

News & Updates

From *Inconvenient Truth* to "Passionate Givers"

The Changing Climate for Environmental Philanthropy

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These are the best of times for environmental fundraising, but also challenging times. A recent experience of Marts & Lundy Senior Consultant Penny Scarpucci illustrates both sides of the story: "I had one environmental client who chose not to go into a campaign, and by our most conservative estimate, they had the potential to raise \$50 million," recalled Scarpucci. "The economy scared them."

Contrast that with another environmental client, who chose to move forward with a campaign. This has resulted in "a campaign that was twice what they initially intended to do," Scarpucci said. "The response they're getting shows that this is an important moment for the environmental community. People who have the capacity to give are worried about the state of the world and are willing to give."

The difference in responses between the two green groups shows the importance of being ready to confidently move ahead with a giving campaign. The client who moved forward, Scarpucci said, had done the proper planning for a successful effort, including writing a compelling case statement and putting the right staff resources in place. The other environmental group, by contrast, simply wasn't ready to act. The moral of Scarpucci's story? "The environmental community and organizations know that they have to be organized and remember to keep asking and go forward," she said.

Scarpucci and four other Marts & Lundy senior consultants recently described how the world of environmental fundraising is evolving and, like a well-tended garden, requires professional expertise and care. Large and small organizations typically encounter common problems, including:

Many environmental groups have not done adequate planning or set up the staff support for successful major gift programs. "The really critical issue for environmental organizations, hands down, is how to build effective major gift programs," said John Cash, who has spent seven years as a senior consultant at Marts & Lundy, working with groups of all sizes. "Historically, fundraising for environmental organizations has been highly transactional—meaning you give something, you get something," whether it's a T-shirt, a coffee mug, or a hike.

Senior Consultant Lynne Heinrich agreed, noting that many land conservation groups have worked on "putting together packages with public and private money to buy land." But though they do valuable work, "these groups have not had a history of making the case for private philanthropy," said Heinrich.

Large groups have not consistently identified major donors. "They're not getting the \$100,000-plus gifts they need for a major, mature gift program," which are the kind of gifts they need to succeed, Cash said. Yet, Senior Consultant Willard White, who works with the Environmental Defense Fund (EDF), said that several prominent organizations, such as the EDF and The Nature Conservancy, have "made extraordinary growth in the last 10 years" to capture this crucial group of donors.

Such gains show "the power of the annual-giving model" typically used by environmental groups to "convert members into upper-level donors," said White. White said this conversion process involves an educational component for members of advancement staffs, who often come from university settings. The annual-giving model of environmental and other cause-driven groups takes a different approach to donors than university campaigns, he said.

"I've had to get some clients to accept that they are following the annual-giving model," White said. The success of the green fundraising movement is tied to annual giving because it is "based on urgency and immediate applications of money."

Many groups haven't learned to make a case to large donors for making environmental gifts a top priority. "They haven't been effective in creating gift opportunities or arguments for making a gift like that," Cash said. As consultants work to gauge the support that organizations receive—known as "campaign feasibility" or "capacity testing"—Cash said even the trustees of environmental organizations often don't rank their own groups at the top. This shows they haven't fully made "the case to their biggest philanthropic investors that their organization should be their highest

philanthropic priority," he said. "So while we're seeing a great and growing interest in environmental philanthropy, there's still a long way to go."

Groups need to develop a mid-range donor base. "There's nothing in the middle, and no staff resources aligned to go after it," Heinrich commented. Yet, she said there's a huge potential in going after more donors in this middle range of giving. "Those green supporters are enormously passionate givers. There's a great sense of urgency about saving open spaces."

White agreed. "There is still much more potential in the major gift area ... the middle of the pyramid is weak." Many large green groups "simply cannot hire enough good people to get the work done," he said. "The shortage in the marketplace of skilled development professionals is the greatest immediate challenge. It's not the economy, so far."

It's not altogether surprising that environmental groups are working hard to keep pace with a movement that most experts agree reached a new level of urgency after the 2006 release *An Inconvenient Truth*, former Vice President Al Gore's film warning about the long-term dangers of global warming. Before that, environmentalism had been growing—both in the U.S. and abroad—but at a slower pace.

Consider that it took until 1987 before environmental groups were even included in the annual philanthropy research by Giving USA, said Charlie Howland, senior consultant & leader of the Environment & Conservation Practice Group at Marts & Lundy. Since then, he observed, "There have been major overhauls of development programs at many environmental organizations."

Today, Howland said, "More major environmental groups are currently in major campaigns ranging from \$200 million to close to \$2 billion. These efforts alone are capable of impacting the annual Giving USA stats, since the total for the sector is only \$6.96 billion."

The environmental/animals sector still trails the more than \$102 billion given to religion, \$43.3 billion to education, and billions more to health, United Ways, arts and culture, and other sectors that comprise the \$306.4 billion that Americans gave to charities in 2007.

But fundraising by environmental and animal causes grew at a healthy 7.7 percent clip last year, second only to the nearly 13 percent rise in giving to charities working in

international affairs. White contends that some of the green giving may not show up in the numbers. "Giving USA tracks specific gifts to organizations that are defined as environmental. We're also getting another untracked pattern of giving to zoos, aquaria, botanical gardens, and natural history museums" which typically fall into the Arts & Culture category. "I'm intrigued that there's a blending of this work that doesn't even get included with all the rapid increase in the environment."

White noted this blurring of the lines of donations is true in other sectors as well, such as international humanitarian efforts.

Looking ahead, Marts & Lundy's consultants expect continued growth, along with more sophisticated advancement work and added political activism. Large organizations are "broadening it to much more global work," Heinrich said, as massive grassroots memberships flex their considerable political muscles.

For example, the San Francisco-based Sierra Club is planning a major push to combat global warming. The organization's Climate Recovery Campaign will support a series of major initiatives to reduce carbon emissions, protect vulnerable habitats, and pass legislation requiring renewable energy. Marts & Lundy has been working with the Sierra Club on this ambitious effort.

Howland said the early success of Sierra Club's campaign is yet another sign of the fast-growing movement.

"The national and international debate over global warming, Al Gore's 'An Inconvenient Truth' and his Nobel Prize, and the constant press coverage the environment has received in the last 18 months have all heightened general awareness of environmental issues."

Recent successes in mitigating ozone depletion and stopping coal-fired power plants have "increased a general sense of achievability in environmental issues and helped replace hopelessness and resignation with hope, leading to increased investment in environmental causes," Howland said.

Even with this surge of interest, fundraising professionals must find ways to translate large issues into treatable problems. "For those taking on huge global issues," said Scarpucci, "it takes a real visionary to say, 'If I give \$25 million to clean up the mess in China, how will I know I've done anything? I can't see it. I can't touch it.' The issue is how to translate that into something a donor will understand to make a large gift." The

challenge, she said, is finding ways to show that a gift really does make a difference—even in China.