

Uncharitable

A Review

Dan Pallotta was recently in Toronto, promoting his book, *Uncharitable*, at Canadian Fundraiser's excellent workshop, *Surviving and Thriving in Challenging Times*. crawfordconnect had the pleasure of sponsoring the event and introducing Pallotta.

Pallotta penned *Uncharitable* following the bankruptcy of Pallotta TeamWorks, his company that invented the AIDS Rides and Breast Cancer 3-Day events in the US. Pallotta shook up the special event fundraising world, raising over half a billion dollars and netting \$305 million in nine years through these events.

In the end, though, the higher-than-normal cost of mounting these events was the downfall of Pallotta TeamWorks. Based on negative public reaction to the lower percentage of funds reaching the cause - even though the net raised was higher than anything ever seen in special event fundraising in the US - several charities reluctantly turned their backs on these mega events, and Pallotta TeamWorks was forced to close its doors.

Uncharitable is at once bold, thought-provoking and controversial. Pallotta contends that the constraints placed on charities and the paradigm within which they operate limits progress and undermines their potential. Charities don't tolerate risk, cannot earn a profit, limit compensation and place moral constraints on the use of donated dollars for anything other than program expenditures. The nonprofit sector is constrained from using the tools that allow companies to achieve higher sales, better products and more effective services. Pallotta argues that obsessing on the lowest possible cost-to-raise-a-dollar is outdated, flawed and restrictive.

Charities, he says, should have equal economic rights to for-profits. With funds dedicated to research and development for both new programs and new fundraising methods, with a higher tolerance of risk and an understanding that some higher-cost methods of fundraising can often net more for charities, a more liberal system is warranted.

While most of us would agree that at times, charities are indeed restricted by the accepted norms of fundraising, not everyone would jump on Pallotta's bandwagon to put these measures aside in order to adopt a pure business model. *Uncharitable's* premise led crawfordconnect to ponder the best way forward for the sector. Perhaps that lies in an adaptation of practices from the charitable, for-profit and public sectors.

If a hybrid paradigm holds potential for the future of the nonprofit sector, then what might the staffing model look like, and what various skill sets would be required?

Regardless of the sector, effective leaders have an appreciation for the diverse outlooks and needs of various stakeholders, tolerating dissention while also drawing consensus and aligning all behind a vision. These traits are especially important to charities, as stakeholders' interests change and donors and the public demand more transparency. If the best outcomes are to be achieved by the three sectors working in partnership, combining strengths and best practices, then staff and board members who appreciate the idiosyncrasies and have experience in the practices of all three sectors will be highly regarded and sought after.

Charities will also need to further demonstrate outcomes and measure them against funds raised and the output of resources – lessons and practices the charitable sector has learned and will continue to refine. While political parties and public sector leaders hone in on public opinion and develop policies accordingly, so too must charities focus on meeting specific needs as determined by market research and public opinion, not just the whim of a few but the researched and demonstrated need of the majority.

Leadership and fundraising skills will also increasingly need to be complemented by research, an understanding of social media and new technologies, best practices in program development and delivery and sound governance.

But what must not be overlooked, and can't be over-emphasized, is the need for staff and volunteers, in every corner and at every level, to embrace philanthropy and the culture that defines and promotes it. Above all else, if a charity is to truly succeed in its mission, its every representative must have the capacity to embrace the cause and passionately champion the case for support, never flinching from bringing a supporter closer to the mission and seeking financial support.

That sets the charitable sector apart from the corporate and public worlds, and skilled individuals who can lead an effective and efficient organization while also carrying out a true philanthropic process are rare indeed. The sector must continue to develop, nurture and support skill development, at every level, and ensure staff and volunteer leaders, managers and directors have the ability to coach and mentor those around them, and expose them to a variety of learning situations and problem-solving opportunities. As such, our amazing sector will continue to progress and thrive.

In the end, while adapting and adopting the best practices of the three sectors, and by forming effective partnerships with them, the work of nonprofits is about bringing donors and supporters together to achieve their dreams and desires for a world that will be even better tomorrow than the one we inhabit today.

Source:

Uncharitable: How Restraints on Nonprofits Undermine Their Potential

Author Dan Pallotta

Deborah Legrove, CFRE, is President of [crawfordconnect \(www.crawfordconnect.com\)](http://www.crawfordconnect.com), an executive search firm connecting nonprofits with the fundraisers and executives they need to succeed.



Recruiting excellence for the nonprofit sector

Toronto: 416-977-2913

20 Toronto St., Suite 420
Toronto, ON M5C 2B8

