



CULTURAL CONNECTIONS

Program Notes

Program Title: Tapping into the Silicon Valley Gold Rush

Location: Intel Museum

Date: Wednesday, October 4, 2000

Presenters: Tracy Mazer, Associate Curator, Intel Museum
Bob Woods, Director of Development, San Jose Museum of Art
Barb Larson, Development Officer, Community Foundation Silicon Valley

Program Overview:

The purpose of this program is to address the issues of fundraising in Silicon Valley; there are so many new millionaires but museums still struggle for funding.

The program began with Tracy Mazer, Associate Curator at the Intel Museum, giving an overview of the history and purpose of the Intel Museum.

Bob Woods, Director of Development at the San Jose Museum of Art, began his presentation with a discussion of how development is not rocket science, it is essentially people dealing with people. The key is to match the institution's mission with the donor's vision. Your ability to raise money is only limited by your vision and communication, you have to ASK for more money. It is important to maximize the donor's interest in the institution and to get the donor involved. You must know your institution, its mission, and its programs. You must work within the institution to develop the vision and the message to deliver to donors, and provide a menu of gift opportunities. You must identify what the vision of the institution is and how the vision relates to the budget, then show the investors how they will fit into that vision and plan.

Individual philanthropy makes up 85-90% of giving nationwide, corporate philanthropy involves collaborations and marketing for the corporation. The lesson is to work with individual donors; that's where the big money is. Here in Silicon Valley, the money is new, so it is crucial to develop relationships and involve people in the institution first, before they are ready to become donors. It is also important to do the research ahead of time, develop a volunteer base, and involve the entire staff in looking for donors. After developing a relationship with a donor, foster that relationship so it lasts over time.

Mr. Woods recommended one book: *The Raising of Money: Thirty-five Essentials Every Trustee Should Know*, by James Gregory Lord.

Barb Larson, Development Officer for the Community Foundation Silicon Valley, discussed targeting young donors. She also emphasized the need to make a connection with the donor, to involve them in the organization. The Community Foundation Silicon Valley works to connect donors with nonprofits through a variety of grants. The Foundation's goal is to develop "serial philanthropists." She described the approach of "Venture Philanthropy" where donors invest in a nonprofit institution like they would invest venture capital. They have the same expectations of involvement (marketing, strategic planning, etc.) and results as they do for a venture capital investment. They like to be asked for advice and they also look at multiyear funding and being on the board of the institution. Venture Philanthropists look for measurable outcomes on their investment, how is the community better? This relationship also helps the nonprofits do business better. Ms. Larson also had a suggestion in targeting individual donors, remember that they are the ones making the decision and they want all the facts. When approaching corporate donors, look to their volunteers, meet and work with individual employees.

Ms. Larson explained the attitudes of young donors: they want concise facts, they look for diversity and impact on the community. More mature donors want a sense of how you are "winning" and how they can gain a sense of self-satisfaction and ownership. All donors want clear financial statements and what percentage of their donation goes to the program vs. overhead costs. 56% of donors would give more if they knew institutions were effectively managed.

It is important for nonprofits to get a stockbroker and invest their money. Institutions should consider pre-IPO/stock gifts, charitable lead trusts, planned giving programs (estates), and online giving. Donors want to know exactly how the money is being spent, what the evaluation results are (as close as can be measured), and how the numbers are interpreted for a greater meaning relating to the mission, etc. In order to build networks and find new donors, institutions should begin small and begin with whom they know, the current donors and members. Partnerships with other institutions can also be effective.

Handouts / Recommended Reading:

Intel Museum

<http://www.intel.com/intel/intelis/museum>

San Jose Museum of Art

<http://www.sjmusart.org>

Community Foundation Silicon Valley

<http://www.siliconvalleygives.org/>

Silicon Valley Social Venture Fund

<http://www.sv2.org/>

Peninsula Community Foundation
<http://www.pcf.org/>