is vital to develop relationships. This can be accomplished through site visits, providing well thought out narrative on your program, and introducing yourself to funders at meetings and community gatherings.

- **66,398 foundations in the US**
- **5,000 foundations staffed**
- **2% of foundations hold 70% of asset dollars**
- **\$477 billion is total assets of all foundations**

Dialogue

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ABOUT THE EDITOR



Bill Somerville has been in non-profit and philanthropic work for 45 years. He was the director of a community foundation for 17 years, and in 1991 founded Philanthropic Ventures Foundation where he serves as President and Executive Director. PVF is a demonstration foundation practicing unique forms of grantmaking and conducting initiative philanthropy. He has consulted at over 290 community foundations in the United States, Canada, and abroad, on creative grantmaking and foundation operations. In addition to *Dialogue*, he publishes Building Community Foundations, which is distributed to all community foundations. His primary interest is in the creative and significant use of the philanthropic dollar.