

## **Understanding the role of fundraising in philanthropy**

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### **Abstract (as submitted to conference organisers)**

Drawing on Ostrander & Schervish's (1990) conceptualisation of philanthropy as a social relation in which philanthropy is a dynamic two sided relationship, this paper looks at the role fundraisers play in shaping and directing the philanthropic process.

Fundraising has become a professional field of practice with a corresponding growth in fundraising management literature (Sargeant & Shang 2010). Techniques have become more sophisticated as research increases understanding of how philanthropists' giving decisions are shaped by their social values, moral conceptions and emotional needs. More fundraisers now practice what Ostrander (2007) terms "donor-centred" fundraising as fundraisers focus on developing communications and relationships that will appeal to what they believe will best meet philanthropists' interests and needs. Fundraising is the "servant of philanthropy" (Tempel, 2003).

This view of fundraising has led to a growth in professional fundraising teams who have become to a large extent philanthropists' primary engagement with recipient groups. Donors have little or no direct interaction with the people to whom their giving is directed and aims to serve. The result is the reliance of some civil society groups, especially charities and non-profit organisations, on fundraisers to define and interpret their view of social justice and transformation to philanthropists and to negotiate funding for these programmes on their behalf. Yet there has been little research into how these negotiations take place and how they shape the nature of the interventions that these gifts support. Schervish (2007) notes that far more empirical research and evidence is needed to understand and support the outcomes of the interactions between philanthropists and those within recipient groups responsible for communicating their need and mission. There is even less understanding of how fundraisers themselves frame the narrative of social justice for philanthropists and the ways in which this framing compares with recipient groups' and donors ideas of the term.

This paper comprises two sections. First, a review of the literature will extrapolate current conceptions of fundraising and the ways in which they relate to understandings of the philanthropic process. Secondly, expanding on Ostrander & Schervish's (1990) conception of philanthropy as a dynamic two-way social relation, I will propose a framework to understand how fundraisers influence and shape the philanthropic process.

I conclude that philanthropy is inextricably shaped by the fundraising profession beyond the mere communication of need and mission. It is shaped through relationships with fundraisers who are themselves social beings whose perceptions of social justice and transformation are moulded by their own moral frameworks

which must be understood if both fundraising and philanthropy are to become more effective.

## **1. Introduction**

“The UK is a generous country: the giving of time and money to help good causes is a normal part of everyday life” (Breeze, 2014, p. 5) Indeed, it is estimated that 8 in 10 people participated in some sort of charitable activity during 2014, with the vast majority (64%) doing so by donating money to charity (CAF, 2015, p. 5) Data from the Institute of Fundraising indicates that voluntary donations generated through various forms of fundraising activity makes up almost half of the UK charitable sector’s income (IoF, 2013). These figures identify fundraised income and, thus, the task of fundraising as greatly important to the sector and good causes generally in the UK. Yet, apart from a rather comprehensive collection of fundraising management and “how to” literature, there is a general absence of fundraising and fundraisers in other literature on the sector and giving. This is particularly so within the sociological disciplines where fundraisers and fundraising are difficult to locate (to the extent of even being invisible) within the historical and contemporary literature, which tends to focus on those who give rather than those who ask. As this paper will outline, where data on the charity sector is available the role of fundraiser is not recorded. Furthermore, fundraising is not listed as a distinct and identifiable item of expenditure in most charity accounts. This could be attributed to the lack of clarity about what fundraising actually entails and what its wider purpose or even value is or should be. However, I suggest that the explanation may go deeper than this – that fundraisers may play a 'gatekeeping' role between potential donors and beneficiary organisations – a role that, due to its nature, is inherently difficult to define and pin down.

This paper will, however, attempt to begin do so. In the first instance, in re-examining the existing data and literature I will extrapolate current conceptions of fundraising and the ways in which they relate to understandings of charitable giving. Secondly, expanding on Ostrander & Schervish’s (1990) conception of philanthropy as a dynamic two-way social relation between individuals and organisations, I will propose a sociological framework to understand how fundraisers influence and shape the philanthropic process.

## **2. The Problem of Locating and Defining Fundraising**

### **• History of Fundraising**

Fundraising is certainly not new practice. In spite of this, there appears to be little written about its history and development apart from a chapter or two in the fundraising management literature. The most comprehensive of these is by Sargeant & Jay (2014) who draw on a number of resources to develop a short but insightful history of fundraising that begins to place the practice into context. There is, according to Sargeant & Jay (2014), evidence that fundraising has taken place in some form since antiquity – as long as there has been a need to secure money to complete work or tasks for the public or common good, as well as alleviate the suffering of those who cannot do so for themselves. Earliest records link fundraising to religious and faith-based initiatives, from the building of cathedrals to providing alms for the poor, where there are recorded instances of fundraisers soliciting gifts primarily from the wealthy. Sargeant & Jay (2014) use the fundraising campaign for Troyes cathedral as example to illustrate from whom

money was raised “by [a] volunteer committee supported by professional fundraisers” (p.3). Donation sources appear to be fairly similar to those of today – appeals (presumably public appeals), legacies, citizens (presumably the general public), big gifts (major donors) and other (all those types of gifts no fundraiser really knows how to categorize!!). Other sources indicate a use of community fundraising techniques such as “fundraising in schools, house-to-house and street collection, community fundraising and even jumble sales” alongside now outdated approaches such as “the now infamous ‘indulgences’”, as Sargeant & Jay put it (Ibid.)

Even with the institution of charity law in the seventeenth century, Sargeant & Jay (2014) find that fundraising and modes of giving remain fairly static until the beginning of the twentieth century. Up to this point, although fundraising had started to emerge as a serious profession from about the mid-eighteenth century, fundraising had focussed primarily on soliciting gifts from the few relatively wealthy individuals in each society. However, it is at the turn of the twentieth century that Sargeant & Jay (2014) suggest with changes in “the structure of society and the pattern of wealth distribution”, that modern day fundraising began to develop (p.8). This period saw the emergence of a number of very wealthy philanthropists, including Andrew Carnegie, J.D. Rockefeller and Joseph Rowntree whose more strategic and formal approach to philanthropy led to the establishment of trusts and foundations as an acceptable and popular mode of giving. Fundraisers were now able “to look to this new class of organization for support and the genre of the trust/ foundation fundraiser was born” (Sargeant & Jay, 2014, p. 9). The authors also note that the trust/ foundation also provided a means for more tax-effective giving and also gave the donor the option of choosing how directly involved in managing his/ her giving they would be. Giving decisions could now be reduced to a once a year task and could also be quite “satisfactorily left to administrators” (Ibid.).

It is perhaps this formalising of giving into a codified set of practices by wealthy donors coupled with the placing of charitable practice into law that marks the beginning of the distancing of the philanthropist from the recipient. It becomes trust administrators and those within formal charitable groups responsible for fundraising who have the conversation on behalf of the donor and the recipient organisation about what funding and support is needed and how it should be spent. The recipient becomes a passive receiver of a gift from an individual he/she is unlikely to ever meet, let alone build a direct relationship with. Trust administrators and fundraising staff become gatekeepers on behalf of their organisations, facilitating access to and interpreting needs and desires of the donor and recipient to the other, without the need for either to engage directly in negotiations; and without acknowledging the role of either the administrator or fundraiser.

At a similar time, Sargeant & Jay (2014) claim that one individual, Charles Sumner Ward, was particularly influential in establishing the notion of the mass capital appeal campaign. Many of the techniques and ideas that underpin modern day fundraising campaigns were first used by Ward in the USA in the early 1900's and then imported to the UK with great success according to Sargeant & Jay (2014). These include a time limited campaign with a clear target that is

widely publicised within the media; is well prepared for; includes the support of key figures in the community; and started off with the securing of one or two large seed donations from well-known wealthy individuals within the community, whose gifts along with the cause become the focus of the campaign. Ward's techniques were developed further during WWI which saw a proliferation in the number of charities and a move towards using advertising and mass participation events such as flag and flower days to secure a large number of smaller donations from the wider public. These ideas were built on throughout the 40's, 50's and 60's as donor stewardship techniques were developed and improved. As computer technology advanced in the 70's and 80's, fundraisers could begin to amass the details of a large number of donors and begin to produce mass mailings. It is at this stage that Sargeant & Jay (2014) note that charities and fundraisers began to "embrace the methods [marketing concepts and strategies] of the commercial marketplace" (p.14).

Sargeant & Jay (2014) are fairly positive about these developments saying that charities are now able to simulate one-to-one relationships with donors or "*silicon simulacrum* of the relationships that individuals might once have had with their butcher or baker" (p. 14). Fundraisers and marketing professionals can now produce tailored, individual marketing communications and fundraising products and asks that many believe are beginning to allow charities to make donors feel like they are building one-to-one relationships with the charity of their choice. For those advocates of the fundraising profession, this is a positive development that will allow charities to widen and better service their giving constituency (Ibid & Nichols, 2004). Others are somewhat more sceptical of this widespread and uncritical adoption of commercial marketing techniques. They argue that the adoption of these techniques are changing and even damaging the relationships between charity and their donor publics. By turning charitable giving into a process of merely setting up a direct debit or responding to a mass postal or email appeal, charities are inadvertently creating greater distance between the donor and the recipient (Ibid; Nickel & Eikenberry, 2009 & Daly, 2011). In this assessment of fundraising, once again, it is the fundraiser who controls and designs messages donors receives, as well as the access recipients have to each donor themselves, thus facilitating and mediating the relationship between philanthropist and beneficiary.

- **Fundraising as a charitable practice**

Sargeant & Jay (2014) note that in the UK "a charity is a distinctive legal form of organization that has a series of tax advantages enshrined in the law." (p. 2) However, whilst the state has had a long interest in the role of charity and charitable giving, as well as fundraising, it wasn't until Elizabeth I's reign that the law became concerned with actually defining what causes could be considered charitable and, thus, deserving of charitable donations in the 1601 Charitable Uses Act. This law was significant for many reasons, but largely because for the first time it made trustees and officials of charitable organisations accountable to the public for spending, especially to those members of the public who had chosen to endow or invest in such causes, thereby establishing "The Bond of Trust", that carries through to modern day charity legislation (IoF, 2010, p. 13). In addition the law made and still makes it very clear that all the activities of a charity or trust must be of benefit to those groups outlined in the organisation's

charitable objects. The onus is on the charity to prove public benefit or common good and be accountable to the law of the day and their donors in this regard. Any fundraising that takes place in order to secure an income for any charity, does so within this framework - i.e. although fundraising delivers indirect benefit as it only generates extra income for the charity, it is an acceptable activity “if it is included within the trustees’ powers, and if it delivers more income to the beneficiaries than it costs to undertake” (Ibid). Current UK charity legislation comprises the Charities Act 2011, in which fundraising is addressed as a practice that exists in service of wider charitable activity. Whilst fundraising is currently subject to independent, self-regulation there is legal provision within the Act to bring in statutory regulation of fundraising if self-regulation by the sector fails.

Fundraising in the UK is, thus, firmly rooted by law within the institutional framework of the charitable or non-profit sector, and it is becoming increasingly difficult to legally practice fundraising outside of these parameters. This corresponds with the view of fundraising authors and practitioners such as Rosso (in Tempel, 2003) who firmly place the role and responsibility of fundraising within that of non-profit and charitable organizations which exist “for the purpose of responding to some facet of human or societal needs” (p.?). Rosso asserts that fundraising has no moral justification outside the formal cause or mission of the non-profit organization and its relationship to its donors: “Fundraising by itself and apart from the institution has no substance in the eyes and heart of the potential contributor” (Ibid). Both Sargeant & Shang (2010) and Sargeant & Jay (2014) go further, comprehensively outlining the nature and function of the charitable/ non-profit or “third” sector and the role of fundraising within in it. Even Ostrander & Schervish’s (1990) envisaging of philanthropy as a social relation firmly places the role of fundraising within organizations in the charitable or third sector.

- **Defining the UK Charitable Sector**

Even so, it would appear that it remains debatable as to what kind of and the number organisations make up the charitable sector and, thus, the extent of fundraising. In this paper, I draw on research and evidence from Charities Aid Foundation (CAF), the National Council for Voluntary Organisations (NCVO), the Institute of Fundraising (IoF) and various charity recruitment websites – each would appear to have a slightly different definition of what constitutes a charity, and therefore the exact size and nature of the sector. It is also variously described as the charitable sector, voluntary sector and/ or third sector. The Charity Commission defines a charity as an organization that has and carries out “wholly charitable purposes and activities”. Whilst the Commission goes on to state that “not all purposes, even those that may be beneficial or philanthropic, are necessarily charitable”, their definition of what constitutes charitable purposes are fairly wide ranging and include a number of different types of non-profit and civil society groups. (<http://charity-registration.com/why-form-a-charity/>). In addition, the Charity Commission includes only those charities that are registered in England and Wales. There is, thus, a difference in the number of organizations and income levels in NCVO’s data, whose data I have largely used here, and those of the Charity Commission (NCVO, 2014). According to the *NCVO Civil Society Almanac 2014*, there were 161,622 registered charities operating in the UK in 2011/12. These include charities registered in England, Wales, Scotland and Northern Ireland and meet what NCVO (2014) calls the “general charities”

definition that has been developed by the Office of National Statistics. This definition “excludes organisations that:

- are inactive, or subsidiaries of other organisations;
- belong elsewhere in civil society. These include housing associations, independent schools, government bodies, faith groups (whose main objective is the promotion of religion) and trade associations;
- have charitable status, but are not independent of government (NHS charities, the British Council etc” (Ibid.)

It would appear, even though no definitions are given on their webpages, that the IoF, CAF and charity recruitment websites include a similar range of organisations in their data and memberships. It is, thus, the NCVO’s definition of charity that is implied throughout this paper, given that it appears to be the most widely used.

### • **So who are the fundraisers?**

Overall NCVO estimates that charities spend about £4.3billion (11% of their income) on generating income. This includes £1billion on generating voluntary income or fundraising, £2.9billion on fundraising trading costs (gross fees for goods and services provided to generate funds) and £368million on managing investments. Micro, small and medium organisations generally spend less on generating income, whilst larger organisations tend to spend a much larger proportion of their income on generating more funding (an average of 12-14% of overall income).

In spite of the large amounts of money that appear to be spent on income generation, it has been very difficult to establish who fundraisers are and what exactly they do from the data available. The fundraising management texts and data tend to focus on the charitable sector as a whole or on fundraising methods and income. According to the *NCVO Civil Society Almanac 2014*, the voluntary sector employs about 800,000 people. There are apparently around 31,000 paid fundraisers in the UK (unpublished NCVO data) and an unknown number of volunteer fundraisers, as this data just doesn’t seem to be available. This would, however, indicate that fundraisers may make up 3.9% of the voluntary sector’s workforce. But it is difficult to locate fundraisers in the data on the sector – they almost disappear. Even the *UK Voluntary Sector Almanac 2013* does not have a distinct fundraising category. Presumably, given the number of different types of fundraising practice, fundraising roles are conglomerated into sections such as marketing and sales managers; officers in non-government organisations; and general office assistants or clerks. However, we can begin to get an idea of the distribution and number of fundraising staff from various sources such as the IoF’s *Fundraising Index 2013* (see Table 5.); though these sets of data are by no means complete and include very small samples and datasets (the *Index* relies on data from only 351 organisations).

What has also become clear, is that there is no one type of fundraising and, thus, no one set of fundraising skills and attributes. Each fundraising practice requires a different set of skills, training and personal attributes. Texts on different fundraising techniques and approaches, such as those by Sargeant & Jay (2014) and Sargeant & Shang (2010) quoted in this paper, and a quick perusal of job descriptions on charity recruitment sites hint at the skill sets and attributes required, but these do not seem to be explored in much detail anywhere else. The salaries that fundraisers command seem to indicate that their skill set is

highly desirable, with salaries being on a par with other highly skilled workers within the sector (Harris Hill Salary Survey 2014-2015). However, there appears to be very little understanding or research into who fundraisers are, what their backgrounds are and certainly not on what they think of and how they construct and manage narratives around their practice, philanthropy and charity in general.

Table 5: Income and no. of staff by fundraising specialism

<b>Fundraising Method</b>	<b>Amount Raised</b>	<b>No. of staff</b>	<b>% staff cost</b>
Legacy	£604,332,802.00	176	42.7%
Regular & other individual giving	£544,140,389.00	351	9.3%
Community fundraising*	£299,798,479.00	1,431	38.6%
Statutory Grants	£212,174,191.00	49	89.8%
Corporate and employee fundraising	£113,614,508.00	326	64.6%
Major donors	£61,548,121.00	248	50.0%
Trusts & National Lottery	£58,557,786.00	156	84.2%
Disaster appeals			0.7%
Other sources*	£44,476,469.00	221	32.4%

*Source: adapted from IoF Fundraising Index 2013*

In this section I have sought to locate fundraising and fundraising practice within existing charity data sources and fundraising management literature. In doing so, I have identified the practice as being firmly rooted within the organisations within the charitable sector, which is formally governed by law within the UK. In addition, I have identified how the increasing professionalization and differentiation of fundraising techniques and approaches has led not only to an increasing distancing of the donor from the recipient, but also the hiding or disappearance of the fundraising role within the data and literature. This serves to give the impression that the philanthropic process consists primarily of a direct relationship between donor and recipient or, at the very least recipient organisation, where charitable giving is motivated and driven by the donor's own motivations and moral identity in conjunction with the expression of need by the recipient. However, given that organisations consist of individuals who specialise in specific practices, this cannot be the case. I suggest that this results in the fundraiser acting as an invisible facilitator of charitable giving. In order to explore this further, in the next section I will attempt to define what constitutes fundraising with the view to developing a framework with which to investigate the nature of fundraising and fundraisers and the impact they have on the philanthropic process.

### **3. The problem of defining fundraising**

As noted above, I conclude that much of the philanthropy and charity literature on income and resource generation, tends to focus on the relationships that are created or formed between the philanthropist (or philanthropic entity) and charitable organization or beneficiary group. These discussions often avoid considerations of how the very structure and professionalization of many charities result in the separation of the income and resource generation – i.e. fundraising - functions from that of the front-line services provided by each group. Whilst these latter functions



are certainly dependent on the resources generated by fundraising, it would appear that the role of the fundraiser(s) within the philanthropic relationship between charity and donor is largely ignored. Even within charity income and fundraising specific data, the role of fundraiser or revenue development is absent and appears to be subsumed into marketing and communications functions. Yet, the fundraising management literature would suggest that the fundraiser's role is central to the securing of revenue and management of "giving relationships" on behalf of the charity.

Thus, I propose that it is this fundraiser-philanthropist relationship that constitutes the primary relationship between charity and donor and that most of the other relationships that a philanthropist forms with the charity is mediated by the fundraiser(s), whether this be a formal or informal role within the organisation. As such, the fundraiser- philanthropist relationship requires far more attention and exploration than it is currently afforded within this literature. In this section, I will begin to define what fundraising is and the types of activities it encompasses.

Whilst it is easy to identify descriptions of what fundraisers do – i.e. the techniques and practices they employ – as well as many discussions about the perceived role of fundraisers within the fundraising management literature - it remains difficult to pin down a precise definition for 'fundraising' or 'fundraisers'. Where definitions do exist, they are either rather simplistically approached in terms of the outcome of the practice, i.e. the generation of income, or in rather moralistic terms in defense of the practice overall. For example, Sargeant & Shang (2010) prefer a definition from Hopkins (2001) that "takes fundraising to mean the generation of revenue for charitable purposes" (p. 34) The Institute of Fundraising (2010) defines fundraising as an activity "to raise the money that funds the service" (p. 41). Whilst these are useful for defining the potential purpose of fundraising activity, they do little to grapple with what fundraisers do and with whom and why. Other definitions take a more normative approach and attempt to define what fundraising should or should not be. Thus, Sargeant & Shang (2010) spend a great deal of time outlining the social role and responsibilities of fundraisers, as opposed to sales people, as does Rosso (in Tempel, 2003), where both equate fundraising to the moral or ultimately beneficial process of facilitating a donor's gift giving by providing specific opportunities to give and ensuring that gifts and donors are adequately looked after and cared for themselves.

*The NCVO Civil Society Almanac 2015* more usefully defines fundraising as activities that charities engage in with the aim of generating *voluntary income* from the public in the form of *donations* (<http://data.ncvo.org.uk/>). More specifically the NCVO 's definition includes the employment of professional fundraisers, the organization of events and contacting potential donors directly, etc. as activities included within the realm of fundraising. Whilst the primary purpose of this activity is still the generation of income, the specifying of these activities viewed together with the attempts by Sargeant & Shang (2010) and Rosso (2003) above to link the fundraising role with the act of gift giving in the form of donations, brings the donor or the individual who gives into the definition. Which suggests that fundraising or fundraisers should also be located in the philanthropy literature.



However, as noted above, whilst there is a recognition that a donor's philanthropic behavior is often prompted and guided by a request for funding or expression of need by a beneficiary group to a donor, the fundraiser or act of fundraising is not addressed explicitly in the literature. The act of gift giving is often described as an external expression of an internal, personal decision making process in response to a request for funding and/ or direct engagement with a recipients – it is primarily a private act. Thus, Schervish (1998, in Sulek 2010) contends that the philanthropic act is essentially a private response on the part of the donor to “a demand of unfulfilled needs and desires that are communicated by entreaty” or “an expressed need” on the part of the beneficiary (p.203). How this demand is made or need expressed is not explored or unpacked. However, fundraising management texts do tackle this question of how best to express or present this need and tend, as a result, to concentrate on identifying the most efficient means and techniques through which organizations can practically express this need to donors. The literature then focuses on the practicalities of needs expression through mechanisms such as fundraising events, applications, direct mail etc. Fundraising could, therefore, be described as the direct presentation or description of aspects of a beneficiary's need that is best met through a monetary gift or gift with some economic value to potential donors through specific activities such as those listed above.

However, a large part of the literature suggests and, indeed, the whole process of what Ostrander describes as donor-centred fundraising - where fundraisers focus on developing communications and relationships that will appeal to what they believe will best meet philanthropists' interests and needs - suggests the mere expression of need or presentation of the need to the donor is not enough in order to secure a gift. The organization/ fundraiser must be also able to articulate how that need can be met by the donor (i.e. through the donation), as well ask the donor to meet the need (i.e. through a specific appeal that is directed to the donor). In a paper exploring the potential drivers for altruistic behavior related to the rescue of Jews during WWII, Yaish & Varese (2001) propose that the asking or solicitation of help is as an important driver for altruistic behaviour, as is a salient personality or existing societal norms and moral expectations. They propose that it is a specific request directed at a specific individual that may serve to activate “a salient personality (or orientation) of the individual, whilst at the same time triggers a decision making process about the response (i.e. behavior) to this appeal” (p. 19). However, the solicitation of help functions only in combination with a salient personality (i.e. when presented to a person inclined to help), as well as the presentation of a situation in which help is needed. In their analysis, it is the actual request that provides an understanding of the situation and need to be met (i.e. articulation of beneficiary need), how that need can met by the person being asked (i.e. the matching of the donor's capacity to give and his/ her interests with that of the beneficiary) and the specific mechanism through which that need can be met (i.e. through a monetary gift or donation). Thus, if the donation of money or philanthropy is assumed to be an altruistic behaviour rather than a self-interested rational behavior (this is a wider debate that cannot be addressed here) that needs to be triggered and guided by an actual request for help, then fundraising could be described as a solicitation for help by means of a monetary gift through the direct articulation and presentation of the need to be met to a specific individual.

However, it is often expressed in the philanthropic literature, and is observed throughout this paper, that there is often a lack of direct engagement between donors and recipients (e.g. Edwards, 2013; Ostrander, 2007; Daly, 2011 & Schervish, 2007). In addition, this distance between donor and recipient is also assumed in fundraising texts that speak about how the non-profit organization acts as a mediator on behalf of beneficiary. The very fact that it would appear that the vast majority of donations and giving in the UK tends to be given to charitable organizations, speaks to the increasing separation of donor from recipient. I argue that this is not a new phenomenon – both philanthropic and fundraising literature, as well as that exploring charity – outline a long history of intermediary charitable and fundraising organizations. Thus, I agree with Krause (2014) in her exploration of how international relief organizations develop “good projects” as a means to present need and request funding from institutional donors, when she observes that “donors do not give directly to beneficiaries”, but rather to charitable organizations or non-profits. Krause is specifically referring to institutional donors, but does also observe that the non-profit also serves to facilitate giving by individuals to beneficiaries far away and with who they appear to have little connection. Thus, fundraising serves to make a request for help on behalf of beneficiaries that are in some way disconnected or distant from the donor. Thus, fundraising is described, for the purposes of this research, as **a solicitation for help by means of a monetary gift through the direct articulation and presentation of the need of distant beneficiary to a specific individual.**

Fundraisers are, thus, the individuals who do this on behalf of the charitable organization through the employment of various means and techniques. Fundraisers, therefore, seek to directly engage individuals external to the organization in order to establish a giving relationship that will meet the needs of both the organization’s beneficiaries, as well as those of the donor. Fundraising is, thus, a social relation. In the next section, I will begin to develop a, as yet incomplete, framework through which to approach fundraising as a social relation

#### **4. A social relations theory of fundraising?**

As noted, much of the philanthropy and charity literature tends to focus on the relationships that are created or formed between the philanthropist (or philanthropic entity) and charitable organisation or beneficiary group or charity. These discussions often avoid considerations of how the very structure and professionalization of many charities result in the separation of the income and resource generation – i.e. fundraising - functions from that of the front-line services provided by each group. Whilst these latter functions are certainly dependent on the resources generated by fundraising, it would appear that the role of the fundraiser(s) within the philanthropic relationship between charity and donor is largely ignored. This research proposes that it is this fundraiser-philanthropist relationship that constitutes the primary relationship between charity and donor and that most of the other relationships that a philanthropist forms with the charity is mediated by the fundraiser(s), whether this be a formal or informal role within the organisation. As such, the fundraiser-philanthropist relationship requires far more attention and exploration than it is currently afforded within this literature.

On the other hand, whilst the subject of most fundraising texts is indeed the relationship that is formed between fundraisers and philanthropists (e.g. Nichols,

2004; Sargeant & Shang, 2010), the focus is very much on how fundraisers are able to influence and shape a philanthropists' decision to give within the context of what the donor is seeking to gain from the relationship. The responsibility for the creation and upkeep of the relationship is placed very much within the fundraiser's purview within these texts – it is the fundraiser's responsibility to get to know the individual philanthropist and what he/she wants; to make the first approach; to design and guide communications with the donor etc. These relationships are always explored as if the philanthropist is “at a distance” from the fundraiser and even more so the eventual beneficiaries of his/ her gift. And to a large extent, this seems to be a situation that is desirable, where the fundraiser acts in part as a gatekeeper both for the charity and the philanthropist.

There is also a corresponding absence of discussion about the nature of this relationship and the power imbalances and inequities inherent in and created by the interactions between fundraisers and philanthropists. Whilst there is some discussion about the power relationships between charities and philanthropists in many texts, fundraising texts take a normative view on what the fundraiser-philanthropist relationship *should* facilitate (i.e. a financial gift, a sense of satisfaction for the donor, the education of the donor etc.) but do not critically explore the social nature of the relationships that are established between fundraiser and philanthropist. And there is an almost complete absence of any exploration of the relationships that are formed between fundraisers and the charity's they work for or even between fundraiser and fundraiser, let alone how interactions between these groups at the heart of the philanthropic process shape and mould power structures, entrench inequities or even challenge the status quo.

Ostrander & Schervish (1990), in developing their social relations of philanthropy theory do go some way to explore what they consider to be the essentially inequitable nature of the relationship between charity (“recipient” in the language of Ostrander & Schervish) and philanthropist. As Daly (2011) notes, “in conceiving philanthropy as a social relationship” Ostrander & Schervish provide a useful framework with which to explore and understand the ways in which the social position or location of each of the actor's within the philanthropic process shapes the agency of both the philanthropist and the charity to influence the nature and structure of the donor-charity relationship (p.1081). So whilst recognising that the nature of the philanthropic relationship is one of “donor ascendancy” due to “the general tendency...for donors to occupy positions that give them substantially more active choice than recipients about how to define the philanthropic transaction and how to take part in it”, Ostrander & Schervish's philanthropy as a social relation theory also provides a means to explore the particular agency and capacities of the charity to “shape the way philanthropy is organized” (1990, p. 70).

However, even though in their consideration of the various engagement strategies by both donors and charities, the mediated nature of the philanthropic relationship is implied, Ostrander & Schervish (1990) do not explicitly recognise the role of the fundraiser. This is largely because they conceive of recipients as whole organisations and, thus, do not consider the relationships within and structure of these groups themselves and the ways in which they determine how charities engage with philanthropists and, thus, have on the nature of the philanthropic relationship. In this light, Ostrander & Schervish's conclude that it is the strategies

that enable direct interaction and collaboration between the recipient organisation and philanthropist that best meets the needs of both recipient and philanthropist appear a little naïve or incomplete, in that it implies that recipient groups are made of a group of homogenous, like-minded people and that there are not corresponding issues of “power and control over resources” within and between recipient groups as well (Daly, 2011, p. 1081).

Writing almost two decades later, Ostrander (2007) goes some way to acknowledging the essentially mediated nature of the philanthropic relationship. When exploring the difference between and implications of donor-centred and donor-controlled philanthropic interactions, she does recognise the role of the fundraiser in shaping donor-centred relationships in particular. However, the fundraising role and corresponding relationship between fundraiser and philanthropist is not considered in depth, and the position of the fundraiser within the recipient group’s structure is certainly not explored. In fact, Ostrander (2007) puts forward the donor-centred relationship as the most likely to reduce the inherent inequities in philanthropic relationships by promoting direct interaction between philanthropist and recipient. But her assessment fails to recognise the “gatekeeper” function that the fundraising role can and often does perform within a charitable organisation and the distance this creates between the donor and ultimate beneficiary, which Ostrander (2007) considers limits the potential of philanthropy to meet the true needs of recipients. Also writing later, Schervish (2007) is no longer as concerned about creating a direct relationship between donor and recipient. He contends that as long as philanthropy is meeting the need of recipient groups, direct involvement from the donor with the recipient is not necessarily required. However, Schervish (2007) too does not explore how and in what ways the relationship shift to fundraiser-philanthropist has on a charity’s or even a philanthropist’s ability to meet the true, rather than expressed and mediated need of the recipient.

In spite of the above, viewing philanthropy through a social relations lens does, as Daly (2011) notes, provide a framework through which to challenge “assumptions about how philanthropic relationships are, or should be, organized. It prompts us to ask fundamental questions about how the way in which philanthropic relationships are organized affects the purpose of philanthropy; the public benefit it serves; the accountability of philanthropic activity, not just to the regulators but to the *publics* it serves and whether it enhances democracy and social change.” (p. 1082) However, in order to be effective an investigative framework needs to enable a consideration of the whole of Daly’s (2011) “philanthropic environment” and the relationships that are created and implicated within the creation and management of that between philanthropist and recipient, which is in most cases the charitable organisation. Thus, whilst, Ostrander & Schervish (1990) usefully draw on Giddens’ structuration theory to develop their conceptualisation of philanthropy as a social relation, where “social structure both creates and is created by human action and choices in an iterative process” (p. 70), this approach perhaps places too much emphasis on agency of the individual, and does not adequately account for the power and constraint of existing structures on this ability (Jones, 2011 & Popora, 1998). As noted above, Ostrander & Schervish’s (1990) philanthropy as a social relation theory, with its focus on individual relationships and interactions, does not consider the fragmented and bureaucratic structure of charitable groups and the charitable sector in general, where front-line delivery services are separated from the fundraising functions of the

charity and the ways in which that structure shapes how recipients communicate and engage internally and externally.

As charities seek to become more efficient and are seeking ways to “monitor and improve” both their services and ability to fund them from a myriad of sources, they take on more of the language and practices of the donors, businesses and bureaucracies that provide the resources they need. Thus, recipient organisations are shaped, in many ways, by the same forces as capitalist businesses and bureaucracies in the pursuit of “efficiency, calculability and predictability” (Jones, 2011, p. 94) resulting in the internal fragmentation of functions and roles within each charity. This further separates the donor from the recipient, as specialised fundraising departments focus on income generation and developing the messages and relationships that will generate income, whilst administrative teams provide back office support and various other different groups focus on the front-line functions which deliver services to beneficiaries. In many ways, the charitable sector (including donors and philanthropists) is at risk of beginning to resemble Bauman’s blind bureaucracy “in which ‘a multitude of minute acts and inconsequential actors’ stand between the actor and the outcome of their action, which creates distance between ‘the intentions and practical accomplishments’, and it is this distance which allows the agents to avoid direct knowledge of the consequences of their actions (Bauman, 1989: 25)” (Jones, 2011, p. 102). This awareness can be seen in discussions about the dilution of a charity’s mission – “mission creep” – as it communicates recipients’ needs up through the layers within a charity to the fundraising teams who further change and dilute the message in order to attract, engage with and communicate complex issues and concepts to donors and philanthropists, who have their own interpretations and conceptions of the issues at hand. It can also be seen in concerns expressed by donors who seek to re-create direct relationships with recipient groups and papers such as those by Daly (2011), Ostrander & Schervish (1990) and Ostrander (2007). Fundraisers are, therefore, influenced and shaped by the structures, mission narratives and language of the charitable organisations for whom they seek funding for, but are also actively involved in shaping those narratives in a way that is moulded by the increasingly professionalised and business-like practices that are being employed by both the fundraising profession and charities as a whole.

Given that this research focusses largely on the philanthropist-fundraiser within the context of a charitable organisation, it is important that a framework for considering the many dimensions of this relationship and the interactions it encompasses be included. However, the philanthropic relationship is just one of network of relationships that form the structure of Daly’s philanthropic environment and what that structure looks like and what kind of relationships are desirable is influenced and shaped by the conjunction of discourses and practices employed by various actors within that environment or field. Thus, this research will focus on answering the following questions:

1. How do fundraisers navigate the space between beneficiary need and donor resources within charitable organizations when engaging in the solicitation of financial help?

2. In doing so what techniques and practices to fundraisers engage in to manage this process?
3. In what ways are fundraisers constrained or enabled by the structures and other processes within charitable organizations and vice versa?

In answering these, I hope to develop a more comprehensive, field-level approach that will capture both the complex nature of and role of fundraising in shaping philanthropic practice beyond that a dyadic, micro-level relationship between philanthropist and recipient (Barman, 2007).

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