

Grassroots Fundraising Journal

Volume 1 Number 1

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\$2.50

Dear Friends,

Welcome!

This is the first issue of an exciting publication, and we are pleased to be sending it to you.

We created the *Grassroots Fundraising Journal* to fill a need we saw emerging among the groups' calling on us as consultants. Social change organizations from around the United States call us every day asking for fundraising training, how-to's, and skills, and each of us spends several days every month on the road meeting with these groups, in addition to our ongoing work with organizations here in the San Francisco Bay Area.

But many groups don't need individualized fundraising advice, or cannot afford it. What they do need is a regular publication where they can find advice, read about other groups successes or failures, write in with questions and concerns, and exchange ideas.

There are books about grassroots fundraising (our favorite is Joan Flanagan's *The Grassroots Fundraising Book*) which fill part of this need. But the *Grassroots Fundraising Journal* will be one of a very few regular publications, reasonably priced, addressing the ongoing questions of social change groups doing grassroots fundraising.

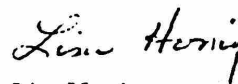
People from all over the country, from a wide spectrum of causes and organizations, constituent support, and financial stability, will be writing for the *Journal*. Upcoming issues will feature interviews with donors and fundraisers, will tell you "how-to" implement all the fundraising methods mentioned in this issue as well as keeping you up-to-date on new and useful fundraising literature.

We encourage you to submit questions, topics you would like us to write about, success stories of your own, criticisms, disagreements, and so on. In future issues, we will publish a cross section of letters to the editor, which will provide an additional forum for exchanging information.

The Eighties are already an era of right wing assault and setbacks in progress we made during the Seventies. Creative fundraising will be a key element in continuing the work of social change and social justice in this era.

The *Grassroots Fundraising Journal* is committed to providing information about fundraising to help people and organizations not only survive, but grow and make change.


Kim Klein


Lisa Honig

Publishers

Dear Joan,

Joan Flanagan is the author of *The Successful Volunteer Organization* 1981, (Contemporary Books) and *The Grass Roots Fundraising Book* (Second Edition, Revised and Expanded, 1982, Contemporary Books) available through your local book store.

Questions for Joan Flanagan should be sent to the *Grassroots Fundraising Journal*, marked "Flanagan Column". Ms. Flanagan regrets that she cannot answer questions personally.

The views expressed in this column are not necessarily the views of the publishers or other contributors to the *Grassroots Fundraising Journal*.

Dear Joan: A professional fundraiser has approached our group saying he will raise money and keep a percentage of what he raises. If he doesn't raise anything, we don't owe him anything. I understand this arrangement is controversial. Can you help us decide whether to take advantage of his good offer?

Confused in Minneapolis

Dear Confused,

Because all normal human beings have a fear of asking for money and a fear of failing, it is tempting for the Board to hire someone who offers the possibility of success with no risk or expense. But a fundraiser who plays on the fears of your leaders is not the person you want.

Most likely this fundraiser will take advantage of your group's good name long before you can take advantage of his "good offer". Any fundraiser working on a percentage will want to use a very hard sales technique to increase his income this year. But next year *you* will need to go back to the same sources for money. Then you may learn, much to your embarrassment, that the paid fundraiser has antagonized your donors or misrepresented your organization. If you have any doubts, ask the prospective fundraiser for references from his satisfied customers — *from at least two years ago*. If he cannot or will not give you references from 1980 or earlier, you know he's trouble.

There is no advantage to your group to hire an outsider to ask for money. It merely allows your own leadership to put off fundraising a little longer. Instead of buying time, they would be smarter to buy some training to get the skills and confidence to ask for money by themselves.

Dear Joan: I am part of a group forming a community organization. We want to get some foundation money, but don't have non-profit status. We need an umbrella organization to act as a conduit for our funds. What kind of arrangements should we make with this organization?

Just Starting

Dear Starting,

This is not a good way to start your organization. The graveyard of non-profits is littered with the bones of groups that took soft money to sail into an issue without laying a firm foundation first. In fact, the easiest way to undermine a potentially powerful organizing campaign is to make sure they take too much outside money too soon.

Never accept outside money until your own house is in order. If you need money now, ask the people who benefit from your program to pay for it. You can ask for donations, dues, pledges, or fees for services. Ninety per cent of charitable gifts come from individuals, and 75 per cent of Americans do not itemize their charitable deductions on their personal income tax forms. So there is plenty of money available to any group that can accomplish goals people want.

After you have chosen a structure, elected officers, set up dependable internally-controlled funding, and been approved for IRS tax-exempt status, *then* you will be ready to accept money from foundations and wealthy individuals who want a tax break. Until then, spend your time and energy building an effective organization and raising money from your own people.

So You Just Lost Your Funding: First, Panic, Then . . .

Stop panicking. Panic will not raise money. If you are among the thousands of agencies partially or wholly reliant on now non-existent, or skeleton government programs, you have a hard road ahead.

But, with planning and attention to detail, your organization could be among the survivors. To give yourself a fighting chance, you need to do several things very quickly.

The purpose of this article is to help you develop a step by step survival plan for fundraising.

Step One:

Form a Strategy Team

A group of five to seven people made up of Board members, staff people, volunteers, clients, or friends of the organization must volunteer to form a "strategy team" whose purpose is to create and implement a fundraising plan. Ideally, this team comes from the Board of Directors, and is organized by the Executive Director or another major staffperson. If you have no paid staff left, the Board will need to form this committee on its own. This group of people will need 7-10 hours per month to devote to planning and fundraising. The strategy team need not be skilled in fundraising – fundraising can be learned – but the team must be enthusiastic and committed to the organization.

The initial stumbling block for the strategy team may be their lack of fundraising skills, and, for many, their unwillingness to ask for money.

Step Two:

Training the Strategy Team To Be Fundraisers

The initial stumbling block for the strategy team may be their lack of fundraising skills, and, for many, their unwillingness to *ask for money*. Therefore, before any planning is undertaken, the strategy team, or some members of it, should go to

a seminar in grassroots fundraising strategies, or should ask a fundraising trainer to provide such training at a Board meeting or meeting of the strategy team. Although fundraising is *hard work*, the skills required for it are easy to learn. Therefore, a training session with enough information to create the fundraising plan can be relatively brief – from 3 hours to a full day.

If you hire a trainer, fees will vary from a low of \$100 a day to a high of \$500 per day. Sometimes excellent trainers will donate their time. In many cities, the United Way has a referral list of trainers willing to donate time, or you can check with any non-profit management assistance organizations in your community. Be sure to ask for and check references of any trainer, whether paid or volunteer. Make sure the trainer is not only a skilled fundraiser, but also enthusiastic, flexible, and able to understand and respond to your organization's particular situation. (For a list of grassroots fundraising trainers in your area, contact the *Journal*.)

During the training and, if necessary, in addition to it, time should be set aside for people to talk about their fears about asking for money. Particularly as individual donor programs are set up, fear will inhibit volunteers from getting donations. These fears are often overcome just by talking about them in a supportive setting.

Step Three:

Putting the Plan Together

After training and skill development, the strategy team must plan two separate but related courses of action:

1. *How to cut costs:* Although this article will not examine cost-cutting strategies, there are a number of questions you can explore that may help you design some cost-cutting measures. These include: how long can you operate at your present level of service? Do you have any savings? What part of your organization's functioning will end when your grant(s) runs out? (i.e., staff? program? both? office space? etc.)
2. *Where can you raise the money you are going to need?* The rest of this article concerns itself with this question.

Continued Next Page

With your financial picture in mind, look at the list of sources of money and considerations about these sources in Illustration One. The list of sources includes possibilities for groups beginning a fundraising plan. Other fundraising strategies, such as planned giving, endowments, or capital campaigns, are not listed because they are generally not appropriate in the beginning stages of a fundraising plan.

Take a sheet of butcher paper and list the possible sources of income down the side and the considerations across the top. Obviously, in order to fill in some parts of the chart, you will need to do more research and get more information. For example, you probably won't know whether or not you can start a small business, or what kind of business to start without some investigation.

Be conservative in estimating profit and liberal in estimating costs. Overestimate time and people needed. Be especially conservative in estimating how many corporate or foundation grants you can get.

Once you have listed all the sources that are possible for you, you will need to examine each one critically, and make sure you think it will work. When complete, your plan should look like the one in Illustration Two.

"The ideal fundraising plan is as diverse as possible. Nothing is certain in the present economy, and diversity is the only way to guarantee any financial stability."

You may notice that some of your sources are excellent, but will take a long time to implement. Other sources have immediate pay-off, even if the net gain is small. A good fundraising plan should have both long term and short term elements.

In the sample plan, note that Community Services identified sources of funding that were fairly simple to implement. In some cases, they merely added a price tag to program work already underway. They also set low goals for each source. To be on the safe side, they arranged a "line of credit" from a bank. (A line of credit is a loan, which only takes effect as you borrow it. It works on the same principle as a credit card, setting a ceiling for spending. There are many creative ways to borrow money, and you should consider them.

Ask a bank or credit union for full information on their lending procedures.)

Some pointers in putting your plan together: The ideal fundraising plan is as *diverse* as possible. Money should be projected from a variety of sources. This insures that if one source fails, there will be others to draw on. Don't be tempted to seek all your funds from one or two sources, no matter how "sure" they may be. Nothing is certain in the present economy, and diversity is the *only* way to guarantee any financial stability.

All fundraising plans should include seeking money from individual donors. There are many ways to solicit this money, including a membership drive, canvassing, major gifts campaign, subscriptions to a newsletter, and so on.

Illustration One:

Sample Chart Source	Time needed	People needed	Front money?	Special knowledge	Cost Analysis	Strings attached	Profit?	Stability?	Worst thing that could happen	Best to hope for?
Individual Donor										
Membership Dues										
Pledging										
Special Events										
Raffle										
Dance										
Phonathon										
Fees for Service										
Sale of Products										

Step Five: *Riding Out the Storm*

The first few months of planning and fundraising are probably the most frustrating for everyone. A lot of work is put in, often without immediate pay-off. Losing much of one's budget is very depressing, and the ongoing slashing of programs by the Reagan administration adds to a general sense of doom and gloom.

An organization doing grassroots fundraising for the first time is like a brand new organization – no matter how long it may have been in existence. Being brand new means that plans take more time than you think they should, people don't always do what they say they will, and you may estimate incorrectly how much work something will take, or how much money it will bring in.

During the first six to twelve months of grassroots fundraising, while you are getting used to

Illustration One: *Sources and Considerations*

SOURCES

Individual Donor Programs:

<i>Annual Giving Campaigns:</i> Membership drives Dues, subscriptions Pledging	Direct Mail, or small mail appeals Door to door canvassing Major gifts
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All individual donor programs require an ever-expanding network of contacts. Each new donor leads to more new donors. All successful self-sufficient organizations have one, and usually several forms of individual donor programs.

Special Events: Are usually planned in terms of small (net \$100-300), medium (net \$1,000-5,000) and large (over \$5,000). However, the size reflects not only the profit earned, but the amount of work, lead time, and front money required. In planning special events such as concerts, or any event that requires a "star" for a draw, start with who you know. A Rolling Stones concert would be a great money maker, but if no one knows anyone who knows the Stones, it will take 3-4 years to plan. You will probably want to start smaller, such as with the High School Glee Club.

Fees for Service: Seeking funds from clients as payment for services rendered. This can be set up on a sliding scale so that you can serve all the people you want to, but those who can pay will pay what they can afford.

Sale of Products: such as T-Shirts, bumper stickers, buttons, or developing more exotic products such as toys, games, stationary, etc.

Sale of Information: almost always, parts of the program of an organization would be useful to people in written form. Developing booklets, pamphlets, and manuals and selling them for 4-5 times their cost can be a real money-maker. The information is useful to the person buying it, and generally he/she gets it cheaper from you than from any other source they would have to approach for it (such as an attorney, doctor, or regular bookstore).

Training/Education Programs: like the sale of information, offering continuing education credit for doctors, nurses, lawyers or other professionals, or a seminar for the general public, with a charge per participant is a way of doing your program work, offering a needed service and information to people, and still making money.

Honoraria: service clubs, guilds, professional organizations, and other groups seek speakers for their monthly or quarterly meetings. Up to now, your group may have spoken at these gatherings for free, but if you ask for a reasonable honorarium, you will probably get it.

Grants: from government (unlikely), corporations or foundations, service clubs (Kiwanis, Rotary, Junior League), United Way, or churches.

Churches: give grants through their local parish structure, and from their national arms. They are also able to take a "second collection" for you on a Sunday, or loan you the use of duplicating equipment, typewriters, etc., or give you office and conference space rent free.

Loans: various types of loans, lines of credit, interest rates, etc., can be worked out either through a bank or savings and loan, or credit union, or through an individual, foundation or corporation. It often makes good business sense to seek a loan when you are first doing grassroots fundraising. Loans can be used for front money, or for cash flow problems until your fundraising begins to pay off.

CONSIDERATIONS

These can be written across the top of a sheet of butcher paper or chart, to be answered for each source. Some research may be required for adequate answers to each question.

1. How much time spent researching and planning does this source require? (i.e., foundation grants require research even before a proposal.)
2. How much lead time is needed, once the planning is underway?
3. How many people are needed?
4. How much front money is required?
5. What special knowledge is required, and who has it?
6. Is the plan cost effective? (counting staff salaries, overhead expenses, and volunteer time that could be used in different ways).
7. Are there strings attached?
8. How much money will the source bring in?
9. Is this a stable source of funding?
10. What is the worst thing that could happen?
11. What is the best we can hope for?

getting your money this way rather than from federal proposals, keep in mind certain cliches, such as: perserverance furthers, success breeds success, form creates substance, nothing ventured – nothing gained, a stitch in time saves nine. As much as possible, maintain an attitude of enthusiasm and momentum. Remind people who speak negatively that negative thoughts and negative speech do not raise money or build programs.

Many groups have discovered resources within their supporters that they were unaware of, and a depth of creativity and willingness to work which means the group will not only survive, but grow.

Community Services Fundraising Plan

For: Six months beginning 5/1/81, ending 11/1/81

Goals: 1) \$25,000.

- 2) New plan for 1982 developed and ready to implement
- 3) 20 new volunteers working primarily on fundraising tasks

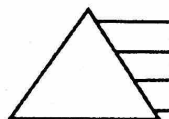
Sources for \$25,000.

Mail appeals:

Our mailing list: 2,000 @ 6% response/median \$15. \$ 800.

Friends of Board, staff, volunteers: 750 names/4%/\$15. 450.

Major Gifts:

	1 @ \$1,000.
	1 @ 500.
	5 @ 100.
	5 @ 50.

Total Major Gifts: 2,250.

Fees for Service: 10 clients/week @ \$4. client X 24 weeks 960.

Special events:

Donations at Unity Day Fair (6/3/81)	150.
Dance (7/15/81)	1,000.
Garage Sale (9/4/81)	2,500.
Raffle (drawing 10/29/81)	2,500.

Honararia: 3 speaking engagements @ \$50. 150.

Church discretionary funds:

Approach 10 churches, hope for 3 @ \$200. 600.

Foundation grant: 5,000.

Seminar: (7/81) 150 participants @ \$25. 3,750.

Sale of "Tenants Rights" book: 400 @ \$2. 800.

Loan: \$5,000. line of credit 5,000.

TOTAL \$25,160.

Note that Community Services turned some of their program work into income producing sources: such as their service to clients, a seminar originally planned to be given at no charge, and the distribution of their tenants rights book, also originally planned to be given away. Although some people may object to charging for services of information, keep in mind that people often value things they pay for more than things they get free. Also, the charge can be kept nominal, or on a sliding scale, so that no one is deprived of the service or information for lack of funds.

When to Consider Merging

Merging with another organization can vary from the literal legal merging of name, assets and functions to a very informal arrangement of sharing office space, typewriters, or conference rooms in order to lower overhead expenses. Any agreement you make should be in *writing*, in *detail*.

In considering merging options, be creative. You don't need to merge with a group exactly like yours. For example, two organizations in the Midwest have merged their office space. One organization works 9 to 5 and is never in the building in the evening. The other group operates a night-time drop-in rap group and hotline counseling service, so uses the office and phones from 7 pm to 3 am. The groups split the rent and have worked out agreements about clean-up, phone bills, and desk space.

When to Consider Closing

You should consider closing your organization if the following situations apply:

1. you need more than \$100,000 from grassroots funding sources the first year. The most ambitious, creative and lucky organizations will probably not raise more than \$100,000 from grassroots sources, and most groups should not count on more than \$50,000-\$75,000 in the first year.

2. There are other groups providing similar services to yours, and merging with them is not an option.

3. After training and planning, the strategy team does not carry out its tasks.

Considering closing can also serve to renew commitment and determination not to close. Remember, there is no shame in closing. Closing does not reflect badly on your organization or the people involved. Further, although your group will be missed by the community you serve, no group is indispensable. A new group will form if the need is still great.

Future issues of the Grassroots Fundraising Journal will explore each of the sources mentioned in Illustration One in detail. Also, we will be discussing long and short term planning, and how to do both.

HOW TO WRITE A GOOD FUNDRAISING LETTER

How many times have you sat down to write a letter to an individual asking for money? And how many times have you struggled with the contents? From the first sentence to the last, a good fundraising letter is the basic tool of any organization trying to develop a base of funding through individual large donors. The contents, the tone, the ability to hold the reader's attention, the way the subject of a contribution is introduced, are all essential elements which either motivate the reader to take out his or her checkbook or toss the letter into the wastebasket.

The first thing to remember in writing to prospective large donors is that *there is nothing more effective than a personal approach*. A form letter might be fine for reaching large groups of people with similar interests to ask for small donations, but it won't convince an individual to make a major contribution. (What constitutes a "large contribution" must be defined by each organization for itself. In some cases it might be anything from \$50 or more. In other communities, anything under \$1000 is small.)

In order to personalize your donor appeal, you, as a fundraiser, must do some careful preliminary research about each individual to whom you are writing. Does the person know your organization? Has she/he been actively involved in it? Does the individual have a history of giving to your organization? What is the average size contribution the individual makes? If the person has not contributed to your organization before, try to talk to other groups who have received donations from the individual. What approach worked best? How much did the person give? The answers to these questions are essential in determining the tone of the letter and the kind of request you will make.

When you sit down to write your letter, keep in mind that the attention span of most readers is very short, but to the point. Most readers read the first sentence, then the last, and then, if interested, the rest of the letter. The body of the letter should consist of short paragraphs and should be written in simple language. Readers often get lost simply because they find technical language confusing. Have a friend who is not working in your field read the letter to make sure it is understandable.

"From the first sentence to the last, a good fundraising letter is the basic tool of any organization trying to develop a base of funding through individual large donors."

The entire letter should be no longer than two pages. This is different from a direct mail appeal, which is an appeal sent to thousands of individuals, and is usually 4-5 pages. A letter to an individual that is longer than 2 pages is likely to lose that individual's attention.

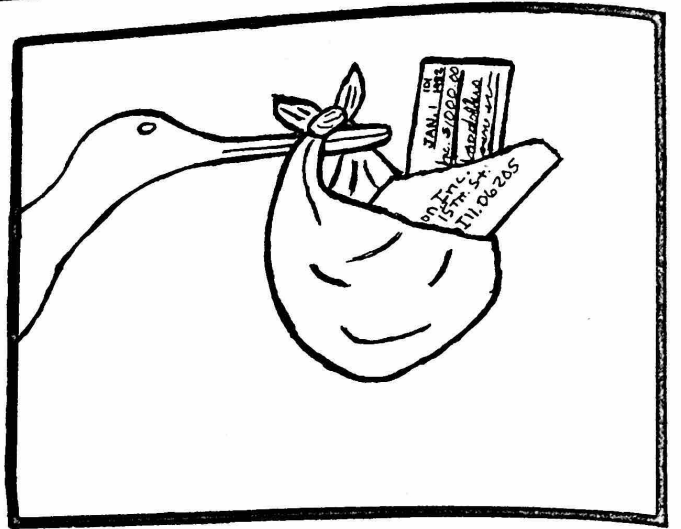
As you are writing your funding appeal, be careful to be consistent about the tone of the letter. This is where careful research about the potential donor is useful. If you know the person to whom you are writing, be familiar. If you have never met the person, be formal in your approach. If the person is active in the issues you are addressing, don't go overboard in explaining why your work is so important. However, if the person has never been involved in related issues, provide a thorough and convincing background.

It is important to write in a way that helps the reader connect with you or your organization. Don't be afraid to use phrases like "As you know," or "You have probably heard".

Support materials (documents enclosed with the letter) are as important as the letter itself in many ways. Without making your total package intimidatingly large, include newspaper clippings, recent newsletters, your brochure, and even a budget if you are asking for money for a specific project. Support materials can be useful in keeping the length of the letter down to two pages. For example, you don't need to name the members of your Board of Directors in the letter – enclose a list of them with their affiliations. This is important information to include, but is much easier to read in list form than in the body of a letter.

If you can afford to have them printed, also include a self-addressed return envelope. This makes it easier for your donor to respond. Some organizations stamp the envelope, while others feel that this is a waste of money when you don't actually know if the envelope will be returned. Other organizations design a pledge card to enclose, which has proven to be useful.

Finally, remember that while a personal letter is the most effective use of the mail, the mail, when used alone, is the least effective method of fundraising. Be sure to follow up any letter you write. And, when the contributions start arriving, keep accurate records for future donor appeals.



THE CONTENTS

I. Opening

The opening paragraph of the letter is the most important in that *it is frequently the only one read*. It must introduce who you are and why you are writing. It is important that you make it very clear that you are asking for money. It is often helpful to name a specific amount right away. If the reader is not familiar with the organization, your first paragraph should include a *brief description* (no more than a sentence) of your organization's purpose. (see examples 1 and 2)

Example 1: Opening (Women's Health Care Coalition)*

Dear Ms. Jones,

Janet Smith has given me your name because she knows you are concerned about the quality of health care available to women. Through your work, you may have heard of the Women's Health Care Coalition, an organization devoted to improving the quality of health care available to women. I am writing to ask you to consider making a contribution of \$1,000 to support the work of the Coalition.

*This organization and all of the organizations used in the examples are fictitious.

Example 2: Opening (Women's Health Care Coalition)

Dear Ms. Jones,

I write on behalf of the Board of Directors and staff of the Women's Health Care Coalition to ask you to consider making a contribution of \$1,000 in support of our efforts to improve the quality of health care available to women.

II. Need

This paragraph should familiarize the potential donor with the issues your organization is addressing and the need for your organization. Use statistics sparingly, but use them. (see example 3)

Example 3: Need (Coalition to Stop Uranium Mining)

As you know, when the nuclear industry began mining uranium, few people were aware of the hazards of exposure to radioactive materials. Over the years, it has become increasingly apparent that the medical hazards greatly outweigh the benefits. The level of radioactivity inside a uranium mine is 100 times that which is determined by experts to be safe. 80-90% of those working in the mines can expect to die of cancer. Anyone living near the mines is breathing and drinking radioactivity through the air and water. The Coalition to Stop Uranium Mining is the only organization in the Western United States currently working to educate the public about these issues.

III. History

It is important to provide some sense of history of your organization, if only in one sentence. This lets the reader know how long you have existed, and will lend credibility to your organization. (see examples 4 and 5)

Example 4: History
(Lawyers for Human Rights)

Lawyers for Human Rights was formed 5 years ago in response to a growing need for experts in the legal arena to provide free legal assistance to Bay Area residents who could not afford to hire an attorney.

Example 5: History
(Lawyers for Human Rights)

When the Legal Services Corporation of San Francisco folded in 1973, Lawyers for Human Rights became the only organization which provides free legal assistance to low income residents of the Bay Area.

IV. Program Description

In a funding appeal, you must be very specific about what your organization is doing. Describe the various services you provide or kinds of work you do, who benefits from your work or services, and how many benefit. Be sure to specify the geographic area within which you work and whether you are working to achieve a national or local impact. (see example 6)

Example 6: Program Description
(Women's Health Care Coalition)

The Women's Health Care Coalition continues to be a respected voice for women health care consumers. We are currently working to educate health care workers, to create networks for support and strategizing among women's health centers and clinics in California, and to focus media attention on the hazards of several standard forms of medication for women. A fuller description of our work is enclosed.

V. How the Contribution Will Be Used

This section should be specific as to how a contribution of the size you are asking will be used. If you are asking for support of a special project within the organization, describe that project. If you are asking for general support, say so. In either case, make the donor feel that the size contribution he or she might make would be significant to your operations. (see example 7)

Example 7: How the Contribution Will Be Used

(Community Services, Inc.)

The requests for assistance from Bay Area agencies has been overwhelming. We are currently turning away organizations who are anxious to participate in our seminars, simply because of lack of resources. A contribution of \$1,000 would enable us to provide a second seminar each month, therefore serving twice as many organizations.

VI. Closing

In a closing paragraph, you, as the fundraiser, should tell the reader how you will follow-up this request. If possible, you should suggest that you will call the donor within a specific amount of time to answer any questions he or she might have and to discuss the request. You might also suggest getting together for a meeting. In either case, you should take the responsibility for following up the letter. This is also the place to mention any support materials that you are enclosing. (see example 8)

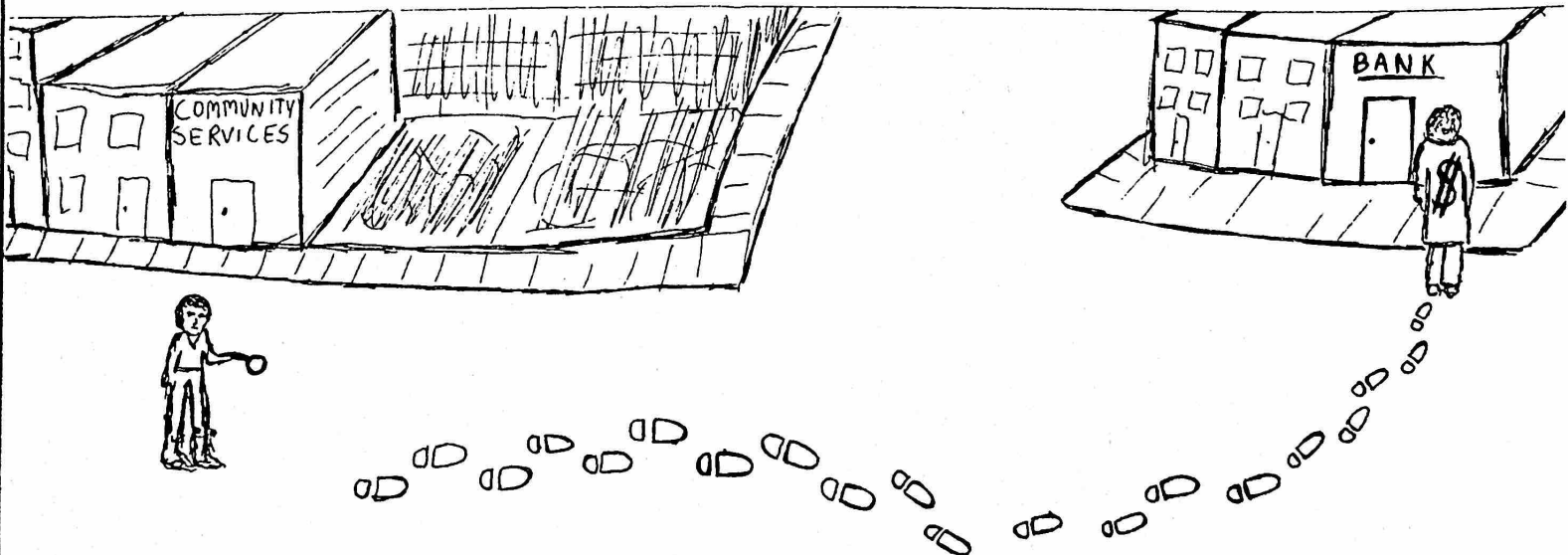
Example 8: Closing
(Community Services, Inc.)

I have enclosed for your information, our brochure which describes our entire program, as well as a promotional piece describing the Media Access Project. Also enclosed is a list of our current Board of Directors. I will call you next week to discuss this request and to answer any questions you might have.

Where to Find Large Donors

The following is a list of suggestions of where one can look for names of potential large donors.

- ★ Your own membership lists.
- ★ Suggestions from your Board.
- ★ Your friends.
- ★ Political contributors to individuals' campaigns, referendums, and initiatives. These names are public information and are on file in a public place (frequently at your City Hall).
- ★ Local foundation center.
- ★ Directors or top executives in local corporations.
- ★ Socially active families with wealth (often their names can be found by reading your newspaper social columns, as well as symphony, opera and theatre programs)
- ★ Other organizations in the area who have fundraised and might be willing to share the names of some of their donors.
- ★ *Who's Who in American Philanthropy.*
- ★ *Social Register.*



Where does money come from in the world of philanthropy?

Who gives away
the most money?

And who gets it?

Do you know the answers to these questions?

Many people who are new to fundraising and philanthropy think that foundations and corporations give away the most money. This is a myth. As the following chart shows, by far the largest percentage of money given away in America comes from **individuals**.

In 1980, the private sector (non-government) gave away a record **\$47.74 billion**.

This came from:

Corporations:	\$2.55 billion, or 5.3%
Foundations:	2.4 billion, or 5%
Bequest:	2.86 billion, or 6%
Individuals:	39.93 billion, or 84%

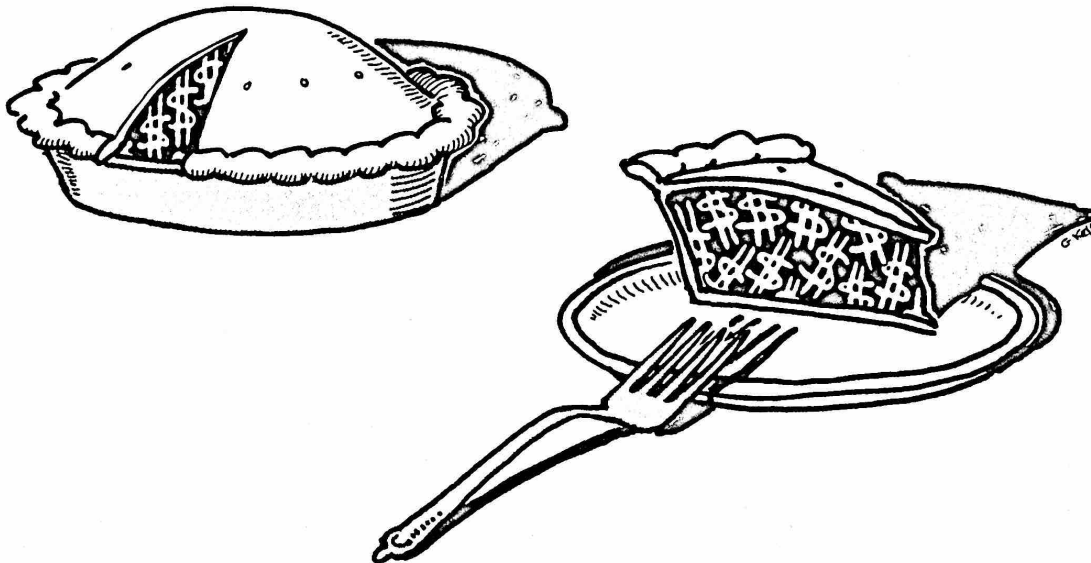
Where did this money go?

Religion:	\$22.115 billion, or 46%
Education:	6.68 billion, or 14%
Social Welfare:	4.73 billion, or 10%
Health and Hospitals:	6.41 billion, or 6.2%
Civic and Public:	1.36 billion, or 3%
Other:	3.37 billion, or 7%

Source: *Giving USA*, published by the American Association of Fundraising Counsels, Inc. 1981.

DOs and DON'Ts Of Fundraising Appeals

- DO** let your reader know immediately that you are writing to ask for money.
- DO** use phrases that involve the reader such as: "You will remember", "As you probably know", or "Knowing that you are concerned..."
- DO** write the letter on your organization's letterhead.
- DO** proofread the letter carefully. It is best to have it proofread by someone other than the author(s).
- DO** enclose support materials such as brochures, newspaper clippings, budgets, list of Board members, return envelopes.
- DO** follow-up the letter with a phone call within the period you promised in the letter.
- DON'T** use a form letter and fill in names.
- DON'T** ask for an amount of money larger than the person can give – be conservative when you don't know.
- DON'T** tell donors what they *should* think or *should* do. Inform, don't lecture.
- DON'T** address the donor by his or her first name unless you actually know him or her personally.
- DON'T** spend too long on the letter. No one will read it as critically as you.





Book Review

National Directory of Corporate Philanthropy, California Edition; 1981: Regional Young Adult Project, San Francisco, California.

The Regional Young Adult Project (RYAP) has been a constant source of useful publications for grassroots fundraisers. Among the resources they have published are: *The Bread Game - The Realities of Foundation Fundraising*, published in 1973 and updated in 1974 and 1981; *A Guide to California Foundations*, 1973; *A Guide to Texas Foundations*, 1975; and *Small Change From Big Bucks*, 1981. RYAP has most recently published what is perhaps the most useful guide to California non-profits seeking corporate support: the *National Directory of Corporate Philanthropy, California Edition*, compiled by Sam Sternberg.

The bulk of this publication consists of profiles of 620 corporations. All of the corporations included have a history of making charitable contributions. The California companies included have at least \$100 million annual income. Those located out-of-state have a minimum annual income of \$500 million.

The profiles on the corporations were compiled after two years of research. Of all of the information included, only about 10% came directly from the corporations themselves. The authors are quick to point out two important factors to be kept in mind when using the directory: 1) many changes have taken place since this data was compiled, and, for that reason, phone calls to the companies to verify information appearing in the directory before sending solicitation letters are a good idea, and 2) the directory was written from a national perspective. Therefore, every effort should be made to obtain information about the corporations' activities in your own community before you approach them.

Each profile includes: the name of the individual who should be contacted regarding a corporate contribution (some profiles include regional contacts), a list of issues or kinds of projects considered by the corporation for contributions (these lists consist of selections from 32 broad categories that have been defined by the authors), a list of categories not considered by the corporation, the total dollar amount given by the corporation during the most recent year for which the authors had information, a brief description of the operation of the contribution program, a list of activities the company has used to assist non-profits (this includes in-kind contributions,

employee involvement and executive release programs), the types of organizations for which the company will match any gifts their employees make (gift matching), a list of the cities in California in which the company has a facility, other sources of information on the company, and a section of comments.

In addition to the profiles on corporations, the directory includes some of the most valuable information available to fundraisers about corporate solicitation. As an introduction, the authors have compiled a chapter entitled "U.S. Business Leaders and Corporate Giving," which includes an analysis of the social, political and economic priorities of business leaders. The section quickly dispels any notion that corporate contributions are made as a result of the social conscience of corporate leaders. "Any increase in funding for organizations involved in welfare, environmental causes, urban issues, women's causes, or serving the elderly will come as a result of change in the beliefs of corporate leadership," the authors write. "That can only occur if non-profit organizations encourage a higher level of involvement by company employees."

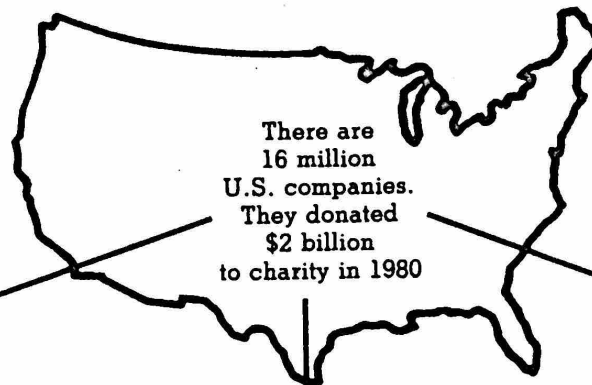
Section II, entitled "Non-Profit Strategy and Corporate Giving" analyzes the reasons why corporate gifts are made and the various types of gifts that are made in addition to monetary donations. This section is most comprehensive, suggesting kinds of contributions that many fundraisers would not think to request, such as use of the company's accounting department or graphics facilities.

Section III provides an indepth outline of how to conduct a corporate solicitation campaign, and provides a bibliography for those readers who wish to do further research on the topic. A final chapter, preceding the profiles, describes the limitations of the book and how best to use the profiles. Three indexes are provided, organized by names of companies in alphabetical order, cities in which the companies have locations, and by subject categories.

The authors state that "No directory on 'funding resources' can ever be the last word on the subject." The *National Directory of Corporate Philanthropy* is an excellent beginning.

The Regional Young Adult Project is a community planning center that provides technical assistance to non-profits and initiates its own programs. RYAP intends to republish this directory every two years with updates, publish a national edition in the coming year, and publish other state or regional editions in the near future. You can obtain this directory by writing to the Regional Young Adult Project, 330 Ellis Street, Room 506, San Francisco, California 94102.

FAST FACTS ABOUT CORPORATE GIVING



Most of these are very small with sales of less than \$1 million.

2½ million are shareholder-owned corporations.

The 4,000 largest corporations received 60% of all profits earned by U.S. companies

60% of all charitable gifts (\$1.2 billion) came from these 4,000.

600 of the 4,000 largest corporations had income over 1 billion \$\$\$\$\$\$ each
 OR
 45% of all U.S. business profits
 AND
 contributed 23% of all charitable gifts or approximately \$460 million.

How did they spend each \$1,000 of corporate income?

\$950.00 wages, supplies & other costs of doing business
 \$ 50.00 profit before taxes

From the \$50 in pretax profit
 \$ 36.50 to shareholders, or retained for future investment
 \$ 13.00 to taxes
 50¢ to charity

However, the largest 600 corporations donated an average of only 25¢ out of that \$1,000.

Finding Free Equipment and Supplies

This section is a guide to sources of free material goods. Any non-profit group can find donors. If your group has a 501(c)3 exemption from the IRS, you have the added advantage of being able to offer donors a tax deduction for all or part of the value of their gift. Your attorney can explain the rules to you.

There are two basic approaches to finding material contributions. Many groups set up contribution drives and visit or phone potential donors. Other groups with a need for extensive amounts of equipment have produced catalogues, called **Gift Catalogues**, which list the items they seek and explain how they may be donated. If the catalogue approach interests you, an excellent book explaining how to create and use a gifts catalogue is available free from the *Heritage Conservation and Recreation Service*, P.O. Box 36062, 450 Golden Gate, San Francisco, California 94102. Request the *Gifts Catalogue Handbook*.

Government Programs: Federal

The Federal Government has two surplus goods disposal programs. The *General Services Administration* conducts the major surplus property disposal program. Not all groups are eligible for these programs. The office of your local congressperson or senator can provide you with details. If you are eligible, the variety of goods available is staggering.

Government Programs: Local

Many cities and counties also have surplus property disposal programs. School Boards almost invariably have them. You can get information from your District representative's office.

Businesses:

Every business has something to offer. Many have old inventory which they are glad to get rid of in exchange for a tax deduction. Others may be willing to donate new equipment. You should approach local businesses of all types if you are looking for office equipment or furniture. Most have used equipment in storage somewhere. If you want specific types of equipment you can approach both retailers and manufacturers.

Excellent information on businesses is available everywhere. Your state Chamber of Commerce may publish a directory of manufacturers, your local Chamber has a list of most businesses in your area, many cities have City Directories which list businesses by street address. There are also

national directories of manufacturers and retailers in every conceivable product line. Your local library will have copies of most of the relevant publications.

Service Clubs:

All service clubs will buy equipment for charitable groups. However, most clubs only accept one or two requests each year. They often prefer to buy medical equipment or transportation vehicles. Lists of clubs are available in the Yellow Pages or from the local Chamber of Commerce.

Religious Organizations:

Most churches hold rummage sales. They can often be persuaded to donate equipment received to other groups. In addition the Mens' and Womens' auxiliaries will often undertake to purchase specific items for non-profit groups.

Foundations:

Some large foundations and most small local foundations will make grants to cover the cost of equipment needed by groups.

Professional Offices:

Good, used equipment, especially medical and dental equipment, is available from practitioners who are remodelling their office. Lists can be obtained from the state or country professional associations.

Members and Friends:

Never forget to let your members, staff, board, and friends know what you need.

The General Public:

Requests for donations of equipment and supplies can be made to the public by using Public Service Announcements on local radio and T.V. Some groups have had success with ads placed in local newspapers.

Administrative Requirements

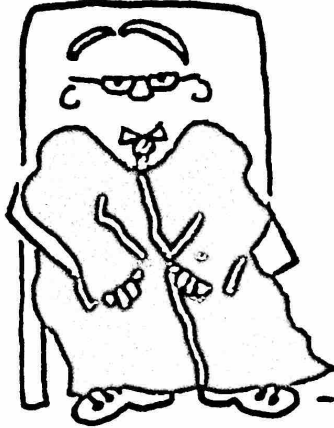
A contributions drive should be well planned and coordinated by one person. This is an excellent project for your support group to undertake.

1. Always determine the specific items you need before starting.
2. Target specific groups of donors for each type of equipment or supplies.
3. Make certain that the coordinator understands the rules for charitable deductions.
4. Keep good records of all donors and donations.
5. Send every donor a letter of appreciation.

*Reprinted from The Bread Game, 1981. Herb Allen,
Editor; Regional Young Adult Project.*



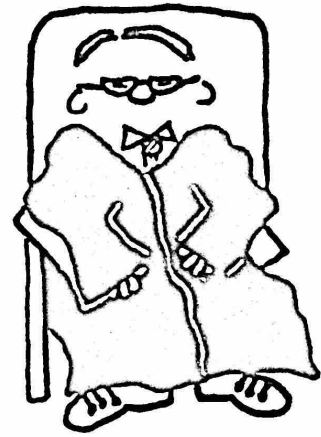
But what about Due Process, Equal Protection, and the Great American Dream?



Not if they're on Welfare.



So when do poor people have rights?

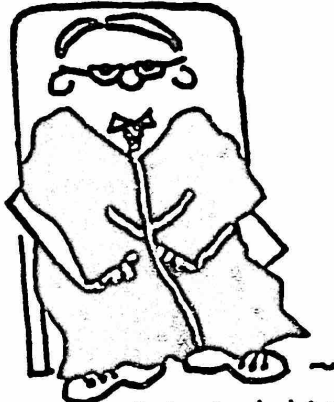


When they have money.

dataSmith 6-11-80



Poor people have rights too.



Not if they're behind in their payments.



But it says so in the Constitution.



Not if they're tenants.

YES, I want to order the *Grassroots Fundraising Journal*. Send me a full year's subscription (six issues) for \$15. I understand that if I am dissatisfied with the *Journal*, my money will be refunded for all the issues I have not received.

Name _____

Organization _____

Address _____

City/State/Zip _____

I have enclosed my Check Money Order
Make Checks Payable to: *Grassroots Fundraising Journal*
Send to: P.O. Box 14754, San Francisco, CA 94114-0754

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Advertising

The *Grassroots Fundraising Journal* will begin accepting advertising for its April issue in February. Display and classified ads will be available.

Send for a rate card to P.O. Box 14754, San Francisco, CA 94114.

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