TEN WAYS TO RAISE LIBRARY FUNDING

*Shuk-fong Lau*

ABSTRACT

This article briefly discusses the reasons for fund-raising in libraries. Ten ways of self-generating library revenue are suggested: correspondence, telephone calls, flea market/bazaar, friends of the library, gifts and exchange programs, annual giving, special events, foundation grantsmanship, corporate grantsmanship, and service fees. Self-generating revenue proves to be the trend for the future. Planning is the first step for success. The involvement of volunteers is definitely an asset.

Reasons For Self-Generating Revenue

Since the 1970s, most academic and public libraries have been facing budget cuts to a certain extent. Though they try to work for the best with less, their financial situation has been worsened by inflation (e.g. fluctuation in the currency exchange) and the information explosion (e.g. provision of information in all of its formats). As a result, more libraries are turning to alternative sources of financial support instead of relying solely upon their own institutional funding. Some of the most common areas identified for outside funding are: acquisitions, automation, preservation, staff development, building expansion/maintenance, etc. The following is a discussion of some popular ways to generate library revenue from outside sources:

* Shuk-fong Lau, University of Western Ontario, Ontario, Canada
Ways to Generate Library Revenue:

Correspondence

Fund raising by correspondence has proven successful for many organizations. There are many forms of correspondence, thus calling for careful planning. For any form of correspondence to be a success, a group of potentially interested contributors, such as trustees, local business, users, alumni, etc., must be identified. No matter which form it takes, a correspondence should have 4 main components (Curtis: 1984):

a) the letter requesting the donation
   - express who you are and why you are writing
   - write something about your library;

b) the mailing envelope
   - the most commonly used is a standard # 10 business envelope
   - be sure to include a stamped reply envelope;

c) the response card
   - printed in a certificate or coupon format, it will aid the donors in feeling that they are giving something special to the library;

d) a brochure about the library
   - should be attention getting, emotion oriented, and concentrate on "you".

To achieve success, a library has to publicize why extra funding is needed, and has to convince the donors why it is worthwhile to donate to the library rather than other organizations. In addition, donors must be kept informed of the ongoing activities of the library and the benefits that they will receive before they donate. All donations should be acknowledged with a signed letter thanking the donors for their enthusiastic support. Telephone calls to donors that have not responded have proven
successful. It helps the donors to think that they are receiving special attention. The library should also contact the local post office to obtain the necessary bulk rate permits, mailing regulations, and rates. The library has to keep abreast of any rate changes.

Direct correspondence is one of the easiest ways to raise funds. If begun on a small scale, a library has little to lose even if it fails. If it succeeds, the library can launch a larger scale campaign. Hence, the library can raise its revenue while risk is kept to a minimum, and can continue expanding till its potential market is exhausted.

Telephone Calls

Telephone calls may be as effective as a door-to-door campaign. Again, detailed planning in the areas of organizing phone lists, phone lines and which hours to dial, as well as getting sufficient city maps, etc., is essential.

Black (1983) reports a case of success in a small town in Ontario, Canada, using this method. The library there simply called the targeted donors on the phone asking them for a donation. If the response was positive, it sent a volunteer immediately to the donor's place and picked up the money—hopefully before s/he changed his/her mind.

This method is rather labor-intensive as it relies heavily on volunteer work. Its feasibility depends a lot upon the training and enthusiasm of the volunteers. It is essential for the library to have experienced PR personnel to train them. The desirable method would be role-playing and discussions. Besides, it would be more fruitful if the library advertised its campaign in local newspapers, radio or television channels in advance. A suggested amount for donation would also be more welcome than just letting the donors decide how much should be donated, as people are accustomed to a marked price on most of the things in their daily lives.
If the campaign is to be held periodically, it is imperative for the library to send a thank you card/note to the donors so that a good feeling is cultivated among the donors. This will often lead to better results in the next campaign.

**Flea Market/Bazaar**

In addition to the function of raising funds, this method provides a valuable opportunity for the library to build up or improve its good image. It allows the library to promote its visibility in the community by bringing community members to the library for fun and bargains. Through this event, the library and the community can exchange information and ideas on the needs of improving library services. This promotes a better understanding of each other. In addition to time and effort, a flea market/bazaar requires the library to have adequate space so that it can accommodate the community members.

**Friends of the Library**

Instead of organizing fund raising by regular library staff or hiring a professional consultant, many libraries establish non-profit organizations such as Friends of the Library. They are formed by volunteers who may be community members, users, students, etc. The responsibility of these voluntary organizations is mainly for fund raising (e.g. through book sale), publicizing the library (e.g. designing posters for the library), and organizing activities among members (e.g. picnics, movies, etc.). The establishment of these organizations is an important symbol of identity for the library. It cultivates a sense of belonging and loyalty to the library.

**Gift and Exchange Programs**
Many academic and public libraries have been coordinating gift and exchange programs with other libraries, organizations or individuals. The purpose is often to enrich their collections. Gifts may be in the form of cash or unusual or highly valuable things such as antique or rare books. They may also be given in the form of commemorative gifts or honor gifts which are easy to solicit and can provide significant funds for the library. Sometimes, a library may list a gift catalog which lists the items that it needs from the donor. The latter can then select from the catalog those items that they wish to support. To thank the donors, the library may periodically publish a donor list in the library.

Annual giving

Libraries may carry out an annual giving campaign to steadily raise funding. It would sound much more attractive to donors if they were given certain privileges when they make a donation such as a one-year library card with longer loan dates, an invitation to open houses and social events, or publication of their names in the library’s newsletter, etc. The need to motivate people is the basic premise for launching this program. This method requires a lot of planning and organization in advance.

Special Events

Libraries may occasionally, instead of regularly, organize some special events to raise funds. Special events may take the form of public lectures, exhibitions, open houses, and indoor dinners etc. The New York Public Library (NYPL) fund-raising dinner dance is a significant example of the success of organizing special events (Model: 1984). The NYPL stands in an enviable position in the flow of public and private funding because of two major reasons:
• highly visible in the Manhattan area;
• has long been contributing to the quality of cultural life in New York City.

This method provides plenty of opportunities for libraries interested in raising money and generating goodwill. Very often, high-quality personalized service is the best way to win and hold library support. This method is extremely flexible in presentation as it does not require the library to fix a regular format or pattern of presentation to the community. It is desirable to seek the help and cooperation of volunteers such as the Friends of the Library because fund raising is often a labor-intensive event.

Foundation Grantsmanship

A foundation is a well-funded organization with a program objective to aid the educational, social or charitable activities maintained by other non-profit organizations. It may be private and non-governmental, or governmental and tax-supported. A grant is “a requested subsidy from a public or private source for a specific purpose” (Spyers-Duran: 1984). Grants are given in support of program enrichment, conducting experiments, or carrying innovative projects.

Traditionally, academic/research libraries have looked to some well-known foundations for financial support in carrying out research or other innovative projects. As institutional and governmental support has declined in the recent decade, more and more academic/research libraries are putting greater effort into searching out foundations for more financial support. These libraries find out the criteria for grant, and think of a way to match their requirements. Doubtlessly, foundations are one of the major alternative sources for outside financial support available to most research libraries.
Corporate Grantsmanship

Large corporations in the industrial and business sectors are also one of the major groups targeted by libraries for extra fund raising. Their importance in supporting libraries is growing. Since 1981, in the United States, corporations are allowed, by law, to claim up to 10% of their pretax earnings as charitable deductions (DiMattia: 1984). Corporate giving has increased 200% since 1970, reaching a total of US$2.5 billion in 1980.

New corporations are usually more generous in their donations as it is beneficial to them. It gives the corporation an opportunity to publicize or build up a good image to the public. It also implies that the corporation will be a good neighbor in the community. It is generally believed that corporate support of non-profit organizations will increase slightly over the next several years. This method, like most of the others, requires time, effort, patience, diplomacy, tact, creativity, and enthusiasm. The success of this method also depends on other variables such as economic conditions, tax laws, presidential policy, etc. They will play a role in determining the size of the total contributions pool in years to come.

Service Fees

More and more libraries are trying to charge both internal and external users for some specific library services in order to cover part of the costs. Those peripheral services such as online searching, computerized inter-library loan, translation service, etc., are the most popular services which contribute to the generation of revenue.

The issue of "to charge or not to charge" has been discussed vigorously in recent literature. For those who support it, their main argument is that it is better to have the option of paying for access to certain information or services instead of being totally
denied access because of financial obstacles. For those who oppose it, their main argument is that it has been the long tradition of libraries to provide services to their users free of charge; to charge would mean discrimination to those who cannot afford the service. The issue of user fees is both an ethical and a political issue. In spite of its controversial nature, it seems that more and more libraries are turning their attention to the question of how much and in what way to charge. Thus, it is very likely that most libraries will eventually adopt a service fees policy to cover some of their overhead costs.

Some Reminders

The above ten ways of self-generating revenue have been exploited by different types of libraries to a different extent. They may be employed individually or combined with others in order to get a better result. Whether employed individually or combined with others, it is essential for any type of library to observe the following strategic planning points:

1. Identify the problems which need to be addressed to the public.

2. Develop a detailed plan, listing the goals, the targeted donors, the procedure of the campaign and scheduled time-table to carry out the appropriate activities within a certain time period.

- Select suitable personnel. Who is going to lead the campaign? Should a professional fund-raiser be hired or should the regular staff or volunteers take the job? Often the availability of existing staff and volunteers, the budget of the campaign, as well as the time schedule and the nature of the campaign will determine the suitable personnel.

- If affordable, it is worthwhile to consult an expert in fund raising in order to achieve a more fruitful result.
• Objectives and deadlines should be stated specifically and in detail.

• Realistically estimate the expenses for the whole campaign. It would be better to overestimate rather than underestimate it.

3. Select appropriate leadership. It is absolutely essential to get support and backing from the policy-making party and the financially responsible group.

4. Encourage involvement. It is extremely important to cultivate an atmosphere that involves the library staff as well as the library community in supporting the campaign. Only when everybody knows and understands what is going on, is success likely to be achieved.

5. Records management. A good set of records has to be well organized and trace the growth, development and result of the campaign. It acts as a basis for future modifications or expansions. Good records management will increase the efficiency and the effectiveness of retrieving information by the library.

6. Be visible in the community. The library has to try every means to publicize itself in the community; otherwise success is unlikely.

7. Reporting back. It is imperative to give some sort of feedback to the donors so that they know their donations are well appreciated, and know how the library has made use of the funding to improve or expand its services. Feedback may take many forms: announcements at special events, newsletters, annual reports, etc.

To conclude, self-generating revenue will continue to play an important role in raising library funding. Despite difficulties in the areas of politics, staff, time, and expenses, it proves to be the trend for the future. Planning is the very first step for future
success. The involvement and enthusiasm of volunteers is often a determining factor in achieving the objectives. More attention needs to be paid to this human resource.

References


