

THE THIRD SECTOR REPORT

Unrestricted Giving: It's about the Soil not the Trees

By Jeffrey R. Wilcox, CFRE

One of the most difficult concepts to explain to the general public is that not every charitable dollar is created equal. Indeed, there are nonprofit board members and executive directors who are stunned by the fact that simply having money in the bank does not equate to an organization's survivability.

Over the past decade, the amounts of charitable dollars offered to vital causes with strings attached has grown at a dramatic rate. So much, in fact, that some nonprofits have put their own programs into competition with one another in the hope that one program can lure a contribution at the expense of the others.

An industrial hazard of the Third Sector is that when the joys of restricted contributions overshadows the celebrations of the unrestricted gift, the very foundation of the house united behind a single mission stands to fall. For a mission-based nonprofit, the ability to adequately support its glamorous work in tandem with the not so glitzy necessities needed to achieve a measurable impact in a community is one of true tests of Third Sector leadership.

The very best metaphor to clearly illustrate the fundamental truths about unrestricted giving was developed by my respected colleague and valued friend, Paul Shoemaker, founder of Social Venture Partners International. Shoemaker will be stepping down this week after 17 years at the helm. His legacy includes 39 groups of philanthropists located around the world, including Social Venture Partners Los Angeles, who are dedicated to fortifying the infrastructures of nonprofit organizations to effectively evolve the world.

Shoemaker tells the story of how a father/son camping trip in the forest taught him a valuable lesson about philanthropy as he realized the relationship that exists between each mighty tree and the soil that houses, nourishes and protects each plant to grow to its full potential.

Shoemaker writes, "Being a philanthropy guy, the symbiotic relationship between the soil and the trees conjures the relationship between a strong nonprofit organization and the programs it delivers. We all see the program – whether reading to kids, keeping our rivers clean, or administering the vaccines. But what fewer philanthropists notice is the foundation for that program – the organization itself, its infrastructure, the copier, the lights, the desks, and the support staff.

As philanthropists, we can be like I was at the Camp. We notice the trees, but not the soil; we want to give to the program, but not the organization. And yet one can't exist without the other. In fact, one actually has to come before the other. The program will ultimately be no stronger

than the organization underpinning its delivery. The trees will go no higher and be no more majestic than the soil it grows its roots into. We have to invest in the organization and its capacity, just as much as we invest in the programs and services that we can see. It's called "capacity building," but whatever you call it, it's a vitally important part of a philanthropic investment."

It's no wonder that Shoemaker leaves his position having been named among the Top 50 of Power and Influence among the nonprofit sector's top executives and thinkers by *The Nonprofit Times*.

The name of the game today in fundraising is creating diversified and sustainable portfolios of resources. The reality is that contributors want a greater say in where their generosity will specifically be put to work. The result is nonprofit leaders who must manage a careful balance between advancing the fundraising ideal while successfully navigating and mining the giving reality.

It begins with every board and staff member fully understanding and advocating for the powerful impact of the unrestricted dollar. Every potential contributor relationship must begin with that end in mind. The potential giver may elect, in the end, to restrict his or her generosity; however, it should not have been the result of an insider placing one aspect of an organization's work as being above all others in the pursuit of a mission.

There is a saying that some people can't see the forest for the trees. In the Third Sector, one of the greatest legacies of Paul Shoemaker is for us all to remember, "Don't admire the trees at the expense of the soil."

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