

Kansas Community Foundations: For Good. For Ever.

 Kansas Association of Community Foundations

"Telling the Story"



Building Rural Endowment



By: Judy Sjostedt, PACF & Regional Affiliates

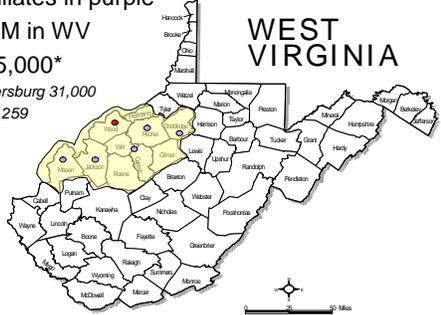
Learning Expectations

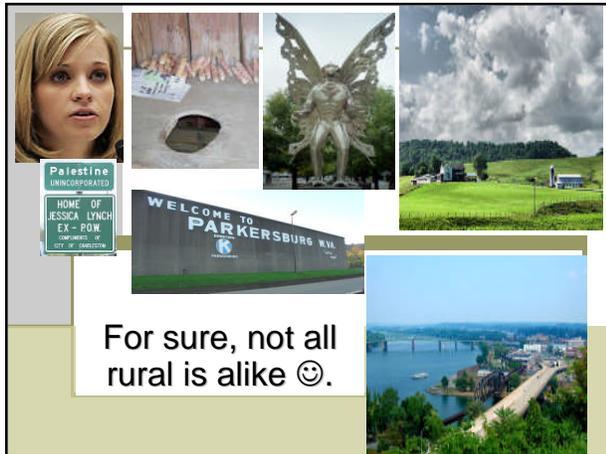
- **Context** – Why: Importance to ‘Rural’
- **Generalizations** – Challenges / Obstacles
- **Strategies** – Addressing the Challenges
- **Smile!** – It’s OK to laugh at some of this ...

Where I live*

- Affiliates in purple
- 1.8M in WV
- 225,000*

Parkersburg 31,000
Cairo 259





At our best, we are:

- Hard working
- Family-community oriented
- Proud of our heritage
- Neighbor helping-neighbor attitude
- People of faith / people of integrity
- Take pride in self-sufficiency
- Maintain strong ties to our land – our place



At our worst, we can be:

- Fearful-afraid of change-suspicious of newcomers and new/outside ideas
- Too proud of heritage-too content with who we are
- Unwilling to accept help / admit to needing it
- Clannish and exclusive with our pews
- Overly parochial – lots of disdain for “regional”
- Overly worried about sharing – think we already may not have enough to spare, might stretch too thinly
- Constrained in our perspective - unable to envision anything different than what exists

What do these good people have in common, OTHER THAN MONEY?



Why local ENDOWMENT is important

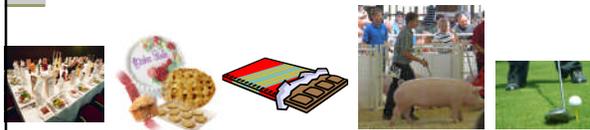
- There are **no saviors coming** from afar — endowment isn't going to be built for us; few funders are putting dollars into our rural places.
- The **"Transfer of Wealth"** has arrived and is compounded by previously existing patterns of outmigration.
Ex.: 1920 Calhoun Co. WV = 10,268; today = 7,627;
1920 Wirt Co. = 7536, today = 5,762
- Thus, **WE need to build endowment to:**
 - Have resources to seize opportunities and improve our area*
 - Keep local wealth local, where it was made*
 - Attract more wealth to local community*
 - Increase our community's social capital as we work together to build flexible, public-benefit assets*
 - Create hope as we anticipate our community has a future*
 - Send a statement to those in our next generation that they matter*

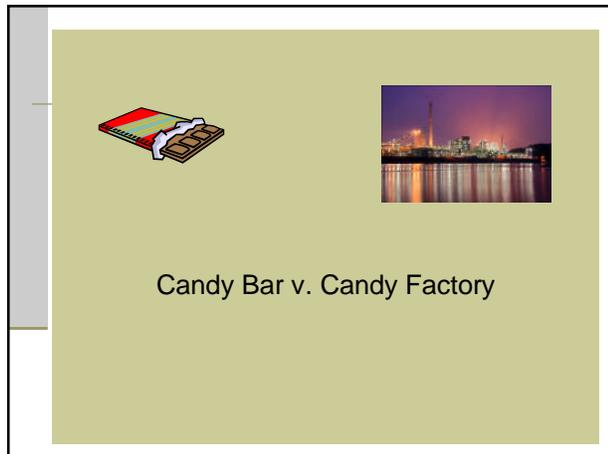
Obstacles to building rural endowment ...

- "Newness"** - unfamiliarity impedes understanding of endowment
Migrate toward the "familiar;" shy away from what we don't understand
Seek to find something analogous – look for a context within what we already know
- Existing patterns interfere** - impede adoption of endowment model
Natural tendency to repeat learned patterns, to use tools we already have and practices that worked well previously. Learned and natural efficiency-comfort to repeating a pattern. Community patterns exist as well as individual patterns.
- Attitudes** - impede acceptance of the new idea of endowment
Suspicious of anything new whether people or ideas
Insider-Outsider issues – fear loss of local control, loss of resource
Pride-Insecurity – don't want to admit what we don't know; best aim low and not fail
Self-Perception – we/they lack assets (see selves as people of need, not assets)
Impatience – focus on today; time for endowment to take root; capacity to stay the course
- Difficult to conceptualize** – impedes progress in building the endowment
Don't have many tangible local-level examples of how endowment helps
Difficult to build out a big vision if can't see analogous situations
Community's current economic condition can make it difficult to see long-term
Need for concrete evidence / proof it may help

What do you mean? What patterns?

- How do we typically raise funds for worthy causes?
- Do these strategies usually target project-specific needs or build assets?
- Do these efforts focus short or long term?
- How familiar are our citizens—now—with endowments?
- What examples of endowment exist for us?





- ### Other potential obstacles in rural places...
- Our professional advisor community
 - Supply more limited*
 - Prior experience with CFs usually more limited*
 - Estate planning experience usually more limited (though don't want that known)*
 - Local banking community
 - Compensated for wealth under management*
 - Fear of wealth leaving*
 - Many assets are non-cash assets
 - Lack of knowledge as to how to use to build endowment*
 - Existing players may block newcomers
 - Nonprofits-churches may fear endowment harm annual gifts*
 - Existing patterns may exclude newcomers
 - Current means of communication and collaboration may already exclude new organizations and concepts*

Marketing :

How we build general-broad awareness of our products/services; targeting outreach/advertising to identified constituent groups/stakeholders.

Tools to raise awareness of our organization, its community services and effectiveness as a philanthropic partner for donors.

Discovering the needs of our customers/audiences for communications (donors/potential donors/nonprofits) and working toward meeting them.

What we do that communicates our message(s), informs and inspires our target audience.

Marketing complements fundraising or asset development; it does not replace it!

Development :

Developing resources (\$, talent, etc.) to support our mission by identifying, building and nurturing ongoing relationships with potential/existing donors and volunteers.

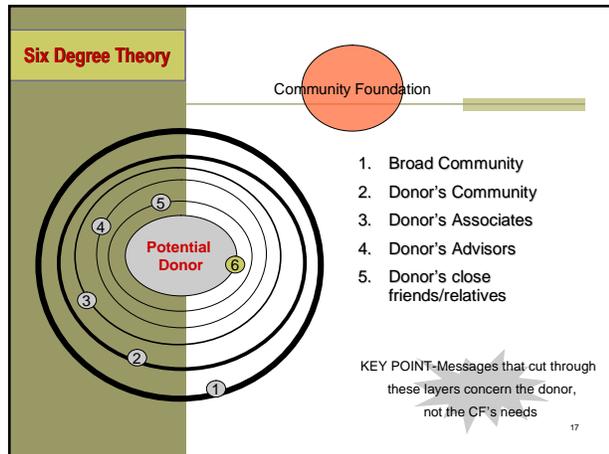
Raising philanthropic dollars for the benefit of our community and other areas of our donor's interest.

Increasing our permanent endowment and overall financial support for our organization through one-on-one friendraising.

Cultivating relationships with current and potential donors.

What we do that engages individuals in personal, meaningful long-term relationship with us for the betterment of our community.

Development is persistent and strategic in character. No amount of marketing will replace development in building endowment.



Strategies to build endowment ...

Target Issue – “Newness”
 Create a basic work Plan – Identify education needs, build a team
 EDUCATE your team – Prepare your case statement, anticipate questions
 Keep your team focused: 20% Marketing - Identify where to “buzz”
 80% Development – Identify who to meet
 Use your time efficiently – **MINIMIZE events**, except small group introductions

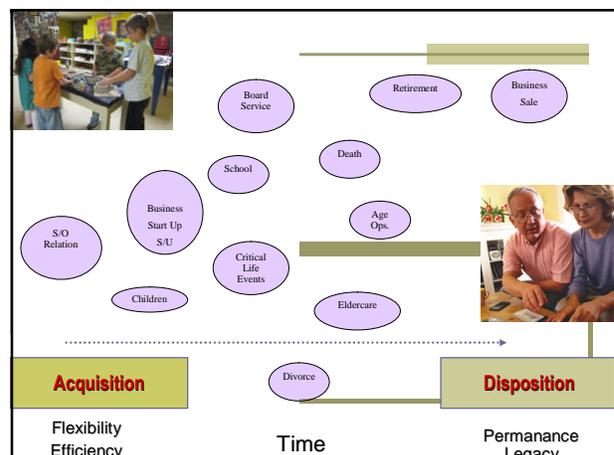
Target Issue - Existing Patterns
 Identify who's missing from your leadership table, who should know you exist
 Identify community communication paths - where is it critical to “buzz”
 Create new pathways and entry ports—multi-pronged strategy
 (a door for each—annual, current endowment, legacy society)

Target Issue - Attitudes
 Address through your Development Plan
 Person to person and small group contacts
 Assemble a guest list to invite to learn

Target Issue - Concept
 Build community vision, paint community picture
 Develop some stories—make it relevant
BORROW STORIES
 Host community meetings—idea sessions

Strategies to build endowment...

- **Connect to the professional advisor community**
Make connections deliberately, offer something they value, don't hound but stay present, invite feedback on how you can help
- **Build partners with the local banking community**
Don't be afraid to talk one-on-one; ask for partnership, pull out any issues into the light; seek challenge partners to help you build – raise their flags up alongside yours
- **Many assets are non-cash assets**
Let no assets escape, educate your team as to how to accept gifts of non-cash assets; start building your Legacy Society from Day One
- **Existing players may block newcomers**
Don't be afraid to have conversations; need to provide concrete examples from other communities if you're a newcomer, have your case ready
- **Existing patterns may exclude newcomers**
Newcomers gain traction over time when they show credible behavior and tangible results, enlist some well known champions; publish results



In summary ...

- No one ever said this would be easy. Building rural endowment is a long-term, relationship-focused, methodical, multi-pronged process.
- You will need to ...
 - **INSPIRE YOUR COMMUNITY**
Know your case for building endowment
Build and educate your Team
 - **ENGAGE PEOPLE IN THE WORK**
Make your Plan - remember Marketing ≠ Development
Create community "buzz"; WORK at it!
 - **FOCUS ON DELIVERING RESULTS**
Make the effort with a meaningful message
Create multiple entry points
Focus on what matters – the good you will do
- Celebrate, reflect and repeat!
- Do this repeatedly, forever, and you **WILL** build endowment



Helping to build community foundations
for our local communities...

is the one thing that we can do today that will help make all
the difference for the people of Kansas tomorrow as well.