



DEVELOPMENT ASSESSMENT REPORT
EXECUTIVE SUMMARY FOR THE EXECUTIVE BOARD

PREPARED BY

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The **American Library Association (ALA)** works across the country in partnership with its 57,000-member professionals whose libraries serve a diverse range of communities, schools, colleges, universities, and research institutions. ALA has served libraries and librarians for 140 years, with each decade bringing new waves of technological change and innovation. No one could have foreseen the impact of technology on libraries, nor fully envisioned the role that libraries play in ensuring that true knowledge is gained even as data accumulates at an ever-increasing pace. And many libraries serve as forums for the discourse and debate that are an invaluable part of democratic society.

Today, the mission and purpose of ALA is more important than ever.

With a new Strategic Plan designed to support initiatives for advocacy, information policy, equity, inclusion and diversity, and professional and leadership development, ALA seeks to develop diversified funding streams for its strategic goals, especially through fundraising from and on behalf of its members. In summer 2017, ALA engaged Alexander Haas to complete a development assessment and make recommendations for action.

Partners Sandra Kidd and John Taylor had personal interviews with 50 staff and volunteers from across ALA (see appendix for list of all interviews) and reviewed fundraising and financial materials in order to assess ALA's philanthropic climate and development program as of August 2017. This report presents Alexander Haas team findings and six recommendations for improvement.

ALA today has both notable strengths and challenges:

Strengths

- 57,000 members nationwide
- Large and experienced volunteer leader network.
- Ability to mobilize constituency to respond to issues that matter.

Challenges

- Complex structure with multiple divisions and roundtables.
- Demographic shifts in membership.
- Dependence on government and foundation grants to sustain initiatives.
- Under-developed culture of philanthropy.

ALEXANDER HAAS KEY FINDINGS

- Top volunteers say they're engaged and willing to help but want guidance from development team, where small staff size makes volunteer management a challenge.
- 90% of gifts to the Annual Fund are restricted, giving ALA less flexibility for budget; however, ability for donors to restrict gifts offers ways to build allegiance and loyalty.
- No ALA-wide upper-level (\$1,000 +) member or donor circles, though ACRL offers recognition at these levels.
- Individual donors represent 80 percent of all givers nationwide (a 40-year trend), but ALA has no established major gifts program to work with individual donors.
- No system in place for prospecting that uses volunteer, leadership connections.
- No recognition of individual donors by giving levels, no recognition of new annual or planned gift donors, no individual donor stories.
- Demographic profile of ALA members can drive pipeline for future gifts to endowment.
- Threats to government funding create instability for ALA and few foundations support initiatives after seed funding, leading to uncertainty for programs.
- No overall ALA branding and lack of consistent branding across divisions.
- No single technology platform at ALA and iMIS software under-utilized, with limited training and no reporting solution.
- Key question: what inspires impactful gifts to support mission of ALA?

ALEXANDER HAAS RECOMMENDATIONS

- 1) **Focus ALA's development program on "greater good" message.**
 - Standardize ALA brand and core messages: simple, unified, clear.
 - Stress value of ALA and its members to society on platform of "Libraries Transform."

- Set up annual calendar of division-specific cultivation and solicitation activities.
- Create a permanent ALA Philanthropy Council to succeed Development Task Force.

2) Build annual giving appeal into consistent recurring multi-year program.

- Create “fund agent” program: 2-3 volunteers from each division to help promote annual giving.
- Use membership data mining and member demographics to pinpoint likely donors.
- Ask all ALA volunteer leaders to make annual fund gift at meaningful level.

3) Begin to create a major gifts culture that celebrates the power of giving.

- Create new leadership giving circle for donors at \$1,000-\$10,000+.
- Step up volunteer leadership involvement in connecting with prospects at conferences, meetings.
- Engage new Executive Director in fundraising from day one.

4) Continue “friend to friend” planned giving, leveraging reach of member network.

- Ask members of all volunteer boards to consider making planned gift.
- Use data mining and volunteer knowledge to identify high affinity members, retirees (current and future).
- Use “Libraries Transform” messaging to create call to action.

5) Invest in fundraising staffing and centralized development functions that better serve divisions and roundtables.

- Budget for growth in centralized services for prospect research, donor stewardship, donor communications.
- Consider 3-year pilot program to fund new major gifts officer hire with shared funding by several divisions.

6) Invest in upgrading and utilizing full software functionality of iMIS.

- First priority: data cleanup and update of data entry standards and procedures.
- Invest in more ITTS resources: need for expanded training across ALA, dedicated iMIS Development Database Administrator.
- Launch reporting task force to review, streamline existing reports and research/recommend end-user reporting solution.

American Library Association Interviews for Development Assessment Appendix A

ALA Chicago and Washington DC Staff

Scott Allen, Deputy Executive Director, Operations, Public Library Association (PLA)
Cathleen Bourdon, Associate Executive Director for Advocacy and Member Relations
Keith Brown, Senior Financial Analyst
Lainie Castle, Project Director, Public Programs Office (PPO)
Allison Cline, Deputy Executive Director, American Association of School Librarians (AASL)
Mary Ellen Davis, Executive Director, Association of College and Research Libraries (ACRL)
Adam Eisgrau, Managing Director, Office of Government Relations (Washington Office)
Keith Michael Fiels, Executive Director
Miguel Figueroa, Director, Center for the Future of Libraries
Mary Ghikas, Senior Associate Executive Director, Member Programs and Services; Interim Executive Director as of 8/1/17
Willie Glispie, Sr., Administrative Assistant, Development
Sharon Harris, Accounting Specialist
Alan S. Inouye, Director, Office of Information Technology (Washington Office)
Ron Jankowski, Director of Membership
Jeff Julian, Director, Public Awareness Office
Stan Kessler, Systems Integration Specialist
Kathi Kromer, Associate Executive Director (Washington Office)
James LaRue, Director, Office for Intellectual Freedom; Executive Director, Freedom to Read Foundation
Mark Leon, Chief Financial Officer
Jenny Levine, Executive Director, Library Information Technology Association (LITA)
Lisa Lindle, Grassroots Communications Specialist (Washington Office)
Barb Macikas, Executive Director, Public Library Association (PLA)
Mary Mackay, Associate Executive Director, ALA Publishing
Ann Miller, Accounting Manager, A/R
Denise Moritz, Director of Financial Reporting and Compliance
Beth Nawalinski, Executive Director, United for Libraries
Sylvia Knight Norton, Executive Director, American Association of School Librarians (AASL)
Sheila O'Donnell, Development Director
Mary Jane Petrowski, Associate Director, ACRL
Gwendolyn Prelwitz, Assistant Director, Office for Diversity, Literacy, and Outreach Services (ODLOS)

Marie Pospichal, Development Associate
Deb Robertson, Director, Public Programs Office (PPO)
Jeffrey Roth, Assistant Director, Development
Tim Smith, Assistant Director, Information Technology & Telecommunications (ITTS)
Mitch Stein, Database Administrator II
Aimee Strittmatter, Executive Director, Association of Library Services for Children (ALSC)
Lorelle Swader, Director, Office for Human Resource Development & Recruitment (HRDR) and the Allied Professional Association (APA)
Jennifer Tam, Manager, Accounting
Sherri Vanyek, Director, Information Technology & Telecommunications Service (ITTS)
Emily Wagner, Information Manager (Washington Office)
Brian Willard, Senior Business Intelligence Analyst/Project Manager
Beth Yoke, Executive Director, Young Adult Library Services Association (YALSA)

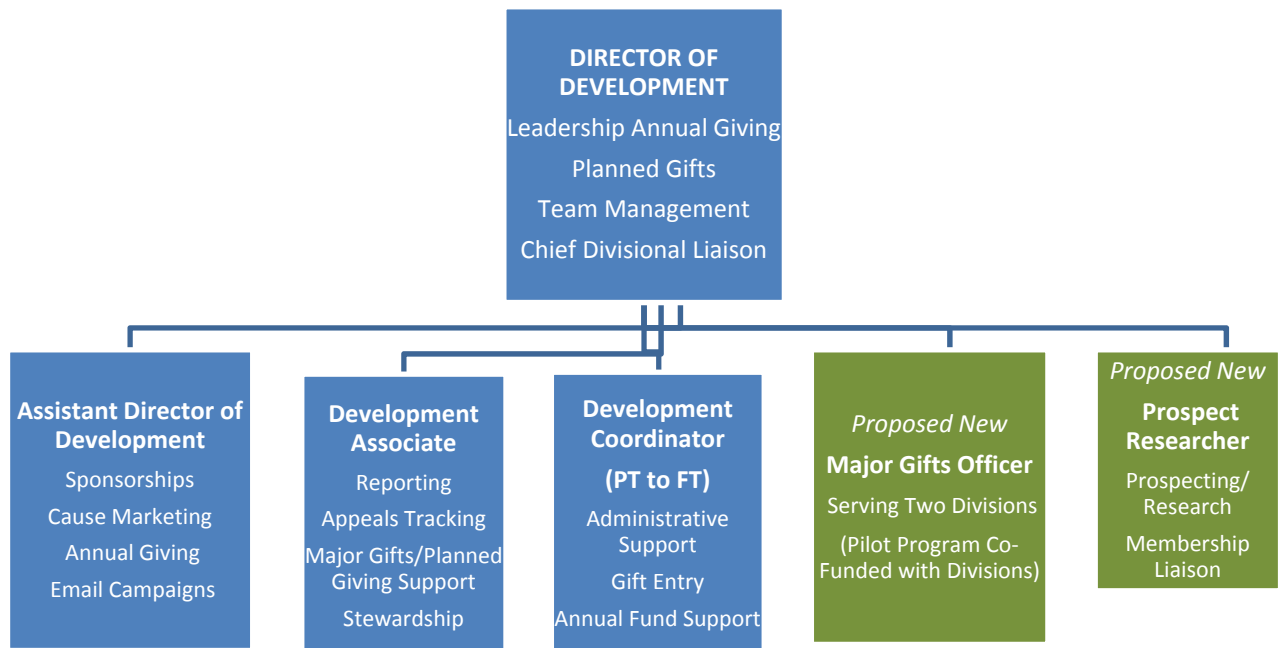
ALA Volunteers and Donors

Rob Banks, ALA, Co-Chair Legacy Society; COO, Topeka and Shawnee County Public Library
Lenore England, Assistant Director for Electronic Resources Management, University of Maryland; ALCTS Budget and Finance Committee; ALA Development Task Force
Barbara Ford, ALA Co-Chair, Legacy Society
Rod Hersberger, ALA Senior Endowment Trustee, Library Dean Emeritus, California State University
Susan Hildreth, ALA Treasurer, Professor of Practice, University of Washington School
Paula Holmes, Librarian/Consultant; ALSC Board member
Deborah Jacobs, Director, Global Libraries, Bill and Melinda Gates Foundation
James (Jim) Neal, Current ALA Board President; University Librarian Emeritus, Columbia University
Loretta Parham, CEO and Director, Robert R. Woodruff Library, Atlanta University Center; ACRL Board member
Chisato Uyeki, Reference and Collection Development Librarian, Mt. San Antonio College; ALA Development Task Force

AMERICAN LIBRARY ASSOCIATION

SUGGESTED DEVELOPMENT ORGANIZATIONAL CHART

PREPARED BY ALEXANDER HAAS, SEPTEMBER 2017



Proposed Future Positions:

- 1) Donor Stewardship Coordinator
- 2) Development Communications Coordinator
- 3) Additional Major Gifts Officers (needs to be evaluated following pilot program)

ALA Development Audit Recommendations Adoption Schedule

**Prepared by Sheila O'Donnell, ALA Development Director, for ALA Executive Board
10/20/17**

This document is a companion document to the Executive Summary from Alexander Haas. It was developed by the ALA Development Office in consultation with the Development Task Force.

Recommended Implementation Timeline
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FY18 activities towards Development Audit recommendations:

Recommendation 1:

- Continue to develop messages that emphasize the strength of ALA as a whole, while also pulling out special achievements of the various ALA units.

Recommendation 2:

- Highlight the giving season through communications and solicitations for the Annual Fund.
- Provide an easy pathway to make a gift to a specific area or unrestricted.
- Use Development Task Force to start identifying and recruiting “fund agents” to serve as ambassadors for the Annual Fund and fundraising at ALA.
- Work with Development Task Force to imagine and implement a structured way to engage member-leaders in fundraising now and in the future.

Recommendation 3:

- Create job descriptions for two new positions and flesh out job description for Development Coordinator to reflect the new full time nature of the roll.
- Begin hiring process for staff to begin in FY19.

Recommendation 4:

- Create a prospect list for Development Director and new Executive Director.
- Sharpen planned giving language and continue peer-to-peer asks.
- Mail planned giving communication.

Recommendation 5:

- Work with the Development Task Force to determine a strategy to share the Development Assessment and build buy-in with different groups in the Association, including divisions, council, roundtables, and others.
- Continue to emphasize the Development Office as service center for all ALA members and units.

Recommendation 6:

- Create timeline for iMIS clean-up and training.
- Determine strategy for better use of iMIS by fundraising function.

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FY19 – FY21 activities towards Development Audit recommendations

Recommendation 1:

- Continue to develop messages that emphasize the strength of ALA as a whole, while also pulling out special achievements of the various ALA units.
- Development Task Force rolls into a more permanent philanthropy advisory role.

Recommendation 2:

- Continue improvements made to Annual Fund campaign in FY18.
- Include information about a donations leadership circle in reply envelopes.
- Use data mining to send more targeted appeal messages.
- Philanthropy advisory group helps mobilize fund agents to publicize Annual Fund campaign.
- Continue to publicize opportunities to join a leadership giving circle.

Recommendation 3:

- Hire and onboard ramped up staff of 2.5 new positions.
- Create structure for major gifts program.

Recommendation 4:

- Expand prospect list for Executive Director, and Development Director, create prospect list for Assistant Director of Major Gifts.
- Sharpen planned giving language and continue peer-to-peer asks.
- Mail planned giving communication.

Recommendation 5:

- Continue to emphasize the Development Office as service center for all ALA units.
- Share information about fundraising successes with staff and member-leaders.

Recommendation 6:

- Implement iMIS clean-up and training.
- Implement strategy for better use of iMIS by fundraising function.
- Continue to integrate iMIS and the fundraising functions, and support other offices to enter information correctly in iMIS.

FY19 - FY21 Development Audit Implementation Projections

Assumption: **current budget for the Development Office is \$409,000**, which supports 3.5 staff, the costs of one mailing and annual report, limited donor stewardship efforts in the form of recognition signs, ads recognizing donors in AL, and travel expenses to major division conferences and ALA events. **All expenses listed below, to ramp up staffing and activities, would be on top of this \$409,000 expense.**

Major gifts officer positions typically bring in 3 to 12 times their annual salary, after an initial investment. The projections below assume that a well-rooted Development program will have returns from frontline fundraising staff of 4 - 5 times their salary (*Source: Pay for Performance: #4 Measuring MGO Performance Series, Richard Perry and Jeff Schreifels, Veritus Group, <https://veritusgroup.com/pay-for-performance-4-of-measuring-mgo-performance-series/>*).

Upon receiving recommendations from Alexander Haas and in conversation with the Development Task Force, the recommendation is that ALA move forward with the Strategic Investment Scenario.

No Economic Investment Scenario

If we adopt only the no-cost recommendations from the Development Audit, here is what we envision will happen:

- Incremental growth in the ALA Annual Fund continues.
- Library Champions program is maintained – about \$150,000 extra, not included in these charts.
- Planned giving pledges continue to be secured at the rate of \$200,000 - \$1,500,000 in pledges per year, to be realized at a future, unknown, date.
- Our gift processing capacity is at its limit with 1.5 staff, which will impede more annual fund growth. If we can't manage the process of tracking and acknowledgement well, we won't cultivate donors over the long term.
- Our reporting capacity is at its limit with current staffing and technology.
- We have no capacity for systematic major gifts work.
- We have limited to no capacity, depending on the size of the project, to run an additional campaign to capitalize on anniversary years, people's retirements, any special projects we'd like to raise funds for.

Projected Costs with No Economic Investment	FY17 Budget	FY27 Projected Budget
Development Office maintains current activities, no new programs; assumes 3% growth per year to cover benefits and increased costs of doing business	\$409,000	\$550,000

Projected Results from individuals in 10 years with No Economic Investment	Returns	Projected Returns FY27
Restricted Funds	\$403,000	\$525,000
Unrestricted Funds	\$28,000	\$50,000
Total	\$431,000	\$575,000

Assumes 1 – 3% growth per year in responses to the Annual Fund campaign; unrestricted funds grows to 9% of total giving.

We will maintain the growth that we had in FY17, but by not adding capacity, we will be unable to add significant activities to raise more money.

Strategic Change Scenario

This plan calls for an investment in fundraising operations that is sizeable enough to see results. The total cost of a three year pilot is approximately \$800,000 above current expenses for the Development Office.

Here are the components of this plan:

- Upgrade the Development Coordinator Role to full time.
- Hire one Assistant Director of Major Gifts to serve a very focused 1 – 2 divisions
- Hire a Prospect Researcher.
- Commit to a three-year pilot which may not see returns until the end of the pilot.

FY19 Activities	FY19 New Expenses	Explanation
Upgrade the Development Coordinator role.	\$33,000	half of salary & benefits
New Prospect Research Associate	\$75,000	salary & benefits
Additional budget for increased mailings, advertising, materials	\$50,000	ads in AL; planned giving & stewardship mailings
New Assistant Director of Major Gifts	\$90,000	salary & benefits
Additional travel budget for Assistant Director of Major Gifts	\$15,000	
TOTAL NEW YEAR ONE EXPENSES	\$263,000	
Projected FY19 Development Office Budget Baseline	\$420,000	
Projected FY19 TOTAL Annual Development Office Budget	\$683,000	

FY20 Activities	FY20 Expenses	Explanation
Full time Development Coordinator	\$34,000	half of salary & benefits
Prospect Research Associate	\$76,500	salary & benefits
Additional budget for increased mailings, advertising, materials	\$55,000	ads in AL; planned giving & stewardship mailings
Assistant Director of Major Gifts	\$92,000	salary & benefits
Travel budget for Assistant Director of Major Gifts	\$20,000	
TOTAL EXPENSES FOR YEAR TWO	\$277,500	
Projected FY20 Development Office Budget Baseline	\$438,000	
Projected FY20 TOTAL Annual Development Office Budget	\$715,500	

FY21 Activities	FY21 Expenses	
Full time Development Coordinator	\$35,000	half of salary & benefits
Prospect Research Associate	\$78,000	salary & benefits
Additional budget for increased mailings, advertising, materials	\$65,000	ads in AL; planned giving & stewardship mailings
Assistant Director of Major Gifts	\$94,000	salary & benefits
Travel budget for Assistant Director of Major Gifts	\$20,000	
TOTAL EXPENSES FOR YEAR THREE	\$292,000	
Projected FY21 Development Office Budget Baseline	\$450,000	
Projected FY21 TOTAL Annual Development Office Budget	\$832,500	

GRAND TOTAL ADDITIONAL MONEY FOR THREE YEAR PILOT	\$792,500	
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Projected Results from individuals in 10 years with Strategic Investment	Returns	Returns FY27
Restricted Funds	\$403,000	\$715,000 - \$1,190,000
Unrestricted Funds	\$28,000	\$80,000 - \$135,000
Total	\$431,000	\$795,000 – 1,325,000

** Assumes each of the three fundraiser positions is raising 3 to 5 times their salary; annual fund has grown to \$150,000; a strategic and steady increase in unrestricted dollars to 10% of our total.*

Aggressive Change Scenario

Here are the components of an aggressive but still lean plan to boost fundraising results at ALA:

- Upgrade the Development Coordinator Role to full time.
- Hire three major gifts officers – one focused on youth divisions, one on ACRL, and one on PLA. Each of these can pick up significant round tables, smaller divisions, and offices.
- Hire a Stewardship Officer.
- Hire a Prospect Researcher.
- Hire a Development Communications Coordinator.

FY19 Aggressive Change Investment Projections	FY19 New Expenses	Explanation
Upgrade the Development Coordinator role.	\$33,000	half of salary & benefits
New Prospect Research Associate	\$75,000	salary & benefits
New Stewardship Officer	\$75,000	salary & benefits
New Development Communications Coordinator	\$66,000	
Additional budget for increased mailings, advertising, materials	\$60,000	ads in AL; planned giving & stewardship mailings
New Assistant Director of Major Gifts	\$90,000	salary & benefits
New Major Gifts Officer	\$75,000	salary & benefits
New Major Gifts Officer	\$75,000	salary & benefits
Additional travel budget	\$45,000	
List Acquisition and mailing to prospects from the general public.	\$60,000	
TOTAL NEW EXPENSES	\$654,000	
Projected FY19 Development Office Budget Baseline	\$410,000	
Projected FY19 TOTAL Annual Development Office Budget	\$1,064,000	

If we continue aggressive investment through FY2027, with an annual expense budget of about \$1 million each fiscal year, we anticipate the following returns:

Projected Results from individuals in 10 years with Aggressive Investment	Returns FY17	Projected Returns FY27
Restricted Funds	\$403,000	\$1,551,600 - \$1,939,500
Unrestricted Funds	\$28,000	\$172,400 - \$215,500

Total	\$431,000	\$1,724,000 - \$2,155,000
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** Assumes each of the five fundraiser positions is raising 3 to 5 times their salary; annual fund has grown to \$250,000; a strategic and steady increase in unrestricted dollars to 10% of our total.*

Investment in ALA's fundraising efforts leads to returns. In FY17, a modest investment of approximately \$25,000 additional dollars to fund a mail campaign, coupled with upgrades to our donations website, helped to lead to the following successes:

1. Exponential increase in the number of donors to the 21st Century Fund, ALA's primary unrestricted pool of money – over 400 donors above years past and a 250% increase in revenue from individuals.

**Giving to 21st Century Fund, ALA's Unrestricted Fund
Preliminary Results for FY17**

	FY13		FY14		FY15		FY16		FY17	
	Amount	# of donors	Amount	# of donors	Amount	# of donors	Amount	# of donors	Amount	# of donors
Individual Giving	\$10,007	86	\$10,030	60	\$13,833	99	\$10,420	81	\$25,096	533
Corporate, Foundation	\$1,760	7	\$25,025	2	\$25,500	2	\$25,000	1	\$118,962	19
Grand Total	\$26,011	93	\$50,437	62	\$52,793	101	\$40,955	82	\$144,058	552
CFC Funding	\$14,244	n/a	\$15,382	n/a	\$13,460	n/a	\$5,534	n/a	\$12,099	n/a

2. A healthy increase in donations that are not one-time gifts, and a 98% increase in the number of donors overall:

Annual Fund Update Giving by Individuals, FY13 – FY17					
	FY13	FY14	FY15	FY16*	FY17
# of donors	1290	1275	1204	1320	2610
Average gift	\$103	\$120	\$194	\$260	\$100
Median gift	\$38	\$43	\$35	\$48	\$38
Total	\$194,693	\$247,431	\$269,244	\$369,883	\$431,629

**Does not include a one-time gift of \$575,000; does include three one-time major gifts totaling \$105,001.*

We are suggesting that ALA commit to a three-year pilot program of investment in the Development Office, as it takes time for a successful fundraising program to take root and grow.