



NATIONAL EXCHANGE CLUB FOUNDATION

Strengthening Families. Building Communities. Serving America.

Your Foundation Focus

October 2009

OUR MISSION

To provide financial resources for the National Exchange Club Programs of Service

OUR VISION

Strong American families and National Exchange Club identity through the prevention of child abuse and Exchange's Programs of Service

'INVESTING IN AMERICA'S FUTURE' CAMPAIGN UPDATES

Braddock Named Honorary Campaign Co-chair

We are honored that Past National President Charlie Braddock has agreed to serve as honorary co-chair of the National Exchange Club Foundation's 'Investing in America's Future' capital campaign. Charlie will be joining others who have long been leaders and supporters of our organization: Mike Jernigan and Yvonne Ledoux are the campaign chairs; Gerald Franklin and Charlie are the honorary campaign chairs; Ken Warner, Rick Gordon, and Karen Askew complete the Steering Committee, which is meeting bi-weekly to keep this project moving forward.

Making Progress!

"As a (former) trustee, I had the opportunity to be directly involved in our decision to contract with Hartsook. I can tell you that it was not an easy decision. This was going to be a bold move ... we knew it was time for a change. Time to really move forward. Time to work with a company that knew the steps to lead us to the next level. Time for us to stay focused on what a long-term fundraising campaign would require. (When asked to co-chair the campaign) I needed to look at the 'big picture' and how I personally wanted to be part of it. This was to be above and beyond any other Exchange contributions I currently participated in and will continue to participate in. When I had made my decision, wrote it on paper, and said yes to co-chairing the Campaign, it was exhilarating. I know, even when the road is bumpy, that we are headed in a direction that is new and uncertain ground for us, but it is the direction that Exchange needs to go in order to thrive and continue to change children's lives far into the future." – Yvonne Ledoux, campaign co-chair.

When we embarked on this campaign in March of this year, it was with some trepidation. NECF had never undertaken such a daring and significant attempt to raise money, although fund development professionals had recommended on at least two prior occasions within the

past ten years that we need to do so. Quite honestly, it was a little scary to stick our necks out this far!

We are pleased to be partnering with Hartsook Companies, Inc. (HCI) in this historic endeavor. In its 24-year history, HCI has conducted over 2,000 capital, programmatic, and endowment campaigns. Its 60-member staff makes it one of America's largest, most comprehensive and respected fundraising firms. Their selection as the named designee of the Hartsook Chair at the Center on Philanthropy at Indiana University is just one of many illustrations of their earned respect in the field.

We are excited by our progress to date, and inspired by the support we are receiving:

- Hartsook has been under contract for 13 months, of which the first six months were primarily devoted to conducting a study and assessment of our fundraising activity and potential.
- Almost 200 individuals, foundations, and corporations participated in the assessment, revealing:
 - NEC fundraising activities, while well-intentioned, have been marginally effective in raising significant substantial funds.
 - The national project of child abuse prevention is one of the most significant and well-executed direct services by any service club in America. While no other service club in the world has the intensity and direct support of a single cause than Exchange Clubs through its foundation, support has unfortunately eroded through the years. This campaign has stimulated a plan to stop the erosion of support and create strategies for innovation and implementation of CAP center and club programs that we hope will—over time—save thousands of lives of children.
 - Many members noted opposition to the continued solicitation of the NEC general membership and interest in finding support outside of NEC. Hartsook's recommended strategy, while involving individual solicitation, focuses on less than 1% of the NEC membership in order to position the organization for national funding.
- A four-pronged campaign has been designed and recommended.
 - A \$1 million challenge from a small, select group of NECF leadership was implemented. This challenge grant is unique in the history of Exchange Clubs and their foundation. Few organizations have, within 6 months, generated such financial support while the project was still being unveiled.
 - That challenge, in order to be met, must be completed with \$2 million raised by March, 2011.
 - A process of vetting national and regional foundations that have a similar interest was begun. Fifteen of those foundations have been identified as good matches, of which nine have been pre-qualified, and communication has begun in developing an opportunity for NECF to seek funding. [In virtually all cases, these foundations have expressed expectations for NEC to demonstrate their own significant support of their national project by 100% participation of the

NECF and NEC boards. Failure to meet this minimal and universally-expected task jeopardizes our ability to attract corporate and foundation funding.]

- Hartsook Companies' partner, Barkley USA, has been enlisted to develop a plan to address cause-related marketing and community engagement to increase awareness of Exchange.
- This first campaign of \$5.5 million is expected to be followed by a campaign in the \$15 million range and a subsequent campaign in the \$30 million range, bringing to a close a \$50 million investment in child abuse prevention and other programs of service.
- In the 7 months since the study was revealed, at least a half million (\$500,000) has been committed, including a majority of the Exchange Foundation Trustees and the Exchange Club Board.
- It is expected, when the challenge is completed, that 50% of the funds committed will be outright, payable over an extended period of time, and 50% will be completed in estate vehicles maturing at the death of the donor.
- Individual and city-wide information sessions are being scheduled within the next three to four months, focusing on Charleston, Houston, Nashville, Jacksonville, Birmingham, and Southern California.

This early portion of a campaign, when major gifts are being solicited, is often called the "silent portion". That doesn't mean that its secret – only that we have not gone public with our solicitation yet. But we want YOU to know we are hard at work, partnering with Hartsook Companies, Inc., to secure the future of Exchange's great programs and projects.

Campaign FAQ

This is your campaign, and we want YOU to understand what we are doing and why. So each month we will focus on questions asked by our members regarding this campaign.

Question: Why doesn't my annual gift or Berkey gift count towards the 'Investing in America's Future' campaign goal?

Answer: The aim of this capital campaign is to take our organization and our programs to a higher level than they have been before. NECF has long received annual operating support through the Annual Giving Campaign, Campaign for Kids, dues supplements, and unrestricted contributions. We have developed our endowment through Berkey Fellowships and portions of the Dr. North Society gifts. These funds are greatly appreciated and every penny enables us to provide services, and support centers and clubs in their efforts to prevent child abuse and engage in other programs of service.

Two years ago we determined that we simply could not reach the next level and fully emerge with the National Exchange Club Foundation as the national leader in child abuse prevention until we focused on a special purpose campaign. At the same time, while we don't take anything for granted, we continue to rely on the annual support of members. We don't want members to divert their annual or Berkey gifts to help us reach the goals for this campaign. We need to keep the lights on, keep our staff employed, and keep up the good work while we seek additional support to help Centers, improve technology, initiate research, and heighten

public awareness of Exchange in ways that will improve future funding, and build a perpetual endowment for The National Exchange Club's programs and projects through this campaign.

This endeavor is beyond anything we have ever undertaken. We are committed to maintaining a strong infrastructure while we are working toward the bold goals of this campaign.

CAP UPDATES

New CAP Center Directors Participate in Training at Headquarters

One of the most significant services we provide to Exchange Club CAP Centers is in the area of training. New Director Orientation is such a service, in which we bring new center directors to Toledo for a week of intensive training in our Exchange Parent Aide model, nonprofit management, board and staff development, program evaluation, fundraising, and other subjects of importance in operating an Exchange Club Child Abuse Prevention Center. While this is a service for which other national organizations charge their chapters, NECF provides training at no cost to centers in good standing.

Five new center directors participated in training the week of October 19, 2009. They are:

- Stephanie Biegel - Walla Walla, Washington
- Terri Mermis - Palm Bay, Florida
- Prudence Williams - Jacksonville, Florida
- Sonya Williams - Birmingham, Alabama
- Margaret Zealy - Durham, North Carolina

Watch for New Time-Out Teddy Brochure!

Last month, we reported on changes and updates to our Shaken Baby Syndrome (SBS) prevention awareness materials. We are also updating other materials, including our Time Out Teddy brochure. Watch for updated verbiage and new colors next time you order!

For additional information on the above and other topics, check out our websites:

www.exchangeclubfoundation.org

www.preventchildabuse.com

Yours, in Exchange,



Richard Gordon, President