Grassroots Fundraising Journal

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*Asking For Money: Part One*

# Getting Over the Fear of Asking

ASKING PEOPLE FOR money is both the most difficult and the most important part of fundraising. Every community supported organization uses a variety of methods to ask for money, such as direct mail appeals, special events, pledge programs, products for sale, and so on. But the hardest way for an organization to raise money is for Board, staff and volunteers to ask people directly for donations. Experience has shown however, that it is almost impossible to have a major gifts program without face to face solicitation of the prospective donors. In our feature, Profile of a Major Donor, we repeatedly see that large donors give their largest gifts to organizations which have sent people to solicit them.

The purpose of this article is to discuss some of the reasons that asking for money is hard, and to provide some tips to help people get over the fears of asking for money.

## *Sources of Our Fears*

Asking a person for money face to face is an acquired taste. Few people love to do it initially; in fact most people are afraid to do it. If you are afraid to ask for money, that's normal. If you are not afraid, that's great—stop reading this article and go ask somebody for a donation!

People are afraid to ask for money for a wide variety of reasons, and we can't hope to explore them all here. However, it is important to look at the role money plays in our American society to understand the source of our fears.

Most of us are taught there are four topics which are taboo for polite conversation—politics, money, religion, and sex. Many of us were also raised to believe that asking people what their salary is, or how much they paid for their house or car is rude. In many families, the man takes care of all financial decisions, and it is not unusual, even today, for wives not to know how much their husbands earn, for children not to know how much their parents earn, and for close friends not to know one another's income. Many people don't know anything about the stock market: what the difference is between a "bear" and "bull" market, or what the rising or falling of the Dow Jones means for the economy.

Many small low-wage organizations have discovered that if they seek a paid staffperson to be program or volunteer coordinator, they will be flooded with applications, but if they seek a fundraising coordinator, they will have almost no skilled applicants.

THE NET EFFECT OF these taboos about discussing money is that money takes on the air of being both mysterious and bad. The hidden message is that "good" people don't deal with money except insofar as they must in order to live. Many people, misquoting the Bible, say, "Money is the root of all evil." In fact, Paul's statement to the Phillippians in the New Testament is "*love* of money is the root of all evil." Money, in itself, has no good or evil qualities. It is not a moral substance. Money facilitates people getting what they want or need. As such, how money is used, where it is obtained, and the inequities of who has it and who does not, has moral implications. This is very different from money itself being evil.

When money is mysterious and taboo, only those persons willing to learn about it can really control it. In America, an elite upper class controls most of the nation's wealth, either by earning it or by inheriting it, or both. It serves the interest of this ruling class for the mass of people to continue not to know about

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# Dear Joan

**Dear Joan,** *Is it a good idea to copy a successful event from another organization? Won't they get mad at us for copying them? If we succeed, will it cut into their profits?*

*Worried in Wilmington*

*Dear Worried:*

*Au contraire* my fundraising friend: the *best* place to get a good idea is from the best fundraising event in your town. First, you know it is an event that people in your community like to do. Second, it will be easy to find the experts to give you advice. Third, you will both make more money.

To guarantee that the other group will not get mad at you, meet with their leaders early to tell them how much you admire their work and their fundraising skills. If possible, find a group with the same philosophy as your group. Ask for the opportunity for two of your leaders to volunteer on the steering committee of their event, then plan your event with their advice six months later. Keep meticulous records of all contributors, then share the list with the group that helped you get started. Be sure to give the group you copy recognition in your newsletter, in all reports on the event, and at your victory celebration after the event.

For example, the Chicago Chapter of the National Organization for Women (NOW) began a successful walkathon in 1978 (net: $19,800). Several of the leaders and staff of Women Employed (WE) walked in the NOW walkathon, then decided to copy it. Both groups organize around economic issues affecting women, so they share the same constituency. Chicago NOW does its walkathon near Women's Equality Day on August 26th; WE does theirs near National Secretaries Day, the last Wednesday in April. Since the events are always five months apart, many people are walkers and sponsors for both. In 1982, Chicago NOW netted $45,000 from it's walkathon; WE netted netted $7,000.

When the Illinois Citizens for Handgun Control decided they wanted to do a walkathon, they called the Heart Association and the March of Dimes for advice. All three organizations are dedicated to stopping death and emphasizing prevention. The Hike for Heart is in May every year (1982 net: $18,000); the March of Dimes Superwalk is in April (1982 net: $300,000). So The Handgun Control committee planned their walkathon for October. The first year, 1981, they netted $10,000; in 1982, they netted $30,000.

**Dear Joan,** *We are a 501(c)(3) tax-exempt organization. This year we opened a new office and received a lot of in-kind donations from local businesses, such as desks and typewriters. We also collect and distribute free used clothes as a benefit to our members. Some of our donors have asked us to send them a receipt on the value of these items so they can deduct it from their taxable income on their 1982 taxes. How can we figure out what donated items are worth.?*

*Taxed in Texas*

*Dear Taxed:*

Call your local office of the Internal Revenue Service and ask for Publication 561, *Determining the Value of Donated Property.* Copies are also available in large libraries. It will introduce you to what the IRS wants.

Basically, the IRS says that your donors may deduct the fair market value of the items they give to you. Publication 561 says, "Fair market value generally is the price that property would sell for on the open market . . . For example, if you give used clothing to the Salvation Army, the fair market value would be the price that typical buyers actually pay for clothing of this age, condition, style, and use. Usually such items are worth far less than what you paid for them."

To check on the fair market value of the clothes, call a local thrift shop and ask how they determine price. To check on the business furniture and equipment, you can either offer the cost when new minus depreciation, or ask an office equipment store what they would offer as a trade-in value.

If someone gave you an article of great value, such as a piece of antique furniture or an original work of art for your office, you should pay for a written appraisal, especially if your donor asks for it. According to the 1981 Gallup Poll conducted for the United Way, only eight per cent of the people who were asked "Why do you give to these charities?" answered "Tax deductions." However, you don't need to H & R Block to figure out that those eight per cent are the richies. So it is worth spending a little money for an appraisal to help them get what they want, an income tax deduction, in order to get what you want, more donations from the same donor.

If you have more questions, call your Internal Revenue Service office and ask for "Exempt Organizations." They can give you free, although obviously biased, advice. For the other side, ask your lawyer, accountant, or a tax specialist for help.

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Questions for the column should be sent to the *Grassroots Fundraising Journal* marked "Attention: Joan Flanagan." Ms. Flanagan regrets that she cannot answer each question individually.

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money. As political activists and participants in social change, it is not only important for fundraising, but for all organizing purposes, that we learn about money—how to raise it effectively and ethically, how to manage it, and how to spend it wisely.

## *How to Dispel Fears About Asking For Money*

We will describe two easy exercises your group can do which will help dispel fears about asking for money. A member of the group can act as "facilitator" or you can ask someone outside the group to facilitate. These exercises can be done individually, but they are more effective when group members share with each other in recognizing and letting go of fears about money. To do the exercises, you will need a blackboard or sheets of butcher paper.

### *Exercise Number 1*

In this exercise, the group looks objectively at its collective fears about asking for money. Fear of asking for money is similar to what you feel when you hear a noise in your house at night when you are alone. Your immediate, normal reaction is fear. You have two choices about how to respond to this fear: 1) You can give in to it, huddling under the covers, and imagining all the worst things the noise could mean, or 2) you can take the more sensible, but much more difficult action of getting up and turning on all the lights until you probably discover that the noise was something as simple as the cat, a leaky faucet, the wind, or nothing at all.

In the same way, looking at all your fears about asking for money in the "light" of discussion with others will show that many of them are irrational, and that for most, the feared outcome is far less likely to happen than you think.

TO BEGIN THE exercise, each person imagines asking someone for a large amount of money (anything over $50). Going around the room, each person says out loud what they fear will happen to them. What will the person they are asking think of them? What will they think of themselves? The facilitator writes down all the feared outcomes. After four or five minutes, there will probably be a list that includes the following:

- The person will say no.
- The person will yell at me (or hit me)
- The person will give me the money, but won't really want to, and will resent me
- I know the person doesn't have the money
- It is imposing on our friendship for me to ask, and we won't be friends anymore
- The person will think that the only reason I was nice to them was to get money
- The person will say 'yes' and then ask me for money for his/her cause
- I don't know if my group really deserves the money as much as some other groups might
- The person will ask me questions about the organization that I can't answer.

After this brainstorming session, the group should look at the fears that are listed and notice that they fall into three categories: A) fears of responses that are extremely unlikely to happen (e.g. I'll be punched, I'll be sued, I'll have a heart attack), B) fears of things that might happen but could be dealt with if they do (e.g. the person will ask me for money, the person will ask questions I can't answer) and C) those fears of things which will definitely happen occassionally (e.g. the person will say no).

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Examine the third type of fear first. For most people, the worst thing that can happen when they ask for money is that the person will say no. But, everyone who does fundraising *will* experience this kind of rejection. Remember, just as it is your privilege to ask for money, it is the other person's privilege to turn you down. The person being asked may have just spent $400 on his/her car, or been asked to give to five other organizations, or have other current priorities. While no one likes to be turned down, it is important not to take being turned down as a rejection of you personally.

In the second category of fears, that someone will give to your organization, and then ask you for money for his/her special cause, you can make your own decision. You don't owe the person a favor. To be supportive of him/her and the cause, you may want to say yes, but you are not obligated to do so.

Questions you can't answer can be responded to with, "I don't know" or "I'll find that out and let you know."

Fears such as, "I know the person doesn't have the money" are very common. However, unless you have a financial statement from the person you are asking, or unless you know he/she is on welfare, or has recently experienced a devastating tragedy, you *don't know* that that the person doesn't have the money.

Other fears can be dealt with the same way. The group should look at each fear and see which category it fits into.

Sometimes it is not appropriate to ask someone for money, but this is true far less often than we think. When you consider asking someone for money, and decide not to, ask yourself, "Do I have a *reason* not to ask, or just an *excuse* based on assumptions I am making about the other person?"

## *Exercise Number 2*

When thinking about why a person would give money to an organization, think about why you give money to any organization. Your reasons for giving and not giving will be much the same as everyone else's, and will help you understand what motivates people to give.

In this exercise, participants imagine that an acquaintance of theirs has come to them, explained a cause he/she is involved in, and asked for a gift. Imagine that the gift is an affordable amount, but not an amount one could give to everybody who asked. For most people, this amount is somewhere between $25 and $50.

FOR THIRTY SECONDS participants write down on their own sheet of paper all the reasons they would say yes to this request. Then for the next thirty seconds, they list all the reasons they would say no. Asking participants to share their results, the facilitator then writes the "yes" and "no" reasons on two separate sheets of butcher paper, or two sides of the blackboard. Generally, there are more "yes" reasons than "no" reasons. The following are the most common reasons.

### YES

- like the person asking
- believe in the cause
- get something for my money
- tax deduction
- I feel generous
- just got paid
- know my money will be will used
- want to support my friend
- feel guilty saying no
- know other people in the group
- don't have time to volunteer, so give money
- liked the approach

### NO

- dislike the person
- don't believe in the cause
- don't have the money
- bad mood that day
- organization has a bad reputation
- give to other things
- already been asked several times that week
- don't know what my money will be used for
- think person asking is naive

The group discusses the two lists. Looking at the "no" list, these answers fall into two categories: A) Reasons which are not the asker's fault, and which could not be known ahead of time, and B) Reasons which appear to be "no" but are really "maybe".

In the first case, the asker usually cannot know that the prospect does not have the money right now, or that he/she is in a bad mood, or has been asked several times that week. When this is the reason for the rejection, the asker can only thank the prospect for his/her time, and go on to the next prospect.

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In the second case, *if* the prospect knew more about the organization, knew how the money was used, knew that the reasons for the bad reputation have been cleared up, he or she might give. The "no" answers are really "maybe". "Maybe I would give if I thought the organization did good work." The person asking for the money must be prepared to discuss the prospects' reasons with him/her and hope to persuade the prospect to change to an affirmative answer.

A few of the "no" reasons reflect badly on the asker. For example, if the prospect thinks the asker is naive or pushy or dislikes the asker altogether, then this was an unfortunate choice of a person to solicit the gift.

The point of this exercise is twofold—to illustrate why people give and don't give and to illustrate that people have more reasons to say yes than to say no to a request for a contribution.

These exercises and the subsequent discussion they involve will help your group understand that asking for money is not as frightening as they may have thought. The worst thing that can happen is that the person asked will say "no" and usually they say "no" for reasons outside your control or knowledge.

*In our next issue, we will explore the fine art of approaching the prospective donor, and asking for the gift.*

# Knock, Knock, Who's There: Evaluating Your Board Of Directors

ALL NON-PROFIT, social change organizations have Boards of Directors—they are so required by law. However, each organization's Board is a unique body, not only in its size and membership but in the role it plays in the development and ongoing work of the organization. Some Boards of Directors are purely figurehead boards that meet only once a year to ratify the work and budget of the group; others meet weekly and do almost all of the work of the organization with minimal or no staff assistance. Whether your Board fits either of these extreme descriptions or one in between, there is no denying that any Board of Directors is an important component in the structure of an organization.

The question plaguing members of many organizations, whether Board members or staff, is how to develop the Board into a body that raises money. An article in the last *Grassroots Fundraising Journal* (Vol. II, Issue 1) analyzed the question of Board motivation to do fundraising in terms of activism—for a Board to raise money its members must have a sense of ownership of the organization. To have that sense of ownership, they must have active roles and responsibilities that go beyond raising money.

This article describes a process by which an organization can begin to evaluate the level of its Board's activism—both actual and potential. Most likely, a close look will reveal activities and skills that the organization needs the Board to provide, but which are not being provided. In some cases the potential to provide these skills and activism already exists among current Board members and is simply not being tapped. In most cases, however what will be revealed is the need to add new members to the Board. But before you add anyone new to the Board, you must take a look at its current members.

The first step in appraising your current Board is to make a list of all of the activities in which you would like Board involvement. The following list suggests some of the more common activities in which organizations will involve their Boards.

*Fiscal Management:* The Board of Directors is required by law to carry the burden of fiscal responsibility of an organization. This means that the Board should review and adopt an annual budget, review and adopt an annual fundraising plan, provide advice for and ratify all decisions related to the investment of organization's funds and approve of any major expenditures outside of those included in the budget.

*Personnel:* The Board of Directors is usually the body which hires, fires and evaluates the Executive Director. The Board should also be involved in the development of and adoption of all personnel policies. While the Executive Director is responsible for direction and management of the staff on a daily basis, the Board is often involved in resolving disputes which cannot be resolved among staff.

*Policy Making:* In addition to adopting personnel policies, Boards of Directors are frequently involved in the development and adoption of other policies related to the ongoing work of an organization. This can include setting program goals and discussing programmatic ctivities of the organization.

*In making a list of activities for your Board, do try to be exhaustive.*

*Fundraising:* Lest we forget, fundraising is the activity in which every organization would like to involve its Board members. Related activities can include providing advice on foundation proposals, providing access to funding sources, helping to plan events, soliciting contributions from individuals, representing the organization at funding meetings and making contributions.

*Providing Advice:* The kinds of advice Board Members can provide varies with each organization. Those Board members who are on the Board because of their expertise in the field in which the organization works can obviously provide fairly concrete advice regarding the day to day activities of the staff. Other Board members can be useful in simply providing an objective opinion from time to time. Asking the advice of Board members is perhaps one of the easiest ways to involve the Board, and yet is often mistakenly overlooked by organizations seeking greater involvement from their Board.

*Dealing With Other Matters:* Ad Hoc committees of the Board can be formed whenever there is a time-limited activity in which Board involvement is desired. They can be formed as planning committees for events, to review a particular policy that is in need of revision, or to research and give thought to the development of new policies.

*Board Development:* The Board members should be directly involved in any issues related to themselves as a body,

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such as a periodic review of the frequency of meetings and an annual review of the Board's functioning and accomplishments. They should also be involved in identifying the kinds of new Board members the organization needs, identifying and interviewing prospective members, and approving new members.

THE ABOVE LIST is by no means exhaustive. In thinking of ways in which it wants Board involvement, each organization will have some activities that are unique. Organizations that have active media or publicity components, for example, may want their Board members to represent them at public events or in interviews. Organizations doing law-related work may ask their Board to review each case in which they get involved. Grantmaking institutions will want their Boards to ratify all of their grants. In making a list of activities for your Board, *do* try to be exhaustive.

After you have listed all of the specific activities in which you would like Board involvement, ask yourselves a second question: What kind of representation do you want on your Board? Representation is usually reflective of the kinds of people, organizations and institutions to which the group wants to be connected. Some of the categories of representation an organization might want on their Board are:

- Experts in the field in which work is being done.
- Members of other organizations doing similar work.
- Members of the communities being served by or benefitting from the work being done.
- Representatives of or people with access to various kinds of funding sources, i.e. the corporate community, the foundation world, and individual donors.

Later, when you begin to compare what your organization wants with what the Board now provides, remember that representation is different from activism, and that broad/inclusive representation alone is not sufficient if you want an active Board.

There are several additional elements that must be present in your Board members in order for them to be active. In reviewing what you want from your Board, these elements must not be overlooked.

*A willingness to be active.* There is nothing more dismal than trying to create an active Board out of a group of people who are unwilling to be active. In making the transition from inactive to active Boards, most organizations will find that some Board members simply are not willing to be more involved in the organization's work. It is worth losing those members to revitalize the Board. Especially when you are adding new members to the Board it is essential to determine their willingness to be active. For example, if you are adding a Chief Executive Officer of a corporation to your Board because of his or her connections to the corporate community, make sure he or she is willing to use those connections on your behalf. The person's name will probably be useful in terms of your organization's credibility, but if it is activism you want, the name alone will not be sufficient.

*No organization should have a Board of Directors that is so large that some members are inactive only because no one has enough time to be in contact with them.*

*Time.* Availability of time is as essential as willingness in the making of active Board members. It is helpful for the Board members to be told or to define for themselves how much time will actually be needed from each member so that they do not feel overwhelmed. A Board member who is so busy that she or he can allocate no time to Board activities will never be an active Board member.

*Enthusiasm.* While not as essential as having time or willingness to be active, an enthusiasm for the work of the organization and for the Board's role is an element that can make an important difference in how much the Board actually gets done.

*Politics.* Board members must have a fundamental sense of support for the organization's goals and methods of achieving those goals in order to be effective. The politics of various Board members will become apparent in a variety of ways and can have a major impact on Board decisions. While diversity of beliefs is often helpful in having well-rounded discussions, there are usually some basic beliefs that must be shared by all Board members in order to work effectively together on behalf of the organization. Identifying what those basic beliefs are can be helpful, especially when considering making additions to the Board.

*Leadership skills.* The most effective Boards are those that in some ways are bodies unto themselves. They have enough internal leadership that, while they depend on staff input and sometimes on staff direction, they provide their own inspiration and motivation. The Chair of the Board and those individuals chairing committees must be good leaders. Effective leaders often sit on Boards for years before their skills are utilized. For that reason, when evaluating your current Board members, be sure to consider their potential as well as their actual contributions.

ONCE YOU HAVE made a complete list of everything you want from your Board of Directors, it is time to evaluate your current Board members. What can each member contribute? Does he or she contribute it, and if not, is the potential there? The accompanying chart presents a format to aid this evaluation process.

Most likely, as a result of this process you will find 1) that there are some skills among your current members that are not being tapped, and 2) that you need to expand your Board to meet some of the unmet needs. Hopefully, this process will also help to clarify what kinds of people you need to add to the Board.

Before you start to expand the Board, there are a few questions to which you should give some thought. One question is: How large a board do you need or want?

One place to find the answer to the question of Board size is in your organization's by-laws. A quick look may tell you that your Board of Directors actually has fewer members than the number indicated in the by-laws. On the other hand, if you need a larger body than the one required by your by-laws, they are simple to change. However, because by-laws are usually written by a group of people who have given a lot of thought to the ideal functioning of the organization, the size of the Board that they have indicated is worth considering.

Whatever size your Board is, you want to make sure that there are enough members that no one or two individuals are carrying the bulk of the burden of the Board's activities.

If you have a committee structure, you need enough Board members to have at least 2 or 3 members on each committee. You also need enough people with leadership skills to chair each committee.

It is also important to consider the staff time that will be needed to provide support for the Board. No organization should have a Board of Directors that is so large that some members are inactive only because no one has time to be in contact with them.

If you determine that you do indeed need to expand the Board, do so according to those skills and representation that you have identified as needed and missing. It is always tempting to add people to the Board because you like them and enjoy working with them. While that is an important factor, it is not a good enough reason to add someone to the Board. Each new member should be chosen because they can and are willing to contribute something that is needed.

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A final word. Don't expand the Board too quickly. Once an organization realizes what is missing on their Board, it is tempting to want to make a lot of additions immediately. It takes some time for a group of people to accommodate a new member. The number of people you can add to you Board of Directors at any one time depends on the original size of the Board. A rule of thumb for adding new members is: 1) the largest number of new people who can be added at one time is 20% of the original size of the Board. For example, if your Board has 10 members, don't add more than 2 people at any one time; if it has 40 members, you can probably add up to 8 at a time. In any case, don't increase your Board by more than half of its original size in any one year. And finally, once you have made a series of additions, allow the Board to remain the same size and group of individuals for several months, so that they can develop a working style together.

Expansion of a Board of Directors is a delicate process. It should be done in a well thought out manner, and it should be done slowly. Ideally, it is a process that should involve both Board and staff members. Future articles in the *Grassroots Fundraising Journal* will discuss how to make additions to Boards, how to find new Board members and other issues related to Board expansion.

## Judging Board Activism

This chart is useful in evaluating current Board members. In considering each member or potential member, indicate next to the desired activity or skill whether the individual contributes something in that area, does not contribute but has the potential to do so, or does not because they cannot or will not contribute.

| | Board Members/Potential Members | | | | | |
|---|---|---|---|---|---|---|
| *Activity/Skill** | #1 | #2 | #3 | #4 | #5 | #6 |
| Review of Budget | | | | | | |
| Advice on Investments | | | | | | |
| Personnel Committee | | | | | | |
| Publicity Committee | | | | | | |
| Fundraising From Foundations | | | | | | |
| Fundraising From Individuals | | | | | | |
| Expertise in Field | | | | | | |
| Connection to Money | | | | | | |
| Represents Clientele Community | | | | | | |
| Leadership | | | | | | |
| Willingness to be Active | | | | | | |
| Time Availability | | | | | | |
| Common Political Understanding | | | | | | |

**Items listed are being used as examples. This is by no means a complete list.*

# Ideas For Expanding your Mailing List

ORGANIZATIONS WHICH derive a part of their income from mail appeals are sometimes stretched to find new ways to gather names to use for appeals, besides exchanging or purchasing lists. The following are some additional suggestions for acquiring "warm" and "hot" lists for appeals. ("Warm" and "hot" means names of people likely to give through the mail to your organization.)

1) Write to your current donors at least once a year, and ask them to send the names of five friends who would be interested in becoming members of your group. Since most people's friends are like-minded in values and commitments, these names constitute a "hot" list. Some organizations include a box for such names in every issue of their newsletter or in their fundraising appeals. Illustration One is a sample letter and return form.

2) Always have a sign-up sheet at special events, at tables or booths you have during fairs, political rallies, and at community meetings you hold for your organization. this list should simply say across the top:

| Name | Address | Zip | Phone |
| --- | --- | --- | --- |

Don't promise people that you will put them on your mailing list unless you want to do that. As soon as you have 200 names (the minimum required for bulk mailing), send them an appeal. Don't wait to use these names more than three months as they go out of date quickly.

3) Direct service organizations can appeal to clients and ex-clients, if your policies on client confidentiality don't preclude this. Appeal for a lower amount of money to low-income clients. Don't assume that because people have little money, they won't be good prospects. People who don't have much money may not give as much as a higher income list, but what they give is better than nothing.

4) Ask Board members and volunteers for lists of their friends, acquaintances, and relatives. Some statisticians estimate that every person knows 250 people. Although few of us have addresses for that many people, each person close to the organization can probably think of 20—40 people to approach.

5) In small towns and rural areas, the telephone directory is a good source of names. In an urban area, the phone book is a "cold" list—people who you have no way of gauging potential interest in your group. In areas where people tend to know everyone in their area, if your group is well known and popular, the telephone directory can be the source of "warm" lists.

6) If your organization sells pamphlets, educational brochures, or other products related to your organizational purpose, the purchasers of these products constitute a warm list. If you distribute free information, the names of people requesting information are "warm lists" (see Illustration Two for a letter that has worked well for an educational organization).

7) Make a habit of asking people whom you meet at parties, conventions, workshops and the like, who seem interested in your work for their business card, or ask them to write their name and address in a book or on your calendar. These names can be added to other mailing lists for recruiting new members, or you can send them individual notes with more information and a chance to join the organization. One consultant, who serves on the Boards of two non-profits and travels a great deal, finds that she can gather 30 or more names per trip this way.

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## Summary

Once you start paying attention to the art of gathering names, you will find that many more people cross your path than you might have thought. Also, developing this habit among Board, staff and volunteers will insure that those people in your organization who socialize a great deal, travel, or attend conferences and workshops will be attuned to getting the names and addresses of people who might be interested in your group.

## *Illustration One: Sample letter to current donors*

Dear Member,

Who are your friends?

This may seem like none of my business, but let me explain. As you know, our organization relies on the financial support of members like you for our operating expenses. As our operating expenses go up, we need more and more members. As our work grows, we develop new issues and expand work on old issues, we know that more and more people will be interested in hearing about us and supporting us.

Some of the people who will be interested in our work are friends or acquaintances of yours.

I am writing to ask you to send us the names of five friends who you think would be interested in ______________________ (name of organization).

We will send them introductory material, and give them an opportunity to join in the work of ______________________ (describe your work briefly)

We hope to recruit 1,000 new members in 1983. We know from past experience that the best way to encourage people to join is through personal contact. We know that your personal contacts will be valuable in our membership drive, and appreciate you sharing them with us.

Just fill out the enclosed sheet with the names and addresses of interested persons. (One name is fine, so are one hundred.) Then send the sheet back to me in the enclosed return envelope.

Thank you for all your help and continuing support.

**YES**, I want to help (your organization) recruit more members. Here are the names of people I think will be interested:

Name ______________________ Address/Zip ______________________

Name ______________________ Address/Zip ______________________

☐ You may use my name in contacting these people:

Name ______________________ Address/Zip ______________________

☐ I know someone who might be interested in becoming a major donor ($50-$1,000). Contact me at the above address or call me at (        ) ______________

☐ I have access to mailing lists of person who would be interested in ____________ (name of organization). Contact me at the above address, or call me at (        ) ______________

Thank you for all your help.

## *Illustation Two: New Contact Appeal*

Dear Friend,

When you contacted us for information about DES earlier this year, we were glad we could help you.

We respond to requests like yours every day. Each year, we answer over 20,000 letters and telephone calls from people, like you, who need us to be there with information.

In the last five years, DES Action groups have reached hundreds of thousands of people through radio and television talk shows, public meetings, and other community outreach. Local DES Action groups provide referrals to physicians who know how to examine DES daughters and sons, and they speak at clinics and hospitals to make health workers aware of the need to find DES exposed people.

Our goal is to reach *all* DES exposed people by 1990.

You can help.

There are still thousands of people who don't know about their DES exposure. Your contribution will help us continue to spread the word about DES.

A $15 donation to DES Action will bring you the DES Action *Voice* four times a year, filled with medical updates and personal sharing about DES exposure. A larger donation will help us provide educational materials to women and men throughout the country.

If you have not yet subscribed to the *Voice*, send in your subscription today. If you already subscribe, please take this opportunity to make an additional contribution to our important work.

Sincerely,

Nancy Adess, President

P.S. All contributions are tax-deductible and help our work greatly.

# Profile Of A Major Donor

FOR THIS PROFILE, we interviewed a married couple to get a sense of how giving is affected when two people are involved in the philanthropic decision-making. These donors are in their early forties. They have two young children, and live in a wealthy district of a large city. Both came from very affluent families, and each of them was independently wealthy at the time they were married.

Her family has a long tradition of philanthropy. She was raised to think that her money is not simply to spend as she pleases, but must be used responsibly, and must be used for the betterment of the world. Her wealth was inherited at birth, and although she has had paid jobs, she now volunteers full time for the two causes about which she feels strongly, and shares in the raising of their children.

He will not inherit any money until his parents die. He made his money from a successful small business which he owned.

Both of these donors sit on the Boards of Directors of six organizations, and participate as volunteers in others. Since non-profits, and philanthropy and family are their major interests and work, they are very well informed about the effectiveness of many of the non-profits in their area, as well as many national organizations, and are in touch with a large number of wealthy people who fund groups privately or through foundations.

This couple does not sit down at the beginning of the year and set a definite amount to give away, then stop when they reach that amount. He has a ball park figure in his head, and keeps a mental tally of how much he has given away. She has no ceiling on her giving. They give an average of $25,000 every year.

While they discuss every gift, they do not make all decisions jointly. Each of them has "pet projects" to which they give individually. In their joint giving, they sometimes disagree on how much to give, and then they reach a compromise on the amount. If one spouse wants to give to an organization which the other does not support, he or she is free to do so. During the course of their ten year marriage, their politics, values and perceptions have become more interlocking and they disagree less frequently.

Their largest gift, which is 50% of all their giving, goes to an organization which they founded. The organization works on international peace and civil liberties issues, which are of prime concern to them both. However, as the organization becomes more financially stable, they will reduce the amount they give to it.

This couple is well known in their community as philanthropists. Their priority issues are health care, civil liberties and community organizing. They respond to all kinds of requests, including direct mail, but their biggest gifts go to groups for which they have been personally solicited by someone involved in the organization.

They never go to special events, but occasionally send money to an organization as a result of being invited to a special event.

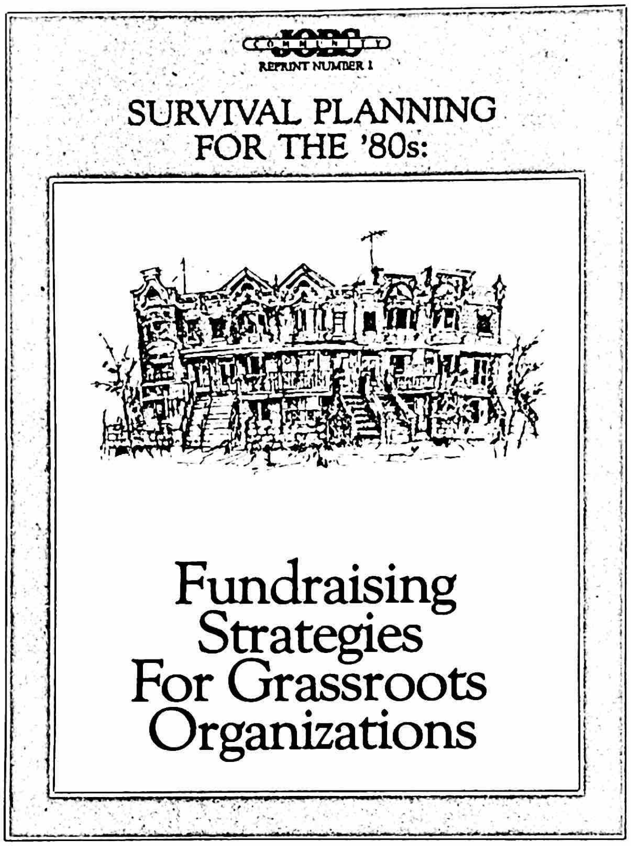
Although they said it is not important to them to get something tangible for their donation (i.e. newsletter, book, paperweight), he was clear that he looks at the attention an organization pays to its major donors to judge the professionalism of the organization. Groups that get a gift from him and then never send reports, cards, or other forms of personal attention, are unlikely to get another gift. Groups that pay attention to donors are saying, in effect, "Your money counts."

Their four top criteria in deciding whether to give and what the size of the gift will be, are 1) the cause, 2) the people involved, 3) the organization's access to other resources, and 4) the effectiveness of the organization.

They both resent the "quid pro quo" ethic in fundraising, and participate in it as little as possible. They recognize that not participating in it has cost them some gifts to their own organization.

With two people who are widely known as wealthy philanthropists, public in their giving and active in community organizations, it is clear that groups seeking gifts must present very cogent cases for themselves. And, almost more importantly, once a group has received a gift, they must keep presenting a cogent case through personal attention, in order to maintain this couple's commitment.

# Book Review




## *Survival Planning for the '80s:*

*Fundraising Strategies for Grassroots Organizations*
*by Tim Sweeny and Michael Seltzer*
*Published by Community Careers Resource Center, 1982.*
*Available from Community Careers Resource Center,*
*1520 16th Street, N.W., Washington D.C. 20036*
*17 pp., $4.00.*

By now it is common knowledge that the '80s are going to present some difficult challenges to the Boards and staffs of non-profit organizations throughout the country. One of the sources of major funding, the government, has virtually eliminated its backing of non-profit institutions. Foundations and corporations, facing an onslaught of requests from those suffering from government funding cuts, will not even begin to be able to remedy that dismal situation. At the same time, economic conditions are resulting in an increasing demand for the services provided by the non-profit sector. Yet, every non-profit is now familiar with the following words in corrrespondence received from private funding sources, "While we do recognize the value of the services you are providing, we unfortunately cannot meet the needs of all of the many truly worthy organizations seeking our support." Times are tough, and they are going to get tougher.

Out of these hard times has emerged an old fund-raising concept which until only recently has received very little attention from many non-profit institutions—diversification of the funding base. Diversification means having many sources of income to support an organization's program. Diversificaion is healthy. It makes it possible for an organization which has had one source of funding cut, to survive.

It is understandable why diversity has been ignored by many non-profit institutions. Foundation grants and government grants used to be relatively large and easy to obtain. However, in the face of recent cuts, diversification is the key to survival. This, then, is the focus of this small and modestly price publication, *Survival Planning for the '80s: Fundraising Strategies for Grassroots Organizations.*

*Survival Planning for the '80s* first appeared as a three part series of articles in the publication *Community Jobs.* The purpose of the articles, in the words of the authors, "was to" offer some principles and planning tools that staff, boards and members can use in developing a fundraising strategy and to give an insiders' tour to some of the more creative fundraising approaches underway around the country." The authors conclude their introduction to the series by stating, "We hope to make a modest contribution to the onslaught of literature that will undoubtedly appear about surviving financially in the eighties." They have succeeded.

The term "tour" that was used to describe this publication is appropriate, in that the authors touch briefly on practically every issue of import to the organization attempting diversification. Many of the topics covered in the booklet could be the subjects of entire books. However, the authors do not pretend to have written the definitive publication on fundraising strategies for the '80s. It is indeed a tour, and as such, provides a wonderful introduction to the world of diversified funding.

The first part of this booklet is titled *Principles of Fundraising and Planning*. It covers eight principles of fundraising based on the experiences of "newer members the non-profit sector." One would assume that "newer members" means those who have not known a time when they could depend on only one or two sources of funding. The principles, in brief summary, are that an organization must have a diverse funding base; that this funding base should include revenue from membership, community programs and services; that an organization should have at least an annual fundraising plan and calendar; that the fundraising should involve staff, board and members in its plannning, implementation and evaluation; that fundraising is not a popular activity; that it can, however, help to build organizations; that linking one's fundraising to specific organizational programs can be helpful; and finally, that community organizations should share their information and experiences to aid others in this difficult task. The discussion about each of the principles is made interesting by the examples the authors have used to illustrate their meaning. All of the principles are based on one premise—that community fundraising *must* be a part of the fundraising program of any grassroots organization.

*The major message . . . is that program planning and fundraising planning must go hand in hand.*

Part II: The World of Money, explores the three sources of revenue available to non-profit organizations: individuals' support, private sector support, and public sector support. Within individuals' support is included membership, direct mail, special events, income producing businesses/services/programs, payroll deductions and large donors/bequests. Private sector support includes corporations, foundations, religious institutions, and the United Way. Public sector includes government grants and tax initiatives—a new and innovative method that some citizen and public interest groups have successfully used to generate funds.

This second section provides an "Organizational Self Diagnosis", which is a chart to be used by organizations to evaluate the strength and weaknesses of their funding bases. The chart as well as the discussion of the various potential sources of revenue will be helpful to any group questioning whether they are doing everything possible to generate revenue.

Once an organization has adopted the principles laid out in Part I, and looked at the array of potential revenue sources available to be developed, they are ready to move on to Part III: Program Planning and Fundraising. The major message of this section is that program planning and fundraising planning must go hand in hand.

*Diversification is healthy. It makes it possible for an organization which has had one source of funding cut, to survive.*

A program assessment chart is provided to aid the organization in evaluating each of its programs from a variety of perspectives including its cost, its potential to generate revenue, the number of people it takes to run, its potential for constituency building and the degree to which it promotes the organization's objectives. Also included in this section is an outline of some of the basic steps for fundraising planning and evaluation.

There are two elements of this publication that merit special mention because they, in particular, contribute to its value. One is the number of examples used by the authors. Throughout the 17 pages of the pamphlet are descriptions of specific ways in which a variety of organizations have diversified their funding bases. The examples are provocative, and inspire the thought, "if that organization can do it, maybe ours can too."

The second element worth mentioning is the inclusion of reference lists in each section, providing the reader with several places to look for more information on whichever topic(s) interest him or her. There are five such reference lists in the pamphlet.

The title page of this pamphlet describes it as Community Jobs' Reprint Number 1. Hopefully, this means that there will be more publications coming that will be as useful as this one in addressing some of the issues of concern to grassroots organizations in the '80s.

LH

# *Back Issues of Grassroots Fundraising Journal Available*

Many readers have inquired about getting back issues of the *Grassroots Fundraising Journal*. Limited quantities of four of the Journals are available for $2.50 each from the Grassroots Fundraising Journal, P.O. Box 14754, San Francisco, CA 94114. The articles in each issue are as follows:

*Volume One, Number Four* (August, 1982)
The August Doldrums; Twenty Words That Sell; Fundraising Events (Part Three): Budgeting

*Volume One, Number Five* (October, 1982)
Fundraising in Rural Areas; Advisory Boards: No Miracle Solution; Why Most Benefit Concerts Fail; In the Spirit: Fundraising During the Holidays

*Volume One, Number Six* (December 1982) Record Keeping for Fundraisers; Earth to Board Members; Run For Justice; Fundraising Events (Part Four): Starting At Home

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Plus, all the issues include a profile of a major donor, book reviews, success stories, and invaluable advice from our special columnist, Joan Flanagan.

Erratum

*In the December, 1982, Journal (Vol. 1 #6), article on Record-keeping for Fundraisers, pg. 4, Sample Evaluation: Percent of Response reads 25/500 giving a 5% response. This should read 25/300 giving an 8.3% response. Divide the number received by the number sent to get a response percentage. We regret this error.*

## *New Book Helps Fundraisers Explain Tax Advantages Of Charitable Giving*

THE TAX CONSEQUENCES of charitable giving, which play a significant part in a donor's decision to provide a major contribution, are explained in a publication offered by Arthur Andersen & Co., an international public accounting and professional services organization.

*Tax Economics of Charitable Giving* can help fundraisers maximize tax benefits for donors who provide substantial contributions through various forms of giving. The comprehensive book covers such topics as gifts of appreciated property, deferred giving through charitable remainder trusts, charitable gift annuities, charitable lead trusts, charitable bequests and other charitable transfers.

"With a tighter economy and increasingly complex tax laws, knowing the facts about various forms of giving can be a persuasive fundraising advantage," said Marshall Gerber, managing director of tax competence, Arthur Andersen & Co.

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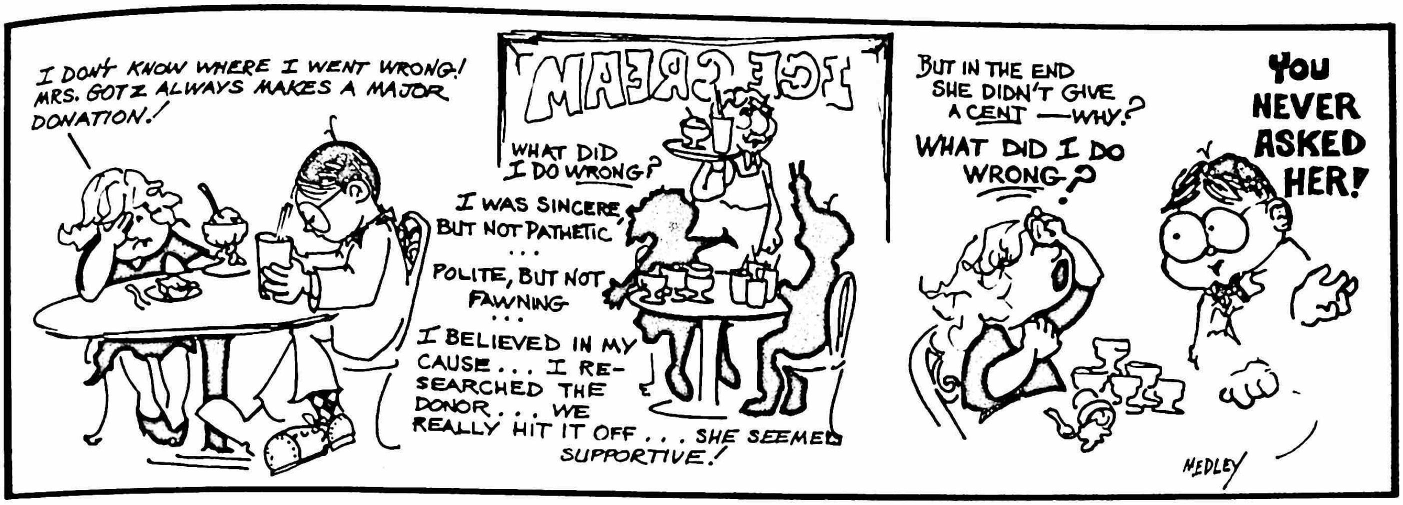
Now in its eighth edition, the revised book is based on U.S. tax laws in effect March 31, 1982.

*Samples of* Tax Economics of Charitable Giving *are available free of charge by contacting any of the more than 67 local Arthur Andersen & Co. offices nationwide or by writing Communications Distribution, Arthur Andersen & Co., 69 W. Washington, Chicago, IL 60602.*




The *Grassroots Fundraising Journal* is published six times a year: February, April, June, August, October, and December. It is published in San Francisco, California.

*Publishers and editors:*
Kim Klein and Lisa Honig

*Contributing to this issue:*
Joan Flanagan, Lisa Honig, Kim Klein, Donna Medley



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Address all inquiries to: P.O. Box 14754, SF, CA 94114 or call (415) 669-1118

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### Regular Features





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