

Money Ball

FUNDRAISING IS BIG BUSINESS IN ARKANSAS, AND
ARKANSANS ARE VERY SUCCESSFUL AT IT

BY JOE STUMPE | PHOTOGRAPHY BY ARSHIA KHAN

It's a rare week when Meredith Poland doesn't receive at least one invitation to a fundraiser for some worthy cause or organization.

"This past year alone, I got fifty," says Poland, who lives in Sherwood and works in Little Rock. "I normally make it to five or six. This year, I made it to three."

Poland isn't complaining about the steady stream of invitations that arrive with a price tag attached. She's sent out plenty herself as chief advancement officer for the Arkansas Museum of Discovery, and before that in a similar role with the Girl Scouts.

Fundraising brings in a couple billion dollars each year for nonprofits in Arkansas and also occupies an honored place in the state's social scene, especially in its capital and biggest city, Little Rock. It often seems like no good party, concert, or golf tournament gets thrown without a good cause attached. "I gave at the office" has been joined by "I gave at the (insert charity event)."

"I think the reason there are so many events is, one, to get exposure for the organizations and, two, to pull in new friends," Poland says. "And I think it's just part of the culture of the city."

Reasons for attending, in addition to philanthropy, might include fulfilling a social obligation, claiming a tax deduction, landing in a slick magazine, or all of the above.

"People like to have their picture taken," says an organizer who didn't want to be named. "You can pull out any magazine and see the same people at the same parties."

Yet the last few years have been tough ones for nonprofits, with their numbers continuing to grow even as overall giving dropped.

"The pressure to fundraise is greater than

ever before because it's the new norm," says Clay Mercer, who's worked for several nonprofits and is now chief advancement officer for the Arkansas Capital Corporation.

To keep the gifts flowing, nonprofits rely on a cadre of professionals such as Poland and Mercer, as well as volunteers. Their mission is to encourage potential donors to give full vent to their philanthropic impulses. How well they succeed will determine much about the future of the state's nonprofits.



"In Arkansas, there has been historically a lot of event-centered fundraising," says Tom Nisbett, incoming president of the state's Association of Fundraising Professionals. "Little Rock is known for all of its events. While that works, we're seeing that events kind of have a shorter life cycle than they used to have."

Nisbett, owner of the Nisbett Group, is a Pine Bluff-based fundraising consultant with hospitals, colleges and other nonprofits among his clients. He advises them to diversify their fundraising efforts and not rely on any one event or tactic to raise money.

That's not to say that fundraising events can't make money. The Will Golf 4 Kids/Color of Hope Gala in Northwest Arkansas netted more than \$900,000 for Arkansas Children's Hospital this year, and the hospital's annual Miracle Ball in Little Rock brought in another half-million.

But stories about benefit concerts and other fundraising events that lost money or barely broke even because of associated costs abound in the industry. Often, it takes several years for an event to become established enough to become

profitable. On the other hand, as Nisbett notes, annual events don't have an unlimited life span; interest can wane once the novelty wears off.

Fundraising pros say the best events succeed by highlighting the mission of the organization that inspired the affair in the first place. Mercer recalls a March of Dimes banquet at which tiny birthday cakes were served and "Happy Birthday" played to drive home the agency's work on behalf of premature babies.

"We had such a positive response from that," Mercer says. "It touched people. Yet it was just a part of what we would always do — serve desserts."

For an Easter Seals golf tournament, organizers "did a brilliant thing" by having golfers teach disabled kids how to putt and learn much about the children in return, Mercer says.

"That's a key 'aha' moment, another creative way to bring your mission into your event," he says.

The hope, of course, is that the mission inspires somebody in attendance to become more than a one-time ticket buyer.



A director of development for a large nonprofit can make a six-figure salary, one measure of that person's importance to the organization. Independent fundraising consultants work for a set fee or percentage of money raised, although the latter arrangement is prohibited by the AFP's code of ethics.

Mercer is somewhat typical of people in his field. He came to Arkansas from Louisiana to work as state communications and marketing director for the American Cancer Society, moved

ARKANSAS LIFE

WWW.ARKANSASLIFE.COM | DECEMBER 2011

MONEY BALL

THE STATE OF CHARITY
IN ARKANSAS

LAND'S END

A LONG-AWAITED
LOOK INSIDE THE
HISTORIC PLANTATION

CHRISTY CARPENTER

TAKING THE
ROCKEFELLER LEGACY
TO NEW HEIGHTS

PLUS

CHRISTMAS SCRAPBOOK
WITH BROYLES, HUCKABEE,
OSBORNE, AND SNYDER

DECEMBER 2011 \$4.95





they're now an established professional, maybe they make a \$100,000 pledge over five years. And as this person has accumulated assets through his lifetime, they could put a provision in their will for a nonprofit to benefit."

Development directors find out who has money, what issues or problems they're interested in addressing and — if they coincide with the organization's mission — explain in detail how their money can make a difference.

For a campaign with a large goal, "it gets as specific as name by name, donor by donor, how are we going to accomplish this goal. To get our goal, we may need to have thirty stretch gifts," Mercer says, using the term for a gift bigger than the donor originally

intended. "What is it going to take for John to give three times more to our organization?"

Mercer says his approach to potential donors "is no dialing for dollars. If people get a call from me, I'm generally testing something or trying to learn something from them. I want to see if what we have to offer is resonating with them. I would rather not ask than get a 'no.'"

He tells the story of a wealthy woman he worked with on behalf of one nonprofit. "She began to articulate what her dream was," Mercer says. "We went back and business-planned it and said, 'Your vision is in line with our vision.' She said, 'How much would that cost?' We told her, and she wrote a check. It was not for the whole amount, but it was enough to get us there. That was one of the most exciting times I can recount in my career — helping somebody realize their dream."

Large gifts are simply more cost-effective for nonprofits to obtain, he adds.

"Is it better for me to put on an event and have to sell a hundred tickets at \$100 a piece, or is it better to make ten calls for \$1,000 gifts, or is it better to pick up the phone and call one donor that's currently giving \$1,000 and could give \$10,000?" Mercer asks. "It makes more business sense, and it's a much lower investment, working and growing these relationships."



Few institutions are better at growing those relationships than Arkansas Children's Hospital. The hospital averages between \$15 million and \$20 million a year in donations, about half of which fit into the large-gift category.

John Bel, president of the Arkansas Children's Hospital Foundation, likes to tell how Stella Boyle Smith traveled the state by train in the early 1900s asking for food, clothing, and money for Children's Hospital. "She was a pioneer fundraiser," Bel says.

In the 1970s, hospital board members raised money to build a new facility rather than close, and philanthropy has played a key role in making the facility one of the top pediatric hospitals in the country.

Among recent large gifts, J.B. Hunt Transport Services Inc. gave \$5 million for construction in the south wing, Major Leaguer Cliff Jackson and his wife contributed \$1 million to endow a chair in the cancer program, and Arkansas football coach Bobby Petrino and his wife gave \$250,000 for a family lounge in the cardiovascular intensive-care unit.

"At the same time, Coach said he wants to create a golf tournament" to benefit the hospital, Bel says. "That golf tournament is going to be a great success."



Some donors moonlight as volunteer fundraisers themselves. It's expected that most board members of nonprofits will make a significant gift to the organization — and hoped that they'll use their contacts in the community to encourage others to do the same.

At the Arts Center, Mercer worked closely with board member Cindy Feltus.

"The minute you say fundraiser, everybody backs up and says, 'I'm not a fundraiser,'" Feltus says. "It seems like I keep landing on the development committee. If you believe in it, it doesn't seem like fundraising, I guess."

Prepped by the development staff, Feltus helped open doors that otherwise might have remained closed.

"Mostly we're calling on people," she says. "It's about relationships and being in touch with people and keeping people informed with what we're doing."

Feltus has also raised money for the Junior League, Potluck, and her church. She comes by the activism naturally: Her mother, Ann Hickman, is a storied fundraiser and volunteer at Children's Hospital.

From her mother, Feltus says, she learned not to spread herself too thin.

"It seems like you kind of have to decide where

director for the American Cancer Society, moved to Easter Seals as vice president of development, became state director of the March of Dimes, then went to the Arkansas Arts Center as deputy director of development.

"I jokingly say it's the nonprofit tango," Mercer says of his moves. "Sometimes our profession gets a reputation for people jumping around. I don't find we jump around. We fix problems. We get organizations to the next level. Nine times out of ten we're recruited away. It's to fill a gap, or it's something we want to learn or we're interested in."

Mercer left the Arts Center to start his own consulting firm, the Think Bigger Group. But that only lasted a few months before the Arkansas Capital Corporation brought him on board in October.

Mercer has planned his share of fundraising events and direct-mail campaigns. However, he said those things are actually a kind of entry-level introduction to giving that organizations hope will lead to deeper involvement.

"The goal is to kind of move them through the pipeline and up the pyramid," Mercer says. "The life cycle of a donor might start out with a small gift through the mail or attending a special event, then start moving up to where they're giving a large annual gift, maybe \$1,000. As that progresses, if you have a capital campaign and

you're going to put your energy," she says. "I don't feel like you can support every single thing that comes your way. I watched my mom. She stuck with the hospital."



"I don't have any statistics on this, but I believe that Arkansans are incredibly generous per capita," says Ashley Coldiron, a fundraising consultant with Riggins and Associates.

Actually, there are statistics that suggest Arkansans give at a higher-than-average rate. According to rankings by *The Chronicle of Philanthropy* in past years, Arkansans ranked first or second in the percentage of adjusted gross income given to charity.

Coldiron's specialty is capital campaigns and major gifts. In that area, she said, fundraisers have to be focused in approaching donors.

"I think you have to have a really specific reason for why you need to raise the money, and show a need that the community has," she says. "It has to be very definite. Donors are so sophisticated these days."

"The main struggle comes when donors have to choose," Coldiron says. "They only have so much charitable money that they're going to give away."



No one is suggesting there are too many nonprofits raising money in Arkansas, but the organizations have definitely proliferated while the pool of donations dwindled. The number of nonprofits grew from 5,868 in 1999 to 8,994 in 2009, according to the National Center for Charitable Statistics. Their revenues rose, too — to over \$10 billion in 2007 — before declining because of the recession. Those revenues totaled just over \$8 billion in 2009.

Poland, the Museum of Discovery's chief fundraiser, says she's like most people in that she has to pick and choose which organizations to support.

"I personally support ones that pull at my heartstrings," she says. "I try to support as many as I can, if not financially, then with volunteer hours of helping with an event."

Contributions constitute about a quarter of the total revenues of nonprofits, although that percentage is significantly higher for certain kinds of organizations. Whatever the amount, donations are crucial, say the fundraisers.

"You'd never believe out of a \$10 million budget how important \$1 million is," Mercer says. "That \$1 million is paying for everybody's health insurance or some other things that would make people not be able to work there."

Bel notes that Arkansas Children's Hospital

operates mobile dental clinics across the state that bring in little revenue of their own.

"The better we are at it, the more money we lose," he says. "Without philanthropy, it's not going to work."

Bel, who coached football before entering the development industry, jokes that there "are almost as many clichés in fundraising as there are in coaching."

"One is that there is never a good time or a bad time for fundraising," he continues. "There's only now."

The best way to succeed as a fundraiser, he

says, "is to have generous donors." That, and to have a real passion for the money's ultimate destination.

During the final interviews for people seeking work on the foundation staff, Bel says, he sits them where they can see the nearby hospital.

"I say, 'Listen, if you take this job and you come to work here, on your worst, most challenging day, you will have had a better day than any parent whose child is in the hospital,'" he says. "If making a positive difference for those parents doesn't keep you going, this is probably not the right place for them to be."

Find the **perfect wine** for everyone on your list.

EVERYONE'S FAVORITES

| | SUGG | SALE PRICE |
|-----------------------------------|----------|------------|
| GREY GOOSEVODKA, France | \$361.79 | \$326.48 |
| CROWN ROYAL, Canada | \$276.36 | \$253.48 |
| JACK DANIEL'S BLACK, Tennessee | \$245.04 | \$217.48 |
| KNOB CREEK, Kentucky - 6 pk. case | \$192.90 | \$140.48 |

WONDERFUL WHITES

| | SUGG | SALE PRICE |
|------------------------------------|----------|------------|
| CHATEAU ST JEAN CHARDONNAY, Sonoma | \$160.63 | \$108.48 |
| HESS SELECT CHARDONNAY, Monterey | \$137.88 | \$101.48 |

HOLIDAY PREMIUMS

| | SUGG | SALE PRICE |
|---|----------|------------|
| SILVER OAK CABERNET, Alexander Valley | \$799.90 | \$551.98 |
| DUCKHORN MERLOT, Napa Valley | \$599.90 | \$413.98 |
| BELL CABERNET, Napa Valley | \$271.84 | \$174.98 |
| JORDAN CHARDONNAY, Russian River Valley | \$359.24 | \$284.48 |

PLENTIFUL PINOT NOIR

| | SUGG | SALE PRICE |
|---|----------|------------|
| KING ESTATE PINOT NOIR, Willamette Valley | \$299.90 | \$257.51 |
| BV PINOT NOIR CARNEROS, Napa Valley | \$283.72 | \$183.98 |
| MIRASSOU PINOT NOIR, California | \$128.49 | \$79.48 |

SPANISH-FRENCH-GERMAN

| | SUGG | SALE PRICE |
|---|----------|------------|
| LOUIS JADOT BEAUJOLAIS VILLAGES, France | \$151.38 | \$109.98 |
| BORSAO GARNACHA, Spain | \$99.90 | \$91.98 |
| CLEAN SLATE RIESLING, Mosel, Germany | \$136.95 | \$84.48 |
| PROTOCOLLO, Spain | \$89.85 | \$82.98 |

HOLIDAY SPARKLERS

| | SUGG | SALE PRICE |
|---|----------|------------|
| VEUVE CLICQUOT, YELLOW LABEL, Reims, France | \$632.07 | \$443.48 |
| KORBEL BRUT or EXTRA DRY, California | \$191.23 | \$151.48 |
| MARTINI & ROSSI ASTI SPUMANTE, Italy | \$160.48 | \$123.48 |
| COOK'S GRAND RESERVE, California | \$89.85 | \$57.48 |

FESTIVE REDS

| | SUGG | SALE PRICE |
|---|----------|------------|
| BV RUTHERFORD CABERNET SAUVIGNON, Napa Valley | \$348.72 | \$257.48 |
| HESS SELECT CABERNET SAUVIGNON, California | \$187.88 | \$133.98 |
| LIBERTY SCHOOL CABERNET SAUVIGNON, Paso Robles | \$179.90 | \$111.48 |
| RAVENSWOOD VINTNERS BLEND ZINFANDEL, California | \$141.67 | \$91.98 |
| FOLIE A DEUX MENAGE A TROIS RED, California | \$128.87 | \$88.98 |

SOUTH AMERICAN/NEW ZEALAND

| | SUGG | SALE PRICE |
|---|----------|------------|
| OYSTER BAY SAUVIGNON BLANC, New Zealand | \$157.35 | \$114.98 |
| ROOT: 1 CABERNET SAUVIGNON, Chile | \$135.88 | \$98.48 |

ROMANTIC ITALIAN

| | SUGG | SALE PRICE |
|--------------------------------|----------|------------|
| SANTA MARGHERITA PINOT GRIGIO | \$299.90 | \$250.48 |
| IL CONTE D'ALBA STELLA ROSA | \$165.88 | \$118.48 |
| IL CONTE D'ALBA MOSCATO D'ASTI | \$165.88 | \$118.48 |
| DAVINCI CHIANTI (DOCG) | \$149.90 | \$110.48 |
| CAVIT PINOT GRIGIO | \$106.34 | \$78.98 |

All are full cases packed 12-750ml per case unless otherwise noted. Prices are good Nov. 22, 2011 through Jan. 8, 2012. Price, vintage and availability are subject to change without notice.

a joyous Holiday Season from our family to yours

POPATOP

501-663-3276 • 1901 South University, Little Rock
501-835-4741 • JFK & North Hills Blvd., Sherwood
www.popatopbottleshop.com