

HISTORIC PRESERVATION AND PHILANTHROPY:
PARTNERS THROUGH NONPROFIT ORGANIZATIONS

by

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(Under the Direction of John Waters)

ABSTRACT

The purpose of this thesis is to explore the role of philanthropy in the preservation movement. Preservation and philanthropy often intersect at the nonprofit organization. The nonprofit sector has witnessed tremendous growth in recent years, and with that has come new demands from the public for accountability and effectiveness. Preservation nonprofits will be able to accomplish more by expanding their expertise beyond the mission and into the broader context of the philanthropic sector. The history of philanthropy and preservation is explored, along with trends in leadership, fundraising, and marketing. An analysis of six preservation nonprofits in Georgia is also offered.

INDEX WORDS: historic preservation, philanthropy, nonprofit sector

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DEDICATION

I have always learned best by example.

Thank God I have people in my life that set pretty good ones.

To my mother: For teaching me that it takes a lot of courage to trust your instincts, and that life is best lived with grace and gratitude.

To my father: For teaching me the magic found in protecting beautiful places. Both a responsibility and a privilege, your gift to our family is priceless – and the light that has illuminated my path on this journey.

To my husband: For teaching me that love is a promise worth keeping. Your encouragement, patience, and generosity continue to inspire me.

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CHAPTER ONE

INTRODUCTION

“Never doubt that a small group of thoughtful, committed people can change the world.

Indeed, it is the only thing that ever has.” Margaret Mead

Nonprofits are the heartbeat of a community, providing a vehicle for philanthropic work that ranges from public health clinics to animal shelters to art museums. These organizations emerge out of a need that can't be satisfied by the public or private sectors, but are met instead by an altruistic desire and responsibility of everyday citizens. Established early in our nation's history, voluntary and charitable organizations are a uniquely American concept, one that began with the earliest pioneers and continues today in much the same spirit. The impact of philanthropic work should not be underestimated, but celebrated as part of the country's culture and heritage. In fact, many of the nation's best moments can be traced to the passion of a single individual or a group of concerned citizens who banded together for a common purpose. These groups often evolve into more formal establishments, with the idea that a more organized group has the benefit of a stronger voice. The nation's historic preservation movement is no exception, beginning as a series of philanthropic endeavors and evolving into a more formalized network of programs and projects at the national, state, and local levels. While the benefits of this evolution are far-reaching, providing a layer of systems and frameworks that help provide a stronger voice for the preservation message, the simple and generous spirit that started the movement – that starts most movements – should be revisited.

The preservation movement is young, its formal beginnings dating back less than fifty years with the passing of the National Historic Preservation Act in 1966. In many ways, the scope and definition of preservation is still taking shape, as developments in environmental

sustainability, city planning, heritage tourism, and other industries open avenues to explore the merits of this emerging cause. Yet, despite its somewhat malleable state, preservation can be summarized as practices and philosophies rooted in protecting a sense of place. Therefore, nonprofits that boast a preservation mission are the lifeline of our country, serving as the keepers of history, stories, and beauty for communities across the nation. Historic homes, downtowns, and neighborhoods provide a tangible link to the past, offering an opportunity to experience history through sight, sound, and touch. A community's story unfolds through its topography, settlement patterns, and built and natural environments – creating a sense of place for residents and visitors alike. Inevitably, development, transportation routes, technology, and economic cycles of boom and decline threaten that story. A cherished community landmark may become vulnerable, providing the spark necessary for preservation initiatives. Citizens must negotiate the balance between past and future, asking the question, “How much of ourselves are we willing to give up for progress?” Preservation organizations are often founded during these times. Once the battle is won or lost, the group often evolves, expanding their scope, staying abreast of relevant issues, and serving as home base for the community's preservation interests. Most often, this evolution is taking place in the form of a nonprofit organization, one that exists in the larger context of the philanthropic sector.

The country's earliest preservation initiatives were philanthropically inspired. As the nation has grown, so have demands for services and charitable work. In fact, philanthropy has become such an active and influential part of American culture, a “third” sector has materialized around it, distinct in its goals from either government or business. However, it has not been an easy road and highly publicized scandals have shaken the public's confidence in the nonprofit sector. The sector is proving to be resilient, adapting to changes with new attention to ethics and

accountability. In addition, the nonprofit sector is recruiting and training a highly specialized workforce with expertise in programming, fundraising, marketing, and strategic planning. These factors are contributing to a slight, but perceptible shift in public understanding about nonprofits, one that is moving away from traditional ideas about charity and towards a broader understanding of philanthropy. This shift is particularly relevant to the preservation field since its foundation is one that protects and promotes beauty, history, and protection of resources – ideas that have traditionally been supported through philanthropic endeavors, rather than charitable ones. The distinction between philanthropy and charity can be found in the philosophy of “Give a man a fish and you feed him for a day, teach a man to fish and you feed him for a lifetime.” While charity establishes a dependent relationship between the giver and receiver, philanthropy is focused on the longer-term goals of empowerment and sustainability.

There’s a familiar adage, “May you live in interesting times.” For those entering either the nonprofit sector in general, and the preservation field in particular, there couldn’t be a more appropriate prophecy. Both areas are witnessing incredible growth, and experiencing the duality of increased professionalization and increased scrutiny. Volatile economic times have sparked new demands from donors and volunteers. A dramatic increase in the number of nonprofit organizations has created intense competition for funding, board leadership, and publicity. Government funding is erratic, forcing nonprofits to rely more heavily on private foundations, corporations, and individual support. With that in mind, it’s increasingly important for grassroots preservationists to become more sophisticated about the larger environment in which they operate. A passionate group will fizzle out without the right structure, systems, procedures, best practices, and other components necessary for success. If the group vanishes, so will the project and yet another historic mill, lighthouse, or school will disappear. It’s often said, “All

preservation is local,” and therefore, it’s important to understand how the philanthropic economy operates at the local level. Preservation organizations are entering a new era and must be alert to changing trends in order to stay competitive in the nonprofit marketplace. As the preservation agenda evolves, it will be important for groups to understand the nuances of the nonprofit sector and ensure that their missions aren’t marginalized in an environment that is diverse, spirited, and growing at an incredible rate. Preservation leaders will need to expand their knowledge beyond their own playing field, and learn the essentials of fundraising, marketing, and programming. This broadened understanding, training and expertise will empower preservation nonprofits to be more successful – and will bring credibility and visibility to the preservation cause.

This thesis was inspired by my background and career in the nonprofit sector prior to entering the Masters of Historic Preservation program at the University of Georgia. My ten-year history with the sector - as an executive staff member at two Atlanta-based nonprofit organizations, a board member for two national nonprofits, and a campaign manager for a fundraising consulting firm – provided me the opportunity to see philanthropy and charity at work in our society from multiple angles. The purpose of this thesis is to explore the role of philanthropy in the preservation movement and to understand how preservation nonprofits can operate more effectively. The topic was researched through literature review, including books and academic journals. In addition, six preservation nonprofits in Georgia were evaluated in the areas of leadership, fundraising, and visibility. These nonprofits were surveyed, and a review of public documents and marketing materials was completed. The thesis begins with a general review of the historic preservation movement, highlighting the impact of significant philanthropic milestones. Chapter Three will explain the size and scope of the nonprofit sector in America, and identify how preservation currently fits into that larger context. Chapter Four will

discuss the nonprofit organization, its basic management framework, and the unique opportunities and challenges faced by the preservation nonprofit. Chapter Five will review Georgia's philanthropic economy and highlight six preservation nonprofits in the state. Chapter Six will conclude with recommendations for preservation nonprofits in the areas of leadership, fundraising, and marketing.

CHAPTER TWO

THE HISTORY OF PRESERVATION FUNDING IN THE UNITED STATES

The seeds of philanthropy were planted early in the nation's history, beginning with the first American colonists who would voluntarily assemble together to address the mounting needs of a developing country. Naturally, churches were organized for free religious worship and as a vehicle for charitable work to help the needy – the sick, widowed, and orphaned. In addition, voluntary groups formed schools, fire halls, and hospitals to nurture the fragile beginnings of a nation. Pioneering spirits and progressive ideas were the admired virtues of the day, with little emphasis on tradition. Therefore, early accounts of historic preservation initiatives are scarce at best. It's not surprising that one of the earliest documented gifts for preservation was religiously inspired. The account is recorded in Charles Hosmer Jr.'s book, *Presence of the Past*, which describes an unusually generous \$10,000 bequest from Abraham Touro in 1822 for the preservation of a Jewish synagogue. At the time of his death, Touro left the money to Newport, Rhode Island “for the purpose of supporting the Jewish synagogue in that State.”¹ The synagogue had been closed for over thirty years and was in a state of disrepair, but the city authorities honored his bequest, making “skillful attempts at restoration.”² Thirty-two years later, Abraham's brother, Judah, also left a \$10,000 bequest to the synagogue, as well as “\$10,000 to buy the famous Old Stone Tower for the City of Newport.”³ In the Touro brothers, we find the bright beginnings of philanthropy for preservation's sake. To highlight the power of these early gifts, both the Touro Synagogue and the Newport Stone Tower survive today as two of Rhode Island's most cherished historical sites.

¹ Charles B. Hosmer, Jr. *Presence of the Past: A History of the Preservation Movement in the United States before Williamsburg* (New York: G.P. Putnam's Sons, 1965), 32.

² Ibid.

³ Ibid.

The Mount Vernon Ladies Association of the Union

While the Touro brothers revealed an early interest in preservation, almost any literature on the history of America's preservation movement will cite Ann Pamela Cunningham as the founding mother of the cause. While isolated acts of preservation occurred in the country prior to the mid-nineteenth century, it is Cunningham's inspired story – her diligence, and her ultimate success – that best serve as the opening lines for the movement. It was 1853 when Ann Pamela Cunningham, “a small, frail, spinster,” received a letter from her mother.⁴ The letter expressed deep sadness and a call for action to save the home of the nation's first president, George Washington. It read, “I was painfully depressed at the ruin and desolation of the home of Washington...it does seem such a blot on our country.”⁵ Though she did not know it, Cunningham's lifework – and America's preservation movement – began in that moment.

Developers had their eye on the Washington plantation, located on prime real estate along the Potomac River in Virginia, with plans to build a resort hotel on the site.⁶ Rumors of negotiations between John Washington, a descendent of the President, and real estate investors sparked a patriotic fever in the community to save the old home site. Initial pleas to the state and federal governments to intervene were ignored. With a steep price tag of \$200,000, the property was deadlocked and its continued ruin seemed certain.⁷ A new solution was needed and Ann Pamela Cunningham began the difficult negotiations with the state of Virginia for a charter to organize the Mount Vernon Ladies Association of the Union, a group that would be formed, in part, to hold legal title to the property – once the money was raised. Ultimately, the charter would permit Virginia to issue \$200,000 in bonds to the newly formed group, “providing that the

⁴ Ibid, 45.

⁵ Ibid.

⁶ Ibid, 42.

⁷ Ibid.

association would repay that amount into the state treasury as the money was collected.”⁸

Hosmer underscores the difficulty of the process, “It must be remembered that when she had worked out a charter there had been no precedents to go on; no organization of this type had ever existed before.”⁹ Cunningham, acting as “regent,” organized a network of leadership, recruiting women in thirty states as “vice regents” for the purpose of “soliciting contributions.”¹⁰ The group “canvassed the South, and later the entire country, for contributions and support” to save the home of President Washington.¹¹ Virginia’s Governor Joseph Johnson recognized the efforts of the Mount Vernon Ladies Association in an 1855 speech as a “noble purpose that would adorn the brow of female philanthropy.”¹² By 1859, Cunningham reported Mount Vernon “clear of debt,”¹³ with most of the money raised “from 139 fund-raising speeches by popular orator Edward Everett; other funds came from private donations, with vice-regents responsible for fundraising.”¹⁴ The United States of America was only seventy-seven years old. Today, George Washington’s Mount Vernon Estate and Gardens is still owned and operated by the Mount Vernon Ladies Association and hosts over one million visitors each year.¹⁵

The influence of Ann Pamela Cunningham and the story of Mount Vernon is key to understanding the early impact of philanthropy on the preservation movement. “So influential was Ann Pamela Cunningham’s victory at Mount Vernon that her efforts established certain presuppositions about historic preservation in America. These assumptions included the idea that

⁸ Ibid, 44.

⁹ Ibid.

¹⁰ William J. Murtagh, *Keeping Time: The History and Theory of Preservation in America*, 3rd ed. (Hoboken, NJ: John Wiley & Sons, Inc. 2006), 15.

¹¹ Ibid, 14.

¹² Barbara J. Howe, “Women in Historic Preservation: The Legacy of Ann Pamela Cunningham,” *The Public Historian* 12, no. 1 (Winter, 1990): 36.

¹³ Hosmer, 49.

¹⁴ Howe, 34.

¹⁵ www.mountvernon.org

private citizens, not government, were the proper advocates for preservation...”¹⁶ Cunningham’s strategic leadership, organized fundraising campaign, volunteer recruitment, and persistence are as relevant to the success of preservation nonprofits today as they were in the 1850s.

Colonial Williamsburg

In the years that followed the victory of Mount Vernon, private support from individuals continued to influence the preservation movement and literally shape the landscape of the country. In 1926, W.A.R Goodwin, rector of Bruton Parish Church in Williamsburg, Virginia, set in motion a series of events that would culminate into the protection of an entire eighteenth-century town. It was an ambitious chapter in the preservation movement and such extraordinary efforts called for new tactics in leadership and fundraising. Goodwin’s tremendous success with Colonial Williamsburg was largely due to his ability to inspire the support of John D. Rockefeller, Jr., patriarch of the country’s wealthiest family. Williamsburg was the capital of Virginia colony during the American Revolution, and Goodwin’s conviction that the city was “the birthplace of liberty”¹⁷ led to an act of “unprecedented philanthropy.”¹⁸ The town’s historic integrity was being compromised by encroaching development and new highways, which Goodwin described as “ruthless innovation” that would “rob the city of its unique charms.”¹⁹ After a series of meetings, Rockefeller, Jr. was intrigued with Goodwin’s vision and contributed the initial \$10,000 needed for an architect to conduct a study on the town.²⁰ With the first steps taken, Goodwin instinctively understood the significance of the contribution and kept his key benefactor informed at every step in the process. Diligent in his stewardship, Goodwin

¹⁶ Murtagh, 16.

¹⁷ Murtagh, 20.

¹⁸ Murtagh, 21.

¹⁹ Charles B. Hosmer, *Preservation Comes of Age: From Williamsburg to the National Trust, 1926-1949*. (Charlottesville, VA: The University Press of Virginia, 1981), 19.

²⁰ Ibid.

periodically provided Rockefeller with drawings, sketches, and a cross-section of ideas on current restoration and preservation practices. At one meeting to review designs, Rockefeller told Goodwin, “I have never seen a scheme, full of minor details and various aspects, presented in a more complete and thorough manner.”²¹ Goodwin’s diligence paid off. Over the next several years, and in seemingly isolated increments, Rockefeller contributed an estimated \$50 million to the restoration and reconstruction of Colonial Williamsburg,²² which “proved that large amounts of money could be put into preservation projects.”²³ If Ann Pamela Cunningham established the benefits of an organized fundraising campaign, then it was W.A.R Goodwin who exemplifies the value of good donor stewardship, cultivation, and the patience necessary for long-term financial support.

The Christopher Gore Mansion

While the Mount Vernon and Colonial Williamsburg projects had been directed under the visionary leadership of one individual, the threat to the Christopher Gore Mansion would ignite the passion of several like-minded groups, establishing the power of partnerships. Built in 1805, Gore Place is a regal estate on eighty-acres in Waltham, Massachusetts. By 1935, the site was being used as a country club and was slated for demolition and redevelopment as a Massachusetts suburb.²⁴ It would not be an easy property to save, mainly because Christopher Gore, a former Massachusetts Governor, was not a national hero and the patriotic fever that had launched other projects into success was absent. Yet, the federal-style mansion was an architectural treasure that would demand the collaboration of four separate entities – the Society

²¹ Hosmer, *Preservation Comes of Age*, 27.

²² G.W. Corner, “John Davidson Rockefeller, Jr. 1874-1960,” *Biographical Memoirs of Fellows of the Royal Society*, 6. (November, 1960), 252.

²³ Hosmer, *Preservation Comes of Age*, 67.

²⁴ Hosmer, *Preservation Comes of Age*, 205.

for the Preservation of New England Antiquities (SPNEA), the Trustees of Public Reservations, the Colonial Dames, and the Massachusetts Society of Architects.²⁵ It was Bradford Williams, field secretary of the Trustees for Public Reservations, who first understood the urgency of the situation and brought all the parties together. First, the leadership from each organization conducted a telephone campaign to secure the initial \$15,000 needed for a down payment on the property.²⁶ They succeeded, but then the real work began. The mortgage of \$60,000 would need to be raised and an enthusiastic fundraising campaign began. Philip Dana Orcutt, a young Boston architect, was particularly resolute sending out periodic reports and solicitations, selecting specific parts of the proposed restoration with the cost of each, and calling on interested prospective benefactors.²⁷ Much like W.A.R. Goodwin, his diligence paid off when he received \$20,000 from one generous donor.²⁸ Ultimately, each group was successful at soliciting financial support, making this combined effort an early showcase that displays the power of collaboration. Eventually, an independent organization, The Gore Place Society, was born and continues to oversee the estate today.

Federal and State Funding for Historic Preservation

While voluntary organizations and private support have been the mainstays of the preservation movement, government support for projects has more resembled a swinging pendulum, influenced by economic trends and political leanings. As early as 1813, Pennsylvania was planning to sell Independence Hall when a group of Philadelphia citizens petitioned the state legislators, reminding them that the building, where the Declaration of Independence was signed,

²⁵ Hosmer, *Preservation Comes of Age*, 204.

²⁶ Ibid.

²⁷ Ibid, 205,

²⁸ Ibid, 206.

was the birthplace of “the only free Republic the world had ever seen.”²⁹ Eventually, the city purchased the property from the state for \$70,000.³⁰ Again in 1850, the federal government would sell The Hasbrouck House to the state of New York, a house that had served as one of George Washington’s headquarters during the Revolutionary War.³¹ During the late nineteenth and early twentieth centuries, local and state government around the country intermittently experimented with preservation initiatives. In some cases, local government would provide limited funding for one-time projects. In others, it would establish various policies on zoning, offer tax-exemption for historic properties, and even appoint commissions to determine the appropriateness of new construction designs within the city’s historic context. Most often, it was the local governments of notable historic communities – Charleston, Natchez, New Orleans, and Saint Augustine – that were testing the waters of government’s role in historic preservation policy. It’s important to remember that nearly all of the local preservation efforts were the result of pressure from local citizens and organized voluntary groups.

Prior to the twentieth century, the federal government’s role in historic preservation was haphazard at best. Some American Indian ruins in the West and a few sites of presidential importance in the East were owned and administered by the federal government, but no formal policies were in place.³² The Antiquities Act of 1906 and the creation of the National Park Service in 1916 would begin to set the stage for federal involvement in historic preservation efforts.³³ Yet, the true spark for federal preservation initiatives would be ignited through an unlikely source, The Great Depression. In 1933, the Historic American Buildings Survey

²⁹ Hosmer, *Presence of the Past*, 30.

³⁰ Ibid.

³¹ Murtagh, 12.

³² Hosmer, *Preservation Comes of Age*, 471.

³³ Murtagh, 39.

(HABS) was established and funded by the federal government as part of President Roosevelt's New Deal Project and the subsequent creation of the Civilian Conservation Corps (CCC).³⁴ Unemployed architects, photographers, and historians created a national "architectural archive" of historic properties, complete with photographs, surveys, and historical records.³⁵ While the project was never intended to save historic buildings from demolition, it did provide an exceptional national treasure that is still widely used today. Author William Murtagh describes the event in his book, *Keeping Time*, "Because of the Great Depression, the federal government was able to commit unprecedented resources to a multitude of needs, including historic preservation, resources that included not only money, but the increasing professionalization of the Park Service and, equally important, the muscle of the CCC."³⁶ In 1935, partly due to the success of the HABS project, President Roosevelt bolstered the national agenda on preservation by signing the Historic Sites and Buildings Act, "...a national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States."³⁷ The Act granted the secretary of the interior more latitude to conduct surveys, enter into partnerships with private preservation groups, and provide interpretive signage for historic sites.³⁸

By 1947 preservationists were advocating for a "national, private, nonprofit organization" to tackle issues that were not being administered under the federal programs.³⁹ By 1949, The National Trust for Historic Preservation (NTHP) was established through a bill introduced to

³⁴ Hosmer, *Preservation Comes of Age*, 548.

³⁵ Ibid, 550.

³⁶ Murtagh, 44.

³⁷ Ibid, 43.

³⁸ Ibid.

³⁹ Ibid, 25.

Congress by Congressman J. Hardin Peterson of Florida⁴⁰ and signed into law by President Truman on October 25, 1949.⁴¹ The national organization was established, in large part, to “acquire and operate historic properties, setting the highest example of preservation and restoration methods and providing models for the rest of the country to follow.”⁴² Substantial grants from two private foundations, the Old Dominion Foundation and the Avalon Foundation, were not enough to fully establish the headquarters for the National Trust and it was “difficult to attract members or money...” under the congressional charter’s original framework.⁴³ The original charter was quickly amended to give the newly formed organization total autonomy, including the rights to be a self-sustaining institution with the power to select its own trustees.⁴⁴ From the outset, financial stability was a top priority and the Board of Trustees established a rule to “accept only properties accompanied by endowments sufficient to maintain them.”⁴⁵ While the rule was well intentioned, time would prove these endowments “woefully inadequate.”⁴⁶

The massive public works projects of the 1950s and 60s, including new interstates and infrastructure systems, accelerated urban sprawl and created a growing suburbia. These programs would serve as a catalyst for another chapter in the preservation movement. Once again, concerned citizens organized and demanded better oversight and protection of the nation’s heritage. President Lyndon B. Johnson signed The National Historic Preservation Act of 1966 (NHPA), which was the first comprehensive national policy to outline the Federal government’s role “to contribute to the preservation of historic resources and give maximum encouragement to

⁴⁰ Murtagh, 28.

⁴¹ Glen E. Thompson, “The National Trust for Historic Preservation in the United States,” *The Wisconsin Historical Society* 49, no. 2 (Winter, 1965-1966), 154.

⁴² Ibid, 153.

⁴³ Ibid, 155.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Murtagh, 31.

organizations and individuals undertaking preservation by private means.”⁴⁷ The Act established a National Register of Historic Place, a state partners program through the State Historic Preservation Offices (SHPO), and the President’s Advisory Council on Historic Preservation. The Act also “endorsed the concept of direct federal financial support” through the Historic Preservation Fund (HPF).⁴⁸ Federal grants through the NHPA fell into three basic categories: grants for the bricks and mortar needs of buying and restoring historic properties, grants for survey and planning, and finally, grants to the National Trust for Historic Preservation for program activities.⁴⁹ While the act was successful in creating national standards and guidelines for historic preservation, the financial assistance component would prove to be modest at best.

The Historic Preservation Fund is eligible to receive \$150 million each year.⁵⁰ Financed partly through proceeds gained from offshore oil drilling activities, the HPF is a karmic deal that offers money from a non-renewable resource (oil) back over to the protection of America’s cultural heritage. Administered by the National Park Service and subject to annual Congressional appropriations review, the Historic Preservation Fund has never reached its maximum capacity.⁵¹ In 2009, Congress appropriated \$69.5 million⁵² to the HPF, approximately 46 percent of its full potential and the lowest amount in five years.⁵³ To further aid the extinction of federal dollars for preservation, President Obama’s proposed FY 2011 budget calls for the complete defunding of

⁴⁷ National Park Service, U.S. Department of the Interior. *The Historic Preservation Fund Annual Report*. Washington, D.C.: 2009. [http://www.nps.gov/history/hps/hpg/downloads/2009 HPF Annual Report.pdf](http://www.nps.gov/history/hps/hpg/downloads/2009%20HPF%20Annual%20Report.pdf). (accessed May 28, 2010).

⁴⁸ Ibid.

⁴⁹ Thompson, 157.

⁵⁰ “Coalition for Full Funding: An Overview of the Historic Preservation Fund.” Coalition for Full Funding: Keep the Promise. [http://www.fullfundhpf.org/media/AA/AF/fullyfundhpf-biz/downloads/26641/HPF Overview 1-pager.pdf](http://www.fullfundhpf.org/media/AA/AF/fullyfundhpf-biz/downloads/26641/HPF%20Overview%201-pager.pdf) (accessed June 1, 2010).

⁵¹ Ibid.

⁵² Ibid.

⁵³ National Park Service, *The Historic Preservation Fund Annual Report*.

the only two federal grant programs specifically for preservation, Save America's Treasures and Preserve America.⁵⁴ Unlike the boost preservation received during the Great Depression, the country's current economic crisis is causing the pendulum to swing away from federal support.

The National Trust for Historic Preservation is drawing attention to the recent trends in federal and state funding through its popular *11 Most Endangered Historic Places* list. The list, now in its twenty-third year, is a powerful tool used to publicize the nation's most vulnerable historic resources. The NTHP recently released its 2010 list, citing *America's State Parks and State-Owned Historic Sites* as the number one most threatened historic resource in the country.⁵⁵ Federal money is not flowing to the State Historic Preservation Offices and states aren't financially equipped to maintain their own properties. This will be the last *Most Endangered* list released under The Trust's current president, Richard Moe. After seventeen years on the job, Moe has some honest feedback and valuable insight about the role of government funding in preservation. The retiring president was instrumental in getting the national nonprofit off the federal payroll and towards financial independency, its annual budget more than doubling to \$55 million under his leadership. In an interview with *The Chronicle of Philanthropy*, he admits his biggest challenge is, "Keeping the trust's coffers filled," and he continues, "We changed our culture. Everyone at the trust is now a fundraiser; we've become more entrepreneurial. This is how more nonprofits will have to go. Business as usual isn't going to make it, certainly not in this environment."⁵⁶

⁵⁴ "Save America's Treasures." National Trust for Historic Preservation. <http://www.preservationnation.org/take-action/advocacy-center/national-action-alerts/save-preservation-funding.pdf> (accessed May 28, 2010.)

⁵⁵ Ibid.

⁵⁶ Brad Wolverton, "Building a New Trust," *Chronicle of Philanthropy* 16, no. 3 (November 13, 2003): 21.

The history of America's preservation movement can be observed through many lenses. It can be seen through the eyes of passionate leaders, generous supporters, inspired activists, and elected officials. Lessons can be found at every stage in the movement's development, and many are rooted in the timeless sentiments that inspired the nation's first citizens – enthusiasm, generosity, partnership, admiration for the accomplishments of others, and pride in the history and beauty of the country. The federal, state, and local governments play a pivotal role in the process, lending credibility through a comprehensive arrangement of policies and systems that serve the preservation field. Philanthropists and fundraisers have also played a crucial role, developing fundraising strategies for successful campaigns that are still relevant today. Yet, it is in the nonprofit organizations and associations, where the private and public sectors often intersect, that the backbone of the preservation movement is found. These organizations have multiplied at an incredible rate over the years, as concerned citizens in tiny towns and thriving metropolises come together to protect the sense of place in their community. In order for the preservation movement to thrive, it is necessary to understand how the preservation mission fits within the larger philanthropic sector and to recognize the changing role of philanthropy in American culture.

CHAPTER THREE

PHILANTHROPY AND AMERICA'S NONPROFIT SECTOR

The word “philanthropy” is the sum of two Greek words, *philos* and *anthropos*, which combined is generally understood as “love of humanity” or “love of humankind.”⁵⁷ In George McCully’s recent work, *Philanthropy Reconsidered*, it is described as “private initiatives for public good, focusing on quality of life.”⁵⁸ McCully argues that philanthropy is too often defined in the same vein as charity, “rich people helping poor people,” which offers an “anemic and marginalized view” of an exceptionally noteworthy part of America’s history and culture.⁵⁹ McCully’s work is an evaluation of philanthropy’s place in our nation’s history, “not least because ours is the first modern democracy, a form of government in which philanthropy plays a leading role.”⁶⁰ This expanded definition – private initiatives, public good, and quality of life – more clearly illustrates the act of private support for historic preservation. Understanding philanthropy in this broader context elevates the tradition *from a nicety to a necessity*, a validity test familiar to most preservationists. Therefore, understanding the historical impact, current trends, changing definitions, and common misconceptions about philanthropy are of particular importance to the preservation movement.

Volunteer-led organizations have traditionally provided the vehicle for philanthropic work, and have been part of American life and culture since before the country’s formation. Alexis de Tocqueville was a French diplomat who traveled extensively in the United States

⁵⁷ George McCully, *Philanthropy Reconsidered: Private Initiatives – Public Good – Quality of Life*, First Edition (Bloomington, IN: AuthorHouse, 2008), 2.

⁵⁸ *Ibid.*, 19.

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

during the years 1831 – 1832. He wrote an account of his travels, *Democracy in America*, where he observes the uniqueness of its voluntary sector:

“Americans of all ages, conditions, and dispositions constantly unite together. Not only do they have commercial and industrial associations to which all belong, but also a thousand other kinds, religious, moral, serious, futile... Americans group together to hold fetes, found seminaries, build inns, construct churches, distribute books... They establish prisons, schools by the same method... I have frequently admired the endless skill with which the inhabitants of the United States manage to set a common aim to the efforts of a great number of men and to persuade them to pursue it voluntarily.”⁶¹

The tradition continues today, as noted in Michael Worth’s book, *Nonprofit Management*, “Although philanthropy in some form is common around the world, organized fundraising and philanthropy on a massive scale is still primarily an American phenomenon. Today, nonprofits comprise the newest and fastest growing category of organizations in America.”⁶² Despite the sector’s long history and tremendous growth, nonprofits are still largely perceived as worthy organizations, but also as unsophisticated and naïve. It could be argued that part of the misconception is due to its own name, nonprofit, a misnomer that contributes to a limited viewpoint. While other names for the growing sector have been tested – not-for-profit, independent, third, social, philanthropic – “nonprofit” is still the most widely used expression in current literature, and the most commonly understood by the general public. Internationally, these organizations are often referred to as NGOs, an acronym for non-governmental

⁶¹ Ibid.

⁶² Michael Worth. *Nonprofit Management: Principles and Practice*. (Los Angeles: SAGE Publications, 2009),42-43.

organizations. Author Peter Drucker addresses the issue by stating, “Non-profit, non-business, non-governmental are all negatives. One cannot, however, define anything by what it is not. What, then is it that all these institutions do? They all have in common – and this is a recent realization – that their purpose is to change human lives.”⁶³

The Federal Framework of the Nonprofit Sector

The U.S. government’s formal relationship with charitable groups has naturally evolved over the course of the country’s history. George McCully offers this perspective on the topic, “Government needs philanthropy as society’s sensory system, the first-alert to emerging public issues and problems. Philanthropy is also a society’s first line of defense against problems, not only sensing them first, but responding with constructive solutions.”⁶⁴

The current legal framework for the sector has been established through legislation that passed over the course of about fifty years, beginning with The Revenue Act of 1917 and ending with The Tax Reform Act of 1969.⁶⁵ While additional policies and laws have passed since 1969 that impact these groups, these acts are the bookends most widely accepted for creating the current structure and relationship between the government and the nonprofit sector.⁶⁶ Ultimately, the system was formed out of three major principles. According to *A History of the Tax-Exempt Sector: An SOI Perspective*:

“First, organizations that operated for charitable purposes were granted exemption from the Federal income tax. Second, charitable organizations were required to be

⁶³ Robert D. Herman, ed. *The Jossey-Bass Handbook of Nonprofit Leadership and Management*. (San Francisco: Jossey-Bass, 1994), 65.

⁶⁴ McCully, 104.

⁶⁵ Pau Arnsberger, Melissa Ludlum, Margaret Riley and Mark Stanton, “A History of the Tax-Exempt Sector: An SOI Perspective,” Internal Revenue Service. <http://www.irs.gov/pub/irs-soi/tehistory.pdf>. (assessed May 17, 2010.)

⁶⁶ Ibid.

free of private inurement – that is, a charitable organization’s income could not be used to benefit an individual related to the organization. Finally, an income tax deduction for contributions, designed to encourage charitable giving, was developed.”

The structure, organized through the Internal Revenue Code, is testimony of the government’s recognition of philanthropic work. The Internal Revenue Code describes approximately thirty types of tax-exempt organizations, the largest is the 501(c)(3) status which includes charities, religious organizations, hospitals, and educational institutions. Every 501(c)(3) organization is classified as either a “public charity” or “private foundation.” The difference is defined as follows: “Public charities have broad public support and tend to provide charitable services directly to the intended beneficiaries. Private foundations often are tightly controlled, receive significant portions of their funds from a small number of donors or a single source, and make grants to other organizations rather than directly carry out charitable activities.”⁶⁷ A 501(c)(3) tax code status applies to organizations whose purposes are “religious, charitable, scientific, literary, or educational.”⁶⁸ In order to obtain tax-exempt status, organizations with gross revenues in excess of \$5,000 must file a Form 1023 to the Internal Revenue Service for approval. The IRS also oversees financial compliance of tax-exempt organizations by requiring a Form-990, a tax return documenting a nonprofit’s annual financial information. These documents are easily accessible and available to the general public. Religious organizations and those with annual gross receipts of less than \$25,000 are not required to file a Form-990. Research and information about the nonprofit sector is often based on information

⁶⁷ Molly F. Sherlock, Jane G. Gravelle. “An Overview of the Nonprofit and Charitable Sector.” *Congressional Research Service* (November 2009): 1-65.

<http://www.fas.org/sgp/crs/misc/R40919.pdf> (accessed June 3, 2010).

⁶⁸ Arnsberger, “A History of the Tax-Exempt Sector.”

provided in these public documents. This research spotlights trends and provides the public with information that is often used to introduce new policies or standards for the sector. Historic preservation organizations need to be aware of this research, with the understanding that any information about the preservation field will likely not include data about organizations with revenue less than \$25,000 or information about capital campaigns for historic churches. With that in mind, research based on public documents may be particularly skewed for historic preservation.

The Size and Scope of the Nonprofit Sector

The Congressional Research Service released a report in November 2009, “An Overview of the Nonprofit and Charitable Sector,” which examines data and information about the sector’s size and scope. The report uses the term “nonprofit sector” to include all organizations with federal tax-exempt status and “charitable sector” to define those specifically with a 501(c)(3) public charity status. The report states, “The nonprofit and charitable sector represents a significant, highly diverse component of the U.S. economy.”⁶⁹ Some key highlights from the report include:

- Over 1.5 million nonprofits are registered in the U.S., nearly 64 percent of them public charities, nearly 8 percent private foundations, and 29 percent other types of nonprofits.
- In 2005, the nonprofit sector employed 12.9 million people, or 10 percent of the workforce. Based on employment, the nonprofit sector is larger than the construction sector and larger than the finance, insurance and real estate sectors combined.
- In 2009, public charities reported \$1.4 trillion in total revenue and \$2.6 trillion in assets.
- Total revenue for charitable institutions grew 68.6 percent from 1995 to 2005.

⁶⁹ Ibid.

The philanthropic sector is often underrated – economically and socially – despite its extensive history, tremendous growth, and crucial impact on the nation’s wellbeing. McCully emphasizes the significance of the sector when he writes, “Every reform movement in our history has begun as philanthropy – e.g. anti-slavery, women’s suffrage, conservation, civil rights, feminism, peace, and environmentalism. Today most of our hospitals, almost all of our environmental and cultural institutions, and by far most human service agencies, are charitable corporations.”⁷⁰ Certainly, the historic preservation movement could easily be added to McCully’s list.

A Classification System for Nonprofit Organizations

In every town across the nation, nonprofit organizations reflect gaps left by the public and private sectors, in social services, arts, education, and more. These groups implement programs that address important issues, from literacy to legal aid, from summer camps to soup kitchens. With such diversity, it is difficult to measure the collective impact of like-minded groups. In recent years, tremendous efforts have taken place to categorize the incredible variety of nonprofit organizations found in the sector. The National Taxonomy of Exempt Entities (NTEE), a classification system, was developed in the 1980s by the National Center on Charitable Statistics, housed at the Urban Institute.⁷¹ By the 1990s, the NTEE system was adopted by the IRS in order to classify nonprofit organizations according to their distinct purpose.⁷² According to the NCCS website, the taxonomy system was designed with three goals in mind:

⁷⁰ McCully, 42.

⁷¹ The National Center for Charitable Statistics. The Urban Institute. “National Taxonomy of Exempt Entities Database.” <http://nccs.urban.org/classification/NTEE.cfm> (accessed June 1, 2010.)

⁷² Ibid.

1. To facilitate the collection, tabulation, presentation, and analysis of data by the type of organizations and their activities;
2. To promote uniformity and comparability in the presentation of statistical and other data collected by various public and private agencies;
3. To provide better quality information as the basis for public policy debate and decision-making for the nonprofit sector and for society at large.

This relatively new system allows researchers to more fully consider and evaluate the nonprofit sector's role in the United States. The framework allows for a more consistent approach to research, which ultimately impacts policy and planning. In addition, the system has created an explosion of information about the sector that could only be speculated about before. Currently, the NTEE identifies eight major categories, each with dozens of subcategories to allow for more specific identification about a nonprofits work.

- Arts, culture and humanities: such as museums, symphonies and orchestras, and community theatres;
- Education and research: such as private colleges and universities, independent elementary and secondary schools, and noncommercial research institutions;
- Environmental and animals: such as zoos, bird sanctuaries, wildlife organizations, and land protection groups;
- Health services: such as hospitals, public clinics, and nursing facilities;
- Human services: such as housing and shelter, organizers of sport and recreation programs, and youth programs;
- International and foreign affairs: such as overseas relief and development assistance;

- Public and societal benefit: such as private and community foundations, civil rights organizations, civic, social, and fraternal organizations; and
- Religion: such as houses of worship and their related auxiliary services.

Understanding the layered dimensions of the nonprofit sector provides preservation organizations insight into how their impact is being researched, how the public perceives them, where they fit in the nonprofit sector, and where they might find partners for future collaboration. In addition, this framework provides historic preservation organizations a voice in the sector that was not available just two decades ago.

Arts and Culture Organizations

Social service organizations often serve as the face of the nonprofit sector, boosting common stereotypes that the sector is little more than organized charity, a means for the kind to provide help to the needy. Despite these misconceptions, arts and culture organizations enjoy a remarkable presence in the philanthropic community. According to *The State of Nonprofit America*, “The arts and culture subsector of American life is a large, heterogeneous set of individuals and organizations engaged in the creation, production, presentation, distribution, and preservation of and education about aesthetic heritage, and entertainment activities, products, and artifacts.”⁷³ These assorted goals, lumped together under a single umbrella, also face some unique challenges – some of which are often echoed in the preservation field. For example, the National Endowment for the Arts (NEA) noted in a 1997 report titled *American Canvass*, “Many American citizens fail to recognize the direct relevance of art to their lives...Some people...view the arts as belonging to someone else.” The report continues, “American’s are apt to look with suspicion at an ‘arts world’ that seems alternately intimidating, incomprehensible, expensive,

⁷³ Lester A. Salamon, ed. *The State of Nonprofit America*. (Washington: Brookings Institution Press, 2002), 187.

alien, and...often disreputable.”⁷⁴ Criticized for elitism and charges that the arts are “trivial frills, largely lacking in public purpose and therefore unworthy of support...,” the arts and culture sector continues to face accusations about its legitimacy, effectiveness, and accountability.⁷⁵

Yet, many individuals agree, and research indicates, that cultural activities play a vital role in communities by stimulating civic life, providing community balance, and reflecting the imagination of everyday citizens. In fact, Richard Florida’s groundbreaking bestseller *The Rise of the Creative Class* (2002) suggests a revolution-in-progress, in which “the creative ethos is increasingly dominant.” Florida suggests that creativity will be the driving force for economic growth and that Americans will increasingly relocate – not for jobs – but to live in cities that support and encourage creative pursuits. Best expressed through tangible links of architecture, landscapes and landmarks, a community’s history can be its most attractive asset, making the preservation movement a critical player in the arts and culture scene.

According to the National Center on Charitable Statistics, there are almost 38,000 nonprofit organizations reporting assets under the NTEE Code “Arts and Culture.”⁷⁶ This category shelters almost one hundred distinct sub-categories that allow the NCCS to specifically identify and calculate information for a variety of interests, including museums, film, dance, orchestra, and theatre. It’s under this umbrella that preservation appears through two different codes: Historical Organizations (A80) which are those “that promote awareness of and appreciation for history and historical artifacts,” and Historical Societies & Historic Preservation (A82) which are “organizations that interpret, collect and preserve the historical heritage of a specific geographic location.” Together, the A80 and A82 groups represent over 5,500

⁷⁴ Gary O Larson, “American Canvass,” *National Endowment for the Arts* (October 1996): <http://arts.endow.gov/pub/AmCan/AmericanCanvas.pdf>. (accessed June 3, 2010).

⁷⁵ Salamon, 197.

⁷⁶ National Center on Charitable Statistics. The Urban Institute.

preservation nonprofits nationwide, which have reported combined assets in excess of \$10 billion. While debates about how preservation is defined and its appropriate place in the taxonomy systems are likely, the framework necessary for measuring impact is finally available.

It's interesting to note Carol Rose's article, *New Directions in the Law of Historic Preservation*, in which she describes the evolution of preservation through three distinct phases. The first, which is exemplified by the movement to save Mount Vernon, is that preservation should inspire a sense of patriotism. The second, which emerged around the turn of the twentieth century, is that preservation should pay tribute to "artistic merit...and the integrity of...architectural style. And finally, Rose suggests a third perspective that "coincide(s) with the environmental movement."⁷⁷ While written more than three decades ago, Rose's succinct grasp on how the definition of preservation transforms in response to cultural trends may help explain its ambiguous place in the nonprofit sector. As the preservation agenda broadens to include historic landscapes, cultural heritage, sustainability, and economic revitalization, it will be increasingly important to make sure the issues are being appropriately and accurately tracked, categorized, and shared with the public.

Clearly, the philanthropic sector is a relevant force in America's economy and the historic preservation movement achieves many goals through nonprofit organizations. While a legal framework for this sector has been established through the federal government, research confirms that its private philanthropy, not public support, that drives the work of nonprofit organizations. Understanding the variables that impact charitable giving and the philanthropic economy allow preservation nonprofits to work more effectively within the sector. This understanding can lead to innovative ideas in leadership, fundraising, marketing, and

⁷⁷ Carol M. Rose, "Preservation and Community: New Directions in the Law of Historic Preservation," *Stanford Law Review* 33, no. 3 (February, 1981), 477.

programming. Still, in order to adjust to the new information of an evolving sector, a nonprofit must first be prepared by having its own house in order.

CHAPTER FOUR

THE NONPROFIT ORGANIZATION

It's a common assumption that a nonprofit organization is more likely to reach its programmatic goals if it's well managed. In response to the sector's growth and professionalization, information about nonprofit organizations has mushroomed, making resources readily available for board members, staff, volunteers, and donors. Professional associations, consultants, trainings, conferences, industry publications, and hundreds of books are available to those both employed and volunteering in the sector. The variety of literature includes topics such as board development, strategic planning, volunteer management, fundraising, and much more. Yet, it must be recognized that the breadth of research and information ultimately has one aim in mind: to help organizations achieve their missions.

The Mission

The mission is a nonprofit's reason for existence and the star by which the organization is steered. A viable mission is one that is “definable, understandable, supportable, and needed.”⁷⁸ Michael Worth suggests there are two current philosophies on mission statements, “Some argue for fairly simple statements, while others argue that the mission statement should say not only what the organization does but how it does it.”⁷⁹ There is a tradeoff, “Too narrow a mission statement may be too constraining, making it impossible for the organization to grow or expand without going beyond its mission. But a statement that is too broad may become meaningless and open the door to *mission creep*, a gradual evolution away from the organization's purposes.”⁸⁰

⁷⁸ Peter C. Brinckerhoff, *Mission-Based Management: Leading Your Not-for-Profit into the 21st Century*. (New York: John Wiley & Sons, 1994.), 26.

⁷⁹ Worth, 172.

⁸⁰ Ibid, 173.

Either way, it's important to realize that a "mission statement is not a static document."⁸¹ The organization's purpose should be reviewed "periodically to determine whether it needs to be updated, revised, or even reaffirmed."⁸² An organization's programs, services, and activities should be a natural extension of the mission. However, most would agree that it takes much more than a good mission to achieve results. "Any mission, no matter how 'great a cause' it may be, is likely to fail if the organization lacks the necessary and sufficient resources to pursue it."⁸³ With that in mind, a nonprofit organization must address three primary needs in order to successfully achieve its mission: leadership, fundraising, and marketing.

The Leadership

People are a nonprofit organization's most important asset. The board, volunteers, staff, and even an organization's members are usually those most easily captivated by the cause, ready to offer time, money and expertise to help further the goals. All nonprofits are governed by a board of directors or trustees, a group of volunteers that is legally responsible for making sure the organization remains true to its mission, safeguards its assets, and operates in the public interest. This is a unique feature that differentiates nonprofits from the private and public sectors. "The responsibility for governing most nonprofit organizations is vested not in stock owners, government officials, or professional managers, but with volunteer leaders from diverse backgrounds..."⁸⁴ Operating under such a distinctive leadership structure creates definite challenges and opportunities for nonprofit organizations. An increasing number of publications are available that address board development, legal oversight, organizational management, ethics, and a myriad of other board responsibilities. Pamela Wilcox, author of *Exposing the*

⁸¹ Herman, 121.

⁸² Ibid.

⁸³ Worth, 137.

⁸⁴ Ibid, 153.

Elephants, describes board duties as a “prism,” and adds, “The board should represent and act on behalf of members and mission. It cannot govern effectively without placing its finger accurately on the pulse of its constituents-at-large and the organizational environment.”⁸⁵ Wilcox determines “seeking a shared reality” as a critical first step in building an effective organization, noting, “Boards must relentlessly pursue mission feedback both within and outside the nonprofit, honing skills that assess the true state of the organization and aligning their decisions with that reality.”⁸⁶ For historic preservation organizations, trying to determine a shared vision could spark a colorful dialogue. Individuals interested in preservation represent a wide spectrum of backgrounds, which can include professionals, scholars, and neighbors who have an interest in architecture, history, design, sustainability, genealogy, antiques, or restoration practices. With such a variety of passions represented, establishing commonalities may prove elusive, but it is a crucial step that is necessary for keeping volunteer leaders interested, engaged, and on track. The shared vision also offers a checks and balances system for the organization’s programs and activities, preventing “mission creep” that leads to diluted programming and an ambiguous presence in the community.

The board of directors sets the tone for the organization. Therefore, it’s important for these positions to be highly valued and thoughtfully filled with the right candidates. A nonprofit board should be an informed, connected, and supportive group of individuals who share a common goal. In addition to being the legal guardians of an organization, the board also selects, supports, and reviews the chief executive. Jim Collins, author of *Good to Great and the Social*

⁸⁵ Pamela J. Wilcox, *Exposing the Elephants: Creating Exceptional Nonprofits* (Hoboken, NJ. John Wiley & Sons, Inc. 2006), 61.

⁸⁶ *Ibid*, 64.

Sectors, offers a story that powerfully describes the role of a lead staff person in a nonprofit organization:

“When Frances Hesselbein became CEO of the Girl Scouts of the USA, a New York Times columnist asked what it felt like to be on top of such a large organization. With patience, like a teacher pausing to impart an important lesson, Hesselbein proceeded to rearrange the lunch table, creating a set of concentric circles radiating outward – plates, cups, and saucers – connected by knives, forks and spoons. Hesselbein, pointing to a glass in the middle of the table, ‘I’m here,’ she said. Hesselbein may have had the title of Chief Executive Officer, but her message was clear: *I’m not on top of anything.*”⁸⁷

This decentralized role of the lead staff is another distinctive feature of the sector. When Hesselbein was questioned about the lack of “concentrated executive power,” she replied, “Oh, you always have power, if you just know where to find it. There is the power of inclusion, and the power of language, and the power of shared interests. Power is all around you.”⁸⁸ Without the right leadership and appropriate balance, nonprofits get tangled in personal politics and frustration, which can quickly lead to defeat. Poise, commitment and equilibrium between staff and board is necessary for success and deserves special and deliberate attention effort from preservation leaders.

Fundraising, Stewardship & Cultivation

It was Mark Twain that declared, “It’s not money, but the lack of money that is the root of all evil.” Sometimes referred to as the “necessary evil,” nonprofit organizations are in a perpetual fundraising campaign. Whether it’s through special events, memberships, or grants,

⁸⁷ Jim Collins, *Good to Great and the Social Sectors* (New York: Harper Collins, 2005), 8.

⁸⁸ *Ibid*, 9.

every nonprofit faces the challenge of raising money to support its cause. Volumes of books and articles are written on the topic and every fundraiser is on a search for the “next big thing.” However, it’s the same tried-and-true practices that have worked for decades, the ones that worked for Ann Pamela Cunningham and W.A.R Goodwin, that continue to be most effective today. In the absence of a magic bullet, nonprofit professionals must listen to the research, which continues to prove that the vast majority of money is raised by one individual asking another. While this simple fact is buried under black-tie events, auctions, direct mail, holiday appeals, and the like, it is always important to remember that the number one reason a person gives money is because he or she was asked.

However, despite that most basic and simple truth, nonprofit organizations have some distinct hurdles to jump through in order to achieve that goal. The more aware preservation nonprofits are of these hurdles, the more successful they will be in meeting the challenges head-on. First, the very name of the sector, “nonprofit,” creates confusion and misunderstanding about how money is raised and how that money is best used. It must be remembered that nowhere is it written, legally or otherwise, that nonprofit organizations can not, or should not, make a profit. Yet, this can be a difficult notion to sell to a donor. Donors are investors and want their money spent wisely. The general public expects a nonprofit to be meager and unassuming. These expectations can easily lead to a more damaging generalization that nonprofits are inferior because they aren’t making a profit. Profit is a positive word that conjures up notions of gain, advantage, and value. Taking a positive word and giving it a negative prefix, like “non,” establishes a mental picture that’s at odds with reality, causing “nonprofit” to translate into “no value.” Nonprofits are allowed to make a profit, it is what the organization does with that profit that establishes the difference between it and the business sector. Profits must be reinvested in

the organization, but that doesn't mean nonprofits should lack every luxury that is traditionally associated with the business sector. Aside from the obvious reason, which is to achieve its mission, a nonprofit organization needs funding for many of the same reasons for-profit businesses do: to recruit, train, and keep talented staff; to establish an appropriate infrastructure, and for security and flexibility in times of crisis. As the sector has grown, so has the competition for donations. In addition, increased scrutiny from donors and new demands for transparency can make a nonprofit's financial standing a hotly debated issue – both in the boardroom and in the public. Therefore, preservation nonprofits need to be educating their donors, members, and board about the benefits, and necessity, of a strong, viable, economic base.

Adding fuel to the debate, popular literature and watchdog groups encourage nonprofits to keep administrative costs to a minimum, sometimes touting “under ten percent” as the appropriate goal. For larger organizations, this may be easier, but “managers of small nonprofits recognize the basically suicidal nature of such prescriptions.”⁸⁹ Research reveals that “Low administrative costs aid and abet fiscal distress in nonprofit organizations by restricting the management capacity of the organizations to deal with distress – lost grants and contracts, insufficient assets, downturns in fundraising, and the like.”⁹⁰ The National Center on Charitable Statistics highlights this issue on their website, “For better or worse, the percentage of total expenses going to program costs is the most common measure of nonprofit organizational efficiency. Focus group research has found that donors expect worthy organizations to have low fundraising and administrative costs.”⁹¹ According to *A Donor Guide*, a publication from The

⁸⁹ Roger A. Lohmann, “Charity, Philanthropy, Public Service or Enterprise: What Are the Big Questions of Nonprofit Management Today?” *Public Administration Review*. (May-June 2007): 440.

⁹⁰ Ibid.

⁹¹ National Center on Charitable Statistics. The Urban Institute.

Urban Institute, “Research shows that the overemphasis on low overhead, far from enhancing the efficiency of charitable organizations, has reduced their effectiveness and corrupted their accounting. Overhead isn’t waste, it’s the basis for mission effectiveness.”⁹² This gap between current research and donor perception and understanding needs to close. Preservation nonprofits should be diligent about educating donors on their financial policies, overhead costs, and program expenses. Otherwise, they will run the risk of public attack – forcing a reactive, instead of proactive response.

In order to address current debates and misunderstandings, organizations must first and foremost understand who is supporting their mission and see the face behind the money. Penelope Burk’s book, *Donor-Centered Fundraising*, reminds the reader that behind every dollar given to an organization is a person. Burk writes, “Research in the fundraising industry has provided valuable insight on the question ‘why do donors give?’ but to better understand how to build relationships with donors, it is also important to know how they *feel* when they give.”⁹³ Sadly, most nonprofits fail in stewardship, cultivation, and relationship building. Instead, most nonprofits approach fundraising in a way that doesn’t encourage any dialogue with donors, and therefore doesn’t encourage donor loyalty. Burk reinforces this with a startling statistic, “Of the donors in our study who felt there was room for improvement, 70% would definitely or probably increase their overall philanthropic giving if charities improved the quality of their communication.”⁹⁴ This missing dialogue is the missing link, one that must be discovered in order to exchange ideas, share information, and express gratitude.

⁹² National Center on Charitable Statistics. “Donating To Charity: A Guide” (2004) <http://nccsdataweb.urban.org/kbfiles/541/Donor%20Guide.pdf> (Accessed May 28, 2010.)

⁹³ Penelope Burk, *Donor Centered Fundraising: How to Hold On to Your Donors and Raise Much More Money*. (Canada, Cygnus Applied Research, Inc. 2005), 15.

⁹⁴ Burk, 197.

And finally, all nonprofit organizations must have a presence in the community they serve. The leadership, through board and staff, usually serves as the face of the organization to the public. With that in mind, it's imperative that these individuals be informed advocates, able to champion the benefits of preservation and be a resource to the community at-large. Additionally, nonprofits need to update the community about their progress, through newsletters, annual reports, websites, press releases, and other appropriate avenues. An organization needs a system for outreach and communication to share its stories and inspire support. Created by and for the business sector, concepts like "marketing," "public relations," and "branding" were slow to be embraced by the nonprofit sector, and once they were acknowledged, the concepts had to be redefined to better meet the distinct needs of mission-driven organizations. *The Nonprofit Marketing Guide* states, "Marketing is not a dirty word. Asking people what they care about then relating your cause to their values is respectful. Good marketing is a conversation."⁹⁵ Marketing for nonprofits produces four major benefits: greater consumer satisfaction, increased consumer participation, better attraction of market resources (volunteers, donors, public support), and greater efficiency. Promoting preservation in the community is a responsibility, and therefore not a task to be taken lightly. This is how the community knows what an organization is doing, how they are doing it, and how others can get involved. Here, preservation nonprofits face another challenge, one that extends from the multiple disciplines attracted to the cause. If a community leader were recognized for volunteering with the local homeless shelter, the audience could readily visualize the type of work he or she is supporting. Yet, when a community member shares that they are serving on the board for a historic preservation group, an image depicting what that really means may not appear as quickly or clearly to the listener. Again, a "shared

⁹⁵ Kivi Leroux Miller, *The Nonprofit Marketing Guide: High Impact, Low-Cost Ways to Build Support for Your Good Cause* (San Francisco: Jossey-Bass, 2010), 4.

vision” becomes of paramount importance and promoting the many benefits of the preservation, in general, becomes more important than simply promoting the work of one single organization.

These three cornerstones – leadership, fundraising, and visibility – cannot exist in isolation. Instead, these are overlapping and shared responsibilities that require a strong mission and shared vision in order to be successful. With that in mind, one common and widespread myth about the sector must be addressed. Literature abounds with the ubiquitous advice that “nonprofits should operate more like a business.” An article in *Public Administration Review* illustrates the point best, “In most instances, what constitutes being ‘more business-like’ is relatively innocuous and common-sense advice suggesting little more than strictures to be instrumental, goal-oriented, and prudent with scarce resources; act wisely; and try not to do stupid or foolish things.”⁹⁶ Jim Collins seconds the idea when he writes:

“We must reject the idea – well-intentioned, but dead wrong – that the primary path to greatness in the social sector is to become ‘more like a business.’ Most businesses – like most anything else in life – all fall somewhere between mediocre and good. Few are great. When you compare great companies with good ones, many widely practiced business norms turn out to correlate with mediocrity, not greatness. So then, why would we want to import the practices of mediocrity into the social sector?”⁹⁷

Mediocrity will not elevate the preservation movement to its highest potential, and therefore should not be considered an option for preservation nonprofits. The more well-run the preservation organization, the more quickly the preservation agenda will be considered a credible, noteworthy, and important cause on national, state, and local agendas.

⁹⁶ Lohmann, 441.

⁹⁷ Collins, 1.

CHAPTER FIVE

HISTORIC PRESERVATION AND PHILANTHOPY IN GEORGIA

Established in 1732 as one of the original colonies, Georgia has a long and rich history that creates an ideal place for preservation enthusiasts. Human settlement has a 12,000-year history in the state, with evidence found practically everywhere - from remote mountain valleys to the coastal marshlands.⁹⁸ The largest state east of the Mississippi River, Georgia is also the ninth most populous state in the nation with 9.3 million residents in 2006.⁹⁹ According to Georgia's State Historic Preservation Plan, prepared by the State Historic Preservation Office:

“Georgia is fortunate to have strong state and local preservation partners that form the crucial links among the private, public and nonprofit sectors, the basis for Georgia's broad-based and widely respected preservation programs. Partnering with groups with common goals that can support preservation is fundamental to the way preservation takes place in Georgia. At the local level preservation organizations, historical and archaeological societies, foundations, heritage museums, commissions, neighborhood associations, chambers of commerce, local governments, and homeowners regularly join forces to champion preservation causes, to find new uses for historic properties and to develop innovative solutions to difficult challenges.”

Reinforcing the state's commitment to preservation and the nonprofit sector, two universities in the state, the University of Georgia and Georgia State University, offer graduate level degrees in both nonprofit organizations and historic preservation. In addition, a graduate degree in preservation is offered at Savannah College of Art and Design (SCAD) and several

⁹⁸ Georgia, Department of Natural Resources. (www.gadnr.org)

⁹⁹ Ibid.

universities offer a nonprofit certificate in conjunction with other graduate level programs.

Despite the strong presence of preservation values, Georgia was one of twenty-six states highlighted in the National Trust for Historic Preservation's white paper on funding cuts for state preservation programs. The report confirms, "As governors and legislators scramble to cut spending, they are tapping meager state park and historic site funds as a source for savings....Georgia took a 58 percent reduction over the past three years."¹⁰⁰ The report goes on to describe how some historic sites in other states are looking to the nonprofit sector for help, but determines, "the nation's privately owned historic-sites and museums are already struggling to survive and to sustain organizational and financial operations"¹⁰¹ Even with the nonprofit sector's growth and economic impact, it's still not viewed as a reliable resource to ease the struggles caused by limited state and federal funding.

The state does offer some grant programs for preservation through the Department of Natural Resources' Historic Preservation Division. Again, the funding is erratic and often dependent on federal dollars. A matching fund program is available through Georgia Heritage Grants, a program funded solely through the sale of preservation license plates.¹⁰² This program is expected to generate a meager \$50,000 in FY 2011. A highly competitive process that allows a maximum request of \$40,000, the program is only expected to fund two projects in 2011.¹⁰³ In addition, Georgia's statewide historic preservation nonprofit, The Georgia Trust for Historic Preservation, does not provide any direct funding to local preservation nonprofits. Instead, The

¹⁰⁰ Adrian Scott Fine, "America's State Parks and State-Owned Historic Sites: A Public Policy Report by the National Trust for Historic Preservation's Center for State and Local Policy," National Trust for Historic Preservation, 2. <http://www.preservationnation.org/issues/11-most-endangered/resources/Americas-State-Parks-State-Owned-Historic-Sites-White-Paper.pdf> (access June 1, 2010.)

¹⁰¹ Ibid.

¹⁰² Georgia State Historic Preservation Office. (www.gashpo.org)

¹⁰³ Ibid.

Georgia Trust provides programs, assistance, and information to the state's historic preservation community. Without financial support from the state government or statewide nonprofit, preservation nonprofits will have to tune into what's happening in the larger philanthropic community for validation, support, and ideas.

Georgia's Philanthropic Community

A common assumption is that "all preservation is local," therefore; it's important to recognize how local philanthropic economies operate in order to best determine how local preservation nonprofits succeed. Georgia's philanthropic economy has witnessed tremendous growth over the past decade. In 2008, Georgia's tax-exempt, public charitable organizations totaled 26,021 – more than double its size just ten years earlier in 1998.¹⁰⁴ Georgia's arts and culture organizations total 2,375, but only 58 percent of those have the revenue necessary to file a Form-990 with the IRS. Those arts and culture organizations that do file report a total revenue of almost \$378 million, with assets at almost \$1.5 billion.

Georgia Gives 2008

Georgia Gives 2008 is a report, prepared by the Center on Philanthropy at Indiana University, using the same criteria and framework utilized for Giving USA, the annual yearbook on American philanthropy.¹⁰⁵ The goal of the study is to "report the sources, recipients, and scope of giving in Georgia."¹⁰⁶ Key findings from this report offer great insight for Georgia's preservation nonprofits, particularly in understanding the motivations and expectations of donors, the revenue streams from which Georgia nonprofits are benefiting, and the current

¹⁰⁴ National Center for Charitable Statistics. The Urban Institute.

¹⁰⁵ "Charitable Giving in Georgia," *The Center on Philanthropy at Indiana University* (December 2008): 1-97, <http://www.philanthropy.iupui.edu/research/docs/2008GeorgiaGives.pdf> (accessed May 12, 2010.)

¹⁰⁶ Ibid.

position of arts and culture groups in the state.

Key Highlights

Who's Giving?

- Georgia households, foundations, and corporations gave an estimated total of \$6.678 billion to nonprofits in 2007. Over 83 percent, or approximately \$5.56 billion, came from individuals.
- Private and community foundations gave an estimated \$615.8 million, totaling 9.2 percent of total giving in Georgia.
- Corporate giving is an estimated \$503 million, including \$144 million from corporate foundations, totaling 7.5 percent of total giving in the state.

Where is the Money Going?

- Overall, 80.8 percent of giving by Georgia households remained in Georgia and 62.6 percent went to local organizations in the town or community where the donor lived.
- The largest share of donations, 55.5 percent or an estimated \$3.1 billion, went to Religious Organizations.
- The second largest share, 14.1 percent or an estimated \$785 million, went to Public-Society Benefit organizations, such as civil rights groups or United Ways.
- Out of the eleven categories, Arts & Culture placed a dismal ninth in funding, receiving only 1.3 percent, or an estimated \$74.3 million, of total giving. Georgia falls slightly behind the national average, 1.6 percent, for donations to Arts & Culture.

Donor Motivations

- An overwhelming 92.2 percent selected the choice “Feeling that those who have more should help those with less” as a motivation for giving.
- Another top motivation included “The belief that charity can activate change or bring about a desired impact,” which was selected by 88.3 percent.
- Importantly, a critical majority of 69.9 percent selected “Being asked to give by a friend or associate.”
- 80.2 percent of respondents indicated they would give more to an organization if “More money were spent on programming rather than administration.”
- More than half of Georgia donors, 52.2 percent, reported they would give more if they volunteered for an organization.
- “I stopped my involvement with an organization” was the most frequently selected reason Georgia resident stopped giving to a charity, 58.4 percent.

Lessons for Historic Preservation Nonprofits

It’s important for preservation nonprofits, their staff and boards, to understand that the vast majority of financial support for nonprofits comes from individuals – family, friends, and neighbors – who support causes in their own community. Support from foundations and corporations is significantly less, and oftentimes even those gifts are due to personal relationships. In addition, people want to feel connected to the organization, through volunteer work or other opportunities. Also important to note, donors are generally motivated by traditional ideas about charity, a view of “those with more give to those with less.” For preservation groups, this is not a motivation that easily translates into saving historic buildings. Finally, a vast majority of Georgia donors are conscientious of overhead and administrative costs.

Georgia Preservation Nonprofits: A Snapshot of Six Cities

A review of six preservation nonprofits in Georgia, which serve individual cities and counties, is offered. These cities are: Athens, Augusta, Columbus, Macon, Savannah, and Thomasville. A survey, review of public documents, and review of each nonprofits website, provided the basis for the research. The preservation nonprofits in these communities were examined in four areas: Mission and Programs, Leadership, Fundraising, and Visibility.

General Overview

The Georgia nonprofit organizations studied were all founded within nine years of one another, with the earliest being the Historic Savannah Foundation (1958) and the latest the Athens-Clarke Heritage Foundation (1967). All six of the nonprofits are housed in an historic building. Five of the six nonprofits classify themselves under the “Historical Organizations” NTEE Code A80. Thomasville Landmarks is the exception, filing under the A23 Code for “Cultural and Ethnic Awareness,” the L25 code for “Housing Rehabilitation,” and the S20 Code for “Community and Neighborhood Redevelopment.”

Mission Statements & Programs

Athens Clarke Heritage Foundations	To be a proactive force in developing community-wide understanding of the value of historic buildings, neighborhoods, and heritage.	Hands on Athens Athens Heritage Walks Educational program/forums Advocacy Preservation Awards
Historic Augusta Foundation	To preserve historically or architecturally significant sites in Augusta and Richmond County, Georgia.	Education Advocacy Preservation Awards
Historic Columbus Foundation	To revitalize historic Columbus neighborhoods, educate the public about local and regional history, advocate the benefits that are derived from historic preservation, preserve the historical, architectural and cultural character of Columbus and its environs	Heritage Education (Box City Summer Camp) Education, Advocacy Tours Façade Loans Preservation Awards
Historic Macon Foundation	To advocate for Macon’s historic and architectural heritage, to facilitate preservation efforts in our community, and to educate and inspire appreciation for our unique city.	Education, Advocacy Façade Loans Preservation Awards
Historic Savannah Foundation	To preserve and protect Savannah’s heritage through advocacy, education, and community involvement.	Education/lectures & workshops Advocacy Easements Endangered Properties Preservation Awards
Thomasville Landmarks	To protect, preserve, and promote the architecture, heritage and history of the Thomas County area.	Education, Advocacy Heritage Education Operation C.A.R.E Preservation Awards

Points of Interest on Mission Statements and Programs

By and large, most preservation nonprofit programming centers on education and advocacy. This type of programming is a natural extension of the organizations' missions. Of the six organizations, four use the word "heritage" in their mission statements, a broader reflection of the preservation movement. Two of the organizations, Athens Clarke Heritage Foundation and Thomasville Landmarks, have maintained the current mission statement for more than ten years. The other four groups have revisited their statements, often in a strategic planning process, and either shortened or completely changed their statements within the past decade. Two of the organizations, Historic Columbus and Thomasville Landmarks, link education back to the local school system through heritage education curriculum for elementary schools. Athens Clarke Heritage Foundation and Thomasville Landmarks also offer an annual one-day hands-on service project through a program that helps economically or physically disadvantaged homeowners in historic homes with restoration and rehabilitation work. Finally, all six of the organizations host an annual "Preservation Awards" event that recognizes outstanding efforts in their community.

The Leadership

Organization	Full-Time Employees	Part-Time Employees	Board Members
Athens-Clarke Heritage Foundation	1	1	25
Historic Augusta	4	3	60
Historic Columbus	5	1	30
Historic Macon	3	2	40
Historic Savannah	7	2	30
Thomasville Landmarks	1	3	24

Points of Interest on Leadership

It's not surprising that the organizations with the smaller budgets also have fewer staff. Of the six organizations, three have Executive Directors with two-years or less on the job (Historic Macon, Historic Savannah, and Historic Columbus.) Historic Augusta's Executive

Director has been in the position for more than twenty years, Athens-Clarke's leader has an eight-year tenure, and Thomasville Landmarks has four years under the same staff leadership. This is important to note because it highlights a common misconception, which is that the lead staff person is the best resource for information and holds the organization's institutional knowledge. In fact, staff turnover is much higher than board turnover - most of which allow two consecutive three-year terms. Therefore, board members quite often have a longer tenure than the staff – a role that is often overlooked, undervalued, and not accurately documented.

Fundraising

The following financial information is a summary of each organizations' 2008 Form-990 accessed through the Guidestar[®] website.

	Athens-Clarke Heritage Found.	Historic Augusta Found.*	Historic Columbus Foundation*	Historic Macon Foundation	Historic Savannah Foundation	Thomasville Landmarks
Year Founded	1967	1965	1966	1965	1958	1966
NTEE Classification	A80	A80	A80	A80	A80	L25, S20, A23
Reported Revenue / 2008	\$268,281	\$608,507	\$554,121	\$929,415	\$1,009,519	\$213,612
Reported Expenses / 2008	\$270,551	\$659,761	\$515,702	\$355,871	\$1,028,090	\$345,818
Net Assets / 2008	\$319,542	\$2,127,986	\$2,761,059	\$2,467,059	\$5,434,758	\$632,739
Executive Director Salary / 2008	\$47,500	\$60,260	\$62,939	\$49,000	\$55,653	\$47,682
Membership Base**	1,200	2,000	2,250	1,187	2,125	1,200

The (*) indicates additional endowment funds that are not included in this chart. Historic Augusta Foundation and Historic Columbus Foundation have separate tax-exempt endowment funds. Historic Augusta's fund totaled \$352,127 in 2008, while Columbus has an endowment of \$842,832.

The (**) indicates individual members represented. All of the studied nonprofits measure membership in units/households. However, *The Nonprofit Membership Toolkit*, suggests that organizations select a common multiplier, such as average household size, to determine how many people are legitimately represented in the database. “In most households more than one person is likely to read your newsletter, take advantage of your activities, and take advantage of volunteer opportunities.” These organizations provided a unit number, which was then multiplied by “average household size” data for that city, found on the U.S. Census Bureau website.

Revenue and Expenses

All organizations were asked to provide information on specific revenue streams and expenses. All cited “Membership” and “Special Events” as the biggest sources of income. The chart below indicates the percent of revenue contributed to the overall budget. It should be noted that “Membership” is an individual donation, and “Special Events” are often funded through the combination of individual ticket sales and corporate sponsorships. This mirrors research in the overall nonprofit sector, reinforcing the fact that the vast majority of support is from individuals. This study did not address issues on revolving fund. These funds, and their impact on the organization, vary greatly. For example, Historic Macon Foundation has over \$1.5 million in a revolving funds, giving it more flexibility to buy and sell properties and to use interest earned from that account to offset some operating expenses, if necessary. Whereas, Athens-Clarke Heritage Foundation’s revolving fund is approximately \$130,000, but is used to provide small grants for those who need funding for preservation projects. In addition, all organization surveyed cited “administrative” as the largest expense.

Revenue Streams

Organization	Membership	Special Events	Other
Athens-Clarke Heritage Foundation	25%	15%	Admin. Fees from Welcome Center, merchandise sales, restricted grants for Hands On Athens, 10%
Augusta Foundation	33%	25%	Facility Rentals & Merchandise Sales, 5%
Columbus Foundation	33%	33%	Annual Campaign, 20%
Historic Macon	25%	15%	Facility Rentals & Merchandise Sales, 15% and Fees-for-Service, 10%
Historic Savannah	20%	60%	Private Foundations, 10%
Thomasville Landmarks	45%	20%	Fees-for-Service and Merchandise Sales, 5%

Membership Levels

Each of the organizations offers membership at different levels. Historic Savannah offers six levels of membership, while Historic Augusta offers ten distinct levels. Of the six organizations, four offered a discounted rate for students. Three of these (Athens Clarke Heritage, Historic Augusta, and Historic Macon) charged a \$20 student fee, while Historic Columbus charged a \$25 student fee. In the chart below, the first three membership levels and the highest membership level are noted, excluding the student rate information.

Organization	Level One	Level Two	Level Three	Highest Level
Athens-Clarke Heritage Foundation	Individual \$35	Family \$50	Sustainer \$75	Preserver \$1,000
Historic Augusta	Individual \$50	Family \$75	Sustainer \$100	Landmark \$5,000
Historic Columbus	Individual \$40	Family \$60	Friend \$125	Heritage Member \$2,500
Historic Macon	Individual \$50	Family \$75	Patron \$150	Historic Macon \$1,000
Historic Savannah	Preserver \$50	Sustainer \$125	Conservator \$250	1733 Society \$2,500
Thomasville Landmarks	Sustainer \$30	Conservation \$75	Preservation \$125	1825 Society \$2,500

Visibility and Marketing

Each organizations has a website, which was reviewed and assessed for relevant information.

	Athens-Clarke Heritage Found.	Historic Augusta Foundation	Historic Columbus Foundation	Historic Macon Foundation	Historic Savannah Foundation	Thomasville Landmarks
Mission Statement	Separate link	Separate link	Home Page	Home Page	Home Page	Home Page
Online Donations / Membership	No, Download Form	Yes	Yes	Yes	No, Download Form	Yes
Newsletters	Yes	Yes	Yes	Yes	Yes	Yes
Volunteer Opportunities	No	No	Yes	Yes	Yes	Yes
Staff Names and Contact	Yes	Yes	No	No	Yes	Yes
Board of Directors	Yes	No	Yes	Yes	Yes	No
Upcoming Events / Calendar	Yes	Yes	Yes	Yes	Yes	Yes
Press Releases	No	Yes	Yes	No	No	No
Sponsor/Donor Recognition	Yes	No	Yes	No	No	Yes
Financial Information	No	No	No	Yes	No	No
Facebook Fans	145	3,687	1,033	214	803	730

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

Historic preservation and philanthropy have been partners in the nonprofit sector for decades. Yet, preservation groups do not always see themselves in this larger context, which limits their work and doesn't help establish and promote a strong, unified vision of preservation to the general public. In part, it can be assumed that much of this may stem from the "all preservation is local" maxim. Preservation efforts usually rise from a group of passionate individuals – representing a diverse cross-section of the population. Therefore, finding a shared vision and working under the best practices of nonprofit management are not necessarily the first – or second or third – priorities for a preservation group.

Reviewing the case studies for the six preservation nonprofits in Georgia, several commonalities were found. Each of the organizations cited "membership" and "special events" as their main sources of revenue. This reflects national data that individuals - not corporations, foundations or government grants - are largely supporting preservation work in a community. Administrative costs were always highlighted as the biggest expense. In addition, each organization identified "leadership" and/or "fundraising" as its biggest challenge(s). Specific programs were always listed as the organization's most valued "success."

Interestingly, each of the preservation nonprofits identified themselves as a function of the larger preservation industry, and not as philanthropic organizations operating within the larger nonprofit sector. For example, each of the Executive Directors' was well versed and experienced in preservation, yet none had any prior experience in the nonprofit sector. This results in preservation groups operating within an insular and narrow framework, one that does not encourage organizations to reach out for feedback, information, and help from established

experts in the nonprofit field. Therefore, these groups suffer from typical challenges – leadership and fundraising – faced by any nonprofit organization. The nonprofit sector, due to its tremendous growth and growing professionalization, is highly sophisticated with well-established systems, procedures, best practices and professional resources. Following are some recommendations and ideas for grassroots preservation nonprofits that will offer a competitive edge in leadership, fundraising, and marketing.

Historic Preservation and Philanthropy

1. Preservation nonprofits should stay informed about trends, research, and best practices in the philanthropic sector.
 - Subscribe to industry publications (for example, *Chronicle of Philanthropy*).
 - Consider membership with related professional associations, such as the Association of Fundraising Professionals, Alliance for Nonprofit Management, or the Corporate Volunteerism Council.
2. Preservation groups should educate their supporters about the history and value of philanthropy to the preservation cause.
 - Include an article in a newsletter about America’s distinct tradition of philanthropy.
 - Highlight the contributions of Ann Pamela Cunningham, John Rockefeller, Jr., and modern day preservation heroes. Sharing these stories with the public validates the long relationship between philanthropy and preservation, inspiring others to maintain the tradition.

Mission and Programs

Periodically review the organization's mission statement with the board of directors and staff.

Determine if the statement meets the needs of the community and that each board member identifies his or her interest with mission.

1. Have the mission statement on board agendas, minutes, and other "internal" documents as a reminder of the organization's purpose.
2. Open each board meeting with a "Mission Moment," a quick moment that highlights a recent event in which the organization's work was being accomplished. This keeps the board inspired and engaged.
3. With programming falling largely in the "Education and Advocacy" categories, it's particularly important to reflect the needs of the organization's constituency and ensure the organization is providing timely information and good customer service.
 - Consider new avenues in the community to highlight the benefits of preservation. Instead of waiting for "customers" to come to you, seek out new partnerships and collaborations with like-minded groups: the History or Arts Department of a local college, historical societies, garden clubs, etc.
 - In addition, "think outside the mission," and look to other, well-established nonprofits – a YMCA or Boys and Girls Club – for partnerships. Offer an afternoon "This Place Matters" program that discusses local landmarks, architecture, etc. Encouraging discussion with the next generation about "place" and "design" can offer valuable insight to the changing ideas about homes and neighborhoods. In addition, these partnerships lend credibility to historic preservation and provide a unique way to involve volunteers.

Leadership

1. Board recruitment and nominations should be a formal process. If the process is selective, the position becomes more attractive. Regarding leadership, “The social sectors have one compelling advantage: desperate craving for meaning in our lives.”¹⁰⁷ Capitalize on that advantage and make sure the board members experience is meaningful.
2. New board members must be well oriented, trained, and prepared for his/her role.
 - Establish a formal orientation program for new board members.
 - Create job descriptions for board members that provide a comprehensive outline of the expectations and duties of the board.
 - Make sure the roles between staff and board are clearly defined. The board sets policy and provides a checks and balances system. The lead staff implements that policy and runs the day-to-day operations of the organization. Also, in organizations with larger staffs: “The Executive Director works for the board and the rest of the staff work for the Executive Director.”¹⁰⁸

Presence / Marketing

1. Recognize the value of marketing. Invest in a staff person or recruit a board member with marketing expertise. The organization’s “look” is important. The organization should have a consistent brand. Using the same logo, color scheme, font, tagline, etc. presents a polished, consistent view to the public.
2. The organization’s mission statement should be visible on newsletters, website, and other external communications.

¹⁰⁷ Collins, 13.

¹⁰⁸ Brinckerhoff, 43.

3. Nonprofits are encouraged to be “transparent.” Make a “Financial Information” link on the website to the most recent audited statement, current operating budget, and the last filed Form-990. While many visitors will not take advantage of this information, having it available instills confidence and opens the door for communication.
4. Unlike many other nonprofit organizations, preservation nonprofits don’t typically have a “client” framework. The “client” is the community at large, the members, and volunteers. Therefore, speak in the language of the listener. Make preservation accessible and position it as a necessary part community work, not a nicety – but a necessity.
5. Elevate the benefits of preservation, not just the work of your organization. Find ways to highlight the work of other preservation initiatives.
 - Every preservation nonprofit in Georgia should have a link to the Heritage License Plate program.

Fundraising, Stewardship, Cultivation

1. Have a written fundraising plan, separate from the strategic plan. This should be a one-year plan that sets the fundraising goal, strategies for achieving them, stewardship policies, and the role of staff, board, and committees. The plan should be evaluated at the end of the fiscal year.
2. Make sure potential board members understand their fundraising responsibilities. Board members should be trained in best fundraising practices.
 - A Board President, or other members of the Executive Committee, should consider attending formal trainings, such as the annual BoardSource Leadership Summit.
 - Understand two simple truths. First, virtually all board members are scared of “fundraising.” Second, virtually all donors want more meaningful acknowledgement.

Review the organizations members, donors, corporate and foundation supporters and assign each board member a stewardship list. Each board member should make monthly contact with the supporter, but not be required to ask for money. Monthly contact through a combination of personal phone calls, emails, notes, or a lunch date keeps the donor informed of the organizations happenings. Track the stewardship in a status report. The benefits are twofold: One, the board member gets comfortable talking to donors and two, the supporter feels more connected to the organization.

3. Good technology is key to a successful stewardship plan. Make sure the database is accurate, functional, and dependable.
4. Give thanks before you bank. Create a policy that no deposits are made, until thank you notes have been sent. Again, prompt and meaningful acknowledgements are rare. Set your preservation nonprofit apart by providing excellent customer service.
5. Include a “Donors Bill of Rights” for first-time givers. Created by the Association of Fundraising Professionals, this one-page document advises donors about their rights to ask questions, protected privacy, etc.
6. Recognize donor loyalty. Most historic preservation nonprofits are membership-based. Take “thank-you” to the next level and give special recognition and distinction to those members who have supported the organization for five-years, ten-years, etc. Having a campaign that focuses on loyal donors, as opposed to one that is recruiting new donors, will create a stronger connection between the organization and the supporter.
7. Answer donor concerns before the question is even asked. Share research about myths in the nonprofit sector through a “Did You Know?” section in a newsletter. Use the

platform to address issues about administrative costs, overhead, etc. Be honest and trust the intelligence of your readers.

And Finally...

1. In every area, integrity must be a top priority. The organization must do what it says it's going to do.

Recommendations for Further Research

1. Explore the relationships between the National Trust for Historic Preservation, state-wide preservation nonprofit organizations, and local preservation nonprofits. What are the similarities between the national, state, and local level models? How are these organizations helping each other? Are the groups competing for resources? Does this framework contribute to preservation groups operating in an insular and narrow environment?
2. What is the future of the preservation movement as it relates to the philanthropic sector? Are collaborations amongst arts and culture groups successful? Will preservation continue to operate under the "Arts & Culture" umbrella?
3. How will preservation and conservation missions meet in the nonprofit sector? Consider other preservation nonprofits – battlefields, cemeteries, gardens, etc. – and explore the similarities and differences. How can preservation groups partner with conservation groups? What are potential challenges and opportunities for these partnerships?

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