

ALTERNATIVE FUNDING: LOOKING BEYOND TRADITIONAL SOURCES

TELE-WORKSHOP SPOTLIGHT SPEAKER

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*"Alternative Funding: Looking
Beyond Traditional Sources"*

Don Charpio has spent the last eight years advising the Bureau of Land Management field offices in Phoenix, Arizona. He specializes in writing grant applications, working with constituency groups and participating in workshops and conferences.

Charpio created an encore presentation of his popular session, "Alternative Funding: Looking Beyond Traditional Sources," from the 2001 National Scenic Byways Conference in Portland, Oregon.

He began by asking three questions, which he answered at the end of the session:

1. What's the compelling story about your project? "If you can tug at my heart strings, then that's a good project," Charpio said.
2. Who gives the most money in the U.S.? To whom do they give it or for which causes?
3. What resources are available? What opportunities do you know of?

CAPACITY BUILDING

Charpio focused on "capacity building" as one method to expand alternative funding. One way to build capacity is through free labor, or volunteers. "A well-oiled system to recruit, retain and reward volunteers" is important he said, especially to grass-roots groups like



byways. He noted that a recent article about organizations in *Vistas* (the monthly newsletter from America's Byways Resource Center) counted 19 nationally designated byways organized as nonprofits.

He explained that government and Federal organizations, as well as nonprofit groups, may qualify for grants, donations and gifts – three other avenues for seeking funds beyond the National Scenic Byways Program source.

"Financial viability through enterprise," according to Charpio, is another funding possibility; however, entrepreneurial opportunities may not apply to government organizations. "You can earn money," he said. Sometimes it's as simple as charging for a map, selling T-shirts or just asking for donations.

**"A byway
program starts its
capacity building
efforts by thinking
and working
more strategically
and with an
entrepreneurial
spirit."**

SEE THE DONOR'S PERSPECTIVE

Charpio returned to his initial questions and heard "compelling stories" from Larry Moen (North Shore Scenic Byway - Minnesota), Joe Jorgen (Historic National Road - Indiana) and Charles Isabelle (Crowley Ridge Byway - Missouri). As Charpio analyzed their stories, he emphasized that byways should look at the request for money from the prospect's perspective. "What's the benefit to people?" Charpio asked. "Is it health? Education? Strong family ties?" According to Charpio, the story should answer the question, "What do I get for the money I give you?"

In addition, he said that donors want to know about the organization. "How good are you at building a network of support? Does the effort have a sustainable life of its own? How well does it serve the community?" He suggested that contributing to quality of life, adding to kids' appreciation of freedom or unity are possible ways to explain how a byway serves its community.



He also noted that the organization format affects donor response. "Nonprofits have an intrinsic appeal – not individuals, not government entities." After registering as a 501 (c) (3) nonprofit organization, a group should be prepared to show its viability. "How strong is your board [of directors]? Your community network? Your books? Your track record?" Charpio asked. "Normally, nonprofits have about a three-year cycle. They lose the president, lose board members and lose volunteers." He suggested that byways be prepared for the cycle to help show organizational stability to potential funding sources.

Charpio also recommended identifying "one strong person to be the coordinator for funding and for building partnerships...and you may have to pay this person." But he also explained that seed money is available from some sources to form nonprofit organizations.

Accountability is important. "Scandals will mean problems," he cautioned.

WHO GIVES? TO WHOM?

So who gives money in the U.S.? Charpio commented that, in general, the U.S. is the most philanthropic country in the world. Baby boomers are the biggest group demographically, of course, but more importantly, they're the wealthiest group ever. "Think of endowments as well," he said.

Sources for donations in the U.S.:

- Individuals - 81.2%
- Foundations - 7.3%
- Bequests - 6.8%
- Corporations - 5.1%

Individuals and foundations give over \$100 billion annually.
Corporate gifts total about \$10 billion.

Individual contributions make up the bulk of the giving, primarily motivated by one-on-one conversations. "It's the toughest way to make money – to sit across from a person," Charpio noted.

Although individual contributions are the primary source, foundations still offer funding potential. Foundations are the primary source of grants, too. Charpio said there are some 37,000 foundations in the U.S. "About one-quarter of them give as much as \$100,000 per year," he said.

To find out more about foundations, Charpio recommended a trip to the public library or a university library. The Foundation Center Collection provides information about each foundation, its board of directors, preferred causes and how much it gives. He said the Web

site www.fdncenter.org offers information about fund raising, too. Where does the money go? According to Charpio, the most common recipients are religious organizations. Education (usually formal education) follows. Then human services, health, arts, public benefit and environmental groups round out the picture. "Public benefit probably applies to byways," Charpio said.

EARN MONEY

Charpio reminded listeners that organizations can earn funds. If fund raising involves merchandise, there are retail operation issues to consider. Permits, franchise fees, concession operation permits and other details should be clarified in advance. Cabbage-Patch Dolls rank among the top fund-raising merchandise developments, Charpio noted, with a state park benefiting from the marketing and trademark foresight.

But there are also fund-raising opportunities through special events and corporate sponsorships. He mentioned that IEG Inc. presents an annual conference in Chicago (March 10-13, 2002) that brings sponsors and events together. "IEG is a leader in corporate sponsorship analysis – what an event's worth," he explained. The IEG Web site, www.sponsorship.com, provides insights to this form of fund raising.

From The Q&A Session

Q: How do you find individuals to head up your fund-raising efforts?

A: Watch your newspaper. Who are the movers and shakers? Also check regional magazines. Try the *Chronicle of Philanthropy* at your library to see lists of projects and their supporters. "Matching interests of the people along your byway with your byway goals is important," Charpio said.

Charpio concluded by noting that fund raising may take technical ability or extensive service to sell to others. "Normally, the public is willing to pay," he encouraged. ♦



Every byway should have a donation box. It's a simple, easy way to raise funds. This box is located in the visitors center along the Billy the Kid National Scenic Byway in New Mexico. A few quarters and dollars can add up to several hundred dollars a year.

TEN REASONS TO UNDERSTAND ALTERNATIVE FUNDING

1. Byways provide public benefits, but lack funding.
2. America's most distinctive feature is philanthropy.
3. "Greening of America" is big business. (Contributions to environmental causes is over \$3 billion)
4. Passing of unprecedented wealth to boomers - \$8 trillion.
5. Public-interest organizations are well positioned because they focus on quality of life and resource protection.
6. Tax law changes are making trusts, bequests, endowments and gift annuities everyday language.
7. Partnerships are essential, and are here to stay!
8. Prominent foundations are climbing into the driver's seat on public issues.
9. Public demand for accountability and ownership in finance and decision making.
10. Need to demonstrate worthiness of public trust.

CASE STUDIES

CASE STUDY #1

Joyce Barott, member, byway organization
NORTH SHORE SCENIC DRIVE
All-American Road (MN)
Project: Gitchi-Gami Trail



Riding and jogging on the Gitchi-Gami Trail near Gooseberry State Park in Minnesota.

Minnesota's North Shore Scenic Drive, a 140-mile All-American Road hugging the Lake Superior coastline, partnered with the Gitchi-Gami Trail Association to develop a non-motorized paved trail along the byway.

The trail runs from Two Harbors to Grand Marais in Minnesota, covering 88 miles. By the end of 2002, byway member Joyce Barott expects about 12 miles to open, with project completion set for 2011.

"We work with the Minnesota Department of Natural Resources (MN-DNR) and Minnesota Department of Transportation (MnDOT)," Barott explained. "Starting in 1996, we knew MnDOT had plans to reconstruct Highway 61. We were able to incorporate our plans into theirs."

Sources of trail funding include TEA-21 with an 80-20 match, and some of the matching money came from state grants and bonding. By creating multi-use trailheads and rest areas near the water, additional partners such as the Lake Superior Coastal Program of the MN-DNR, the Lake Superior Water Trail and the National Recreation Trails Program also contributed to the trail development.

"We looked beyond the scenic byway," said Barott. "I think it's important to creatively consider what the byway means to visitors and residents. Every aspect has a champion source."

Project Funding Sources

- Federal Highway Administration (Enhancements)
- Federal Highway Administration (Recreational Trails)
- National Oceanic & Atmospheric Administration (Lake Superior Coastal Program)
- Legislative Commission on Minnesota Resources
- Minnesota Department of Natural Resources (Lake Superior Water Trail) ♦

CASE STUDY #2

Chip Bentley, AICP, byway leader
CHEROKEE FOOTHILLS SCENIC HIGHWAY
National Scenic Byway (SC)
Project: Visitor Center



The Table Rock Visitors Center on the Cherokee Foothills Scenic Highway.

The 125-mile Cherokee Foothills Scenic Byway roams through the Blue Ridge Mountains between North Carolina and South Carolina. Although it links six state parks, the byway lacked a focal facility. "We had no centralized point of interest," said byway leader Chip Bentley. "A Palmetto Leader Group member in Pickens County initially came up with the idea in 1990 for a visitor center project."

Table Rock State Park, the midpoint along the byway, seemed like a logical location, and byway organizers believed they could leverage ISTEAF funds. "But we needed more support," said Bentley.

Bentley explained that the Palmetto Leader Group, a training program that promotes leadership skills among outstanding community members, adopted the project and brought in partners such as a tourism group, park service and state DOTs.

"This all began when the byway was a state byway, not a federally designated byway," said Bentley. He said the corridor management plan helped with the group's efforts.

Eventually, the byway secured a \$224,000 ISTEAF grant. "We used mostly government funds, but from every level," he said. Local companies provided in-kind services valued at about \$54,000. By coordinating efforts and expanding the fund-raising perspective to include many government entities, the group achieved its goal. "Today you can see the byway from the Visitor Center," he added.

Project Funding Sources

- South Carolina Department of Parks, Recreation and Tourism
- South Carolina Department of Transportation
- South Carolina Department of Natural Resources
- Pickens County
- Palmetto Leadership Group / Clemson University Extension
- Federal Highway Administration (Enhancements)
- US Natural Resources & Conservation Services ♦



America's Byways Resource Center
provides information, connections and
expertise that help build better byways.
State coordinators, local groups, volunteers
and organizations with ties to nationally
designated scenic byways look to us for
hands-on assistance in planning, preserving,
promoting and managing scenic byways.

2002 Tele-Workshops

Alternative Funding:
Looking Beyond Traditional Sources
Don Charpio, Bureau of Land Management

Economics, Partnerships and
Your Byway Community
Ernesto Sirolli, The Sirolli Institute

Traveling Gracefully:
Interpreting Scenic Byways
Ron Zimmerman and Michael Gross,
University of Wisconsin – Stevens Point

Sharing Your Heritage:
If You Promote It, They Will Come
Amy Jordan Webb, National Trust
Heritage Tourism Program

Making the Grassroots Grow:
Building and Sustaining Byway Organizations

Web Site Technology
Stephen Clyde, Utah State University,
National Scenic Byways Online

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