Donor Relations as Public Relations: Toward a Philosophy of Fund-Raising

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ABSTRACT

IN THE MID-1970s, THE LATE BETTY STEARNS, vice president of the Public Relations Board, Inc., introduced me to the concept of identifying and cultivating multiple publics related to nonprofit organizations. This marked the beginnings of a professional public relations program for the American Library Association (ALA) that did more than issue press releases. That experience continued to be useful. Most recently, it helped prepare me to work with Joan C. Hood, director of Library Development and Public Affairs at the University of Illinois, as we developed a multimillion-dollar campaign for library endowments. Over the years, I have found that whether soliciting and retaining members of organizations, building alumni loyalties, or cultivating donors, while techniques may differ, the process of identifying and developing constituencies is essentially the same.

BACKGROUND

Fund-raising is not a well-researched activity. Within the library field there is even less upon which to base the development of a philosophy of fund-raising. What we do know is that fund-raising at some institutions for many years has been used as a source of both recurring and current revenue. Libraries in private academic institutions have been engaged in fund-raising for decades. Some libraries in public academic institutions like Illinois have extensive experience in fund-raising as well. However, until recently, few of them included a separate development position on the library management team. Campus-wide fund-raising personnel have directed most academic library fund-raising. Most campus-wide fund-raising

personnel are guided by external consultants that almost uniformly rec-
ommend against separate library subcampaigns and library fund-raising
professionals. While their reasoning is not entirely clear, it can be attrib-
uted to the experience of organizing academic fund-raising campaigns
around alumni of the institution. Since the library has no major or minor
degrees, identifying and cultivating library donors is more complex than
for academic departments.

　　Where libraries have organized fund-raising activities, the campaign
appears to be driven by the funding need rather than by any broader
rationale that integrates fund-raising into the management of the institu-
tion. Therefore, there is little recognition that fund-raising creates new
constituencies that must be influenced and that, in turn, influence the
institution. This essay presents a rationale for understanding the broader
implications of fund-raising in academic libraries and for organizing it as
an integral component of public relations activities.

INTRODUCTION

　　The fiscal crisis in higher education in the United States is well known.
A recent two-year study by the Commission on National Investment in
Higher Education, established by the Council for Aid to Education (CAE)
in 1994, examined the financial health of America's higher education sec-
tor (Commission on National Investment in Higher Education, 1999). The
central finding was that costs and demands upon higher education were
rising at unsustainable rates. It recommended increased public funding
of higher education and a wide range of institutional reforms. Among the
reforms recommended was that, "substantial savings and improved library
services can be obtained by focusing on the software needed to place li-
brary resources on the Internet rather than continuing to support indi-
vidual research library collections" (Commission on National Investment
in Higher Education, 1999, p. 15). The report notes that a shift in the
educational requirements of the workforce will place increasing demands
on all levels of education. Minority ethnic groups and immigrants will
need increasing access to higher education if we are to bridge the grow-
ing gap in earnings between the rich and the poor in the United States.
This shift has come at a time when public investment in higher education
has been declining.

　　An earlier report by the Association of Research Libraries showed a
decline in library support as a percentage of the institutional educational
and general (E & G) expenditures from 1981 through 1992 and extended
these findings through 1996. For the eighty-eight research libraries re-
porting, the average percentage of their institutional E & G represented
by library expenditures fell from 3.91 percent in 1981-82 to 3.32 percent
in 1992. The graph extending these data to 1996 shows a continuing de-
cline to 3.25 percent (Stubbs, 1994).

A number of reforms are likely to be activated to address these fund-
ing concerns, and additional public funding will be sought. Nevertheless,
private funding is viewed increasingly as a means to ensure that libraries
in higher education, private and public, can meet increased demands and
costs. Many institutions have already mounted major fund-raising cam-
paigns to increase endowments and to finance current programs includ-
ing libraries.

Fund-raising as an activity for libraries is not new. However, fund-raising
as an organized integral function of library management is new. For some
time now, fund-raising professionals have used the term "development" to
include not only fund-raising but also the planning and goal-setting activi-
ties that guide those activities. More recently, at the parent institution
level in higher education, fund-raising has been incorporated with alumni
relations and public relations under the current term of "institutional
advancement" in some institutions. Both terms—"development" and "in-
stitutional advancement"—recognize the essential nature of activities that
manage communications between an institution and its public constitu-
encies for the specialized purpose of fund-raising. However, for purposes
of this essay, the term "fund-raising" will be used and the broader set of
activities implied by development and institutional advancement will be
discussed as a specialized form of public relations.

ACADEMIC LIBRARY FUND-RAISING EXPERIENCE

A 1995 survey of fund-raising activities at 517 U.S. colleges and uni-
versities revealed that, while only 66 percent of all academic libraries en-
gaged in fund-raising, 95 percent of the research libraries did. The most
popular reasons given for fund-raising were technology costs (63.4 per-
cent), parent organization encouragement (51.8 percent), cost of library
materials (51.2 percent), and budget limitations (51.2 percent). The most
popular "other reason" given was library construction. Of the libraries
surveyed, government grants, book sales, and foundation grants were the
most common types of fund-raising activities. Among the research librar-
ies, nine types of fund-raising activities were used by at least 50 percent of
the libraries, including foundation grants, government grants, Friends
groups, book sales, institution-wide campaigns, corporate support, direct
mail, major gifts, and annual funds. The most successful fund-raising ac-
tivities among these institutions were foundation grants, institution-wide
campaigns, Friends groups, major gifts, and direct mail appeals. The least
successful were government grants and used book sales. Among prospec-
tive donors, the most success was experienced with former donors, friends,
and alumni of the institutions. The results indicate that private academic
institutions are more successful at fund-raising than public institutions.
Private institutions favor foundations, while public institutions favor

government grants. Used book sales are popular but generally yield little income (Latour, 1995).

This study suggests that there are a number of academic libraries, especially research libraries, that are actively engaged in fund-raising. Although the experience varies with location and local circumstances, there is enough success to encourage the growth of fund-raising activity. Much library fund-raising activity is encouraged by the parent institution to address budget limitations in general as well as the growing costs of library materials and new technologies.

It is axiomatic that external consultants who make the initial recommendations about the goals and objectives of the campaign guide institution-wide fund-raising campaigns within academic institutions. The evaluation of such campaigns is usually based on the amount of money raised compared to the targets set. Much of the literature on fund-raising focuses on the processes and techniques employed. A book by Edles (1993), for example, is a complete step-by-step approach to fund-raising. He outlines six requirements that successful campaigns must fulfill:

1. The goals of your campaign must be compelling to ensure intense donor commitment.
2. Your organization's growth patterns must be easily perceived.
3. Your organization or its key leaders must be strongly visible to the people whose support you expect.
4. Your chief executive and volunteer leadership must be highly competent, totally committed, and be proven excellent fund-raisers.
5. Your campaign's needs must be specific, attractive, people-oriented, and have a sense of urgency.
6. The results of your campaign must be measurable (Edles, 1993, p. 8).

Two of the six requirements focus on leadership. Unless an academic library has its own development officer who reports to the library director, the principal leadership and guidance must come from the parent institution. Since the principal external advisers to the campus usually express negative attitudes toward library campaigns, the library is at a disadvantage before the campaign begins. External consultants also will usually advise the campus against a separate subcampaign for the library. The rationale for this recommendation is that library campaigns are generally unsuccessful. But campaigns at institutions like Pennsylvania State University, the University of Illinois, and the University of Pennsylvania are examples of library fund-raising success. The outcome of institution-wide campaigns without a library subcampaign is that a significant amount of potential funding for the library will be lost since many library gifts are second and third gifts made by the same donor. Without a specific campaign to solicit gifts for the library, many of these gifts would not materialize.

In thinking about a philosophy of academic library fund-raising, the elements that would appear to have an influence on outcomes are assumptions, goals, donors, and the impact of fund-raising on the library.

FUND-RAISING ASSUMPTIONS

There are some who assume that many gifts to libraries are "unrestricted," thus providing greater flexibility of action for library planning. However, in most cases, the majority of the gifts in library campaigns are restricted in response to the library's statement of need. While some donors are generous enough or ambivalent enough to give their confidence to the library management in applying their gift, most donors have a specific idea usually in response to the library's solicitation. They wish to honor a favorite faculty member in a specific field by endowing purchases of library materials in that field, or they wish to support specific technologies, or they wish to endow positions in the library. The most common unrestricted gift comes with the opportunity to name a space. Since the space has already been financed as part of the building, any funds that are not needed to furnish and equip the space are available for general purposes unless restricted by the donor.

Many campaigns are presented in a way to suggest that their success depends on a large donor base. However, the emphasis most external consultants give to fund-raising campaigns focuses on major gifts. This almost guarantees that most of the funds raised will come from a small group of donors.

Some leaders of fund-raising campaigns believe that the worthiness of the cause is enough to persuade most donors to be generous. This may work well in fighting dreaded diseases or responding to the charitable calls to improve the human condition but may not be effective with libraries. Students and faculty will not die if the library campaign is not successful nor will they go without food or housing.

Therefore, if a small group of donors is likely to be the major source of funds to meet the fund-raising objectives and the gifts are restricted to specific uses, the library has to be very persuasive to steer the gifts in a direction that is mutually acceptable.

FUND-RAISING GOALS

More than process and techniques, what library fund-raising needs most is a rationale that guides thinking, planning, and action. That rationale begins with the selection of the goals to be achieved through fund-raising. Fund-raising goals should convey a vision or a sense of how the institution pictures itself in the future. They should be compelling enough to generate excitement about what that future will be. The goals should also require the institution to reach but should not be so unrealistic as to

be beyond its grasp. Finally, the goals should be timely in order to communicate some urgency to the need for assistance from potential donors.

When the ALA sought to raise funds to assist in the furnishing of a new building in the early 1980s, the goal was to make 50 East Huron the most visible library-related address in the world. Members were compelled to express their pride in the ALA by participation in the fund-raising campaign. The funding objective was modest ($100,000), but the significance of the goal had impact worldwide.

When Illinois launched a $15 million library fund-raising campaign in 1994, the goal was to make Illinois the most accessible research library in the nation, thus restoring and maintaining its leadership position among research libraries.

Both of these goals were presented as windows of opportunity that would not remain open indefinitely if action was not taken immediately. These goals challenged donors to invest in a future of which they could be justly proud.

Many goals of library fund-raising campaigns are expressed in terms that are too technical for the average donor to understand. For example, one could envision a goal for a library to be the modernization of its technology infrastructure. The goal is admirable in view of the current impact of technologies on the operation of libraries. However, the goal might be improved if stated in terms of access to materials using all appropriate technologies. It is useful for all goals that deal with collections, facilities, or technologies to be stated in terms of benefits to users rather than assuming that potential donors can make that connection. People-oriented goals are generally more compelling than institution-oriented goals. Therefore, the ALA goal mentioned above might have been more compelling if it had been stated in terms of improvements to member services.

POTENTIAL DONORS

Academic libraries have numerous constituencies from which to draw potential donors. Perhaps the most knowledgeable donors are the faculty and other employees of the institution. Since they are in a position to observe the activities of the library and to be aware of the general needs of the library, they can readily understand fund-raising appeals. However, this group does not necessarily represent those who are the most capable donors. In any fund-raising campaign, the group that represents the best potential is comprised of those who have given previously. Alumni and Friends groups are in a position to be generally knowledgeable about the institution and tend to include capable donors. Foundations and government agencies with interests and programs that are relevant to libraries can offer good potential as donors. Here again, if a foundation or government agency has contributed to the institution in the past, there is some basis for believing that it may be inclined to do so again. However, programs

change and program officers leave these institutions, making them less reliable as recurring sources of funds than individuals.

For all potential donors, the process of creating and maintaining a relationship is at the heart of any successful fund-raising campaign. In the case of foundations, corporations, government agencies, and a few individuals, the relationship tends to be more formal, characterized by written proposals in which the library makes certain commitments in exchange for funding. Many individuals respond with gifts to a general written appeal with few, if any, commitments from the institution. However, whether individuals or donor organizations, the larger the amount of the gift, the greater the formality, especially if it involves deferred gifts or bequests in which potential heirs have an interest. It is this process of determining the exact nature of the exchange between the donor and the library that needs careful thought and planning in order to avoid undesirable outcomes of fund-raising.

DONOR RELATIONS AS PUBLIC RELATIONS

If we accept Grunig and Hunt's (1984) definition of public relations as, "the management of communication between an organization and its public" (p. 6), then we are led to conclude that the management of donor constituencies is a specialized form of public relations. The significance of this conclusion is that public relations is usually well integrated as a management function both at the level of the academic library and at the level of the parent institution. Its practitioners tend to be well informed of the mission and goals of the institution and operate consistently with the activities of the leadership. Fund-raising professionals, in many instances, are not considered integral to the management team and as such may not be as knowledgeable about the mission and goals of the library. This is especially true if the library does not direct the fund-raising professionals on a library fund-raising campaign.

"All sources of donors—foundations, corporations, and individuals— have the potential for infringing on the autonomy of charitable organizations through their gifts" (Kelly, 1991, p. 495). Given this propensity for donors to influence the institution through their gifts, it places a greater responsibility on fund-raising professionals to be cognizant of potential infringements on the autonomy of the institution receiving the gift.

A common occurrence in academic libraries arises due to a lack of understanding of how the library operates on campus. Formal gift proposals intended to support library materials in specialized areas can be drafted in ways that give academic departments more authority over library acquisition processes than is normally the case. The difference between providing a gift to an academic department for purposes of general library materials as distinct from a gift to the library for materials to support a given academic discipline can be quite significant. A more signifi-

cant example of infringement on the autonomy or a distortion of organizational goals would be where a donor proposes funding for materials in a field dear to the heart of the donor, but a field in which there is no academic program or faculty to direct such an interest. This occurs more commonly with gifts in kind—gift collections—especially in smaller institutions with collections of limited scope. Another hypothetical example might be a donor wishing to provide funding for a facility—e.g., a rare books library or a departmental library—that is not in the plans of the library.

Infringements on the autonomy of institutions through gifts and grants are more often a very beneficial development. The National Endowment for the Humanities and foundations like the Andrew W. Mellon Foundation have exerted an enormous influence on the nation's academic libraries to encourage collection growth and investments in the personnel, technologies, and techniques for the preservation of library materials. This has been especially true of the largely private independent research libraries where NEH funds "were made available for programs and efforts that meshed well with the interests of many librarians and directors in 'democratizing' their institutions by expanding access and introducing additional services aimed at new constituencies"(Bergman [with Bowen and Nygren], 1996, p. 150).

Alexander (1996) documents the experience of museums in assessing the impact of funding on their operations and aspirations. Her study addresses, "how changes in funding are related to consensus and conflict inside museums, especially between the curatorial and administrative sides" (p. 4). Given the long experience of museums with philanthropy and fundraising, it would be well for the library field to take note of their experience.

Within the American Library Association, we have witnessed the twists and turns of an organization struggling with the role of fund-raising in the organization. The separate 501C(3) organization established to manage ALA's fund-raising activities (Fund For America's Libraries) has recently been disbanded in favor of an internal organization. More recently, we have seen a growing controversy over the growth of corporate fundraising to support certain aspects of the Annual Conference:

> The moneys that flow in from these sources can be used for good things, of course, and sometimes are, but they do come with a hefty price tag. One of the chief debilitating effects resulting from such large sums coming from electronic-resource companies is the marginalization of book publishers, chiefly small presses, who sit woebegone and doe-eyed at little booths. The book publishers—even venerable ones whom you would think would be given a place of pride at a conference devoted to reading and learning—literally cannot afford the floor space gobbled up by the big vendors for their technological trunk shows. (Wisner, 1999, p. 42)

These are not isolated and unrelated events, but a pattern of emerging conflicts and tensions that inevitably surround fund-raising as an activity in the library field. While the benefits of fund-raising are not challenged here, there is a need to be aware of, and to guard against, unacceptable consequences of fund-raising.

CONCLUSION

As we look toward a philosophy of fund-raising or a rationale that helps to explain the nature of fund-raising in academic libraries, it may be helpful to put this activity in the broader context of public relations. Since it involves managing communications with a potentially influential constituency that could exert significant influence over the future of libraries, it needs to be integrated into the overall management function of the library as a specialized form of public relations. While donors have the best interests of the library in mind when contemplating gifts, that does not guarantee that the expressed intention will be consistent with the plans and operations of the library.

Overall, the best protection the library can have to sustain its autonomy, while advancing its fund-raising objectives, is the institutionalization of the fund-raising process. To the extent that the organization's mission and purpose is firmly incorporated into the campaign goals, it tends to minimize inappropriate gifts. To the extent that library fund-raising campaigns are led by fund-raising professionals based in the library, they are likely to be more knowledgeable about the specialized needs and constraints of the library in fund-raising campaigns. For smaller institutions or institutions where professional fund-raising personnel may not be available, special programs to educate and inform these professionals responsible for library gifts may suffice. To the extent that the fund-raising process articulates well with the overall efforts to manage communications with external as well as internal constituencies, it will tend to minimize tensions between fund-raising personnel and other staff.

While research, cultivation, solicitation, and recognition will still be the fundamentals of the fund-raising process, its incorporation into the broader efforts of library management to improve the library's visibility, tell the library story, set a vision for the library of the future, and gain support from key constituencies is likely to result not only in successful fund-raising campaigns but also in a more effective organization.

Ensuring that the leadership of the academic institution understands these objectives and periodically evaluates the effectiveness of communication with the several library publics is essential to the development and implementation of an effective philosophy of fund-raising.

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