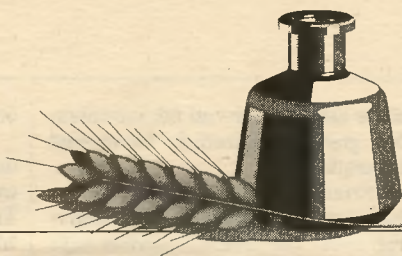


Opinion



Getting together

Tar Heel philanthropy is a community in progress

For all the good it does, Tar Heel philanthropy has a dark side.

Well-intentioned individuals and organizations who work hard to make a difference - often for long hours and low pay - can find themselves tilting with one another over turf, or treading the same tracks as other organizations in a wasteful duplication of resources.

North Carolina has the tools, locally and throughout the state, to make the job of philanthropy more efficient and effective. What's lacking are leaders willing to assist philanthropy in the way that philanthropy assists our communities and our state.

We need leaders willing to knit together and coordinate the network of people and organizations who can reinforce and support the work of philanthropy itself.

The beginnings of such a network are taking shape. The North Carolina Center for Nonprofits offers information and technical

assistance to nonprofits. Duke University's continuing education program is expanding the nonprofit management courses it now offers in Durham and the Triad throughout the state. The School of Social Work at the University of North Carolina at Chapel Hill is establishing a center for nonprofit studies, research, executive training and technical assistance.

In addition, numerous communities already have organizations that connect professionals and volunteers. United Way affiliates and Junior League chapters match volunteers with organizations that need their help and offer training to nonprofit managers and volunteers. Members of the National Society of Fund Raising Executives have formed chapters in half-a-dozen Tar Heel communities that regularly share ideas. Foundations and corporate grantmakers have set up forums in a handful of communities that act as informa-

EDITORIAL

tion clearinghouses.

But despite the collaboration and mutual support that's taking place in these communities, we lack the larger web of philanthropy that could link existing efforts and the thousands of people and organizations still out of the loop.

Even in the refined world of philanthropy, childish territorial battles abound. People in philanthropy and the nonprofit world may not like to talk about it openly, but a preoccupation with power and control can engulf even those who practice teamwork and collaboration. We need someone to cut through the petty politics.

Gov. Jim Hunt opened his four-year term by convening a nonprofit summit and promising that state government would be a partner with nonprofits. Hunt followed up on his promise by naming nonprofit leaders to high

positions in his administration, and by designating officials in each department as contacts for nonprofits. He also has made partnerships central to some of his major initiatives, such as the Smart Start program for early childhood development.

Yet the Hunt administration itself concedes it is at a loss about how to forge true and lasting partnerships with nonprofits or to meet nonprofits' daily and long-term needs.

Leaders representing nonprofits, foundations, businesses and government should step forward and talk to one another about how to strengthen philanthropy in our state by connecting the wealth of philanthropic resources that are the envy of many other states.

Philanthropy means building community. The philanthropic community exists as a rich mosaic of separate parts. Now those parts need to be fashioned together into a cohesive and mutually-reinforcing community.

A modest proposal Setting market-driven fundraising rates

Ever wonder how consultants set their fees? It's a fair question. And if more nonprofit leaders would ask that question, they might get more value for their dollar.

Perhaps some of my words on the subject are peculiar to the field of fundraising consulting. Firms that are licensed as professional fundraising counsel generally charge clients on a flat-fee or project basis; they never charge a percentage of funds raised, as professional solicitors do.

That's as it should be, because the real success of our work is highly dependent upon the work of volunteers - and a consultant fee's should not be dependent upon a volunteer asking his or her friends, colleagues and business associates for money. Nor should any foundation or corporation ever feel that a set percentage of its gift or pledge is being "taken off the top" to pay a fundraising consultant.

Simply put, the incentive should be on the staff, board and other vol-

David Winslow is president of Winslow & Associates, Inc., a management and fundraising consulting firm based in Winston-Salem.

unteers of every nonprofit organization to "make the ask." Ultimately, that will define the success of the campaign. And, as we read the statutes that govern the fundraising consulting practice in North Carolina, it generally isn't even legal for a fundraising consultant, at least working on his or her own, to ask for funds on a client's behalf.

So, how does - or should - a consultant set his or her fee? Prior to working on any project, we would like to go through a competitive bidding process, during which the project is thoroughly appraised and analyzed. Based upon the request for proposals submitted by the prospective client and our subsequent discussions with the client representative(s), we then define an approach to the project. In the approach, we build on several assumptions - primarily based upon time and staff involved - to

Approaching the process of setting fees and hourly rates in a market-driven, businesslike manner can only be a good first step in the direction of providing value to nonprofit corporations everywhere.



DAVID WINSLOW

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Privatization and philanthropy Nonprofits key to quality services

When some people hear the word "privatization" in the context of government services, they conjure up images of greedy, slipshod contractors who pilfer taxpayer money and put public employees out of work. Here in North Carolina, this caricature of privatization has been put forward by opponents of change in cities like Raleigh and Charlotte.

There are many reasons why this portrait of privatization bears little resemblance to its subject, but a significant one is the sizable role the nonprofit sector has played in privatization efforts to date.

A recent national survey by the Council of State Governments found that mental health and social services programs have seen the most privatization activity in the last five years. And most of these privatization agreements were made with nonprofits.

According to another survey, 80 percent of all state and 78 percent of all county social services contracts

John Hood is vice president of the John Locke Foundation, a Raleigh-based public policy think tank.

are with nonprofits.

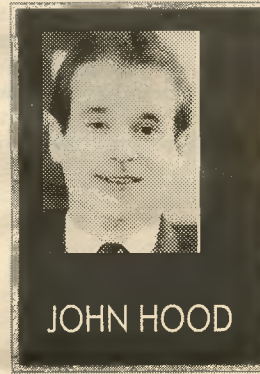
"One reason for the heavy reliance on nonprofits," says Bill Eggers of the Los Angeles-based Reason Foundation, "may be that nearly all of the social services provided by local governments are also delivered by nonprofit organizations that may have large independent sources of funds."

Nonprofits also have expertise and, in many cases, a deep sense of commitment (motivated either by religious conviction or social concern) that makes success more likely than in the public sector.

There are four forms of privatization that are particularly suited to participation by the nonprofit sector. They are:

- Contracting out - This is the most popular form of privatization. States, cities and counties contract out such services as programs for the elderly, drug and alcohol treatment, job training, child welfare, and adoption.

Reducing costs through increased use of nonprofits to provide services can, in fact, make more money available to the nonprofit sector to help finance the necessary expansion.



JOHN HOOD

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A long-term vision

Smart Start a laboratory for democracy

ABOUT CHANGE

usual and instead, sharing power to accomplish common goals.

Bob Allen, a Duke Power Co. executive on loan for two years to a statewide nonprofit that supports the local Smart Start efforts, believes collaboration is at the heart of the initiative. And collaboration, he says, requires healthy doses of trust and time.

Often, those brave enough to take risks typically won't do so unless they can be guaranteed quick results they can measure.

Smart Start, by comparison, involves a long-term promise that life can be better for children and their families if individuals and organizations make the effort to work together.

Jim Goodman, a Raleigh broadcasting executive, is chairman of the North Carolina Partnership for Children, the statewide non-

profit that has the job of supporting the local Smart Start nonprofits.

Goodman is a hard-nosed businessman but he's also a dreamer who envisions a new kind of community.

He sees Smart Start as a way to connect people and organizations in the nonprofit, for-profit and public sectors. And he sees the "process" involved in making Smart Start work as central to its success.

The role of the North Carolina Partnership for Children, Goodman says, is "protecting and assisting and supporting the process. We're supposed to be the keepers of the vision."

That work can be dull. People have to be persuaded to attend meetings to talk about unexciting matters such as training and planning.

"This is not flashy stuff," Goodman says.

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