TO: ALA Executive Board

RE: Report of the ALA Development Office

ACTION REQUESTED/INFORMATION/REPORT:

   Development Office update.

DRAFT OF MOTION:

1) ***The ALA Executive Board approve the full list of companies, as listed on December 31, 2018 from the Domini and TIAA CREF portfolios of "socially responsible" companies from which ALA units could use to prospect for corporate partners, sponsors and donors.***

DATE: January 2, 2019

BACKGROUND: The purpose of the ALA Development Office report to the ALA Executive Board Members is to provide an overview of the progress made by the American Library Association (ALA) and its units in their strategic fundraising efforts. The Office of ALA Development and ALA units expend significant effort in identifying, cultivating and soliciting major and planned gifts; participating in donor activities for purposes of relationship building, cultivation and stewardship; drafting proposals and meeting with individuals, foundation and corporate donors for cultivation and solicitation purposes.

CONTACT:

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DATE:

   January 5, 2019

BACKGROUND FOR ACTION REQUEST #1

The ALA Executive Board must annually approve the full list of companies, as listed December 31, in Domini's and TIAA CREF's portfolio at the Midwinter Meeting in order for the Development Office and other ALA staff to develop a more effective cultivation and solicitation program during the calendar year. These investment firms hold their portfolios to a strict set of social and environmental standards. New companies are added carefully and existing companies are reviewed and upgraded or downgraded based on their performance against the criteria.

TIAA Social Choice
http://connect.rightprospectus.com/TIAA/TADF/194408803/SOI?site=VA&SPV=true

Domini Social Equity Fund
https://www.domini.com/uploads/files/reports/Domini_Funds_2017_Impact_Report.pdf

Executive Summary

The purpose of the ALA Development Office report to the ALA Executive Board is to provide an overview of the progress made by the American Library Association (ALA) and its units in their strategic fundraising efforts. The Office of ALA Development and ALA units expend significant effort in identifying, cultivating and soliciting major and planned gifts; participating in donor activities for purposes of relationship building, cultivation and stewardship; drafting proposals and meeting with individuals, foundation and corporate donors for cultivation and solicitation purposes.

Accomplishments

Following the list of accomplishments, further information about specific fundraising activities is listed to highlight the expanding role and reach of ALA. When appropriate, hyperlinks have been included to provide additional information.

Fundraising
- **ACRL**. ACRL concluded a two-year scholarship campaign for the 2019 ACRL Conference, raising more than $66,000, exceeding their fundraising goal by 32% and funding more than 50% of the scholarship need. The ACRL Board approved $6,500 as a Giving Tuesday challenge match for ALA Spectrum Scholars; these funds enabled ODLOS to exceed its fundraising goal of $20,000. The ACRL Rare Books and Manuscripts Section raised almost $23,000 for scholarships for the RBM annual conference.
- **Grow with Google.** ALA's Washington office executed agreements with Google for $1.1 million and $99,000 for a new collaboration with the Grow with Google and the Libraries Ready to Code initiatives. Through this collaboration, events highlighting libraries and workforce development will be held at libraries in all 50 states. In addition, the funds will support libraries as they create and implement code-creation public programs.
- **Census Project.** The ALA received $75K from an anonymous donor to help libraries support the 2020 census. Library census efforts will focus on hard-to-count communities that are at a heightened risk of an undercount.
- **Smithsonian National Museum of Natural History.** PPO received $30K from the Smithsonian National Museum of Natural History to manage an extended tour of the Human Origins exhibit to two academic institutions in 2019.
- **Hulu.** This past holiday season, the ALA and Hulu joined forces to raise money and awareness for libraries, librarians and library workers. Hulu pledged to make a contribution to the ALA connected to the number of times one of Hulu's 10 holiday scenics was streamed throughout the month of December. Hulu's total contribution has not yet been determined and will reported at a later date.
- **Youth Media Awards.** The ALA will announce this year's Youth Media Awards during a webcast originating from the Mid-Winter conference. Baker & Taylor, a Follet Company, is sponsoring the YMA's and the webcast with a gift of $25,000.

- **ALA, PLA and Capital One secure sponsorship for financial literacy activity.** PLA worked with the ALA Development Office to secure a $75,000 sponsorship from Capital One that will enable ALA and PLA to promote financial literacy educational materials to public and other libraries. PLA specifically will present an educational program at the 2019 ALA Annual Conference, create content for *Public Libraries* magazine and web properties, host a webinar, and create email and social media communications to promote model programs, resources, and more. ALA will also promote the sponsorship and resources via *American Libraries*, Cognotes, and the Library Champions program.
- **PLA and Microsoft Philanthropies to support digital skills training in rural libraries.** In 2019, PLA and Microsoft Philanthropies will kick off an initiative to support rural libraries to implement multi-faceted strategies that build the computer skills of community members, so they can benefit from access to high speed internet and updated technologies. Through an employee giving program managed by Microsoft Philanthropies, $400,000 has been raised to support grants to rural libraries in targeted communities. These funds will support infrastructure and hardware, participation in training about digital literacy programming, and assistance to create community partnerships to advance digital skills.
- **PLA and National Network of Libraries of Medicine expand health programming.** PLA continues to collaborate with the National Network of Libraries of medicine (NNLM) and its regional medical libraries to expand access to health literacy training, programming ideas, and other resources for public libraries. PLA received a roughly $20,000 grant from the NNLM Pacific Northwest Region (PNR) to mount a preconference on health equity at the 2019 Midwinter Meeting, and to extend the impact of the educational content through an articles, webinar and more. In addition, three NNLM regional medical libraries have agreed to provide a combined $150,000 to fund PLA's Project Outcome (PO) to develop questions for health programming as a new service area, which will then support all NNLM grantees to use PO to evaluate their programs.

Organizational Excellence
- The Development Office continues to experience exciting transition. In December 2018 Anne Manly started as the new Assistant Director for Foundation and Corporate Relations. We expect to hire an Assistant Director of Major Gifts and Development Coordinator by February 15, 2019.
- The Development Office continues to work with Membership and ITTS on the online dues and donations system.

ALA Fundraising Priorities

Annual Fund
Results from the 2018 year-end Annual Fund are still coming in, but initial indicators are strong. To lay the groundwork for a strong Giving Tuesday, the Development Office secured $50,000 in matching funds to support fundraising on that day. The Giving Tuesday campaign raised $38,406, an increase from FY18's $31,021. Most of the matching funds were applied, and the ones that were not agreed to extend their matching gift contributions to December 31. We anticipate that all matching gift requirements will be met and we will receive the full funds. As of January 1st, we are still receiving contributions as a result of the end-of-year email campaign and mailed letter.

20x20 Campaign
The goal of the 20x20 Campaign is to bring the ALA's major and planned gift fundraising to a total of $20 million in new and existing funds by the end of 2020. With a starting point of nearly $10 million, a little more than $10 million in new planned and major gifts must be raised to reach our goal. We have currently received close to $4 million in planned giving pledges which will count towards the 20x20 campaign. We will review calendar year 2018 and provide an update on new funds that count towards the 20x20 campaign at the spring board meeting.
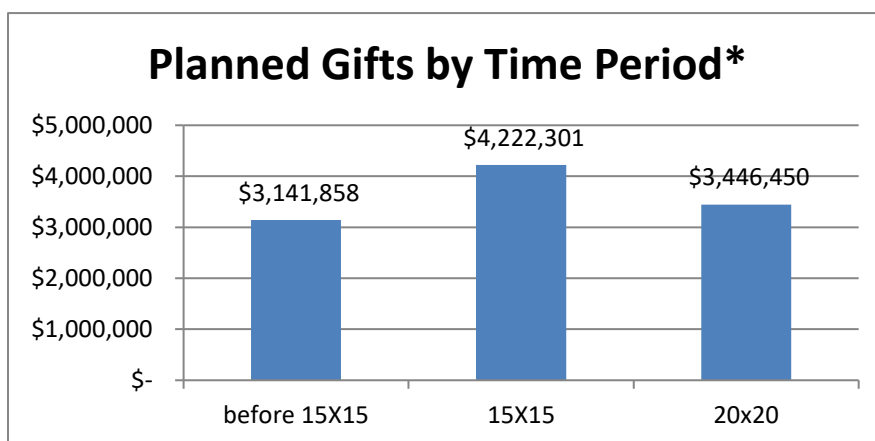
Planned Giving

Planned giving is a key component of ALA's fundraising activities. ALA's Legacy Society and the 1876 Club educate and engage our community around planned giving. Gifts can be dedicated to the ALA general fund or any ALA unit. Gifts raised through planned giving constitute the majority of funds that fall within the 20x20 Campaign.

FY19 Activities for the 20x20 Campaign:
- Legacy Society Luncheon at Annual Conference, to steward current Legacy Society members.
- Meetings at Annual Conference.
- With ALA units, identify prospects to approach for major and planned gifts.
- With ALA units, create solicitation documents which can be used during donor meetings.
- Planned giving mailing in spring of 2019.
- Ads in *American Libraries* promoting the Legacy Society

Here's more information about planned giving by time period:

Planned Gifts before 15x15: $3,141,858
Planned Gifts during 15x15: $4,222,301
Planned Gifts to-date 20x20: $3,446,450

Additional detail about the pledges reflected above:

New Planned Giving Pledges to ALA, March 2016 – December 2018		
	Approximate Pledge Amount	**New Members**
1876 Club	$1,294,750	14
Legacy Society	$2,151,700	12
Total	**$3,446,450**	**26**

1876 Club

Since the start of the Club in April of 2017, 14 members have been recruited, with planned gift pledges totaling over $1,294,750.

Activities to promote the 1876 Club in FY19 include:
- Host a gathering for 1876 Club members and prospects at Midwinter Meeting 2020.
- Spring mailing to 1876 Club prospects inviting them to contact the Development Office for more information.
- Gathering for 1876 Club members and prospects at Annual Conference 2020.
- Ongoing meetings with 1876 Club prospects.

Libraries Transform Campaign and Library Champions
At Annual Conference in June 2017, the ALA Executive Board voted to officially extend Libraries Transform through 2020. In the past year, it has reached over 10,000 sign-ups, and over the next two years, Libraries Transform will continue to grow and evolve, increasing engagement with its participants by developing new tools and content tailored to different library types and areas of interest, including topics such as health literacy and family engagement. CMO and the Development Office continue to promote Libraries Transform in collaboration with internal and external partners.

The ALA Library Champions play a key role in promoting the value of libraries to the general public through the Libraries Transform Campaign. ALA is tremendously grateful to all Library Champions for their support of our public awareness efforts. Special thanks to the following Library Champions who renewed their support in FY19: EBSCO Information Services, INGRAM Book Company, Brodart, ProQuest, SirsiDynix, Scholastic Inc., OCLC, Morningstar Inc., Gale, a Cengage Company, Bound to Stay Bound, and Baker & Taylor.

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ALA Investment in the Development Office
FY19 Update as of 1.4.19

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In FY18, the ALA Development Office shared the results of a comprehensive assessment of fundraising activities at ALA. Based on the results of that assessment, the Development Office proposed the following changes in the way we do our work and financial investments, which were approved by the ALA Executive Board and began to be implemented in FY19. The ALA Development Office investment budget supports our efforts to work towards the following concrete recommendations to improve the overall development function at ALA:

RECOMMENDATION ONE: Focus ALA's development program on the "greater good" messages and ask divisions to coordinate with development on member-focused fundraising drives throughout the year.

RECOMMENDATION TWO: Build the annual giving appeal into a consistent recurring multi-year program.

RECOMMENDATION THREE: Begin to create a major gifts culture that celebrates the power of giving.

RECOMMENDATION FOUR: Continue "friend to friend" planned giving, leveraging the reach of member networks.

RECOMMENDATION FIVE: Invest in fundraising staffing and centralized development functions to better serve units.

RECOMMENDATION SIX: Invest in upgrading and utilizing the full fundraising software functionality of iMIS.

FY19 activities towards Development Audit recommendations:
Most significant work in first quarter of FY19:
- Executive Board approved the founding of a new permanent Philanthropy Advisory Group to engage ALA members and stakeholders in growing fundraising revenue for ALA. The Philanthropy Advisory Group is on track to have its first member meeting at Annual Conference 2019.
- Concluded process to write new job descriptions for approved new Development Office staff and completed hiring for new Assistant Director of Corporate and Foundation Relations. The final two new positions are expected to be hired by 2/15/19

Recommendation 1:
- Continue to develop messages that emphasize the strength of ALA as a whole, while also pulling out special achievements of the various ALA units.

Recommendation 2:
- Highlight the giving season through communications and solicitations for the Annual Fund.

Recommendation 3:
- Two more hires within the Development Office are expected by 2/15/19.

Recommendation 4:
- Create a prospect list for the Development Director, Executive Director and new Assistant Director of Major Gifts.
- Begin to lay the groundwork for a major gifts campaign and program.
- Sharpen planned giving language and continue peer-to-peer asks.
- Planned giving communication is planned for spring 2019.

Recommendation 5:
- Continue to emphasize the Development Office as service center for all ALA members and units.

Recommendation 6:
- Work with the Washington Office and ITTS to pilot a new Salesforce database for advocacy and fundraising.
- Continue to identify opportunities to use iMIS to support fundraising efforts.

FY19 Development Audit Implementation Expenses

The baseline **budget for the Development Office in FY18 was $409,000. That figure** supported 3.5 staff, the costs of one mailing and annual report, limited donor stewardship efforts in the form of recognition signs, ads recognizing donors in AL, and travel expenses to major division conferences and ALA events. **All expenses listed below, to ramp up staffing and activities, are on top of this $409,000 expense.**

The following strategic financial investments in the Development Office were approved by the Executive Board in 2018:
- Add two new staff and upgrading a part time staff member to full time, in order to increase capacity to work with individual donors through the Annual Fund and Major Gifts.
- Add resources to support fundraising communications, through advertising in American Libraries, fundraising mailings, and more.

FY19 Activities with associated costs	Accomplished?	Cost?	Additional Comments?
Adding 2.5 new staff members, to increase capacity to fundraise from individuals. Includes Annual Fund, Major Gifts, and Prospect Research.	We have filled one of the new positions and anticipate filling the other two by 2/15/19	$173,000	Cost includes funds that were repurposed from other positions in the development office. This is an estimate, because two hires are not complete.
Additional budget for increased mailings, advertising, materials	Added envelope and ad for the Annual Fund to American Libraries; additional advertising planned	$50,000	Planned Giving mailing to be sent in Spring 2019
Additional travel budget	Additional travel will commence in the latter part of FY19.	$15,000	
TOTAL NEW YEAR ONE EXPENSES		**$238,000**	