Grassroots Fundraising Journal

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Asking for Money: Part Two

Getting Over the Fear of Asking

The Fine Art of Asking for the Gift

IN THE LAST ISSUE OF THE *JOURNAL* (Vol. 2 #2), we explored how to get over the fear and anxiety associated with asking for money. We included some specific exercises for Board, staff, and volunteers. Assuming the Board or other fundraising team is now reasonably comfortable with the idea of asking for money, we present here the process of soliciting a large gift. For our purposes, a large gift is one of $50 or more.

In the next *Journal*, we will discuss "Prospect Identification" — the process of identifying individuals who are interested in your organization, know someone in the organization, and have the ability to give a major donation. Prospect identification is best done once there is some understanding of the process of asking for the gift.

First and foremost, it is imperative that the people soliciting major gifts believe thoroughly in the cause of the organization, and have demonstrated that commitment with a financial contribution. The size of that contribution is not important, but it must be a contribution which *for that individual* is significant. The message to the prospect from the solicitor is, "Join me; do what I have done; give a large contribution to this organization because it is really important."

Many people have discovered that doing face to face fundraising reminds them of the true depth of their commitment to the organization. They remember why they became involved in the first place, and why they think it is important. Occasionally, people discover that their commitment is not that strong, and they would be happier in another organization.

Assuming that the people who are going to do the soliciting have made such a commitment, let's look at methods you will probably find most effective.

Types of Prospects

There are three types of prospects: people who have given before, and are prospects for a repeat or an upgraded gift; people who have not given before, but are close to someone in the organization; and people who are interested in the cause, but don't know anyone in the organization. For the latter type, some kind of cultivation is necessary before actually soliciting the gift. Inviting the person to a special event, house meeting, or educational evening will be important, or asking to see the person in order to describe the program and inviting him/her to the office (if the office is an exciting place) should precede the meeting at which a gift is requested. In this article, we will assume that the prospect is ready to be asked for the gift.

Approaching the Prospect

There are three ways to approach the prospect: they are usually used in conjunction with each other. They are: a letter describing the program and requesting a meeting to discuss it further, followed by a phone call to set up a meeting, and then the meeting itself in which the gift is actually solicited. Obviously, if you are approaching your spouse, or your best friend, you can skip the letter, and perhaps even the phone call. In come cases the letter will be enough, and there will be no need for a phone call and meeting; in others a phone call alone will suffice.

The Letter

The letter to prospects who have given before is the simplest. You thank them for their support in the past, and ask them to give the same amount or more again. Describe some of your achievements in the past year, and some of your future plans. Tell them you will phone them in a few days, and, if they are in

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Dear Joan

Dear Joan, *I've been getting form fundraising appeals, sometimes up to twelve a day. Is it really worth the expense for the organizations sending them?*

Littered with Letters

Dear Littered:

There are two answers to your question: yes and yes. It is not clear from your question if you are getting twelve letters from twelve organizations, or twelve letters from one organization. In either case, done correctly, it will be worth the expense for the organization.

If you received twelve letters from twelve organizations, it is because more and more non-profit groups are using direct mail to find the people who want to support the work of the group. Direct mail experts call this prospecting, because the donors they discover turn into gold mines. For an average direct mail program, the first time a non-profit group mails to a list it will produce a return of one per cent or less. Most first mailings barely cover costs or may even lose a little money. But repeated mailings to the people who say "yes" produce results: 55 per cent will mail checks on the second letter and 65 per cent of that group will respond to a third letter. If the fourth or fifth appeal is still getting money from the same source, the donor is yours for life.

On the other hand, you may have received twelve letters from one organization. Because the organization knows it should only expect a one per cent return on its first mailing, obviously it needs to buy or borrow many lists in order to get enough names to make any money in the long run. If you make donations or purchases through the mail, your name is on a lot of lists, so you will get a lot of letters. According to mail expert Sanky Perlowin, it is very expensive to do what they call a "merge-purge" to eliminate the duplicate names from lists because it takes out 28% of the names and it takes out the chance for the organization to ask you more than once. So most organizations choose to use the lists they buy "as is" and realize that duplication to the donors can only help their cause.

As Danny Newman, fundraising wizard for the Lyric Opera of Chicago says, "Duplication is the yeast that makes the cake of sales rise!" Does Chevrolet advertise their new cars once in September and then sit back and wait for customers to come to their showrooms? No, Chevrolet buys ads every day all year round so its potential customers keep hearing Chevy's name and keep seeing Chevy's cars. In the same way, non-profits benefit from sending the message: "We do terrific things to help people in America" to their potential donors as often as they can.

Dear Joan, *What do you really think of bake sales?*

Volunteers in Vermont

Dear Volunteers:

Bake sales are a marvelous way to turn your hot cross buns into cold hard cash. They are a terrific fundraiser because:

Anyone can help. Most people like to bake, and the few that do not can do publicity, set up, sell, or clean up.

Anyone can buy. After all, you have to eat anyway, and what better excuse for cheating on your diet than a few chocolate chip cookies for a good cause?

They are close to 100% profit.

Bake sales can be tailored to fit any organization. Programs for international students can sell pastries from around the world. Ethnic communities can sell their traditional goodies to pass along the skills and recipes to a new generation, show pride in their culture, and bring in money from outside the community. Civic and consumer organizations can show their patriotism by peddling apple pies. Controversial organizations can use bake sales to find and keep members who support the goals of the group, but fear confrontation. As they say, "If you can't stand the heat, get into the kitchen . . ."

Joan Flanagan is the author of the new *Grass Roots Fundraising Book* (1982) and *The Successful Volunteer Organization* (1981), both from Contemporary Books and available through your bookstore.

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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your area, offer to meet with them. Enclose a stamped, return envelope. In a few days, phone them. Often you will discover that the check is in the mail. As you get to know major donors better, you will discover which ones prefer not to be phoned, but just wish to be reminded when it is time to renew their gift. If you do meet with them, ask for a larger gift than they gave last year, or use the meeting as an opportunity to ask for the names of other people who might be interested in giving major gifts. As you get to know the donors, you can see if they would make good Board members, or if they would be willing to solicit some large gifts for your organization. Meeting with current donors tells these people that they are valued, and helps build their loyalty to the organization.

Letters to prospects you know rest heavily on the amount of respect and affection the prospect has for you. When writing to someone you know, use the same tone and format you would use in writing to him/her about anything else. If you normally call the person by his/her first name, do that in your letter. Mention to your friend that you are a donor yourself. You don't have to say how much you give—just the fact that you give will tell your friend that you are asking him/her to do only what you are already doing.

If the person who knows the prospect is unable or unwilling to write the letter, then the person actually soliciting the gift may be a stranger to the prospect. In that case, begin the letter with "Jane Friendswithyou gave me your name. She said you will be interested in our work because . . ." Go on to describe the work of the organization and ask to meet with the person.

Indicate in the letter that you will be asking for money.

As you get to know major donors better, you will discover which ones prefer not to be phoned, but just wish to be reminded when it is time to renew their gift.

The letter can describe how much the organization needs and what kind of gift you hope the prospect will make.

In writing the letter, remember that people have a short attention span. Make your sentences interesting, evocative, and short. Avoid using jargon or complicated explanations. Statistics are fine, if used sparingly. The idea of the letter is to spark the prospect's interest so that he/she will want to meet with you. The letter does not have to convince fully, and in fact, should just raise the person's interest. The face to face meeting is the time to convince the prospect to give.

The Phone Call

If you say you are going to call, CALL. Rehearse the phone call beforehand to anticipate possible hard questions or objections the prospect might have. The following are three different problems that arise during phone calls and examples of how they could be handled.

Scenario One: The Easy Prospect

You: Hello, this is Worthy Cause. Is this Mary Prospect?

First and foremost, it is imperative that the people soliciting major gifts believe thoroughly in the cause of the organization, and have demonstrated that commitment with a financial contribution.

Ms. Prospect: Yes, it is.

You: I recently wrote to you about . . . Did you get my letter?

Ms. Prospect: Yes, I think I did.

You: Do you have a minute now? (Or, Is this a good time to talk?)

Ms. Prospect: I have just about one minute. Now remind me of what your organization does. I get so many letters.

You: Our organization . . . (two sentences at most). What I would really like to do is get together with you for about half an hour to explain our project in more depth. I know you are busy, so is there any time next week that I could come see you?

Ms. Prospect: I think I could fit you in next Wednesday at 10.

You: Great. I'll be there. Thanks so much.

Second Scenario: Time and Logistics Problems

Ms. Prospect: This is really a bad time of year for me. I'm doing an inventory and then I have to fly to Washington, D.C. and I just can't fit in another thing.

You: I can certainly understand that. Why don't I call you next month and see if things have settled down, and you might have some time then?

Ms. Prospect: That would be fine.

OR:

Ms. Prospect: This is just too busy a time for me. I'll call you when I can work you into my schedule.

You: I know you have a lot on your mind. I'll call you in a month or so to see if things have settled down.

OR:

Ms. Prospect: I never make decisions to give away such large gifts without talking it over with my husband. We do all our giving jointly.

You: That seems extremely reasonable. May I come and talk to you both?

Third Scenario: Disagreements with Organization

Ms. Prospect: I got your letter, but I have to tell you honestly that I think the government should be taking care of this, and you all should be lobbying for restored government funding in this area.

You: We agree that the government should be taking care of this problem, and we're working with a coalition of groups to pressure for restored funding. But in the meantime, these people are without services, and we have to turn to people like you who understand the need so clearly. I'd like to talk with you about our government strategy, since I know that it is an area of interest to you, in addition to discussing our program. Could we meet next week?:

OR:

Ms. Prospect: Aren't you the group that had to fire your Executive Director for incompetence a little while ago?

You: Yes, our Executive Director was released when the Board discovered . . . I know you'll be pleased to learn that Much Better Person has taken her place, and things are now completely back to normal. I really want to talk about our programs in more detail. Is it possible to set up a meeting in the next few weeks?

Most of the time when people try to put us off, we assume that they are trying to say no, but are just too polite to come right out with it. This is a false assumption.

OR:

Ms. Prospect: I have other priorities at this time, and I'm not sure your organization falls within my present commitments.

You: I know that you have other priorities. I would really appreciate it if we could discuss the program of our organization because I think it falls within your concerns. Jane Friendswithyou indicated that you are strongly committed to . . . and we do work in that area now.

Ms. Prospect: I'm afraid you'll be wasting your time.

You: I'm not worried about that. I don't want to waste your time, but I do think a brief meeting would help us both to see if we have any goals in common.

The Importance of Being Assertive

Most of the time when people try to put us off, we assume that they are trying to say no, but are just too polite to come right out with it. This is a false assumption. Prospects are looking for signs that you are really serious about your organization. They appreciate persistence, assertiveness, and an attitude that what you have to offer is critically important, and worth taking some time to discuss.

In writing the letter, remember that people have a short attention span. Make your sentences interesting, evocative, and short.

If you are easily put off, and take the first "no" as the final answer, it says to the prospect that you are not terribly concerned about the organization, or that you don't really care whether or not the prospect gives. Clearly, you don't want to be rude, but be willing to push the prospect a little, and don't take the first resistance as the final word.

The Face to Face Meeting

ONCE YOU HAVE AN APPOINTMENT, YOU are ready to prepare for the face to face solicitation. This is not as frightening as it seems. First of all, the prospect knows from your letter or your phone call that you will be talking about making a contribution. Since he/she has agreed to see you, the answer to your request is not an outright "no." The prospect is considering saying "yes." Your job is to move him/her from "I'm considering giving" to "I'd be delighted to give."

The purpose of the meeting is to get a commitment to give. Everything else revolves around this purpose. It is fine for the conversation to go off on a tangent, but you must keep bringing the conversation back to the financial needs of the organization, and the possible role of the prospect in meeting those needs.

As the solicitor, you must appear poised, enthusiastic, and confident. If you are well prepared for the interview, this will not be too difficult. Many times, Board members

Example One: Letters to Current Donors

DES Action National

East Coast Office: L.I. Jewish-Hillside Medical Center, New Hyde Park, N.Y. 11040 (516) 775-3450
West Coast Office: 1638-B Haight Street, San Francisco, CA 94117 (415) 621-8032

Last year at this time, you have generously to the work of DES Action, National. I'm writing to tell you what we used your money for, and to ask you to give generously again.

Your gift of $50 helped us in the following ways:

☐ *Finding DES exposed people unaware of their exposure and the health risks they face through widespread outreach efforts and personal follow-up by DES Action Volunteers*	$20	40%
☐ *Informing DES exposed people about new medical and legal developments, and legislative action through our various publications and our media outreach*	$17	34%
☐ *Forming and expanding local groups to make information available locally, to distribute doctor referral lists, and to continue outreach work in local areas*	$ 9	18%
☐ *Fundraising and administration*	$ 4	8%
TOTAL	$50	100%

As you can see, fully 92% of your gift went directly to the people we serve--the DES exposed mothers, daughters and sons in America. In fact, because DES Action receives much of its printing, ~~and~~ office space and equipment free, an even greater percentage of YOUR dollars go where they should go--to program work.

As you know, up to 12 million people (5% of all Americans) are DES exposed. DES Action has helped to identify about half of these people. This leaves us with 6 million people to reach.

We need your help to do that. DES Action, National and our local affiliates is the only consumer group working exclusively to find and help DES exposed people. NO OTHER GROUP--either private or government sponsored--PROVIDES THIS VITAL SERVICE.

Gifts like yours make our work possible. Please send what you can in the enclosed envelope today.

Example Two: Letter to Someone You Know

Dear ......,

I am writing to tell you about an exciting program, the Support Network. I may have mentioned this program to you in the past, as I am a member of their Board of Directors.

The Support Network serves women and children who are victims of domestic violence. They provide shelter, counselling, support and direction to individuals, and education about the gravity and immensity of this problem to the community at large. I've enclosed some material which explains the program in more depth.

One of my responsibilities as a Board member is to help with fundraising, and that's why I'm writing to you. Before I get into that, I want to tell you why SN is my major volunteer commitment in this community. First, domestic violence is an enormous problem and SN provides positive, life-saving alternatives for victims of it. Second, SN is a wisely run, frugal, well coordinated program. I know that the time and money I give are never wasted, and this is very important to me, as I don't have lots either.

Every year SN searches for funding. We have some money from the government, some from private foundations, and some from individuals. In order to insure our ongoing ability to provide services, we are trying to increase giving from individuals. We are looking for more people to make contributions, and we are asking our present donors to increase their donations, if possible.

We are seeking $9,000 in gifts of $50-$500 in the next three months as part of an overall major gifts program. I am hoping you can help us with a gift of $100. Before you decide, I'd like to make an appointment to see you and to explain more thoroughly what we are about, and answer any questions you may have.

I'll call you in a few days to set up a time. I hope all is well with you, and I look forward to talking with you.

Sincerely,

and volunteers are afraid they will not appear knowledgeable about the organization. It is perfectly fine to bring along a staff member, or someone who has been with the organization a long time to answer difficult

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questions. Sometimes going with a partner also helps you feel more relaxed. It is also fine to answer a question with "I don't know, but I'll be glad to get you that information."

Help the prospect to see that giving to your organization is a logical and natural extension of his/her interests and concerns. Ask the prospect questions, and carry on a conversation with him/her. "Do you agree with our approach?" "Did you see the article about us in last week's paper?" "Has Jane Friendswithyou talked much about our organization?"

When you finally ask for the gift, look the prospect right in the eye, and in a clear, bold voice, say, "Can you help us with a $300 contribution?" or "We are hoping you can give $500-$1000." Keep looking at the prospect, and don't say anything after you have asked for the gift. It is the prospect's turn to speak. Although it may seem a long time between your request and his/her response, it is only a matter of a few seconds.

Sometimes the prospect will say, "I'd like to help, but that figure is out of my range." Your response can be, "What would you feel comfortable giving?"

After you ask for the gift, and get an affirmative answer, discuss how the prospect wants to make the gift. Perhaps they will give you a check right there, or mail it in the return envelope you brought. For larger gifts, prospects (now donors) may want to transfer stock, or make other arrangements which will cause the gift to arrive in a week or two. Once these arrangements are made, thank the donor, and leave.

Immediately after the interview, send the donor a thank you note. Another thank you from the organization should be spent when the money arrives.

I*f you say you are going to call,* CALL.

Summary

Although it can be anxiety producing to ask for money the first few times you do it, it is thrilling to get an affirmative commitment from a major donor. It is also a good feeling to know that you were able to set aside your own discomfort about asking for money for the greater purpose of meeting the needs of your organization. Knowing that you can talk comfortably about the financial goals of your organization is empowering. Boards of Directors find that they are immeasurably strengthened when each of their members feels able to ask for money.

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PHILANTHROPY IN 1982:

Preliminary Figures are Released from the American Association of Fundraising Council, Inc.

TOTAL GIVING:
$59.9 Billion to 501(c)3 organizations

WHO GAVE:	
Individuals:	$48.7 billion
Bequests:	$5.5 billion
Corporations:	$3.0 billion
Foundations:	$2.7 billion

WHO RECEIVED:	
Religion:	$28.1 billion
Educations:	$8.5 billion
Health and Hospital:	$8.3 billion
Social Services:	$6.2 billion
Arts and Humanities:	$4.9 billion
Civic and Public and miscellaneous:	$3.9 billion

The rate of giving went up 9.4% in spite of a severe recession economy. Although this was slower than last year's increase of 11.4%, it was still a significant increase, and meant that gifts to charity had reached an all-time high.

These preliminary figures are probably lower than the final figures, and most experts agree that private sector giving will top $60 billion in 1982.

Giving to social services was increased significantly, as was giving to education. The American Association of FR Counsel found evidence that giving to arts and humanities organizations, and to civic and public affairs organizations was tempered because of a shift toward human needs. Moreover, giving to the arts was artificially inflated because of a one-time gift from J. Paul Getty of $1.3 billion to the museum bearing his name.

Summer in the Non-Profit World

FOR MANY FUNDRAISERS IN SOCIAL CHANGE and community organizations, summer is a very slow time. Summer is a difficult time to raise money mainly because many people go on vacation. So the summer months are ideal for many activities that simply don't fit into the busier periods of the year. Here are a few suggestions of ways to use these slow months. Used well, the summer can in fact be one of the most productive periods of the year.

1. Planning

The summer is an ideal time to think. If you are one of those extremely organized fundraisers who, throughout the year, has collected ideas for fundraising schemes in your "research files" this is the time to pull out those files and take a look at them. While you have the time for careful evaluation, begin to formulate a planning process for the implementation of good ideas and toss out the bad ones. If you don't have a file of ideas to look at, now is the time to generate one. Take some time to think about new, creative fundraising ideas.

2. Cleaning

Clean up your files—if you have the time there is nothing more productive than emptying your files of useless documents, ideas whose time has passed, and outdated materials.

Clean up your office—the clutter may be contributing to your inefficiency.

Clean up your act—is there a part of your fundraising pitch that feels awkward? Have you been making statements and feeling uncomfortable that you don't have the statistics to back them up? Take time to make some changes.

3. Updating Your Records

If you are a typical fundraiser, there is bound to be at least one segment of your records that is not completely up to date. Records that are not up to date can feel like a tremendous burden; like a messy office, they contribute to the sensation that you are disorganized or behind in your work. Retype that mailing list that is beginning to look awfully messy; add the new names that have somehow never managed to get added; make those address changes that never got made; fill in bits of information on major donors that is floating in some recess of your mind but not written down anywhere. You may have been feeling throughout the year that one part of your record-keeping system is not working for you. Take a week to figure out a new system and implement it.

4. Updating Public Information Materials

Does your organization's brochure need updating? Use these slow months to rewrite those materials that, because of time restraints earlier in the year, were written hastily and are not so effective as they could be. If you are unhappy with your graphics, start looking for new artists to present you with new ideas. If you have a summary of the organization's activities that you use as addendums for funding proposals, bring them up to date.

5. Create New Materials

There is bound to be some brochure that you wish you had had the time to create. Have you always thought of putting together an annual report? Is there some report which you wish you had to help document the needs described in your funding proposals? Summertime might present the time to finally produce these materials.

6. Research

Summer is a perfect time to do research. Read that fundraising book you have been meaning to get to. Do some freshening up of your familiarity with the issues for which you are raising money. Start researching lists for mail campaigns. Look for additional information on your current and prospective donors. Have you heard of some new organization in town whose work compliments your own? Take the time to meet with them and find out what they are doing. If summer is a slow time for you, most likely that is the case for other organizations. Their staffs will be more likely to have the time to meet with you or deal with your requests to trade lists or share resources. Have you been dying to know who the chief executive officers are of the major corporations from

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Expanding Your Board of Directors

THE LAST ARTICLE ON BOARD DEVELOPMENT in the *Journal* (Vol 2, No. 2: "Evaluating Your Board of Directors") discussed a process for evaluating the composition and effectiveness of your organization's Board of Directors. It is important for every organization to engage in this process regularly to assess whether the members of the Board are meeting the needs of the organization, whether the staff is meeting the needs of the members of the Board, and whether the Board is acting as an effective component of the entire organization. A conclusion that will periodically be reached as a result of this evaluation is that the Board needs to be expanded. In this article we discuss ways Board expansion may be accomplished in an organized and well thought-out fashion.

Whether the idea of expanding the Board is generated by staff members or Board members, it is essential that both be involved in the process. In the ideal situation, a committee should be established to plan and implement an expansion. If your Board has never had a committee structure, this committee could provide a good jumping off point for establishing such a structure. The Board Expansion Committee should be chaired by a member of the Board, and at least one representative of the staff should serve on it—usually the Executive Director.

Throughout the Board expansion process the Board members should carry the primary responsibility for leadership. To be effective, a Board of Directors must see itself as a body unto itself. This means that its members must be able to relate to each other and work well together. Organizations that are having difficulty getting their Boards to raise money tend to be those which are primarily run by the staff and in which the only connection among Board members is their common affiliation with the organization. This kind of set-up is not conducive to activism, and it is activism which generates a willingness to raise money. For Board members to act as a body and relate to each other, they must have some control over the Board's composition.

The staff should be involved in Board expansion for a number of important reasons. First of all, the staff is usually in a good position to assess the demands that are being made of the Board members and to determine those which are not getting met. Second, since the Board sets policies which must be implemented by the staff, there must be a sense of trust between staff and Board members. Finally, it is essential that Board members and staff members be able to work with each other to achieve the goals of the organization.

Once a committee has been established, a number of steps must be taken before actually inviting any new members to join the Board.

First, it is helpful to clarify the reasons for expanding the Board. It could be that a number of Board members have resigned and the remaining number is less than that required by the organization's by-laws. In evaluating the Board, you may have realized that the Board lacks representation of an important constituency or certain skills needed by the organization, or is not a large enough body to perform all of the tasks it has identified for itself. It may be that several meetings have been attended by so few people that no business could actually be performed, or that the people currently on the Board feel that they are overloaded by the number of tasks they have before them. The organization may have identified lack of people-power as the major factor contributing to the organization's inability to raise sufficient funds. Clarifying the reasons to expand will be helpful when it comes to identifying the kinds of people you want to add.

> *Whether the idea of expanding the Board is generated by staff members or Board members, it is essential that both be involved in the process.*

Following a discussion of the reasons for expansion, the committee should list the qualities they are looking for in new Board members. This is the point at which a job description for Board members will come in handy (see Vol. 1, No. 6: "Earth to Board Members: Are We All Clear?").

The qualities listed should be both general and specific. Some general qualities will probably include availability of time, commitment to the goals of the organization, willingness to be active, willingness to help with fundraising, and ability to work with other people.

Specific qualities will depend on the particular needs of the organization. A specific quality might be representation of a particular community or constituency. You may have found in trying to raise money from individuals that your organization has no access to people of wealth in your community. Or you may have realized that without some formal connections to the corporate world, your organization will probably never attract corporate contributions. Or you may have realized that a sector of the community whose needs you are trying to serve is not represented on your Board. You may be looking for someone who can provide a specific skill such as legal or financial advice or expertise in the field in which the organization works. If your organization has followed the evaluation process described in the last issue, you will already know what kinds of representation, expertise and qualities are needed on your Board and what is lacking.

Once you have identified the kinds of people you want to add to the Board, you should decide how many to add at one time and prioritize the needs. If you realize in your assessment that it would take several additional Board members to meet all your current needs, plan a strategy for adding the number you need over a long enough period of time so that each new member can be adequately oriented and incorporated into the Board.

Now the committee is ready to start talking about specific individuals who might be added to the Board. Start with a brainstorming session during which the name of anyone who might meet any of the needs identified is put down on a list. If the Board Expansion Committee finds itself short on names, they might want to go back to the full Board with a list of the qualities being sought, to ask for suggestions of individuals to fill the available slots.

This is the point at which many committees begin to flounder, so if your committee finds itself short on ideas—take a different approach. Rather than focussing on specific names, take some time to identify places where you might get ideas for names. For example, take a look at a list of your members and contributors. Anyone who has already expressed an interest in the organization by making a contribution of time or money is a potential Board member. Talk to other people—specifically those who have worked with the organization or who know of the organization, or those who sit on Boards of organizations doing work similar to your own. Let the community know that you are looking for people with specific skills and contacts to sit on your Board of Directors.

Once you have generated a list of names of individuals who provide some of the skills you are seeking, prioritize the list according to who offers the most needed skills or the most variety of those qualities being sought. Then you will be ready to start approaching the best prospects.

Organizations have different methods of making invitations to new Board members, and the following is only one suggestion of how to do it. Before extending any invitations to join the Board of Directors, it is helpful to meet with each of the prospective new Board members to discuss the organization and the expectations of those serving on the Board. These meetings can be set up by a staff or by a Board member, but should include both so that the prospective new Board members establish contact with a member of each body.

While it may seem awkward to be discussing potential Board membership with somebody without actually extending an invitation to join, it is an easy way to get to know more about each potential new Board member and to get a good sense of whether the person will actually be able to provide the quality or skill that is being sought. It also gives the prospective Board member a sense that Board membership in your organization is desirable enough that you actually interview before extending an invitation. It creates the impression that it is an honor to be asked to join your Board, and that membership responsibilities must be taken seriously.

If you realize in your assessment that it would take several additional Board members to meet all your current needs, plan a strategy for adding the number you need over a long enough period of time so that each new member can be adequately oriented and incorporated into the Board.

After the Board Expansion Committee has assessed the interest of the various candidates for Board membership, and the actual qualities that each will provide, they should make a recommendation to the full Board. The recommendations might be a list of individuals of whom two should be chosen. Or the recommendation might be that two specific individuals be asked to join. Only after the full Board has voted to extend invitations to specific individuals should those invitations be made.

The final step in Board expansion, and the one that is most frequently omitted, is orientation. Because Board members are responsible for making major decisions for the organization, they should have the benefit of an extensive orientation. They should be provided with a history of the organization, a description of the staff and each staff member's responsibilities, an overview of the current priorities of the organization and how those were chosen, financial information, copies of any brochures or written information that has been produced by the organization, a copy of the by-laws, and any other information that will help them to be as familiar with the work of the organization as possible.

-LH

Twenty Commonly Asked Questions About Soliciting Large Gifts

1. If we go out to lunch, who should pay?

The solicitor should be prepared to pay for lunch or drinks, although this often turns out to be unnecessary. The donor does not want you to be spending his/her donation taking other prospects out to lunch. In a successful solicitation, the donor often picks up the tab, or suggests that each person pay his/her share.

There are two factors to take into consideration. One is the expense of the meal. If you have gone to a restaurant of the donor's choosing, and it's expensive, the donor will probably pay for lunch. If you feel that the price of the meal is just too high for you or your agency to absorb, it is not rude to suggest that each person get a separate tab.

The second consideration is how much the donor gave. A $25 lunch for a gift of $50 is far different from a $40 lunch for a gift of $1,000.

2. How should I dress?

Gift solicitors used to be advised to look like the peer of the donor, which meant dressing in a similar style. This is no longer a helpful rule. Too many prospects dress in jeans and other very casual attire, which solicitors should not imitate. The solicitor should look professional, well-dressed, neat and clean. Flamboyant clothes are not appropriate. Dress in such a way that no matter who might see you, you would not feel underdressed. It doesn't matter if you turn out to be better dressed than your prospect. Prospects can dress in whatever way they like—they have the money.

3. Should I comment on things in the prospect's home or office, such as pictures or art objects?

Only comment on things that you sincerely like. Obsequious flattery, such as, "That is the most darling child I have ever seen, and he looks just like you" is not appreciated, and may get you into an embarrassing situation. "That's my wife's niece, and she's adopted."

4. As a younger woman asking an older man for a major gift, what happens when he calls me by my first name, but I have to call him by his last name?

The easiest way out of this situation is to avoid using the prospect's name altogether. It is only necessary to call him by name once—when you are first introduced. If you are very bothered by this interaction, you can ask the prospect if you can call him by his first name. (Do be sure you have the right first name, however. In one instance, a 25-year-old woman represented her organization to a 50-year-old male corporate executive. He called her Kathy several times, and she called him Mr. Riley. Finally she said, "May I call you Michael?" He said, "Kathy, honey, you can call me that if you like, but my name is George.")

5. What should you do if you go with someone from your Board and that person makes a fool of you and your organization.?

This depends on what the Board member does to make your organization appear foolish. If it is a matter of the Board member talking too much, interrupt from time to time, and turn the conversation back to the prospect, i.e. "Yes, that's a good point, Talking Board Member. What do you think of that, Ms. Bucks?"

If the Board member does not get the hint, pass him/her a note that says, "You're talking too much."

If the Board member gets into an argument with the prospect or swears or gives out information about the organization which is inappropriate, try to change the subject quickly.

If all else fails, say to the prospect, "Well, thanks for seeing us. I'll be back in touch. Let's go, Foolish Board Member." Afterwards, get that Board member off of the Major Gifts Committee, and apologize to the prospect. Keep in mind that the prospect is never as aware of how foolish someone seems as you are.

6. What if the donor promises a certain amount, and then sends less?

Send a gracious note for the amount received, and don't mention that you thought it would be more. Next year, you can return for a higher gift.

7. What about sending a person to solicit a gift who is not a donor to the organization, but is personable and charming?

This is a mistake. The chances of getting a gift are significantly reduced when the person asking has not given. It doesn't matter whether or not the prospect is told—at some level, the prospect will intuit that he/she is being asked to do something that the solicitor has not done. The gift the solicitor makes does not need to be the same size as the prospects', but it must be significant relative to the solicitor's resources. *Sincerity* is much more important than *charm*.

8. How important is it to name a specific amount?

In a study of New York City panhandlers the panhandlers that asked for a specific amount, or for a specific purpose ("so that I can get on the subway") were more likely to get something than those who asked for the vague "spare change." The same is true for larger gifts. "We need some money for our important work and we

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would like you to help" is too vague. The prospect doesn't know how much money is needed, or what an appropriate gift would be. Is $50 too cheap? Is $1,000 ostentatious? Is there a plan for the use of the money? Use an approach of, "We need $10,000 for our community organizing project, and we hope to raise $5,000 of that in gifts of $50-$500. Can you help?" Or, "We want to raise $15,000 in gifts of $200-$1,000. We have already received $5,000 from 10 individuals, and hope that you can give $500." It is much more convincing and specific.

9. Where should we meet for a face-to-face solicitation?

There are three possible places to have a meeting—the donor's home or office, your organization's office or someplace neutral like a restaurant or bar. While the most comfortable place for the solicitor to make a pitch will probably be the organization's offices, chances are that getting to those offices will be inconvenient for the potential donor. Some donors are interested in seeing the offices of an organization to which they are considering giving money. Let the donor suggest that. If that is not suggested, you should try to determine what will be most convenient for the donor. In some cases, meeting at the donor's home or office will be an imposition for the donor, and in other cases, asking the donor to meet you at a restaurant will be an imposition. The best approach is to suggest both and let the donor choose.

10. How much information should I give the prospective donor when setting up the meeting?

At a minimum, the prospective donor should be told that the meeting's purpose is to ask for a contribution for your organization. It is unfair to ask to meet with somebody and give the impression that all you want is their advice or the opportunity to let him/her know about your work, when what you really want is money. In fact, many donors are very sensitive about being asked to become involved in a project only because of their ability to give money. Donors tend to be much more responsive to requests for contributions if they are told right from the start that that is what is being requested.

In addition, it is important to let the donor know who will be attending the meeting from your organization. If the donor asks for more information in advance don't hesitate to give it. However, don't make the solicitation over the phone. Insist that you need the opportunity to meet so that you can provide the person with detailed information.

11. What if I can't answer a question I am asked?

Whatever you do, don't make up an answer. Say you don't know the answer but can find it out and let him/her know. If you do say you will get an answer to a question for a donor, do so as promptly as possible.

12. When during a meeting should I ask for the gift?

Toward the end. Use the beginning of your meeting to connect with the donor and to make a "case" for support of your organization. Bring the donor up-to-date on the organization's activities, talk in some detail about one or two particularly exciting projects, and give the donor the opportunity to raise any questions or concerns he/she might have. Ideally, all of the donor's questions or concerns should have been answered before he/she is asked for the gift.

13. What if the donor expresses an interest in volunteering or being on the Board of Directors and I am not interested in having him/her involved?

Don't say "That would be great" in order to please the person and hope that he/she will forget about it. Tell the donor that you will mention his/her interest to the appropriate staff or Board members and then try to change the subject.

14. If my organization is in a serious financial crisis, should I tell the donor that or not?

If a donor is going to invest in your organization, he/she should have the benefit of knowing about your financial health. Don't dwell on the crisis, but let him/her know that it exists and provide him/her with all of the excellent reasons why you know that the crisis will pass.

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whom you are seeking contributions or who is on the Board of Trustees of the foundations to which you are submitting a proposal? Find out.

7. Plan Your End-of-the-Year Fundraising Drive

One of the common reasons that many end-of-the-year fundraising campaigns do not reach their goals is that they begin too late in the year. To be effective, most campaigns must begin in September. That means the planning must be done *during the summer.* Don't let September arrive and find you already behind schedule.

8. Summer Events

While many people go out of town during the summer months, many do not. It should not be overlooked that summer is the only time that several kinds of events can take place such as picnics, runs, walk-a-thons, swim-a-thons, and summer dances.

9. Review

Did you have any failures during the past year? Now may be the time to be reflective about those failures. Take a closer look and learn from your mistakes.

10. Take a Vacation

Lest we forget, everybody needs a break from time to time, and you, the fundraiser, are no exception.

One last word to the wise: the summer months, like the rest of the year, do not provide enough time to do everything you would like to do. Set some goals that are achievable.

-LH

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Then move on to positive developments and efforts you are making to insure the organization's financial stability.

15. How many people from the organization should go to the meeting and who should they be?

In most circumstances, no more than two representatives should go to any solicitation. Any more than that will probably intimidate the prospective donor. The best person to make a solicitation is someone who could be considered a peer of the prospective donor. Ideally, that should be one or two Board members. However, in some cases a staff member will qualify as a peer, and it would then be appropriate for that staff member to attend the meeting. Sometimes, Board members are uncomfortable talking about the day-to-day work of the organization and will feel more comfortable if a staff member accompanies him/her. This too, is appropriate.

16. Should I take written materials to the meeting?

Yes. They might provide answers to some questions which otherwise you would be unable to answer. Budgets, in particular, are useful to have to give to the prospective donor.

However, save the handouts for the end of the meeting. Verbal communication in this situation is much more effective than written. Besides, if you give the prospective donor something to read at the beginning of the meeting, chances are that he/she will focus on the written materials and miss everything you are saying.

If you feel that some background information is necessary for the donor to be able to respond to your request for a contribution, send it in advance of the meeting. However, never assume that anything you have sent in advance has been read. If the donor has not had the opportunity to read the materials that have been sent, it will be embarrassing for him/her to have to admit that. You can save the person this embarrassment by assuming that nothing was read, and summarizing the materials for the donor. If they have been read, the repetition won't hurt.

17. What if the donor says, "I need some time to think about it"?

It is helpful to clarify at the meeting whether the donor needs to think about the amount or whether to make any contribution at all. If possible, try to get a commitment at the meeting for a contribution, even if you can't settle on an amount. Sometimes it is appropriate to try to establish a range which the donor will think about, by saying "Is it reasonable to ask you to think about making a contribution between $100 and $500 dollars?" That kind of response to the statement, "I need to think about it," will help clarify whether it is the amount or the gift itself that is being considered.

It is important to respect the donor's need to take some time to consider the request seriously. However, never leave it up to the donor to get back to you. Conclude the meeting by saying, "Please do take some time to think this over, and I will call you next week."

18. What if it is obvious that the amount for which I am asking is completely out of the question? Should I ask for a smaller amount?

If a donor responds by saying something like, "I can't possibly contribute that much," he/she has come very close to saying that some amount will be given. If you respond by asking for less, it may give the impression that the first amount requested was chosen arbitrarily. This will not reflect well on you or your organization.

There are two possible approaches to this situation. One is to ask if the amount is too much because of the donor's resources, or because of the donor's other giving priorities. If it is the latter, you should respond by talking about why your organization's work is such a high priority. Don't try to talk the donor out of his/her set of giving priorities; simply give him/her a number of reasons why your organization might be more important than he/she thought. If, on the other hand, the issue is lack of resources, the best way to respond is by asking, "How much would be appropriate to ask you for?"

19. What if the donor says no?

Make the most of what will inevitably be an uncomfortable and dissappointing situation. Try to find out why he/she is turning you down. Is it a matter of priorities? Does he/she not think the organization is doing its work effectively? Is it the timing of the request? You may find out that the person would give if asked later in the year, that he/she is interested in your group and would be willing to help in other ways, that the problem is lack of information or credibility, or that you simply don't fit into his/her giving priorities and that it is a waste of your time to continue to ask. Listen carefully to the reason(s). You may find out that the "no" is only temporary.

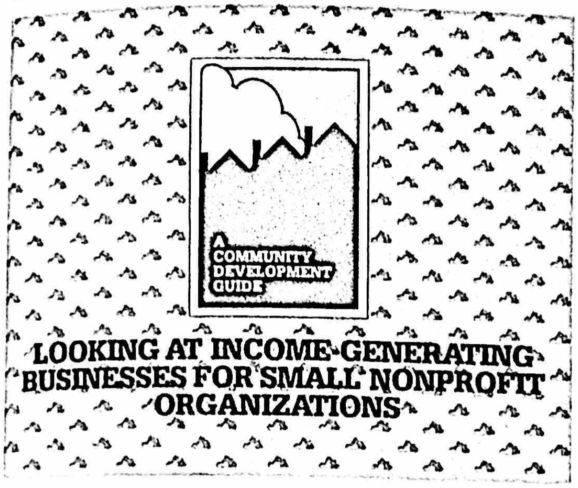
20. How much should I know about a donor before the meeting?

The more the better. One of the key elements in a face-to-face solicitation is establishing a connection with the potential donor. The more you know about the person, the better able you will be to make connections. Find out if the person is married, has children, what is his/her profession, interests, affiliations, background, and if possible, what other contributions he/she has made and what kind of financial resources he/she has available. Of course, you can go to a solicitation without knowing all of the above information about a person. Just find out what you can.

It will not be helpful to display your familiarity with the donor's interests by saying, "I know that you have supported X cause, which is why I think you should support our organization." Some donors consider this kind of information private and don't like having it used to coerce them into making contributions. Rather, use the information to establish common points of interest, determine what components of your project would most interest the donor, and determine what is a reasonable amount for which to be asking.

–LH/KK

Book Review



Looking at Income-Generating Businesses for Small Non-Profit Organizations by William A. Duncan
Published by the Center for Community Change, 1000 Wisconsin Avenue, N.W., Washington, D.C. 20007
25 pp., $3.00

AS THE DEMAND FOR INFORMATION ON fundraising grows, so does the number of books and publications claiming to be the definitive resource that every fundraiser must add to his or her library. Many of these publications are so expensive, however, that those organizations dealing with major funding cuts simply cannot afford them. Luckily, there are some alternative publications beginning to emerge that contain valuable, concise information and are reasonably enough priced so that even the smallest of non-profits can afford them. The publication, *Looking at Income-Generating Businesses for Small Non-Profit Organizations* is one such resource.

Looking at Income-Generating Businesses for Small Non-Profit Organizations is among the best pamphlets available for any organization thinking about starting a business as a fundraising technique. As it seems that starting a business is among the most popular of the fundraising ideas floating through the non-profit sector these days, it is particularly timely to have a pamphlet that dispels some of the myths about the ease of generating income in this fashion while at the same time provides some very concrete steps for evaluating the feasibility of such a project.

Starting an income-generating enterprise requires a certain amount of business savvy. However, this alone will not bring success. Starting a small business also requires a great deal of thought and planning. The strength of this pamphlet is that it outlines some of the general issues a non-profit organization must consider and planning that it must do before plunging into such an enterprise.

The general economic instability in this country alone contributes to the failure of a great majority of new small businesses, and non-profit organizations are not exempt from being affected by this. But, there are some additional issues that must be considered by non-profits in particular, when venturing into business. The author of this publication has done a fine job of combining the issues that are particular to the non-profit starting a business with those general considerations that any entrepreneur must take into account.

For example, in the first section entitled "Issues to Consider Before Starting," the author writes "People who have worked with non-profits starting businesses will tell you emphatically that having too many goals for a business is the biggest obstacle to making it work." Non-profits will be competing with business owners whose sole goal is to generate profit. The non-profits, on the other hand, are often trying to turn a profit while at the same time trying to achieve other social goals such as developing a democratic ownership structure or providing jobs for low-income people. While these goals are important, the author states very clearly that "the intention to pursue multiple agendas in doing business will usually make survival—never mind profits—unlikely."

What then is a community-based organization with uncompromisable social goals to do? Before tackling this question, the author has inserted a very important section entitled "Realistic Expectations." Here he dispels the myth that tremendous amounts of cash can be generated for use by a community organization through some of the standard small retail or manufacturing businesses. He provides some concrete examples of how much start-up money, and how large a volume of sales would be required to generate $100,000 through a supermarket, gas station, book publishing company and a variety of other small businesses.

He then moves on to describe the "greenhouse approach" which may be the answer for many organizations. What Mr. Duncan suggests is that rather than trying to dream up some new completely unrelated small business, the non-profit organization should look first at the services it is already providing and question whether they can be marketed for a profit. This approach involves marketing the skills of the already existing staff, doing work that is related to the goals of the organization, but for profit. It is like a greenhouse in that the organization, using this approach, "can plant and nurture several species of seeds and fertilize those which can take root."

Once a kind of business has been selected, there are additional issues that must be considered, such as is the capital available, what kind of ownership structure the business will have, is the organization ready for this step and who is going to do it. Mr. Duncan's discussion of these questions provides important guidance for any non-profit thinking about a small business.

The second section of this small pamphlet is entitled "Looking for an Opportunity." What is described is a very careful planning process. The author writes, "After thinking about it, you may determine that the money and staff time required to start the business would more likely produce income if invested in other ways. However, organizations committed to investigating a business strategy can, with a minimum of money and staff

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Back Issues of Grassroots Fundraising Journal Available

Many readers have inquired about getting back issues of the *Grassroots Fundraising Journal.* Limited quantities of five 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

Volume 2 Number 1 (February, 1983)
So You Want Your Board To Raise Money; Four Months on the Road to Peace: A Fundraisers Journey; Record Keeping (Part Two) Research.

Volume 2 Number Two (April, 1983)
Asking for Money (Part One) Getting Over the Fear of Asking; Evaluating Your Board of Directors; Ideas for Expanding Your Mailing List.

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

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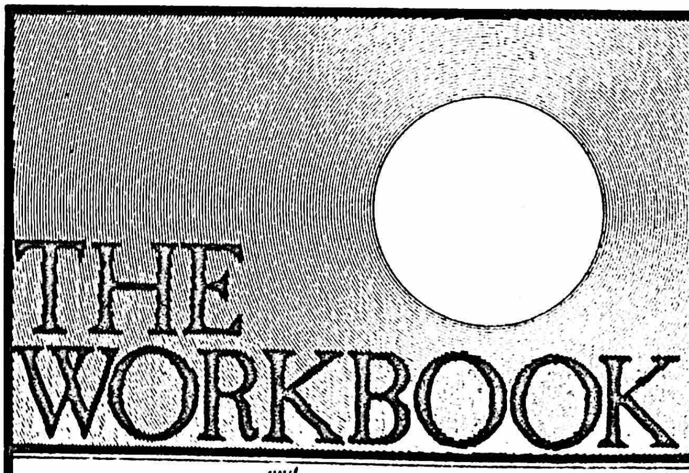
resources, determine whether that is realistic—if they take an organized approach."

Next in the pamphlet are several examples which are quite useful, illustrating some successes that might provide inspiration. Included in these examples are financial profiles of a small thrift store and a housing rehabilitation project as well as a description of what worked in a variety of other business ventures such as real estate financing, newsletters, an oil company and an insurance company, all started by community-based non-profits.

Finally, this pamphlet provides excellent reference lists divided into a variety of categories that would probably offer something useful for any reader.

All in all, this 25 page pamphlet is well worth the $3.00 it costs and is an ideal introduction for any organization considering looking into small businesses as a way to generate funds.

-LH



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