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Promising Strategies for Increasing Day School
Philanthropy – An Overview
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Securing adequate financial resources is perhaps the greatest challenge facing the day school movement. The ability to pursue excellence, to recruit teachers and administrators, to maintain the affordability of a day school education for all Jewish families who desire one for their children, and to provide state-of-the-art facilities all depend on day schools being able to secure adequate funds (federations, Jewish community funders). Sources for these additional funds include greater allocations from communal resources, and most especially, the enhanced ability of day schools to raise increasing amounts of financial support.

Detailed below is a thumb-nail sketch of the types of support to be sought, the purposes for which support is being sought, and some of the more successful efforts schools have made to obtain it.

Types of Support Needed

The financial needs of the typical day school are profound. Nearly every day school operates at a deficit, requiring the need for restricted and unrestricted income on both an annual, as well as on-going basis.

A very small number of day schools have an endowment of any size. A financially strong day school should have an endowment 1-2 times its annual operating budget. (What are independent school standards?) Ideally, this endowment fund would be for unrestricted purposes, though it might include funds for designated purposes.

Another desired type of fund to be sought is a short-term "endowment". These funds would be expended over a 5-10 year period, and would be used to address systemic challenges such as recruitment, faculty or curriculum enhancement, or the expansion of the school (into middle or high school for example). Any of the goals would have a long-term pay-off for the school, yet require significant up-front monies.

Finally, the majority of the PEJE grantee schools as well as the majority of existing schools, need capital funds. Even schools that are fortunate to have their own facilities often have inadequate and insufficient space. Additionally, these facilities are often inadequately maintained, requiring on-going investment.

Selected Noteworthy Practices

As noted above, nearly all day schools operate at a deficit. Operating budgetary pressures are due to a number of factors – both on the income and expense side of the ledger. On the income side, schools are hard-pressed to charge tuitions that reflect the true cost of the education provided. Additionally, many families are simply unable to afford full tuition, at whatever level it is set.

On the expenditure side, paying competitive salaries and benefits to teachers, providing curricular enhancement in a wide number of areas, and maintaining excellence throughout the school all add budgetary pressures. So too does the need to provide an excellent facility.

Schools must seek to relieve these budgetary pressures in numerous ways. On the one hand, schools must generally seek to reduce deficits, while on the other hand they must seek support for tuition relief and increase the pool of available scholarships. There are a number of innovative ways to underwrite the cost of tuition, provide enhanced pools of scholarship funds, or provide "across the board" tuition subvention. Some of the most innovative philanthropy has been directed towards lessening the impact of the high cost of tuition. The AVI CHAI Foundation piloted the Jewish Education Voucher Incentive Program – a voucher program that subvented tuition for eligible families in Atlanta and Cleveland. Similar initiatives have been launched by the Paula and Jerry Gottesman Family Foundation in Morris County, N.J., the Bader Family Foundation in Milwaukee, the Harold Grinspoon Supporting Foundation in Western Massachusetts, the Charles and Lynn Schusterman Family Foundation in Tulsa, and the SAMIS Foundation for high school students in Seattle. More details can be obtained from the "Consultation on Day School Tuition Subvention Program" published by JESNA.

In a related manner, UJA-Federation of New York has created a portfolio of opportunities through its "Jewish Day School Trusts", that enables families to better afford day school tuition by creating an attraction vehicle to garner grandparent support. Similarly George Hanus has created the National Jewish Day School Scholarship Committee which seeks to stimulate the creation of endowment funds for day schools. Several local Federations, notably Detroit and Chicago, have been particularly active in this area. While these efforts are directed towards relieving the tuition burden, measures for relieving teacher salary/benefits and programs have not yet been implemented.

Finally, 10 day schools in Boston, through the combined efforts of CJP and PEJE have joined together to raise approximately \$100 million for their combined capital and endowment needs.

New Ways of "Doing Business"

While day schools sort through giving opportunities and determine the types of gifts that have the greatest positive impact, they should grapple with several key unexplored development opportunities.

- a. When viewing a school's needs through a philanthropic lens, what are the most attractive options for donors? Would raising funds for various curricular enhancements, or using funds to pursue excellence or giving donors greater latitude in designating gifts result in greater sums being donated? Would gifts of this type enable the schools to meet their

basic needs, while leaving them in better shape? These are issues that must be more carefully explored.

- b. Federation – While schools usually look to the local Federation as a source for an annual allocation, there are a tremendous number of heretofore unexploited opportunities. Combining efforts with the Federation for capital and endowed support is an easy alternative to pursue. There are also numerous annual options, through various donor-designated vehicles that can be used. In order to exploit these opportunities, day schools must be well-prepared, have a strategic plan in place, and have lists of targeted prospects. They must also be creative and articulate in defining their needs.
- c. Planned and Deferred Giving – The Jewish community is at the brink of a great intergenerational transfer of wealth. Day schools must learn to exploit these opportunities. At the same time, grandparents and “foster” grandparents are among those members of the Jewish community most concerned about Jewish continuity and survival. Day schools must make their case cogently and professionally, in order to capture the interest and support of these individuals.
- d. Alumni and their parents – Schools have done a relatively poor job of tracking alumni and parents of graduated students. For more established schools, alumni are now in their 30s and 40s; schools must learn how to maintain the support of the parents and grandparents of their alumni.
- e. The uninvolved – More than 3 out of 4 American Jews are unconnected to the day school movement. They neither send family members, nor currently support, nor are aware or knowledgeable of the importance of day schools. These groups of individuals, many of whom are not current contributors to a Federation campaign, offer the greatest potential source of new contributors.

All of these trends point to greater opportunities for fundraising. In order to fully exploit these opportunities, more staff more expert advice, larger development budgets, and greater board awareness and involvement will all be necessary.

Day schools stand at an historic point in time. Awareness of, interest in, and concern for day schools and the role they will play in the Jewish future have never been greater. The robust attendance at this inaugural Donor Assembly is ample evidence of this. Now is the time to fully exploit these trends and attempt to put day school education on a firm financial footing. Its very survival depends on no less.

INTERNAL PREPARATION FOR SUCCESSFUL MAJOR GIFTS SOLICITATION

What You Need to Know about Your School

1. Have you defined major gifts for your school? Is the definition reasonable in light of program maturity and cost/benefit implications?
2. Can you list your top prospects with confidence? (Hint: begin with repeat donors and those capable of an upgrade).
3. Can you name at least five volunteers (centers-of-influence) who can provide information about potential major gifts donors?
4. Are you satisfied with your internal capabilities as it regards prospect research?
5. Are you, your staff, administrators and volunteer solicitors ready?
 - Do you know your school's case? Is it donor focused? Does it focus on opportunities, not needs?
 - What are your school's differential advantages (specifically!)? Why is that important to your prospects?

What You Need to Know about Your Prospects

6. Prior to approaching a prospect for a major gift, have you developed a profile that indicates the following?
 - Area(s) of primary interest;
 - Connection with your school;
 - Involvement with your school;
 - Prior giving;
 - Gifts to other causes/organizations;
 - Financial status;
 - Connections with peer volunteers.

7. Is your prospect as committed as he or she needs to be?

8. Are you confident of the assessment of giving potential? How was it derived? Has a peer concurred in assessment?

9. Who are peers of the prospect who should be a part of the strategizing and/or solicitation team?

Developing a Cultivation Strategy

10. Is it necessary to further involve/cultivate the prospect prior to an "ask?" If you're not sure, will it be disadvantageous to take another cultivation step? What cultivation, planned or accidental, has occurred in the past?
11. To what specific functions should the prospect be invited? Should you create a function? Have you considered social events as well as committees and advisory boards? How about lectures or meetings with prominent people involved with potential area of interest? (Foreground initiatives are the focus).
12. Who should be involved with your cultivation contacts (primary and secondary players)? Who invites as to ensure attendance?
13. Have you provided the context and the time for the prospect to sell himself/herself on the project that will eventually be presented?

Developing a Solicitation Strategy

14. How much are you going to ask for and for what? Are you correct on both counts?
15. Are you taking a proposal? Does it say the right things? Who signs the cover letter?
16. Is the solicitation team set and are they the right people? Is your volunteer committed financially?
17. Have you developed a script that projects the right things (e.g., opportunities not needs, etc.)? Who (specifically) will do the "ask" and are they well prepared?
18. Have potential objections been reviewed? Have responses been developed? (NOTE: don't emphasize deferred gifts as an "out" with your solicitation team or they're likely to use it too early!).

Making the Ask

19. Has reference been made to peers who are giving appropriately? How about a challenge gifts?
20. Discuss opportunities for meaningful outcomes as a result of the giving. Discuss opportunities for appropriate recognition.
21. Suggest a gift of \$_____, or consideration of a gift in the range of \$_____.
22. Discuss leadership pacesetting and examples for others to follow.
23. Would a challenge gift be exciting to the prospect (and practical for your school)?

Following Up

24. Leave materials/proposal to be reviewed, but not a pledge card.
25. Do others need to be involved (to answer questions, etc.)?
26. Send follow-up materials to strengthen case.
27. Send follow-up letters from key member of solicitation team -- repeat ask and amount.
28. Contact when promised (using the person most difficult to say "No" to) to reinforce and determine decision.
29. If necessary, reformulate proposal and gift "package." Bring in deferred gifts experts if needed.