CAF America’s initiative, Wealth Strategy and Charitable Giving, is an interview series about the ways that philanthropy and wealth services intersect, featuring leading wealth advisors and professionals dedicated to incorporating charitable planning in their practice.

WEALTH STRATEGY AND CHARITABLE GIVING:
A Conversation with Molly Norton, Philanthropic Advisor, Brighton Jones

CAF America: Tell us a little bit about your background. What brought you to the work you do today?

Molly Norton: A few elements of my background came together when I took this role. Prior to working as a philanthropic advisor, I had really only worked for nonprofits. Going back further, I grew up in a very engaged family and was raised to constantly be thinking about how I could give back to my community. My grandfather started a family foundation in the 70s in Baltimore, so I grew up around the foundation’s board meetings. Since then, I’ve served on this board for about ten years. This experience taught me so much about foundation governance and nonprofit assessment from the funders’ side of the table, as well as how to be a good funder. My parents, siblings and aunts and uncles are all involved in some way. The concept of supporting the nonprofit sector has just always been a part of my life.

Regarding my education and professional background, I got a Masters in international environmental policy, and focused on agriculture policy. So I worked on urban policy issues in New York City for a few years, and then moved to Rwanda where I worked for about five years with the Wildlife Conservation Society and a few other nonprofits. So all of those experiences, both as an employee and manager, but also as a nonprofit funder, have really come together to guide me in how to best share my knowledge with our clients.

CAF America: What lessons learned from the nonprofit sector and the advisor community inform your work today?

Molly Norton: I’d been both a nonprofit funder and a nonprofit employee in the past, so I understand the complexity of both those roles. It can be hard to really understand the sector because you tend to see nonprofit work in these snippets. Nonprofits face the challenge of doing really hard work while trying to appeal to donors; and sometimes their honesty about the challenges they face results in donors doubting their capacity to do the work. So my role is to try to shed light on all of the challenges and make it ok to talk about them, because donors need to understand the complexity of the work in order to be good donors.

Another lesson learned from my time working abroad is related to our sense of
time. The perception of how fast things can and should happen is so different sitting in a foundation board room than it is being at a rural health clinic in Rwanda, for example. Maybe a meeting of community health workers is postponed because a road is blocked, and maybe that sets off a whole chain of events that delay a deliverable to a foundation person. The concept of timeframes and how people work is a huge one to pay attention to with international giving.

And now, working with advisors, I can see how challenging it is to keep up to speed with the nonprofit sector while taking care of their clients' financial needs, because that alone is so much work. So it's a pretty amazing role for me to bridge that gap; I act as a resource for nonprofits looking to connect with donors, and also as a resource for clients and advisors trying to have a positive impact.

CAFA: What kind of questions or topics do your clients most typically want to discuss?

MN: It really depends on where the clients are—if they are brand new to giving, or if they have years of experience of engaging with nonprofits. But something common I've noticed in the last year or so is that people feel overwhelmed by the choices.

First, there are a lot of issues that feel critical. How do you choose what to support when it feels like there's so much urgency? Even within a given issue area, there are so many nonprofits doing good work. Donors want to talk through what to give to when there's so much need, and how to choose which organizations are doing the best work.

So I try to help clients really define what is the impact that they want to see their dollars make. Someone might think of themselves as an environmental giver, but it's important to decide what is it that you want to see change, and how you as a donor think that change will happen. Maybe a donor is going to be a good match for an organization that works on policy; another donor will fit better with an organization working on restoration and conservation projects. Some donors really think that research on climate change is super important, whereas other donors want to fund more immediate action. In my role, I help clients reflect on how they think change will happen, and I help to narrow down the organizations that are approaching that issue through a similar lens.

We then look at the leadership and size of an organization, and what their geographic focus is. Some clients want to find organizations that are reaching 10,000 people, or operating in 50 states. Somebody else might really like to support a small, local organization that's doing deep work right here in Seattle.

There are no right or wrong answers to those questions; it's about what resonates with the donor. If they feel like an organization is creating change they want to see, they're more likely to be a more impactful donor, because they might give a multi-year grant or they might give more money each year. If we can connect someone really closely with their beliefs and their passions around an issue, and then find the organizations that are doing that work, we'll make the most impact. Digging into those questions helps people find the right nonprofit for them.

CAFA: What comes next? Do you offer any suggestions on what sort of support your clients should give in order to see the change they are seeking?

MN: The goal is always to find something the donor is confident in, and then I always encourage them to make multi-year commitments. It's hard for a nonprofit to make a three-year plan when most of their donations are coming in on an annual basis. So if a donor finds an organization they feel good about, I encourage them to join the movement of that organization, and get onboard as a partner. Some donors want to see big changes, but then they're not giving the organization the resources to really allow them to make those big changes. So I try to really encourage people to invest in the change that they want to see.

In terms of evaluating impact, I help clients understand what impact would look like to them, and hopefully we've already identified that's what the organization

Building a compressed earth brick house in Rwinkwavu, Rwanda
Great impact could be achieved with the support of donors that came in with that mindset: what is it that you would do if you just had the money to do it? I think that's the dream for a nonprofit.

is doing before a client donates. I would encourage a client, especially if they are making a large donation, to have clarity with the nonprofit about what kind of impact report they might receive. Donors could also fund monitoring and impact evaluation, because that's not really a hot thing that gets funded very often.

Now, I also think it would be great if clients would donate to initiatives for which nonprofits cannot demonstrate the impact yet. A lot of nonprofits are struggling to secure funding for launching an experimental or innovative program because they don't yet have results to show. Great impact could be achieved with the support of donors that came in with that mindset: what is it that you would do if you just had the money to do it? I think that's the dream for a nonprofit.

CAFA: How do you work with clients who prefer to give internationally, or show an interest in cross-border giving?

MN: In my experience, most people who want to give internationally have had some sort of experience or connection to that place. Many of us feel like there are lots of problems in our local communities, and unless someone has seen how things are in other places, or is personally or through a family member or friend involved with a foreign nonprofit, international doesn't always resonate as deeply. We actually started our own nonprofit called The Brighton Jones Richer Life Foundation as a way to get our clients involved in international giving. We support three projects in Kenya that don't have much access to US donors. We take clients to see those projects and help them find ways to engage, both financially or through some sort of capacity building. One of our clients helped a nonprofit set up their Internet system and continues to support the nonprofit around their technical needs. We hope to expand this work in the years to come. It's hard to inspire people to give internationally when you're sitting in a wealth management office; issues can feel very different when you're on the ground. So the more we can get people out and about, meeting leaders and seeing the challenges, the better. Planning for international giving is actually how I first found CAF America. Clients come to us and ask if they should start their own nonprofit in the US to support a project overseas that doesn't have a 501(c)(3) designation. I always steer people away from starting new nonprofits, because even the simplest nonprofit requires quite a bit of administration, and in my experience clients who come with those questions aren't looking for a way to be a nonprofit manager. They're just looking for a way to get money abroad. So my main method of helping these clients is to look for fiscal sponsors and working with CAF America.

CAFA: There's been a lot of discussion in recent years about the debate over unrestricted funding. Many donors want to know exactly which projects their funds are supporting, and see low overhead as a sign of efficiency. Others feel that higher percentages of overhead and administrative support are necessary to long-term sustainability. Where do your clients fall on this debate?

MN: I don't think that I could generalize, but I do think that everyone at one point in time has heard the low overhead argument. This is one of the main things I talk about when first meeting with clients. A lot of clients do come in trying to figure out where to give but will say, “the one thing I know is that I want really low overhead.” To address this concern, I try to shift that conversation a little bit, I bring it back to the concept of impact. More and more, we depend on the nonprofit community to create massive shifts in our world that aren't happening in other ways, and yet we ask them to do so while micromanaging how much they're spending on administration. So I try to give examples relevant to the client's interests where a low overhead might actually be bad news. For example, many successful organizations working on environmental issues or on immigration rely heavily on specialized lawyers. Donors want to fund those organizations because—among other reasons—they have successful track records, and much of this can be attributed to being able to hire really great lawyers. If we starve nonprofit of the resources they need, we're
going to get high burnout rates and lose the best of the best fighting the fight that we claim we want to support. So I really try to shift that conversation. And when I frame it that way, about retaining really good staff and hiring the best of the best, people get it pretty quickly.

CAFA: Do you have any examples of success stories?

MN: Something that comes to mind is the nonprofit my husband runs, called PIVOT. They got an initial commitment of $5 million for their first five years when they started their initial operations. This allowed them to just focus on their programs. In their first five years, they didn't need to worry about marketing or fundraising. They used that money to do a comprehensive baseline study and were able to have their M&E system in place from the beginning, which is hard to get funding for under any conditions, let alone if an organization that doesn't have a website yet. And now they have a lot of really great data about what's working, what interventions aren't working, and it's allowing them to just make their work better and better.

CAFA: What advice would you give to other advisors who want to help their clients to invest in the long-term sustainability of nonprofits?

MN: As I alluded to before, advisors are so busy trying to assist clients with their financial planning that they do not often have time, or the necessary resources, to take the conversation further. For example, our advisors send their people to me, knowing that I can go deeper into the nonprofit field with donors. If advisors don't have an in-house philanthropic advisor, they should build a network of local resources like giving groups and community foundations that they can refer people to. I'd also encourage people not to make decisions about philanthropic giving while sitting in their advisor's office, or looking at websites or impact reports. Go out and volunteer, meet people, and do site visits. When you go to a nonprofit and see the work they're doing, the questions are so much more natural; your inclination as to whether or not the work resonates with you is so much more immediate. I just encourage people to get out into their communities and engage with nonprofit leaders, and then decide who they want to partner with.

One last thing: charitable giving isn't the right fit for everyone. And what's so cool now is that there are other ways to affect change, through impact investing or providing low-interest loans, for example. Beyond donations, there are an increasing number of ways for people to use their money and achieve an impact in their communities.