

Meeting the Challenges of the 21st Century

The Role of the Nonprofit Sector

Presented by Mal Warwick
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Good morning, folks! I deeply appreciate this opportunity to share a few thoughts with you. I view us all as collaborators in some of the greatest human projects of the 21st century: eliminating poverty, guaranteeing health and educational opportunities for all, and preserving the planet that sustains us. It's an honor to be with you today.

During our time together, I'm going to take you on a journey across the world. I'll touch on five themes:

- First, I want to take a brief look at the human condition in the year 2006 – a moment without historical precedent.
- Second, I plan to touch on the forces in our society to which we look to confront the challenges ahead and examine how the nonprofit sector stacks up in that context.
- Third, I want to review the state of civil society today, in the United States and around the world.
- Fourth, I'll introduce you to a broader conception of our role as fundraisers – a strategic role, in which we're responsible not just for raising money but for mobilizing all the resources necessary for the nonprofit sector to meet society's needs.
- Finally, I want to join you in a look at the question whether, together, as a sector, we're equal to the task ahead of us.

Now let's begin our quick trip around the world. With blinders off, without self-deception, let's view the conditions in which the human race lives today.

This little boy lives under conditions that are typical of our world. Out of a human population of more than six billion people, more than one billion attempt to survive on less than a dollar a day, or \$365 a year. Almost two billion more get by on less than two dollars daily, so that about half the world's people live in what we in this country could only regard as desperate poverty.

With two dollars a day for food, shelter, and clothing, what can you buy? Health? Education? Culture?

I don't think so.

For the overwhelming majority of the world's population, survival continues to be the objective of daily life. Poor people – that is, two out of every three people with whom we share this planet – lack the means, the education, and the hope to improve their quality of life.

While half of humanity lives in the grips of poverty, generally lacking in hope for a better future, there is a tiny elite in virtually every nation on earth that is acquiring wealth beyond the ancients' dreams of avarice. Corruption and coercion are among the weapons wielded by the members of this elite, but capitalism is their most useful tool. Today, capitalism without limits is triumphant.

Currently, there are some 600 billionaires on Earth. Together, this tiny fraternity of humanity's biggest winners possesses collective wealth that defies human comprehension:

One trillion, 900 billion dollars!

This amount of money exceeds the annual economic output of the world's 170 poorest countries. It's roughly 4 percent of the gross product of the entire planet.

600 people.

Now, don't get me wrong. I don't believe it's bad for someone to become a billionaire by legal means (although for the life of me I can't figure out why anyone would feel the need to do so). However, I do believe it is downright **stupid** for so few individuals to control so much of humanity's wealth when three billion people are living in poverty and 800 million go to bed hungry every night. We are squandering our greatest wealth – the untapped genius of the world's poor.

When I was born, at the beginning of the Second World War, the human population was approximately two billion. Currently that figure stands at about six-and-one-half billion – **more than tripling just in my lifetime.**

The consequences of this growth can be seen wherever we turn: in big cities on every continent, which have grown even more rapidly, drastically lowering the quality of life of their citizens . . . in new infectious diseases, which are emerging from wilderness areas previously isolated from regular human contact . . . and in humanity's ever-accelerating consumption of the earth's resources at a pace that is clearly unsustainable.

Our lives are still enriched by the natural beauty of this magnificent planet we call Earth. Natural wonders abound – on every continent and around the bend on every wilderness road. But the damage we are doing to our surroundings is incalculable.

Today, the oceans – two thirds of our planet – hover on the brink of death. The combination of pollution, unregulated dumping of garbage, and overfishing have reduced virtually every species of large marine life to endangerment or extinction.

Meanwhile, on the ground, rapidly expanding farming and animal husbandry reduced the forest cover of the planet by more than 25 percent in the 20th Century – and is fast devouring ever-scarcer arable land and clean water.

If you've seen or read Al Gore's work, *An Inconvenient Truth*, you know that global climate change is the most pressing of all humanity's challenges today. So-called "global warming" is already affecting us profoundly, from the polar regions, which are rapidly shrinking . . . to the rising level of the oceans, already forcing those who live on small islands around the world to **abandon their homes** . . . to the increasing ferocity of tropical storms such as Katrina and Rita and the cyclone that battered South China just a week ago.

Take a flight to the far north, approaching the North Pole. You'll be surprised. If you thought the poles were completely covered in snow and ice many miles deep, you'll find open water and signs of land far more readily than you'd imagined. Once upon a time, the north was uniformly white. But the ice is rapidly shrinking at both the top and bottom of the Earth. Scientists can only guess at the consequences for our children and our children's children. But what neither they nor anyone else can do is stop this development. Global climate change is a reality, a massive threat – and don't let anyone else tell you differently.

Meanwhile, as Nature continues to demonstrate its enduring mastery over the human race, the world's elite live lives of possibility nearly without limit. Most of us live in big cities. This elite is comparatively small – a maximum of 800 million all together, or barely one out of every eight people.

We who constitute this elite – you, I, and practically everyone we know – consume together nearly all the world’s resources . . . and somehow we all seem to think that we can go on living in bigger and bigger houses and driving bigger and bigger cars and buying more and more stuff, year after year, without suffering any consequences. This, unfortunately, is a very, very bad joke. And the joke’s on us and our children.

With all that said, I haven’t even mentioned the violence we so regularly perpetrate on one another, whether inflicted by desperate and desperately misguided men led astray a warped interpretation of their religion – in London, Madrid, New York, or Moscow – or brought about as the result of official government policy in pursuit of principles and objectives that most of humanity is convinced are equally misguided and misconceived – as in Baghdad or Beirut.

This reality presents us with an abundance of challenges. Without question, we have the resources to combat all our problems . . . from hunger, disease, and poverty itself to the unknowns of global climate change. But, among all the great institutions of human society, which one is best suited to lead us to the solutions?

Government?

In many countries, there are governmental programs designed to help poor people and reduce or prevent the destruction of the environment. Are these programs effective? Do they produce good results? Only sometimes. And the sad reality is that, worldwide, these efforts to guarantee essential human services are not governments’ highest priority. On balance, it appears as though the governments of the world’s 200 nations constitute a negative force, not a positive one. Certainly, there’s no other way to describe the net impact of our government here in the United States. After all, we spend as much on our military – \$500 billion a year – as the 6.5 billion people of Earth collectively contribute to the nonprofit sector.

Religion?

There is no question that much of what is noble in the human spirit has been nurtured by religion. Every one of the world’s major faiths holds as a central principal of its beliefs that it is our duty as human beings to share with those less fortunate than us. And there are many individuals and organizations inspired or directed by religion that are conducting heroic efforts to reduce poverty and improve the conditions of life on earth. But how about our religious institutions themselves, whether Muslim, Jewish, Hindu, Buddhist, Catholic, or Protestant? Are the official organs of our faiths capable of leading humanity to create a brighter future for future generations?

No, not that I've seen. No matter what the religion may be, institutional self-preservation seems to be at the top of the agenda.

Business?

Within the multinational enterprises that dominate the world of business, the concept of corporate social responsibility is fast taking hold. For many companies, CSR is "reputation insurance" or, worse, window-dressing. But, increasingly, the leaders of the planet's biggest companies are coming to understand that their future prosperity requires them to address some of humanity's most pressing social, economic, and environmental issues.

Unfortunately, the same cannot be said about the great majority of businesses in any country. The movement toward socially responsible business signals an important trend, but to date its impact has been limited. On the whole, the commercial sector has contributed little to efforts to raise up the poor or undo the damage our species has done to the natural world we share.

Among the principal institutions of human society, only the social sector is working consistently to confront the enormous challenges now facing us as a species. Nonprofit sector, third sector, social sector, independent sector, civil society, citizen sector – the term doesn't matter. You – all of you, and all your colleagues spread across the surface of the Earth . . . you who are fighting to restore the environment and to combat poverty, disease, ignorance, and bigotry . . . you must provide the leadership.

Why? Because there is no one else who has demonstrated either the capacity or the will to do it.

Others talk a lot. They do little.

OK, then. We have a responsibility of historic proportions. Are we up to the task of meeting the challenge? Let's take a brief look at the state of civil society today.

Civil society today

During the last seven years, I've traveled to every part of the world . . . all six continents, dozens of countries, meeting with leaders from many hundreds of nonprofit organizations based in more than 150 nations. I'm no scholar, but I've learned a lot. And

it's clear to me that today the global nonprofit sector – what others more typically call “civil society” – consists of between five and ten million organizations. Five million!

Here in the United States, the latest estimate is that we number 1.6 million. Careful estimates in China and India indicate at least one million in each. Nonprofit organizations abound in almost every country in Asia, Africa, Latin America, and Europe – and their number is growing at an extraordinary rate comparable to that of the United States.

Of course, the overwhelming majority of these organizations have few resources . . . are staffed by volunteers only . . . and, in most cases, they face fierce opposition from the traditional leadership in their communities to provide even the simplest and most basic services. Nevertheless, I can assure you that in the main these organizations are working with fierce determination . . . with ingenuity and resourcefulness . . . and with success. Yes, with success.

All around the world, nonprofit organizations are feeding the hungry . . .

. . . healing the sick . . .

. . . offering hope to young people through education . . .

. . . and celebrating the diverse cultures that make humankind endlessly fascinating.

But that's only a small part of what we in the voluntary sector are doing to face humanity's challenges.

We are defending the victims of oppression . . .

. . . fighting for the protection of the environment . . .

. . . financing micro-enterprises that are lifting tens of millions of families out of poverty . . .

. . . forcing our political leaders to obey the laws under which they serve . . .

. . . and organizing the poor to demand their rights.

All this, and more, falls under the purview of what we in this country call the nonprofit sector. But in this context, what is our role as fundraisers? Let's take a close look at what I prefer to call "resource mobilization."

Mobilizing resources

So, what is our responsibility as fundraisers? Clearly, money is at the top of our collective agenda. Money is one of the principal ingredients of the fuel that powers the nonprofit sector. How much money is in play? And where does it come from?

Very broadly speaking, there are just two sources of funding for the nonprofit sector – **institutions** such as foundations, corporations, government agencies, and multinational institutions . . . and **individuals**, whose gifts, purchases, and fees contribute the balance. However, as fundraisers, we focus on philanthropy – voluntary, private, non-governmental giving.

Worldwide, according to the best estimates I can find, about **one-third** of philanthropic support for the social sector is institutional. **Two-thirds** comes from individuals.

Here in the United States, as you know very well, the situation is even more lopsided. Individuals – both living and dead – account for an estimated 83 percent of all philanthropic giving, institutions for only 17 percent.

Apparently, American philanthropy still accounts for about one-half of all giving worldwide. Last year, according to Giving USA 2006, we Americans contributed about \$260 billion. The worldwide total is some \$500 billion – a little less than one percent of total global economic output of some \$56 trillion.

That amount, by the way, is roughly equivalent to what our country spends every year on the military.

Philanthropy is a universal phenomenon.

Laws, cultures, and economic conditions vary hugely from one country to another. But the human condition is universal.

Generosity of spirit reigns everywhere. It is expressed through:

- The family, the clan, the tribe
- Religious institutions
- And through the private, non-governmental organizations we call "nonprofits."

Despite many differences in the style or manner of its expression, philanthropy can be found in every nook and cranny of the world.

Funding institutions flourish at all levels – local, national, and international. They distribute billions of dollars each year. But most of the money contributed to what we term philanthropy comes from individuals who are not rich.

Fundraising – the flip side of philanthropy – is based on behavioral patterns that have held true for centuries. Those patterns are unlikely to change, whatever the future might hold.

No matter what the language or the culture, we trigger an individual's motivation to give of herself when we touch her heart . . .
. . . her mind . . .
. . . and her spirit.

It's short-sighted to focus on money alone, though money is at the top of our list of priorities.

Time and willingness to volunteer can be equally valuable, sometimes far more so. And many among our donors can provide us with in-kind contributions of goods or services that will advance our missions as surely and as quickly as cash.

But it isn't merely the tangible gifts that our donors can furnish. Many donors have the capacity to provide us with invaluable information, whether specialized knowledge or simply information about public attitudes and beliefs.

Every donor can also serve us as an ambassador, spreading the word about our good work to family members, neighbors, friends, and coworkers – and perhaps recruiting their help as donors or volunteers as well.

And some among our donors possess special influence – with institutional funders, major givers, or with government agencies or officials – that will facilitate our work.

So it's a big mistake to think of our donors merely as sources of cash.

Our efforts to tap the potential of our donors to give all these six gifts I've enumerated go much more smoothly if we recognize the multi-dimensional character of our donors . . . if we treat them not as people who simply give money but who have sometimes complex relationships with us.

As new technologies emerge, the human mind devises ever more techniques to solicit contributions. But face-to-face solicitation will always remain by far the single most effective way to secure personal gifts. For those of us who use technologies such as the mail, the telephone, or the Internet to reach our donors, the biggest challenge we face is to simulate as closely as possible the character of those intimate, one-on-one conversations that are the backbone of philanthropy.

Success comes when you touch a donor's heart! But a little chocolate doesn't hurt, either!

Are we equal to the task?

Without doubt, the work we do is difficult. To touch the hearts, minds, and spirit of our donors requires not just an understanding of how and why people make philanthropic decisions but also skill in human relations. However, the greatest impediment we face is often our unwillingness or inability to think clearly and boldly about the task ahead.

Forty years ago, when I was a young man, I had the opportunity to work in Ecuador as a Peace Corps Volunteer, collaborating with an indigenous community of Quechua-speaking people who lived on dry and desolate land high in the Andes. After my first two years of work there, my fellow Volunteers and I returned to the United States to train a new Peace Corps group to accompany us back to Ecuador to expand our work together.

During the training program we led in Southern California, I had the opportunity to visit the headquarters of the farmworkers' organizing campaign – the United Farmworkers Union led by one of the most inspiring figures of the 20th Century, César Chávez.

One evening, after viewing a rousing theatrical presentation organized by the Union, I took a walk alone into a small park near the theater. I sat down on a bench under a huge tree heavy with leaves. There, as the dark of the evening resolved in my eyes, I saw a short, poorly dressed man sitting in silence by my side. It was Caesar Chavez. After another minute of silence, he quietly asked me who I was and why I was there. I explained, briefly referring to my work in Ecuador.

"Who are you working with there?" he asked.

"With the *campesinos*," I told him.

“That’s good,” he said. “If you’re helping poor people, it’s good.”

Over the years, I’ve thought a lot about that response. For a very long time I thought it simplistic. But now, after having visited more than 100 countries and gained some basic understanding of the world’s problems, I understand. He was right.

“If you’re helping poor people, it’s good.”

If you’re devoting some or all of your life to address humanity’s most fundamental challenges, it’s good. Far too often, we become lost in a sea of details.

From my perspective, when viewing the many great challenges facing humanity, there are only two that stand out above the rest: ending the destruction of the planet that is our home . . . and working toward the day when every individual, anywhere on earth, can enjoy all the opportunities that contemporary society now affords us.

The most important work of the human race is the work you are doing – helping to promote a better life for the entire human family. Yes, the challenges facing us are great. But the spirit that animates us is even greater.

In the words of the famous anthropologist, Margaret Mead . . .

“Never doubt that a small, group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

In the Farmworkers Union, you can still hear a favorite saying of Caesar Chavez’s, a phrase he used to remind his followers that they must always remember their great potential to achieve their goals:

“Si, se puede.”

Sí, se puede.

Sí, se puede!

Thank you.

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