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Marketing Demystified

by Kathleen M. Brown

**EVEN SMALL NONPROFIT ORGANIZATIONS
CAN USE MARKETING TOOLS IN FUND RAISING**

Marketing has been in vogue in the nonprofit world for several years now. Almost every week another brochure for a workshop or book on marketing for nonprofit organizations crosses our desk. Yet for many nonprofits, marketing remains a mysterious term, foreign to the world of good causes and dedicated people.

Part of the reason for this is that the term is often used incorrectly. Marketing is not another word for public relations, and it is not just selling. Instead, marketing is everything we do to get and keep customers. For nonprofit organizations, that means meeting and satisfying the needs of at least two groups: our clients and our donors. Profit in our case means obtaining the funds we need in order to do the work our programs were created to do.

When understood properly, marketing has many applications to nonprofits, not the least of which is fund raising. Yet the jargon used in marketing texts and the reliance of large nonprofit organizations on sophisticated and expensive marketing techniques can be thoroughly intimidating to smaller groups. It doesn't have to be so; even low budget grass roots organizations can use marketing tools in raising funds. This article will show you how.

A Fundamental Shift in Focus

First of all, understand that marketing is a fundamental shift in orientation from the internal to the external. Nonprofit organizations traditionally state their case in their own terms; that is, they determine what *they* want people to know about their organization and its work, and they write their promotional and fund raising material along those lines. A marketing approach argues that you should

know *to whom* you are talking and address the concerns of those people directly. What things about your and your work will be of interest to the people you are trying to reach?

Know Your Donors

A marketing approach demands that you know more about who your supporters are. Many nonprofit organizations keep records only of their donors' names, addresses, and amounts of gifts, but you need to know much more if you want to address the donors' concerns directly. Occupation, age, values and concerns, income level, number of persons in the household, connection to your organization (past client, volunteer, etc.) are important pieces of information that will help in your efforts to reach your donors as personally as possible.

One marketing concept nonprofits can use to get a better grasp of who their supporters are is the *donor profile*. Who is your typical donor and what does he/she care most about?

Several methods of creating the donor profile are possible for small nonprofits. One is simple market research: you can conduct a telephone survey by calling a random sample of your current supporters (say 5%) and administering a short questionnaire (10 minutes) consisting of questions about how they view your organization and what issues they are concerned about in your field. The questionnaire should also include demographic information: age, occupation, number of people in the household, income level, political and community affiliations. Almost all questions on such an instrument should be "multiple choice" rather than essay." These kinds of questions are easier for people to answer, and they make the results quantifiable so you can create a statistical profile of your donors.

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As a consultant to a nonprofit housing corporation, I recently did this type of survey. I discovered that the typical donor to the organization is in his/her 50's, has lived in his/her present home for an average of 15 years, has resided in the county for over 25 years, has two people in the household, makes between \$25,000 and \$75,000 per year, and attends church. I also found out how these donors heard about the organization in the first place and what type of affordable housing they were most concerned about. This information will help the nonprofit organization reach more people that meet the donor profile and thus have good

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potential for giving.

Even if you haven't been trained in market research techniques, you can write and administer such a questionnaire. Start with easy, non-threatening questions and work toward the more personal, such as income level. (A sample is included with the article.) When you call, make sure you tell people that you are doing research, not asking for a donation. Assure them that all their answers will be confidential and that the results of the survey will help your organization to address the concerns of its supporters. When you've completed the survey, tabulate your results and use them to help you address your typical donor's concerns.

Another way to put together your donor profile is to brainstorm with your volunteers and staff. Though most of your answers will be guesses, you can usually get a better focus on the age, life style, income level, and concerns of your supporters. Once you come up with a consensus "typical donor," you will be able to develop fund raising appeals with this specific person in mind.

And what about getting information on *individuals* in your donor file? Small nonprofit organizations may actually have an advantage over large ones in this task since many of your supporters will be personally known to someone on your staff or board. Create a card file or computer system that allows you to record such information as occupation, family members, community affiliations, income level, and connection to your organization, and fill in as many blanks as you can from the personal knowledge of volunteers and staff. The information you record can be used to write personalized letters or make telephone calls to selected individuals.

Use Segmenting & Targeting Techniques

Even the smallest nonprofit organization has several distinct groups of supporters. These can be identified through an analysis of your records (assuming you keep adequate ones), your questionnaire research (if you do it), and your own current knowledge extended by brainstorming with volunteers and staff. A day care program for seniors, for instance, might be able to identify the following donor groups (known as "market segments"): families of seniors served by the program, both past and present; members of the church where the day care program is housed; social workers who place clients in the program; service clubs with an interest in helping older people, and so on. In marketing, each identified segment becomes the target for a type of appeal that directly addresses the concerns of the members of that segment.

This is simply a further refinement of the ideas presented in the previous section. For a general mail appeal, for instance, you might target your letter to the typical donor profile identified by your questionnaire or brain-

storming research. If you want to be more effective, however, you can identify several market segments and write a different letter to each one after profiling the typical donor within each segment. Each letter would be worded so as to address the concerns and motivations of that group of people. Notice again that your focus is external—what do those people want to know about your work and what arguments will make them want to contribute to it?

Define What Business You're Really In

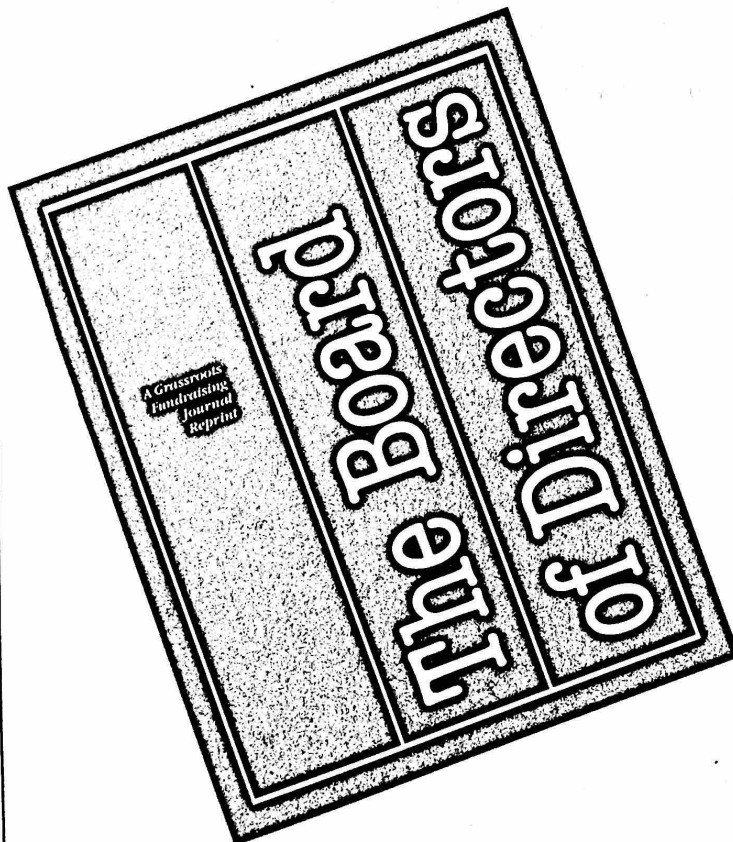
Nonprofit organizations often think that their mission is to provide services to a particular client group. This is wrong—your services are *your way of carrying out your mission*, but they are not the mission itself. Missions are much deeper than service provision.

In marketing, this concept is reached by asking the question, "What business are we really in?" This isn't a simple question to answer; you may have to dig to define your true goals. The staff of a women's alcoholism recovery program with which I worked realized that they were actually in the business of promoting strength and independence in women. They do this by helping alcoholic women recover from their disease. The nonprofit organization which builds affordable housing realized it was in the business of insuring a socially, economically, and ethnically balanced com-

munity; staff and volunteers carry out this mission by providing housing where lower income people can afford to live. The business you are really in is defined when you uncover the fundamental philosophical beliefs which underlie your entire organization. It is important that you state your business clearly, and it is equally important that all volunteers and staff share that definition.

What does this have to do with marketing? Knowing what business you're really in will help you better meet the need of your donors to be involved in something they care about. It will give all your fund raising appeals and promotional materials an underlying consistency that can greatly increase their effectiveness.

Knowing your business also helps you determine your marketing strategy as it relates to your competition. Nonprofit organizations sometimes define their mission too narrowly and do not realize they have strong competition. An ethnic art museum, for instance, may think it is only in the business of promoting the cultures it showcases; it therefore has no competition since it is the only ethnic museum in town. In actuality, that organization is really in the *museum* business and there may be a number of other museums with which it must compete. Identifying these organizations and finding out how they raise funds will help the ethnic museum reach potential funders more effectively.



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Knowing your true mission may help you broaden your appeal. With the women's alcoholism recovery program, for instance, the mission of promoting strength and independence in women is one many people care about, whether or not they have any connection with alcoholism. If you were writing appeal letters for that organization, you might write one stressing recovery from alcoholism to your market segment of recovered alcoholics and a different letter stressing the accomplishments of your former clients to your market segment of professional women. Both letters would be legitimate expressions of what that organizations does, and using the two rather than just one standard appeal letter should bring much better results.

Develop Positioning Statements

The two concepts of knowing what your business is and who your market segments are come together in the idea of positioning statements. A positioning statement is simply the one most important idea you want someone to remember from your fund raising appeal. Your organization can have a single positioning statement, or you can develop one for each major market segment based on what about your mission touches the major concerns of the typical donor in that group.

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For the women's alcoholism recovery program mentioned above, the positioning statement for the market segment of recovered alcoholics might be the following:
This program will give others the chance I have had to overcome the disease of alcoholism and build a new life.

For the market segment of professional women, on the other hand, the positioning statement would be more like this:

This program helps women overcome dependency and make a place for themselves in the world.

A positioning statement is extremely useful as a guideline for all public relations and fund raising materials. You don't generally use it verbatim but you constantly check whether your materials convey the idea contained in the statement. Writing positioning statements for different market segments forces you to think about what those people care about rather than just what you care about. Therefore, it greatly strengthens your ability to motivate people to give.

Emphasize the Benefits, Not the Features

Nonprofit organizations usually write brochures and fund raising appeals stressing their features: we have this, we do this, we provide these services. Marketing says people don't care about the features, they care about the *benefits* they get from the features.

The best way to use this marketing tool is to make a list of all the features of your program and then list the corresponding benefit next to it. A partial list for a day care center might look like this:

Features

Open from 7 AM to 6 PM

Staffed by teachers

Partially funded by the state

Benefits

Working parents can have child care all day
Children will get an educational program
Costs are kept low for those who qualify for subsidies

When writing fund raising appeals or promotional materials, stress the benefits your organization provides. And if you are using segmentation and targeting techniques, stress the benefits a particular person or group cares about. It's a deceptively simple, common-sense idea which is far too often overlooked by nonprofit organizations with the usual internal focus.

A Matter of Common Sense

In truth, the above statement can be made for all the ideas presented in this article. Marketing is not mysterious and it certainly is not contrary to the mission of nonprofit organizations. Marketing helps us make the common sense

Sample Market Research Questionnaire

1. How did you first hear about XYZ organization?
 - ☐ read about it
 - ☐ heard about it from someone else
 - ☐ radio or TV announcement
 - ☐ other _____
2. For about how long have you been a contributor?
 - ☐ 2 years or less ☐ 2 to 5 years ☐ over 5 years
3. Which ways have you contributed to XYZ?
 - ☐ Responded to a mail appeal
 - ☐ Responded to a phone appeal
 - ☐ Attended a benefit or special event
 - ☐ Gave a donation in memory of someone
 - ☐ Responded to a personal appeal from someone you know
 - ☐ Don't know
4. Please rate the following reasons for giving to XYZ from 1 to 5. (5 means this is a strong reason that you give, 1 means it is not a reason that you give.)
 - ☐ The organization provides effective and useful services.
 - ☐ The organization is efficiently managed.
 - ☐ I have benefitted personally from the organization's services.
 - ☐ The organization is socially responsible.
 - ☐ I care deeply about the organization's causes.
 - ☐ Someone I know asked me to give.
 - ☐ I know people who have used the services.
 - ☐ Other _____
5. Have you ever been involved with XYZ as a:
 - board member ☐ volunteer ☐ staff ☐ client ☐
6. As you may know, XYZ offers three basic programs. Are you particularly interested in any one of them?
 - ☐ (Program 1) ☐ (Program 2) ☐ (Program 3) ☐ All
7. Which other organizations that deal with (XYZ's program area) are you aware of? _____
Which do you contribute to? _____
8. I'm going to read a list of ways to give to organizations like XYZ. Please tell me whether each way is very appealing, somewhat appealing, not very appealing, or not at all appealing?
 - ☐ responding to a mail appeal
 - ☐ responding to a phone appeal
 - ☐ responding to a personal visit
 - ☐ attending a special event
 - ☐ leaving a bequest in your will
 - ☐ giving to a fund for buildings or equipment
 - ☐ giving property or appreciated stock
9. Which of the following categories includes your age?
 - ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65 or over
10. Which best describes your occupation?
 - ☐ homemaker ☐ professional
 - ☐ retired ☐ manager/executive
 - ☐ student ☐ technical/clerical
 - ☐ not employed ☐ craftsman/service worker
 - ☐ other _____
11. In what type of industry are you employed? _____
12. Are you: ☐ married? ☐ divorced? ☐ widowed?
☐ never married?
13. How many people currently live in your household? _____
14. What was the last grade you completed in school? _____
15. Which best describes your ethnic group?
 - ☐ white ☐ black ☐ hispanic ☐ oriental
 - ☐ native American
16. Which newspapers do you read? _____
17. Which two or three magazines do you read most frequently? _____
18. What is your family income?
 - ☐ Less than \$25,000 ☐ \$25,000 to \$50,000
 - ☐ \$50,000 to \$100,000 ☐ Over \$100,000
19. What is your political affiliation, if any? _____
20. What kinds of organizations are you involved in? Please say yes or no to each category.
 - ☐ church or synagogue ☐ business or professional
 - ☐ fraternal ☐ political
 - ☐ cultural ☐ college alumni
 - ☐ labor union ☐ hobby club
 - ☐ community service ☐ social club
 - ☐ other _____

shift from internal to external focus, from what we want to say to what people want to hear, from treating all donors alike to treating them as individuals with different concepts, and from narrowly defining ourselves to seeing our mission in the broadest context possible.

And it doesn't have to cost a lot. Small nonprofit organizations often cannot afford sophisticated market research and four-color glossy brochures, but they can afford to take the steps outlined above. In fact, they cannot afford not to, because organizations that do not use good marketing techniques are unlikely to survive in the increasingly com-

petitive world of fund raising. So hop on the bandwagon—the day of marketing is definitely here for all of us, both large and small.

Kathleen Brown is a consultant and trainer in fundraising, Board development, and volunteer program management. She specializes in helping small non-profit organizations set up community based fundraising programs. She has worked in the non-profit sector for 11 years, and is headquartered in Richmond, CA.

B Y C A R O L S I M P S O N

No Bow and Arrow

C U P I D I S C A R R Y I N G
C H A M P A G N E & B A G E L S !

(Editor's note: From time to time the *Journal* is pleased to carry stories of successful events planned and carried out by small grassroots organizations. This is one such story.)

Northern Virginia Hotline is a 24-hour, 7-day-a-week general hotline in Arlington, Virginia (a suburb of Washington, D.C.). We have 2.8 paid staff and 175 volunteers who answer the phones. Our funding comes mainly from 2 of the counties we serve, and the Commonwealth of Virginia with donations making up approximately 10% (approximately \$10,000) of our total income. We try to do one special event a year, aiming to raise \$1500-\$2000.

When the Public Relations Committee met last summer to plan the fundraising event for 1984, the usual ideas were raised: a theatre benefit, a silent auction, a food festival. We'd had successful events in the past, but almost always both donors of services and purchasers were Hotline volunteers and their families. We wanted to involve the community more this year, taking the pressure off our already burdened "listeners" (volunteer phone counsellors).

Theatre benefits and food festivals just didn't spark the Committee's interest. But when one woman mentioned that, as a teenager, she and her Temple group had delivered bagel breakfasts on Mother's Day, interest surged. We jazzed up the concept by adding champagne, danish pastries and a flowering plant to the bagels, cream cheese and jelly. We decided on a Valentine's Day delivery (actually the

nearest Sunday, which was February 12) because all types of people could send a breakfast to their "special someone." We knew we had 175 volunteers to draw upon for help, and we were confident we could deliver baskets in a wide area.

Our time between September and January was spent selecting and ordering the baskets and ingredients. Our volunteers were polled for "connections", resulting in excellent deals on flowers and baked goods. A food chain and a department store each provided \$25 gift certificates with which we purchased ribbon, Valentine candy and food storage bags. We also purchased the baskets and cellophane to wrap the flower pots. Other expenses included printing of flyers, mailing publicity announcements, and decorations for a booth at a local shopping center. Held one week before the delivery, the booth provided excellent publicity for the project and for our Hotline as well. Volunteers staffed the booth in three-hour shifts (in heart costumes!), gave away candy and took orders for baskets—we even gave away a door prize to one of the customers. Our expenses for the entire event were \$2300.

We had originally planned to try to sell 200 baskets at \$14 each. Our greatest fear was that we would receive no orders. The flowers, cream cheese, jelly and bagels had to be ordered well in advance so we might be stuck with a lot of extra! We relied on two main methods of publicity other than the booth: flyers were distributed by volunteers at their workplaces and to families, friends and others, as well as to strangers at the subway stations.

The flyer included an order blank and was designed and laid out by a volunteer (see Figure 1). Second we developed public service announcements which were aired on radio and TV, and placed in newspapers.

Our wildest expectations were exceeded! We had to cut off orders at 315 because we were afraid we couldn't handle any more (we turned down dozens after the cut-off date.) Then we had to go out and order more of everything.

Through sign-up sheets in the Hotline office, 54 people volunteered for one or more aspects of the project: calling other volunteers, writing out message cards, staffing the booth, distributing flyers at the subway, putting baskets together and delivery. The Friday night before the delivery, two people divided the order into zip codes and then arranged them logically in groups of 15-25 orders for each driver. Saturday from 4 p.m. to about 11 p.m. was an assembly "party" at a volunteer's home—imagine a dozen people around a huge dining room table stuffing hundreds of bagels into baggies! We were thrilled at the finished product—it looked beautiful and professionally done. Delivery people arrived periodically to retrieve their orders and get the maps and instructions. Sunday morning was unseasonably warm and foggy (our second worst fear was snow as had deluged the city Feb. 12, 1983!) Twenty-one cars carrying one or two people each threaded their way across Northern Virginia, the District of Columbia, and Maryland from 7 a.m. until noon, delivering baskets. One woman was trapped in the pool area of an apartment building when a door locked behind her; another was attacked by a dog (although not hurt). But all in all, it went quite smoothly, and the volunteers had wonderful stories of seeing gruff people soften upon receipt of a flowering plant and goodies!

Our gross receipts were \$4300, for a profit of \$2000. We received many extra donations, often receiving \$15 for an order or \$30 for two. The project took almost 500 personhours, about 100 of which were a paid staffmember's time. We had a debriefing party at which we discussed ways of improving, what to do differently in 1985, etc. The staff called or wrote each volunteer to give heartfelt thanks—certainly the strength of the enterprise was the time so generously given by all the volunteers.

If you are thinking about undertaking such a project, here are some things to consider:

- try to get as much merchandise donated as possible
- remember you need *lots* of volunteers
- give drivers a list of suggestions for delivery, such as to map out your route the night before, and tell them what to do if no one is home
- add a surcharge for order delivered outside a certain radius of your focal point and give mileage reimbursements to drivers
- baskets could contain fruit or candy as well as bagels and cream cheese
- streamline the process by writing out the message card and filing the order in a geographic folder as soon as it comes in
- emphasize phone orders and have someone staff the phone at all times; look into Visa/MasterCard use; make it as easy as possible for people to order impulsively
- charge more than we did
- have cards printed up that tell about your group and that the basket project is a benefit for your group
- do not let people specify delivery times, as it is very hard to meet them
- Very importantly—look into the laws and regulations in your area about delivery of alcoholic beverages and whether you need a license to sell

We were quite pleased with the success of our first fundraiser which really solicited funds from the public, and plan to repeat the event next February. The following letter, received from a satisfied customer, says it all:

"What a magnificent idea...your Valentine basket!!! And what a lovely surprise to the recipients. The three I ordered were absolutely fantastic. Thanks to all of you. Special compliments on the quality of the contents and the decorative touch, not to mention the excellent delivery. I hope Hotline made a bundle on the unique project."

For more information, write to me at Box 187, Arlington, VA, or call (703) 522-4460 (M-W-F).

Carol Simpson has been the Assistant Director in charge of Public Relations at the Northern Virginia Hotline for 2 years. She has a certificate in Fundraising Administration from George Washington University.

Figure 1

For VALENTINE'S DAY do something different for someone you love*

*...and help support NORTHERN VIRGINIA HOTLINE, a 24-hour-a-day, 7-day-a-week, community crisis line celebrating its 14th year of operation.

Champagne & Breakfast Basket delivered to your special someone

We will personally deliver a wicker basket attractively filled with:

- 1 split Taylor Champagne (12 oz)
- 4 freshly baked bagels
- 2 freshly baked pastries
- cream cheese and jelly
- and if that's not enough to be remembered...
- a small flowering plant to last after the breakfast.

All this for only \$14, and this includes delivery. Order by February 7th to insure delivery to be made on Sunday, February 12th between 7:00 am and 11:00 am; snow date is February 19 (remember last year). Make someone you love happy and help support Northern Virginia Hotline at the same time.

Thank you for ordering your Valentine's Day basket from Northern Virginia Hotline

Your name: _____ Home phone no: _____

Work phone no: _____

To be delivered to: _____ Delivery time preference: _____

name

address

apt. #

city, state

zipcode

Please indicate the nearest major intersection to help us pinpoint exact location:

and _____

We will be enclosing a small card [2x3] with each basket. Please print below exactly how you wish it to read, including signature.

Check or money order (\$14) must be enclosed with this order. Make payable to "Friends of Hotline". \$7 is tax deductible; your cancelled check is your receipt. Send to: NVHL, P.O. Box 187, Arlington VA 22210. For more information, please contact Cupid at 241-2891

Responding To Put-Offs

Imagine being in a clothing store where you are trying on an expensive outfit. The salesperson helps you find a mirror, and asks how you like the outfit. You say, "Fine, but it is not my color." The salesperson says, "Well, I'm sorry you feel that way," and, with an air of discouragement, walks away. Anyone would agree that this salesperson needs a basic course in selling. Yet, many solicitors for non-profit organizations walk away from their prospect because of no more serious put-off than "It's not my color."

For most people, once the fear of asking for a donation is overcome, the next problem is learning how to respond to put-offs—those little phrases that are not "no's", but whose intent seems to be to make you back off and leave the prospect alone.

As the solicitor, you encounter put-offs at two stages of the solicitation process: when you phone the prospect seeking a meeting, and when you meet with the prospect seeking the gift. The purpose of these put-offs varies with each prospect, but the prospect's motive for trying to put you off, and what you think his/her motive is are often entirely different.

In America, we have a strongly developed sense of politeness: some topics are polite to talk about and others are not. Sex and money are not polite topics of conversation. The weather is. Your health, what you do for a living, and where you live are sometimes polite topics and sometimes not, depending on whom you are talking to. With such a finely tuned system of politeness, we are carefully taught to "read between the lines", "get the hint", "take a cue", etc. These are all methods of figuring out what a person is saying when they are too polite to come right out and say it. The margin for error is incredible.

Politeness affects the solicitation process when, for example, the prospect tells you "this is a terrible time of year for me" and you politely take it as a hint that the answer is no. The prospect, may, however, be trying politely to prepare you for the fact that his/her gift will be \$2500 instead of \$5000. If you end the conversation, without pursuing any gift, you will wind up with no money, and worse, a

prospect who may be insulted that the gift he/she would have offered has been rejected.

How, then, can we deal more effectively with put-offs? First, understand that few people will agree to give away their money without any struggle. Prospects want you to work for the gift, and so they will ask questions and make comments that may sound unpromising.

Second, prospects need to have a way to sort out serious requests and organizations from all the requests they get. One way a prospect determines this is to make sure that the person asking for the gift has carefully researched the prospect and is sincere in his/her effort to make contact with the prospect. A prospect needs to know that his/her name has not merely been taken at random from a list of rich people, the phone book, the donors to the symphony, etc. The prospect must know that his/her interests have been taken into account in this request, not merely his/her ability. One quick way a prospect can determine that the request is serious is by making the solicitor respond to put-offs and answer hard questions.

Finally, many comments that solicitors interpret as "put-offs" are simply the prospect thinking out loud and trying to be cooperative. A prospect may say, for example, "I'm just about to go on vacation, and then, when I get back, I have to get the kids back in school." By this, the prospect could mean "I'd like to see you, but finding a time in the next few weeks will be difficult. I hope you'll be patient." The solicitor, however, can easily hear, "She doesn't want to see me, so is putting out all these time considerations to make me go away."

The best way to avoid misinterpreting a put-off is not to hear "no, I won't give" in any phrase except, "No, I won't give," "Get lost" or something equally final. Act as if the put-off is literally true. Take every statement at face value. If a prospect says, "I never make this kind of decision without talking to my wife", say, "I appreciate that. May I see you both?" Your hidden message is "I believe you, and I will try to accommodate you in this regard." What eventually happens as a result of taking statements straightforwardly is that the prospect also feels free to be honest and

straightforward. No one needs to dance around in a fog of mixed messages passing for politeness.

The following are the most common put-offs and various possible come-backs to them. Notice that in every case the put-off has been taken seriously and literally.

(The put-offs are in bold letters.)

Hello, this is Good Boardmember representing Worthy Cause. I'm calling to follow up on my letter. Do you have a minute to talk?

No.

I'm sorry I've caught you at a bad time. I'll call you tomorrow.

I just have a minute. I'm on my way out the door.

Well, a minute is all I need because I'd like to make an appointment to see you to discuss Worthy Cause. Do you have about 30 minutes free sometime next week?

What letter are you talking about?

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Few
*people will agree to
give away their
money without any
struggle.*

I sent a letter about our organization at the suggestion of Jane Friendswithyou. Let me just tell you quickly what it said.

I've given away all the money I am going to give this year.

Thanks for being so candid. If you have the time, I'd still like to meet with you to discuss our program. Perhaps you will know some people we should approach, and you would consider letting us be on your list for next year.

My financial picture has changed drastically, and I don't have the money.

I'm sorry to hear that. I'd still like to talk to you about our program because in addition to suggesting your name as a possible donor, John Yourclosebuddy, says that you know a good many people at City Hall, and could be helpful in suggesting strategies to use about our low-income housing work.

I like your group. How about if I send you \$25 and save us both time?

If that is what you would like to do, we'd be delighted, but I'd like to press my luck a little bit, and ask you not to decide on an amount until we've had a chance to talk. I know time is a big factor, but I promise not to take more than 30 minutes.

I need more information. Your letter was a little scanty.

I'll bring a lot of information with me, and we can discuss all of your questions.

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Profile of a Major Donor

This donor is the first major donor we have profiled whose donations are all given as "in-kind": that is, she gives things of value to organizations she believes in, but she rarely gives actual cash.

Our donor lives in a small beach town in Southern California and operates a popular cafe. She owns the cafe with two other women, and they run it as a collective. Each woman takes the same share of profit, which gives each of them an income of about \$18,000. In addition, each owner can use the restaurant to help non-profit organizations in any way that is agreed on by all three. So far, in five years of operating the restaurant, only our donor has taken advantage of this agreement.

She does so by catering Board meetings and retreats, providing food and drink for special events. The cost of what she provides would be very high to an organization purchasing her services, but the true cost to the restaurant's owners is a fraction of the donation's market value.

She primarily helps four organizations. Her oldest involvement is with a housing cooperative, for which she provides her restaurant and its waiters and waitresses, as well as food and drink for an annual 60 person sit-down tribute dinner. The second group is a women's health collective that has quarterly membership retreats, where anywhere from 25-60 people will need lunch catered at a retreat setting near the town. Thirdly, she provides light

snacks and drinks for the monthly phone-a-thons held by a local political organization, and finally she provides lunch for bi-monthly Board meetings of a local coastal protection organization.

These areas reflect her broad political interests. In all cases, she also has close friends in the organizations. She says she has a hard time saying no to any organization, and consequently winds up giving many dinners-for-two as raffle prizes, buying ads in organizations' adbooks, and donating cases of wine or rounds of cheese to various organizations whose solicitors come to find her in her cafe.

She is straightforward about her motives. "I believe in all the groups I give to—that's a prerequisite. But, I also love the feeling that comes with saying yes to someone's request. I love walking down the street of this small town and knowing that I am well liked and well respected because I am part of a good business, and because I am generous. People call me a soft-touch. I am, and I take it as a compliment."

What would cause this donor to say no. "I have said no," she replies, "when people ask for too much. Like one time a group asked me to provide sandwiches for 100 people for a baseball game tournament. They were going to sell the sandwiches. I said, 'Fine.' A couple days later, the guy calls and says could I provide soft drinks too, and I said OK. Then, another guy from the same group calls and says could I provide 10 cases of beer. I said, 'Forget the whole thing.'" She finds that some people confuse generosity with stupidity. "They think that I give so much away because I'm not bright. Being a woman confirms that in some people's minds."

This donor rarely makes any cash gift, and never gives over \$15. She simply does not have much extra cash, and believes she makes better donations through the services and food she can provide from her restaurant. Her partners are very supportive of her, and count on her to make decisions about what to give to which non-profit organizations. They have never vetoed any suggestion she has made.

She will not sit on any Boards of Directors or Advisory Boards or committees. She says she knows her business and trusts volunteers in non-profits to know their business. Further, her work is much more than 40 hours a week, and what time she has free, she keeps *free*.

This donor is one further example of a person who likes to give donations, and wants to help non-profit organizations. In every case of an organization she helps, she was asked by someone in the group. As she points out, she is too busy running the restaurant to take time to offer her services, and would have no way of knowing which groups would most benefit anyway.

Creative approaches to small business people like this woman can yield valuable and repeating donations. KK

*Creative approaches to small
business people... can yield valuable and
repeating donations.*

Book Review

America's Wealthiest People

Their Philanthropic and Nonprofit Affiliations

TAFT

America's Wealthiest People: Their Philanthropic and Nonprofit Affiliations.

Benjamin Lord, Editor.
Taft Corporation,
5125 MacArthur Boulevard, N.W.,
Washington, D.C. 20016.
1984. 78 pp.

America's Wealthiest People: Their Philanthropic and Nonprofit Affiliations is another Taft publication designed to assist fundraisers and development officers throughout America in the never ending struggle to find the financial resources necessary to operate their organizations. This publication seems to be the logical outgrowth of the ongoing research in which the Taft Corporation engages to provide detailed data on the various components of the giving sector in the U.S.A. Begun in 1970, Taft's research has led the company through profiles of private foundations, their donors and trustees and corporations and the business leaders associated with the corporate sector. Now, as more and more nonprofits are recognizing that individual donors are the source of the majority of the charitable gifts, Taft too has concluded that the universe of "major donors" requires some investigation. *America's Wealthiest People* is the result.

America's Wealthiest People was designed for a specific purpose. That purpose clearly is *not* to provide a comprehensive listing of every individual who

has ever made a charitable contribution. While a book of that sort might be the dream of every fundraiser in the country, it would be close to impossible to compile and would always be slightly out-of-date.

America's Wealthiest People was designed to be a "database." It is based on some of the following premises: "connections" are what make the world go around; if you had a "connection" with a person of great wealth, you could probably cultivate that person into a major donor for your organization; and not knowing who the wealthiest people in America are, you might have one in your midst and be missing a golden opportunity. So, Taft has designed a publication that, in the editor's words, may "help you analyze whether your institution might possibly have a connection or hope of a connection with some of the leading figures of America's monied world."

The publishers admit that this book does not suggest that there are scientific methods for reaching and cultivating these potential donors once you have identified them. Indeed, they write, "some of them may not even have specific personal-giving motivations." With this in mind, it is especially important to look at just what you are getting in Taft's book on America's wealthiest people.

The book profiles 500 of America's wealthiest individuals and families. The profiles include date and state of birth; educational background; current employment; city and state residence; office address; addresses; donors, total giving and priority areas of foundations with which they are associated; clubs; source and estimates of wealth; individual gifts; and additional biographical data. There are four indexes to assist the researcher in using this book: Index to Individuals by State of Residence; Index to Philanthropic Affiliations by State; Index to Individuals by Philanthropic Affiliation; and Index to Individuals by Category of Non-Profit Affiliation.

As it seemed that there might be a few ways in which this book could be used, this reader decided to try it out. Being active in disarmament work in Northern California and, as it happens, needing to raise some money for fall activities, I began by checking to see if the book would fulfill my greatest dream—finally, I could find my greatest dream—the wealthy people in Northern California who might contribute to my cause. The results were interesting.

First, I looked to the Index of Individuals by Category of Nonprofit Affiliation. What I found was that Nonprofit affiliations have been categorized as Arts and Humanities, Civic and Public Affairs, Education, Health, and Welfare. This presented a problem for me, and, I suspect it would do the same for many social change organizations that do not fit neatly into one of these categories. So, I moved on to the state listings, thinking I would just check out all of the wealthy people in California to see if there were any hopeful prospects. The first name in California was Gene Autry. The name rang a bell, so I pursued it. This is what I found:

AUTRY, ORVON GENE: B Tioga TX 1907
CURR EMPL chmn: CA Angels CORP AFFIL
pres: Flying A Productions; owner: KTLA-TV
(Phoenix), KTLA (Hollywood), KMPC (Hollywood), KSFO (San Francisco), KVI-AM & FM (Seattle), KEX and KQFM (Portland), WCAR & WIWR-FM, WCXI-AM (Detroit)
NONPR AFFIL mem: Intl Footprinters H Los Angeles, CA O Golden West Broadcasters, 5858 West Sunset Boulevard, Hollywood, CA 90028 CLUBS Masons, Elks, Shriners NOTES Gene Autry, "America's Singing Cowboy," bought his first radio station in 1952. He currently owns eight radio stations and one television station which comprise Golden West Broadcasters. Including his interests in the California Angels, hotels, and land holdings, his estimated wealth is reported to be at least \$130 million.

Reading this listing, once I had deciphered the many abbreviations, I learned that Mr. Autry was America's Singing Cowboy, is indeed very wealthy, and may or may not be interested in disarmament. However, if membership in the Elks, Masons or Shriners is any indication, he probably is not.

The listing raised a number of questions about this book. How were these people selected? Was it simply that they are the 500 wealthiest people in America? Do they all have some philanthropic connection? Do they all have a history of charitable giving? These are important questions because the answers suggest some limitations in the use of this book.

I continued to try to use this book by looking up an individual who I know lives in California, who I know is extremely wealthy, and who I know is affiliated, at least indirectly, with some major philanthropic institutions, and is a donor to many of the causes I care about. She was not listed, although her family was. In fact, many of the members of her family were

continued on page 15

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Put Offs

continued from page 11

Since you are a government supported/United Way supported agency, I have already given through my taxes/by giving at the office.

Yes, indeed you have. But we are not fully supported, and must raise additional money from our community. In effect, I want to talk with you about increasing your gift by making a direct donation to our organization.

There are so many worthy causes. I have to draw the line somewhere.

I appreciate that, and I understand you are involved in many things. Before you draw the line at our organization, though, I'd like to talk with you about it. Even if you decide not to give, perhaps you can suggest others who could help.

I like your work on X issue, but completely disagree with Y.

Let's talk specifically about the program you like, and about making an earmarked contribution to that program.

It goes against my morals to support any group in favor of Y.

That will make it hard for you to give to our group. If I could, I would like to talk with you about both X and Y, and then if you still feel strongly about it, we'll let it go.

How much of your money goes to administrative overhead?

I'm glad you asked that. We are pleased with the measures we take to keep costs down, and I'll bring a financial report to illustrate that. As you know, the answer is more complicated than a mere percentage.

Why aren't you just approaching foundations and corporations? They are the ones with the money.

They do seem to have a lot of money. What most people don't realize is that foundations and corporations only give about 10% of all the money donated by the private sector. When we meet, I'll show you our community fundraising plan, and talk in more detail about why we need people like you to become donors.

Take
every statement at
face value.

Each solicitor will run into these and many other put-offs. You can see that in no case was the come-back rude or contradictory. But the solicitor did not back away from the prospect. Practicing answering put-offs is a fun and rewarding exercise. Many groups find that it strengthens not only their fundraising, but their organizing work and their overall effectiveness.

There are three categories of responses that are not put-offs, but sincere reasons why a prospect cannot think about giving. In these cases, the prospect may be able to consider a gift in the future, but not at the present time. These categories are: a divorce proceeding in the family, a death in the family or community of the prospect, or a serious illness. These responses must be treated with due respect. Other than these serious problems, all other put-offs should be dealt with as the work it takes to get the gift.

KK

Book Review

continued from page 13

mentioned, but she was not. This suggests something important to keep in mind when using this book: just because a person does not appear, do not conclude that he or she is not a potential donor.

Taft's *America's Wealthiest People* is, nonetheless, a book worth having on your shelf, if only because it might be a source of *additional* information about prospects you have *already* identified. Its greatest drawback lies in the limited number of people who are actually included. Perhaps it is not the *very* wealthy people who we

need to know more about, but rather, the *slightly* wealthy, or those who simply have enough that they are giving some of it away. A directory of this sort is an enormous endeavor. Taft's is a start, and over time, maybe it will develop something that will be helpful and usable to all fundraisers seeking new prospects for their organizations.

LH

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