

## The Public Television Major Giving Initiative

In late 2002, CPB commissioned McKinsey and Company to undertake systemwide analysis of the finances of public television. The previous decade had been a harsh one for public television and in the early years of this decade the system faced a “perfect storm” among its revenue streams. Historically, public television had maintained growth because of the diversity of its funding streams—when one was challenged it was often offset by gains in others. As the analysis began *all* of the major revenue streams, CPB funding, state and local funding, underwriting and net member revenue, were flat or declining. Among the underleveraged opportunities for growth identified through this analysis was major gifts fundraising.

Public television stations had operated some of the most sophisticated direct marketing operations in the not-for-profit world, but their expertise in, and income from, major gifts and planned gifts lagged far behind that of other non-profits. Less than 10% of the \$400 Million individuals contributed to local public television stations each year came in gifts of \$1,000 or more and the analysis suggested the potential of an additional \$20-35 Million in net revenue each year if stations became more proficient in major gift fundraising. In order to pursue this potential, the Public Television Major Giving Initiative (“MGI”) was designed. Funded by the Corporation for Public Broadcasting, the MGI seeks to develop sustainable major and planned giving programs at public television stations around the country. 117 Stations, approximately two-thirds of the licensees, participated in the program.

The Initiative had two key assumptions which guided its design:

- There is a need for both **strategic support** (how to organize for change, how to institutionalize a mission-based giving strategy) as well as **tactical support** (the basic nuts and bolts skills of major gift fundraising).
- This is a **long term process**. Both stations who commit to this strategy and those who advance it as desirable must recognize that it involves a multi-year commitment of attention and resources.

The initiative was built as a four part plan of station service:

1. Workshops for station General Managers, Chief Development Officers and Key Trustees.
2. A six part curriculum delivered via web lecture and conference call designed to build the key functional capacities necessary for the implementation of a major giving program. The creation or refinement of an integrated development plan by each station was a desired outcome of this process.
3. Creation of a “tool-kit” of print materials, templates, training guides, video support materials and a project website to house those materials.
4. Onsite consulting assistance (18 days over the course of a 2 year period) to help stations in the implementation of their development plan.

As the program took hold and early signs of success became evident, CPB invested in a third and final year of the program focusing on some of the broader issues of cultural and structural change within the station community. Central to that effort has been the Board Effectiveness Project, a part of the MGI, in which we have partnered with BoardSource, to offer board development services to participating stations.

The financial goals for the Initiative are fourfold:

- Increase net revenue from major gifts
- Increase major giving as a percentage of total gifts from individuals
- Increase median gift size among major donors
- Increase major giving rate of growth

We believed as well that fundraising based upon dialogue and conversation could create, or complement, a fundamentally new and different relationship between the station and the community

Though the success of a relationship based giving program can only be seen in its entirety over time, the results in the first year of the program were extraordinary. Unrestricted revenue from major gifts increased by over 18 percent for our first group of stations and restricted giving grew even more quickly in an environment where membership revenues, traditionally the backbone of public television development programs, continued to decline. We expect that the positive trend in major giving will continue in the coming years as these programs mature at member stations.