

HOW TO ACHIEVE REAL AND MEASURABLE IMPACT FROM CHARITABLE GIFTS

By Susan Winer

Recent studies of Millennial (generally considered 18-25 or 28 years of age), and their approach to philanthropy, all say the same things: Millennials are more driven to solve problems in their lifetimes, compared with their parents and grandparents who tend to contribute to solutions that may not occur for generations. Millennials want a more hands on involvement in causes and issues that they are interested in, whereas prior generations tend to limit involvement to financial contributions or at the board level of an organization. Finally, Millennials have shorter attention spans than their parents and are less willing to get involved in an issue if there is not a clear path toward resolution or change.

But, as a result of the past few years of economic and political uncertainty the generational differences around philanthropy are blurring. These days whether it's the baby boomer, Generation X or Millennial, the most frequently asked questions include: "How do I know that my money and time are having measurable results," and "Where will my financial contributions derive the greatest impact."

For non-profit organizations and institutions these questions are not challenges to what they are doing, rather they pose an opportunity to create stronger partnerships with donors in new and more transparent ways.

The Results Driven Partnership

A partnership—or collaboration—between donors and organizations must have at its core commonalities of interest and purpose. There needs to be agreed upon accountability and ongoing communication by both the donor and the organization.

Before making a financial commitment donors need to ask themselves:

- Do you know what the organization needs or wants? Are there specific areas that significant funding would particularly benefit?
- What constitutes results for you? What do you want to achieve with your charitable gift(s)?
- How long are you willing to wait to see some results, to see an impact on the cause or issue that you are most concerned about?
- Does the organization you are gifting have the capacity to achieve the results, make the impact you want, or are you asking too much of them?
- How committed are you to success for the organization or institution? Or asked more bluntly: why are making this gift, what are the motivations?

Being able to both quantify and qualify your gift are important first steps. The next step is to memorialize the intent, expectations, outcomes and parameters of the gift. By documenting this for the organization or institution you can mitigate misunderstandings and help the organization determine whether it can fulfill your expectations.

Of particular importance is defining not just what the gift is for, but the timeline of the gift. Is it multi-year, is it a one-time gift? Will other gifts come if certain benchmarks are met? What are those benchmarks, and how do you want to know whether and when the benchmarks have been met?

A shared understanding of expectations; what is possible to accomplish and what situations or trigger events could affect the ability of an organization to respond to the intent of the donor is essential for a successful partnership. This is particularly true in legacy gifts where the donor is no longer actively involved in monitoring the organization's activities relative to the financial gift. Trustees or family members representing the donor's interest and the recipients of the gift(s) all need to be on the same page.

As for the nonprofit partner, knowing whether you can honor the parameters of the gift is paramount. To that end, the organization needs to consider:

- What are the most immediate requirements related to the proposed gift and how much money is needed to address those needs?
- Whether the intent behind the donor's gift will add to or detract from the core services and capacity of the organization?
- Realistically, how long will it take to see measurable change or results from having sufficient funds to address the needs, whether it's building a wing for a museum, creating a chair for a department at a university or reducing hunger or homelessness in certain populations?
- Can you quantify or describe how you would reflect impact or results? Not everything can be "solved" or eradicated, but what are the benchmarks for measuring impact?
- How will you communicate all of this to your donor partner? What works best for you without overburdening or overtaxing staff?

This kind of self-reflection helps an organization to be more responsive when a donor poses specific demands, or asks for certain information. Too often an organization, so desirous of a certain financial gift, agrees to anything and everything and then is unable to deliver. Too often a donor holds an organization to a higher level of performance than may be realistic, e.g. eliminating global warming within five years or finding a cure for Alzheimer in two years.

The fewer unanswered questions between a donor and a recipient organization the more successful the partnership. The more thought behind a gift and the more thought behind accepting the gift, the more chance there will be for real and measurable results or impact. ■