

“Skin in the Game” and the Importance of Board Giving

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By Avrum Lapin

When we engage with new clients, we always begin with the imperative – up front and with clarity – that in order for the campaign or fundraising project to be successful, 100% board participation is required. Board members, as the legal stewards of the organization, must lead by example. The impact of board members' participation goes well beyond the individual donations themselves.

Nonprofit organizations rely on their boards for many functions: governance and budgeting, guidance, community involvement and, of course, fundraising. Though some boards downplay the fundraising aspect, it is essential that each board member be an active participant in ensuring the financial health of the institution. The boards that waffle on this target, by not articulating a clear expectation upfront, are most often the ones who fall short of their fundraising and leadership goals. The majority of successful organizations report high board giving rates. In fact, studies have found that board giving is more positively correlated with overall fundraising success than any other single factor.

Many boards have mandatory giving policies. According to a recent BoardSource [survey](#), 68 percent of nonprofit organizations have a policy requiring board members to make a personal contribution on an annual basis. Some boards have a “give or get” policy that allows board members to either give a personal contribution or raise the funds from family and friends to equal the amount of the required gift. We prefer a “give and get” approach, obligating the board member to lead with a personal investment, inspiring others by saying “join me,” rather than outsourcing their responsibility to others.

Of course, not every board has a policy that requires board giving. For those that do, the process is straightforward and requires a simple call to remind board members of their obligation. The process of new board member recruitment and orientation should include an early and candid conversation about expectations fundraising and financial obligations. Board leadership must set a good example by giving first and publically announcing their gift as a way to encourage others.

Board members may not choose to give for a variety of reasons. Board members might not understand why their contribution is necessary. Compared

to major gifts, annual gifts from board members might feel inconsequential. It is up to the board chair and professional leadership to inform each board member the importance of their giving and why their gift counts.

If board giving is not a precondition of board membership, some leaders often feel uncomfortable broaching the topic and may avoid asking because it feels embarrassing. They don't want to feel like they're pressuring fellow board members, or stretching them beyond their capacity.

Some feel that contributing their time is sufficient, that a donation isn't necessary. While time is valuable, board giving of actual dollars is important to the financial health of nonprofits and creates, and reinforces, a culture of giving that is not attainable by volunteering alone.

The most common reason for individuals not giving is that they simply have not been asked. Board leadership's duty is to make sure to personally ask for a gift from each board member. A personal ask will yield a greater return than an impersonal direct mail or email request, hoping that "they will get it." Within the personal conversation, leadership should articulate the organization's needs and mission and to clearly explain both their nonprofit's financial challenges and opportunities, and the practical and inspirational function of the board member's gift.

Why 100%: Boards are responsible for the financial health of the organization. However, BoardSource reported that less than half of nonprofits (49%) reach the magic number of total participation.

Board giving typically accounts for 10% of an organization's total gifts. Interestingly, the number of dollars is not as significant as the act of making the contribution. Through personal philanthropy, each member publicly recognizes and commits to the organization. Board members who use a community chest like the United Way or a Jewish Federation to make their gift should designate their own organization as one of the recipients of their charitable funds. 100% participation indicates that each board member has a strong commitment to the organization and its mission. The message to the donor community is quite compelling and a necessary motivator for others.

Making board giving mandatory – an expectation of membership, has a direct impact on others supporting the organization. Appeals to donors are strengthened and more convincing if a board member can explain the reasons

to support the organization and doing so annually. In addition, many foundations only contribute to organizations where every board member is a contributor. By showing the board that is fully invested, doors open to outsiders who may be willing and prepared to support the nonprofit.

Encourage 100% Participation: Though the easiest way to accomplish this goal is to make board giving mandatory, it is not always possible to change the by-laws or the existing requirement to being on a board. The goal, therefore, should be to create a culture of giving, expanding the relationship between the organization and the stakeholder, where everyone not only expects to give, but does so out of desire and a sense of personal commitment, not just out of obligation.

It is apparent that **engagement** is a key component. Through many different surveys and reports, it is clear that board members that give more to organizations that offered substantive, meaningful board experience. The more engaged they could be on their board, the more they wanted to support the organization financially. This finding is hardly surprising as people support those organizations to which they are connected.

Engaging boards should be a priority from both the board and professional leadership. This may take the form of giving every board member a fundraising task such as making phone calls or writing notes. By connecting board members to the fundraising process – “giving and getting,” they will have a deeper understanding of the importance and impact of their own gift. Once this culture of giving is established and takes hold, and becomes a priority throughout the organization, the subject of personal giving by board members becomes a more straightforward expectation.

Engaged board members will link the organization to their personal networks by making personal introductions, asking associates, friends, and families for gifts and allowing their names to be used in solicitations. Board participation has a deep impact on fundraising. When board members are asked to make requests to friends, business associates, or others in their various personal orbits for financial contributions, those organizations met their goals more frequently than those that did not ask board members to take these actions. The foundation for this rests in each member financially contributing on an annual basis.

Board member giving is a public commitment to the organization's work. Most nonprofits list their board members on their website and in their annual reports. Board members who take pride in the public recognition should make a

personal gift part of their investment. As the hit Broadway musical *Hamilton* explains, “When you got skin in the game, you stay in the game.” Boards that require skin in the game create stronger boards, more financially sound institutions, and deeper donor pools that will help to advance and grow the organization.

Avrum Lapin is President at The Lapin Group, LLC, based in Jenkintown, Pennsylvania, a full-service fundraising and management consulting firm for nonprofits. The Lapin Group inspires and leads US-based and international nonprofits seeking fund, organizational, leadership, and business development solutions, offering contemporary and leading-edge approaches and strategies. A Board member of the Giving Institute and a member of the Editorial Review Board of Giving USA, Avrum is a frequent contributor to eJewishPhilanthropy.com and speaker in the US and in Israel on opportunities and challenges in today's nonprofit marketplace.