



FUNDRAISING FOR ACADEMIC LIBRARIES

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INTRODUCTION

Academic libraries are feeling the pressure of reduced funding. For example, in January of 2012, the province of Nova Scotia cut university operational funding by three per cent. In 2008, the BC government cut operational funding to universities and colleges in the province by 2.6 per cent. Earlier this year, the BC government announced that they would reduce operational funding by 2.2 per cent over the next three years. As budgets are tightening and operational costs are increasing, libraries must actively seek alternative sources of funding.

Advancement and development offices at universities and colleges have long been forging relationships with alumni, friends, and their wider communities to build a donor base. Academic libraries often benefit from these relationships. However, it is becoming increasingly important for libraries to become their own advocates. Advancement Directors have multiple projects to fund and are often advocating for a number of faculties and aspects of college life. Therefore, librarians must be well versed in fundraising and be the strongest and loudest advocates for the academic library.

Developing relationships with donors and the stewardship of gifts is a full-time job. It may be in the best interest of academic libraries to establish a development officer based out of the library.

The purpose of this report is to provide a solid foundation for understanding the principles of fundraising as well as demonstrate the importance of effective and strategic fundraising. Fundraising has the potential to become a long-term source of revenue for academic libraries.

FUNDRAISING 101: ANNUAL FUNDS, CAPITAL CAMPAIGNS, AND PLANNED GIVING, OH MY!

A first step for many academic libraries is to overcome the initial negative knee-jerk reaction to the idea of fundraising. Library fundraising is integral in advancing the mission and enhancing library services during tight budgetary times. Additionally, there are many people of means who are looking for ways to donate their funds to

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Fund-raising is...the right person asking the right prospect for the right gift for the right program at the right time in the right way.²

meaningful projects. Danneker notes that “Imagining one’s memory of that of a loved on continuing beyond their physical time on earth is a powerful motivator for financial donors.”¹

ANNUAL FUNDS

Annual funds are integral to university development efforts. Soliciting unrestricted gifts annually from alumni and friends of the college are the focus of these efforts. Annual funds tend to be used to gather smaller, more frequent gifts. They can also encourage donations to become habitual. Donors to the annual fund may also be prospects for higher levels of giving such as major gifts or gifts through planned giving. Annual funds are often considered “funds to live by.”

Wedgeworth suggests that many gifts to library specific campaigns are made by second and third time donors. By not soliciting gifts for the library, many gifts would not materialize.

“The annual fund provides an avenue for smaller and more frequent gifts. Major and capital projects allow larger contributors a way to give toward naming opportunities and other high profile projects. A wide range of projects that can appeal to individuals, companies, and foundations at many different giving levels is also important” (Paustenbaugh and Tojahn, 2000, p. 594-595 in Cuillier and Stoffle, 2012, p. 783).

CAPITAL CAMPAIGNS

As libraries evolve to suit the needs of patrons and the idea of the library changes, so to does the space. The redesigning and re-envisioning of a library space costs money. To maintain their relevancy, libraries are examining themselves and changing the way they offer services. In already tight financial situations, there is little extra funding to go towards overhauling services, major renovations or entirely new buildings. These are opportunities to establish capital campaigns.

A capital campaign seeks to raise a significant amount of money in an established

period of time. They fund large-scale projects such as new buildings, renovations, expansion of collections, and establishing endowments for innovation and programming. Capital campaigns are often considered "funds to grow by."

Dalhousie University in Halifax, Nova Scotia is currently in the midst of a \$250 million capital campaign, *Bold Ambitions*. The campaign was launched in March 2011 and as of August 2012 they have raised a total of \$200 million. Of this total, Dalhousie has indicated the Killam Library (\$5 million) and the Sir James Dunn Law Library (\$1 million) as two priorities for student success.

A capital campaign is no small feat. It takes incredible planning, strategy, research, networking, and relationship building. They are high profile and require effective marketing, communication, and stewardship.

PLANNED GIVING

According to the American Library Association, planned giving is the future of libraries. It is estimated that \$20 trillion will be bequeathed between 2000 and 2020. Planned gifts can boost existing endowments, provide facility improvements, or enable the library to establish new services. Planned giving can be appealing to donors as they can satisfy tax and financial goals, as well as contribute to an institution or specific project that is particularly important to them. Libraries can work closely with donors to ensure that both the goals of the individual and the needs of the library may be met.

MAJOR GIFTS, ENDOWMENTS & GIFTS-IN-KIND

Although annual funds, capital campaigns, and planned giving are three major fundraising programs, it is important to not the significant role of major gifts, endowments, and gifts-in-kind play in fundraising. Fundraising campaigns and programs result in major gifts, the establishment of endowments or gifts-in-kind. With this in mind, libraries may be better equipped to approach donors with a gift proposal.

Major gifts usually refer to gifts of \$25,000 and up. They are often made for naming

opportunities—such as naming a lecture hall, study space, or a collection. They can be made during annual funds, capital campaigns, as a bequest or any other time of the year.

Endowments are set up to provide a certain amount of money each year to make the library more attractive to students, faculty and the community by updating furniture, equipment, services, etc. Incubator endowments start as small amounts and build to full endowments. The library cannot draw on the endowment until it has finished building. Endowments provide the greatest insulation from the economy as a long-term strategy—although they are sometimes tied to past priorities.³ Therefore, it is important to include flexibility in endowment terms to change and evolve with the needs of the library and its patrons.

The Pahulje Endowment Fund at the University of Lethbridge in Lethbridge Alberta is an example of how a major gift can supplement acquisition costs. The Pahulje Endowment was established in 1997 for general purposes of the library, as well as more specifically for acquisitions of reading and resource materials. Mr. Ludvik Pahulje, the benefactor, had been donating to the University Library since 1989.

Academic libraries also benefit from gifts-in-kind—gifts of goods or services. Items such as rare books, manuscripts, historical photographs, coin collections can add value to a library's special collection. For example, the Bray Collection at the University of King's College in Halifax, Nova Scotia. The Collection consists of surviving books from three 18th century clerical libraries. The National Library of Canada has designated the Bray Collection as a "Special Collection of Research Value."

Ultimately, it is up to each library to evaluate which possible fundraising approach works best for them. Librarians are in the best position to understand the interests of their prospects, and how best to approach them with fundraising opportunities. Each institution must find their own funding strategy, as each institution has unique needs and a unique donor base. Library's must evaluate their own environment to establish their own specific funding strategy.

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For all potential donors, the process of creating and maintaining a relationship is at the heart of any successful fundraising campaign.⁵

DONORS

According to some, the biggest issue regarding fundraising libraries face is the lack of a defined constituency. For example, athletic teams at a college can easily draw on former athletes or coaches. Even academic departments can appeal to former students. The library, however, has a very broad constituency base including, faculty, staff, students, alumni, and the community at large. The library is responsible for serving not just a small part of the institution, but everyone affiliated with the college. Students do not graduate from the library, they do not put on a jersey for the library, so who will the library appeal to? How do they develop a donor base that is adequate?

This is one of the biggest non-issues in library development. Academic libraries have numerous constituencies to tap into. Faculty and staff, alumni and friends, foundations and government agencies with relevant interests.

In the field of development, there are four main steps in the development cycle: identification, cultivation, solicitation, and stewardship.⁴

IDENTIFICATION

The library staff are in the perfect position to identify their constituents. They are on the ground answering reference questions and providing other invaluable services to all patrons. Chances are they have already developed a relationship with potential donors. They likely have a sense of which patrons have a special place in their heart for the library and the services offered.

This is another reason why librarians should be well-versed in fundraising, they will be key in identifying prospective donors. If the library staff understand the intrinsic nature of fundraising in the library environment they may develop a keener sense for potential donors. Additionally, they know their constituents better than an independent development office. A development office may house key information about previous donors who are habitually donating to the library through annual funds, but a librarian has the potential to identify the prospect before they become a donor.

To ensure that the relationship with a donor starts off on the right foot, the librarian or development officer must have an understanding of the level of commitment a prospect has towards academic libraries and higher education.

Prospect research is a growing field in development. It involves the search for important information regarding existing prospects and identifying new individuals, foundations or corporations that may be a potential source of funding. So often there are potential donors out there whom are willing to contribute, but are waiting to be approached. It is important to note that the ‘ask’ only comes after thorough prospect research. Prospect research can be done with the help of faculty, staff, and alumni suggesting prospective donor. Cultivating a relationship with a prospect is made possible and effective with a solid foundation based on prospect research. Librarians are poised to tackle this new field. They have the necessary skills to conduct effective and efficient prospect research.

CULTIVATION

Cultivation involves getting to know your donor and building a relationship with them. This is done through conversation, correspondence, special programming, inviting them to participate on committees and boards, and taking that little extra mile to get to know where their interests in your organization lie.⁶ This involves developing relationships with offices and individuals on campus, because they can help identify and offer insight on interests. For example, a faculty members often maintain close ties with former students after they graduate and they may be able to suggest areas of interest.

Cultivation takes time and thought. For each donor, the process will be different. Again, it is important to recognize each donor as an individual with individual interests—but a shared common interest in the library.

SOLICITATION

The art of the ‘making an ask’ is exactly that, an art. There is significant preparation that needs to happen before the ask can be made. This is done throughout the identification and cultivation process. Huang suggests that because librarians have

not been taught to make an ask, they should be left out of this part of the process.⁷ However, as library staff may have already formed a relationship and earned the trust of the donor, they may be the best choice for making the ask. It is crucial that they have the correct training in writing a fundraising proposal or making the ask, as it is a very delicate business.

STEWARDSHIP

Success doesn't end with a prospect becoming a donor or supporter, it is necessary to build an ongoing relationship. To nurture them to become life long givers. Stewardship has been defined as “the process whereby an institution cares for and protects its philanthropic support – its gifts and those who give them – in a way that responds to the donor's expectations and respects the act of giving.”⁸ Much like during the cultivation process, personal and meaningful interactions are essential to good stewardship.

It is important to respect the donor's wishes and to carry them out as the donor intended. They want to know how their gift has made an impact, to feel informed and appreciated. They want to feel as though they have participated in the growth and success of an institution.

By having the library director or select library staff involved throughout the development cycle is in the best interest of the library. Nobody understands the needs or the mission of the library—the heart and soul—as much as those working in the thick of it.

A CASE FOR SUPPORT: STRATEGY & PLANNING

To be effective, academic libraries must have a well-developed fundraising strategy. An important place to start is with a clearly defined mission statement, objectives and goals. This will enable the advocates of the library to emphasize the importance of the library within the academic community. Additionally, setting priorities and goals makes it easier to ‘sell’ support as well as benchmark achievements.

With a clear mission statement in mind, the library must then create a case

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More than process and techniques, what library fund-raising needs most is a rationale that guides thinking, planning, and action.⁹

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Fundraising is judged to be successful when it results in gifts that contribute to the strategic vision for the library; gifts should free a library to achieve its goals rather than hamper or distract from its mission.¹⁴

statement—essentially a condensed strategic plan in priority order. A carefully crafted case for support should align donor interests with the fundraising goals and priorities of the library.¹⁰ The case should advocate for why the library needs support and how donors can provide the necessary support. “It is important to tie requests for gifts to goals whether they be broad as in supporting collection development or more focused as in a campaign for a new building.”¹¹

To ensure that the objectives of the library are met, Steele and Elder suggest that development officers keep the following principles in mind:

- Library fundraising seeks consonance between a donor’s wishes and a library’s needs. Hence it should proceed in an open, ethical, balanced, win-win way.
- Fundraising is judged to be successful when it results in gifts that contribute to the strategic vision for the library; gifts should free a library to achieve its goals rather than hamper or distract from its mission.¹²

These principles demonstrate just how important it is for the library to have a clear set of objectives and mission statement. They can ensure that the fundraising efforts are tied very closely to the mission and objectives and that they do not have to compromise the library’s mission and objectives. This can help to guide what a library will accept and under what conditions. It also may help to set out policy on and establish specific fundraising targets and projects.

Wedgeworth also suggests that goals and case for support should be understandable to the average donor. Leave out the library lingo; relate the case for support to how it will impact the users. He notes that “People oriented goals are generally more compelling than institution-oriented goals.”¹³ Highlight the way in which updating the learning commons will have a direct impact on the success of students. Or how investing in the latest technology will better equip the students for our rapidly changing society.

There is no doubt that there are many areas within the academic library that require supplemental funds, it is just a matter of prioritizing these areas and finding the right donors for the right projects.

WHO WILL ADVOCATE FOR US?

While philanthropy in higher education has a long history, library development and fundraising for the library is a relatively new idea. The ideas of having library development staff or including development responsibilities as a part of a librarian's role generally started in private institutions in the 1980s.¹⁵ With nearly three decades of consideration, as well as the current economic situation, it is more clear than ever that libraries must rise to call of development.

Steele and Elder suggest three possible organizational models for library:

- Development staff are hired and paid for by the library and function separate to the university or college
- Development staff are hired and paid for by the library and the development office and report to both administrations
- Development staff are hired and paid for by the development office and are assigned to the library and possibly other developments.¹⁶

The ideal organizational model is to have a library development officer housed within the library; hired and paid for by the library. It takes money to make money, and libraries must invest in a position to have the genuine capacity to put effort into fundraising, innovation, and cultivating the constituency base.

Unfortunately, not all libraries are in a position to add another staff member to payroll. However, it is important to have a development officer with specific knowledge of the library and its needs. If there is no room for a position housed within the library walls, the library director must be certain that the development office is aware of and understands the library's needs.

Library directors who believe in and can communicate a development vision are necessary for a successful fundraising program. Stevens suggests that "Skills in crafting fundraising proposals, identifying funding sources, and effectively reaching out to potential contributors are becoming essential parts of the new mix of knowledge required for library leaders."¹⁷ The fundamental practices and principles of fundraising—the lingo used by professional fundraisers—must be part of the

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Fundraising can be considered both a science and an art, parts of which can only be learned through experiential training.¹⁹

library director's vernacular. This can have a major impact on your success as a fundraiser.

EDUCATION

Although the director may be at the helm, all levels of library staff must be a part of the development mission. Reid suggests that all staff should be aware that fundraising is an intrinsic part of the library environment, and that there will be continuing demand for fundraising professionals in libraries.¹⁸ There is an opportunity here for library schools, to effectively educate their students and instill in them just how important fundraising is to the academic library. Of the six Canadian universities offering MLIS degrees, only one offers a course dedicated to fundraising. Western University in London, Ontario currently offers *Prospect Research in Fundraising*.

Now more than ever, universities need to develop curriculum that adequately prepares librarians to spearhead and manage a fundraising campaign. A library may not have the ability to fund a development officer position within the library. In this case, the roles and responsibilities of fundraising should become part of the library director's duties. The library benefits directly from responsive and proactive fundraising.

PROFESSIONAL DEVELOPMENT

There are a number of avenues for professional development for those working in advancement. Associations such as the Council for Advancement and Support of Education, the Canadian Association of Gift Planners, the Association of Professional Researchers for Advancement all offer professional development. These types of associations can be an invaluable resource.

CONCLUSION

This is an exciting time to be a librarian with expertise in fundraising. It is time to take what has been learnt over the past tree decades and put into practice effective library fundraising strategies. Development work has to become a permanent part

of the academic library's operations. As funding is cut and belts are tightened, libraries must actively seek other sources. There are many financial opportunities out there for the proactive library, now is not the time to shy away.

Education will be crucial in developing a new crop of fundraising savvy librarians. Either through the establishment of formal training within library schools or seeking out professional development programs through associations such as the Council for Advancement and Support of Education. It is not longer and option to shirk the responsibility of fundraising to the institution's central development office. Library directors and staff must work closely with the development office to establish and maintain giving priorities. And to identify, cultivate, solicit, and steward donors. The library must be its own greatest advocate.

GLOSSARY

Words To Fundraise By

Annual Fund

A yearly fundraising program that seeks to generate private donations. Typically, annual fund campaigns are used to generate smaller, more frequent unrestricted gifts.

Capital Campaign

A campaign to raise a significant amount of money in a set amount of time. Capital campaigns are typically a concentrated fundraising plan to raise funds for new academic, residential, or recreational facilities, major renovations and repairs, new academic projects, equipment acquisition, and building endowments for the future.

Donor

An individual, business or foundation who offers their support to the institution through a gift.

Endowment

An endowment fund is a fund in which the principal is invested, and only a portion of the investment earnings are spent. The remaining earnings are directed back into the investment, so that the endowment continues to grow over time. Endowments may be either restricted or unrestricted.

Gift

A contribution or donation to the institution. Gifts can be both monetary and non-monetary. A gift is different from a pledge in that the funds have been received.

Gifts-In-Kind

A non-monetary donation. For example, a rare book collection or a set of antique maps.

Planned Giving

Gifts made through careful planning, negotiation and counsel. Planned gifts can be bequests of money, estate, gifts-in-kind, or life insurance policies.

Pledge

An expressed commitment to give a certain amount to the institution. This is different from a gift in that the funds have yet to be received.

GLOSSARY

Words To Fundraise By (con't)

Restricted Funds

A gift that is designated to a specific area by the donor. For example, to build the Asian-Canadian history collection.

Stewardship

The responsibility of the institution to ensure that the gifts received are used as intended by the donor. It is also crucial to let the donor or family know how the gift was used and the impact of the gift.

Unrestricted Funds

A gift that is not designated to a specific area within the institution. The institution is free to direct this money to areas of most need.

RESOURCES

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- ⁶ Lorenzen, Michael. "Fund Raising for Academic Libraries: What Works, what Doesn't?" *Library Philosophy and Practice* (2010).
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- ⁸ Ibid.
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- ¹⁰ Reid, Michele. "Building and Academic Library Fundraising Program "From Scratch."" *The Bottom Line: Managing Library Finances* 23.2 (2010): 54.
- ¹¹ Leonhardt, Thomas Wilburn. "Key Donor Cultivation: Building for the Future." *Journal of Library Administration* 51.2 (2011): 200.
- ¹² Danneker, "Panacea or double-edged sword?," 9.
- ¹³ Wedgeworth, Robert. "Donor Relations As Public Relations," 535.
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- ¹⁵ Danneker, "Panacea or double-edged sword?"
- ¹⁶ Steele and Elder, *Becoming a Fundraiser*.
- ¹⁷ Stevens, Roberta. "With a Little Help From Our Friends." *American Libraries* 41.10 (2010): 4.
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- ¹⁹ Danneker, "Panacea or double-edged sword?," 7.