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Fund-Raising Frenzy

The race is on to hire workers who can solicit big gifts

By Holly Hall

Kay Malone started her new job as director of major gifts at the American Farmland Trust, in Washington, just last month. But two executive recruiters have already been in touch with her to see if she would apply for a similar job at other charities.

"I knew the market was tight for major-gifts people, but not this tight," says Ms. Malone, who adds that in her former work as a fund-raising consultant she rarely heard from recruiters. She isn't ready for another position, and says she was "stunned" by the pitches.

The demand for people with a track record of securing big gifts from individuals has reached such a fever pitch that those fund raisers are commanding top salaries, benefits, and incentives such as signing bonuses, employment contracts, and other rewards.

While that's good for fund raisers personally, it is increasingly problematic for the nonprofit organizations trying to hire them.

The intense competition has led to expensive, time-consuming searches that can take up to a year, high turnover among fund raisers who are being aggressively courted, and escalating salaries that many charities simply cannot afford. As a result, some nonprofit groups are hiring inexperienced or unqualified fund raisers out of desperation.

The shortage of seasoned big-gift fund raisers is a "raging national crisis," says Scott Nichols, vice president for development at Boston University.

"Every place is expanding and thinking of raising more money. Everybody wants experienced fund raisers, and the only place you will find them is in another shop that is probably also expanding."

counsel in advancement



Staffing Problems

The most pressing challenge fund raisers now face is "staffing issues in the development office," according to an annual survey of 400 development officers released in March by the Association of Fundraising Professionals. It was the first time in the six years the survey has been conducted that hiring problems took precedence over external challenges, such as the economy or competition for donors.

Veteran fund raisers fear the shortage will not only make it hard for organizations to achieve their fund-raising goals, but could ultimately damage long-term efforts to solicit the wealthy.

"People going into major gifts know so little about major gifts and about fund raising," says Abbie von Schlegell, a Williamstown, Mass., fund-raising consultant. She recalls seeing a recent advertisement by a cultural institution seeking a big-gift fund raiser with two years of experience in fund raising or related work such as sales. "These people do not understand what donors' motivations are," says Ms. von Schlegell. "Donor relations can be hurt."

Growing Ambitions

The shortage of fund raisers reflects the growing ambitions and fast-paced expansion of the nonprofit world, as well as the growing number of affluent Americans whom fund raisers hope to tap for aid.

Many organizations are placing new emphasis on seeking big gifts from individuals, instead of special events, direct mail, or other more-costly ways to raise money. At the same time, more and more big charities nationwide are running or planning campaigns to raise \$1-billion or more, and several are scrambling to hire 50, 100, or more experienced major- and planned-gift officers over the next few years to meet their goals.

In the highly competitive hiring market, many charities have concluded that traditional recruitment methods are no longer enough to lure experienced fund raisers to their organizations.

"We get almost no applications in response to advertising, and what we do get are not at the level we want to see," says Carol Blanton, an adviser to the Nature Conservancy, now planning its second campaign to raise more than \$1-billion. "We've really had to step back and look at recruiting," she says. "We cannot just sit around and wait for smart, capable people to knock on our door."

The Nature Conservancy, like a growing number of organizations, has hired a recruiter who works full time in its development office to obtain referrals and reach out to desirable candidates. In addition to hiring recruiters, many institutions are also producing special development



brochures, Web sites, newsletters, and other marketing materials — all aimed at competing against other charities in attracting qualified people to seek big gifts.

Among the other tactics groups are using:

- The University of Rochester, now halfway through a three-year push to hire more than 80 new fund raisers, has embellished its recruiting Web site with an "Imagine Yourself Here" video, a "Meet Our Team" introduction to key development staff members, and even an online "Office Tour."
- The University of Michigan, which has three people on its development staff dedicated to recruiting fund raisers, publishes a quarterly "Choose Michigan" recruiting newsletter. It is sent to 5,000 recipients, including alumni who work in nonprofit settings and new employees who may know qualified fund raisers at other organizations.
- The University of Maryland has placed booths at six conferences held by the Council for Advancement and Support of Education, the Association of Fundraising Professionals, and other professional associations. The university has been using the booths since December, when it hired Jana Goffe to become its first talent-acquisition and staffing manager.

"I get good leads there," she says. "I consider this very worthwhile and will continue to do it."

Fierce Competition

Many recruiters and development officers say that colleges — which face the fiercest competition for fund raisers — are wise to take an energetic approach, and other types of charities should emulate their recruiting methods.

But some fund raisers, particularly those trying to retain their own staff members, regard the recruiting booths, mass mailings, and other such tactics as overly aggressive.

"I have a letter from someone representing the University of Rochester, and a lot of my staff got it," says Mr. Nichols, Boston University's chief fund raiser. "They are totally aggressive. Your good people are identified and targeted. It is a predatory environment."

University of Rochester officials defend their recruiting methods. "We are adding staff like many other universities, and it is a really tough market," says Jonathan Schwartz, senior associate vice president for advancement. "I don't think what we are doing is unusual compared to what many other institutions are doing to hire experienced fund raisers."

Still, the Council for Advancement and Support of Education has received complaints from chief development officers who say they no longer want to send fund raisers to the organization's



conferences for fear they will be recruited away, according to the council's president, John Lippincott.

"It is a bit of a dilemma. We have a responsibility to both the institution doing the recruiting and the ones concerned about their staffs being recruited away," he says.

The council's board, he adds, is expected to take up the issue at its next meeting, in November.

Few Candidates

With colleges and other big charities aggressively recruiting the most experienced fund raisers, many smaller nonprofit groups are left with few candidates to seek big gifts.

Because the University of Rochester is hiring dozens of fund raisers, "my hair is grayer now," says Henry R. Maly, a Ponte Vedra, Fla., executive recruiter who is seeking a fund raiser in the same city for an environmental group.

Professional recruiters like Mr. Maly say searches that formerly required 100 calls to identify two or three qualified candidates for major-gift positions are now taking much longer and as many as 500 or 600 calls.

"We do not get return calls like we used to because people are deluged," says Lynda McKay, director of executive search at Campbell & Company, a Chicago consulting firm. "They will return your call if it is a really enticing job or they are really unhappy."

In Washington, the Corporation for Enterprise Development, which works to expand opportunities for low-income Americans nationwide, searched in vain for more than six months to find an experienced person to raise big gifts from individuals.

The charity finally hired a fund raiser who had worked to secure smaller annual gifts for another organization, but that person turned out to be ill suited to the position and was let go after a few months. The organization has put its search on hold and is now paying a consultant to focus on big gifts.

"This is a good way for us to keep momentum going, but it will not work indefinitely," says Anne Li, the charity's development director. She says she hopes that working with the consultant will help her figure out how to better structure the major-gift fund raiser's job and to identify essential skills and qualifications.



Multiple Offers

One reason it is so difficult for smaller charities to find major-gift officers is that those with five years of experience or more can pick and choose among multiple offers, increasing turnover and salaries.

While some surveys have found that such fund raisers tend to stay in their jobs longer than their more junior peers, many recruiters say that large numbers of major-gift officers still leave positions after less than three years, often for better-paying jobs even though their performance leaves much to be desired.

Boston University's Mr. Nichols says that during his long career, which included a 20-year stint at Harvard Law School, he has fired many major-gift officers because they failed to meet goals or had other poor work habits. Nevertheless, he says, he can recall half a dozen of those same fund raisers who quickly landed higher-ranking development jobs at different institutions.

"One of the big backlashes of all this is that the competent and incompetent tend to rise equally fast," says Mr. Nichols.

Pay Problems

Rising salaries are adding to the problems for small charities: Organizations unable to offer salaries in the \$100,000 range — or higher — are often finding it hard to compete for big-gift fund raisers.

Many nonprofit organizations want to pay \$80,000 to \$90,000 for a director of major gifts, says Ms. McKay, the Chicago recruiter.

"They do not want to start at the top of the range, but numerous times they have to get permission to go above that," she says, because they can't find qualified applicants otherwise. She points to one recent search that was difficult to fill, for a major-gifts director at a national charity that paid \$95,000. At the same time, Ms. McKay says, she was working on a search for a comparable major-gift position in the same city that paid \$150,000 to \$200,000.

Increasingly, the best fund raisers are winning substantial increases in job searches that pit organizations against one another in dueling job offers.

"We are seeing a lot of counteroffers now," says Richard A. Murray, an Indio, Calif., executive recruiter who specializes in development searches.

Mr. Murray recalls one recent situation in which a fund raiser making a salary of \$95,000 at a California medical school was recruited by another university in the Pacific Northwest.



But the fund raiser agreed to stay after his organization decided to match the other university's offer of \$120,000, which was a 26-percent jump over his current salary.

"This is a huge increase to stay in the same job," Mr. Murray says.

In other cases, newly hired fund raisers have been recruited away before their first day on the job, says Ms. McKay. She says that one charity in just such a jam called her recently to conduct a search, after the fund raiser it had just hired got a more attractive offer at the last minute.

"They are doing multiple interviews and then they get a better offer," she says.

"The search isn't over until they start working."

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