

First America, then the world

A non-profit, charitable organization located outside the United States with an interest in taking its fundraising global may want to look at using the US market as a first step. Why?



Well, America's philanthropic market combines several features that make it a welcoming culture for new ideas. Griet Dehandschutter explains...

If your organization espouses a big idea, cure or solution to an urgent global problem, Americans may be willing to engage more quickly in your cause than citizens, corporations or foundations in other countries. Americans like to act quickly and they are generous. Very generous. In 2008, they gave away more than US\$308 billion (Giving USA, 2009). The lion's share was given by individuals (82% including bequests), followed by foundations (13%) and corporations (5%).

America has a well-established philanthropic culture, grounded in a deeply engrained pioneer belief in self-reliance as well as in separation of church and state, which are the institutions in most countries that control philanthropy. Americans nurture leadership and vision from early childhood on, resulting in a philanthropic climate that welcomes new ideas and is willing to embrace exciting visions, if backed up by sound leadership.

But do Americans support overseas causes?

In 2007 American foundations gave more than US\$1.9 billion directly to overseas recipients (International Grantmaking IV, Foundation Center, 2008). This was part of their \$5.4 billion giving to all international causes in 2007. International giving grew at a rate of nearly 50% between 2002 and 2007 – faster than overall giving in the same period. So it is safe to say that Americans give internationally. The Gates Foundation, which accounted for about 50% of the increase in international giving, has set an example of global giving. But global giving is not limited to Gates. Several new foundations such as the Skoll Foundation or the Gordon and Betty Moore Foundation have an international outlook and welcome overseas ideas. Corporate foundations too have increased their international giving, mostly in response to natural and humanitarian disasters around the world. Foundations are simply one indicator that American individuals, foundations and corporations have an increasingly international outlook.

As the above data demonstrates, the US philanthropic market offers more transparency than most markets, allowing thorough research of most donor prospects. This availability of data often baffles non-Americans and, in turn, the power of research is often underestimated. US foundation data are publicly available. Careful analysis of foundations' annual tax returns ("Form 990" (researchable for free at www.GuideStar.com) reveal a lot of information on actual giving patterns, which are often at odds with what the foundations "say" they are interested in.

If you can contend in this very competitive market - with over 1 million non-profits and over 100,000 private foundations - you can probably make it anywhere. The US requires a high degree of professionalism. Adopting high standards will help accelerate your fundraising in your home country and other parts of the world. Gaining access to US foundations, corporate or private donations can generate excitement internally in your organization and among your Board members. International networking contacts, essential for all types of fundraising, will generate added benefits to your organization beyond cash income. Once you are successful in America, your organization can leverage these US successes abroad. Receiving support in the US, especially from major private donors, corporations or well known foundations, is a strong platform for fundraising worldwide.

Do you have to be big to enter the US philanthropic market?

Not necessarily. Young non-profits with a big idea can gain traction in the US. But it does require a focused, high-level approach. An organization needs to be able to dedicate time and sustained efforts for at least 18 months before expecting to see a return on the investment. US fundraising should only be undertaken as a supplement to your local fundraising efforts. Strong local or regional support will enhance your credibility with US donors. Lack of support at home will be a liability.

The key to success is to find someone who can help you open a door to any of the three sources: individuals, foundations and corporations. Merely identifying whom to approach is insufficient. You must build a connection to a prospective donor. It is not wise to simply send in applications to foundations before having an entry path. This is the essential and time-consuming step that many overseas organizations do not recognize. High-level networking is a vital ingredient for success.

Once you have access, the next hurdle is a proper case statement formulated from a US perspective. Developing clear and brief messages, in a case statement along with project descriptions, is often challenging for organizations that take their position or mission for granted. If you want to make your case in the US, you need to keep the US donor perspective in mind. You will need to anticipate and respond to US concerns and interests, and present your organization in a global context. This exercise – a communication exercise in fact – is enormously valuable, with benefits beyond fundraising. As US donors desire short, crisp messages in English, these messages can often be useful in presenting your organization's case to potential funders outside the US.

You do not have to be big to be global. An integrated high-level networking approach can be successful even for smaller or younger organizations with big ideas. Americans love to discover the next big idea. They have an international outlook. The world is a global village for entrepreneurial non-profits with big ideas. If you come with something new, a hope-filled message backed by professional leadership, you have a good chance of success. But you must consider it a long term investment strategy. Don't expect to return at once with a bag of gold.

Are you ready to enter the US market? Test your own organization with the readiness checklist at www.dehandschutter.com.

Griet Dehandschutter presented a workshop at IFC 2009 on "Going Global? Are you ready? How to launch your fundraising overseas." Belgium-born Griet is the founder of an international US fundraising consultancy based in Boston, Massachusetts. She lived, studied and worked in Europe and America. Griet specializes in transatlantic fundraising to assist overseas non-profits, museums and universities to enter the US market as part of a global strategy. For more info: www.dehandschutter.com.

www.resource-alliance.org/resources/enewsletter/issue_57_december_2009/983.asp

Please note above URL has been wrapped onto two lines

25 January 2010

© Copyright The Resource Alliance 2010. UK Registered Charity No.1099889.

Resource Alliance, 5th Floor, Development House, 56-64 Leonard Street, London, EC2A 4LT, United Kingdom
Tel: +44 (0)20 7065 0810 | Fax: +44 (0)20 7065 0811