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Grassroots

Fundraising

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Prospects, Part 2**

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in Fundraising**

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in Hard Times**

**The Effect of
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Book Review

Journal

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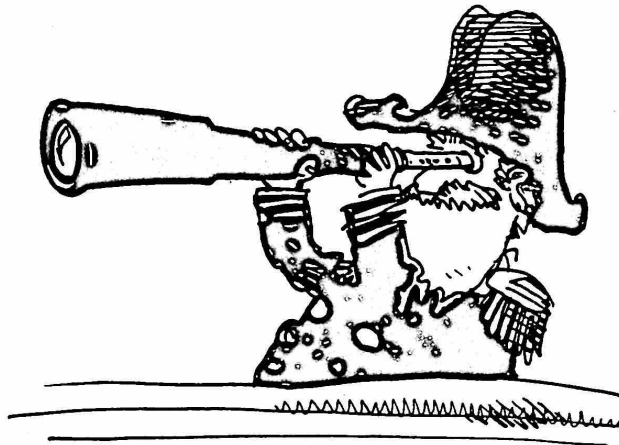
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Identifying Prospects, Part Two: Gifts of \$2,500 and More

by Kim Klein

In the first part of this article (in Vol. 10, No. 1) we discussed how to identify prospects, focusing on people able to give \$100–\$2,500. To recap briefly: In order to know if someone is a prospect, you must be able to answer three questions: What is this person able to give? Does this person believe in your cause or something similar? Who in your organization knows this person (contact)? When you have positive, verifiable evidence of ability, belief and contact, you have a prospect. If you are missing any piece of information, you do not have a prospect. Although this seems obvious, a lot of groups nevertheless continue to ask people for major gifts when they have no idea about why or how much the person would give.

Keeping in mind the A-B-C of prospect identification, we look now at how to know if you can ask someone for more than \$2,500. Except for very wealthy and very generous people, few are able to give gifts of \$2,500 and more to more than a handful of organizations in a year. Gifts of this size generally are given to a donor's favorite nonprofit group, and, provided the donor's financial situation is stable, the group simply has to keep on doing its work adequately to have the gift renewed annually.

There are two broad categories of people who will give you gifts of \$2,500 or more: donors whom you have gradually moved up to this amount, and people whom you try to start at this amount.

Moving People Up to a Bigger Gift

Generally speaking, donors should be asked every two years to increase the amount of their gift, sometimes by twice as much. By routinely asking donors to renew their gifts each year, and to increase their gifts in alternate years, within five years you move your donors up to giving the maximum they can afford relative to their loyalty to your group. When should you stop asking for an

*Your success rate will
improve if you know the
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gifts before.*

increase? When the donor tells you he or she is giving all he or she can afford. Your job is to ask, to ask again, and then to ask for more. The donor's job is to figure out how to respond. As long as you make it clear that every gift a donor gives is important and moves the organization forward, you can keep asking for more.

Donors often say that they don't appreciate being asked over and over again and they feel that they are treated like water faucets: when the group wants money,

it turns the faucet on, otherwise the faucet is ignored. However, what the donors are really saying is that they don't appreciate *only* being asked for money, and never thanked, or never appreciated for what they do give. In many groups, gifts are solicited in a timely way, then the donor is not thanked for two or three weeks. Although thanking someone very late is sometimes inevitable, it is

There must be a genuine, honest and sincere desire to bring donors closer to the organization.

a very poor practice. Thank-you notes are one of the best cultivation devices and should be a top priority for every fundraising staff member or volunteer. Get thank-you notes out within 48 hours of receipt of the gift and donor complaints of being asked too often will decrease dramatically.

How to Get Closer to Donors

The question you need to focus on with regard to people who already give money is: What will make this person like the organization more? How can we bring this donor in closer to our work? If you are a local group, giving donors complimentary tickets to events, briefings, houseparties and the like will help immeasurably with the donors who attend, and will help somewhat even with those who don't.

For national or regional organizations, having gatherings in cities other than your headquarter city is a great boost. Invitations to simple parties such as "Meet the Executive Director" do wonders for donors. Particularly for national organizations headquartered in the big cities of the East Coast, a trip by the Executive Director or a Board member or a program staff person to Boise or Boulder or Birmingham means a lot to people in those communities.

If you have such a gathering, be sure to have a sign-up sheet or guest book so you can see who was there. Send appeals to all those who attended who are not currently donors, thanking them for coming and asking them to join your work. Send thank-you notes to all the donors who came and tell them you hope to see them again in the future. Although these gatherings can be used as fundraisers, once in a while it is good just to host a celebration of all the people in a particular community that provide the money to make the work happen there.

Another donor cultivation device is the "Occasional Paper" or "Special Report to Donors," a mailer that is sent only to donors or sometimes only to major donors.

These papers can be about anything related to your work and they are not sent on any particular schedule. They usually address a timely topic and sometimes are written by a respected authority in your field. They are accompanied by a cover letter saying "This paper will be of interest to you because of your interest in _____. We are sending it to people who have been especially supportive of our work this year." You can add, "If you would like additional copies, please call and we'll be glad to send them."

Here are some examples of uses of this concept:

- A women's rights organization sends a paper discussing women and AIDS, focused on discrimination against women with AIDS. Even though AIDS is not a focus of this group, it is a current topic and is in line with their general mission.

- A school foundation (a nonprofit set up to raise money and make grants to creative programs inside a particular school district) sends a "point/counterpoint" paper in which two people with opposing viewpoints promote their respective positions on distributing safe sex materials on school campuses.

- A program for homeless people sends a paper discussing the impact of the Gulf War on their funding. This paper will be a good prelude to an emergency fund appeal, should that be necessary.

Get Personal

This broad cultivation will not take the place of personal visits and personal notes. Grassroots organizations do not have very many donors giving \$2,500 and up, so a schedule of visits and letters that are not specifically for fundraising should not be hard to set and maintain. Remember that Board members often like to visit donors and *not* ask for money. Donors often like meeting Board members. Visits can be set up easily. Simply call the donor and say, "Hi, I'm Joe Boardmember and I'm going to be in your city (on your side of town/in your neighborhood) next Tuesday and would love to meet you. Your financial support has been so helpful these past months/years and I'd like to thank you in person. Do you have a few minutes on _____?" Even if the donor cannot see you, the offer will mean a lot.

One final point about getting current donors to give more money: there must be a genuine, sincere and honest desire to bring donors closer to the organization. Of course you want to encourage donors to give more money if they can afford to, but bringing them closer also gives donors a chance to express their opinions, help with the work where appropriate, and be recruited to be on the Board or on advisory committees. Too often, grassroots organizations want to keep their biggest donors at arm's length for fear the donor will exercise some imagined authority over the group. The only

power a donor has is not to renew their gift, a power they are more likely to exercise when they feel kept at a distance than when they are brought in as valued peers. (For an expanded discussion of increasing donors' gifts, see "Moving Up to the Big Gift" in Vol. 9, No. 2 and in the reprint collection, *Getting Major Gifts*.)

Prospects Whose First Gifts Are Over \$2,500

You will identify some people whose first gift to your group could be \$2,500 or more. Besides looking for evidence of ability, belief and contact as you would with any major donor, the key factor in considering asking for this size of gift is whether or not the donor has given this much to another group. Your group can, of course, be the first to ask the donor for a gift larger than he or she has ever made, and you should do that sometimes, but your success rate will improve if you know that the donor has given gifts of this size a few times before.

Someone making a large gift for the first time has to think both about making a large gift, and about making a large gift to your group. If they have given a large gift to another group, they have passed that hurdle, and the decision is narrowed to whether or not to make a large gift to your group.

For example, a donor to a community foundation has an inheritance of \$12 million. She lives on the annual inheritance income of just under \$1 million. She is a donor to a number of progressive organizations, with all her gifts in the \$1,000–\$5,000 range. She has been giving to this community foundation for five years at increasing amounts, starting at \$2,500; she now gives \$10,000 each year. The foundation decides to ask her for \$25,000 for a special project. Clearly she has the money, she cares about this foundation, and it is time to ask for a big gift.

She blanches at the amount and admits she has never given more than \$10,000 to any group. She cannot imagine making such a large gift. This becomes the focus of her thought process—can she make such a large gift—not whether she cares about the group or can afford it. Wisely, the foundation gives her time to think through making such a substantial gift, and the Board member soliciting the gift says he will call her again in three months. By then, he hopes, she will realize she can afford it, and \$25,000 is not such a huge leap from the \$10,000 she is giving annually.

However, when he calls she is still perturbed about giving such a big gift, and gives them \$15,000 for their project. If this donor had ever given more than \$10,000 elsewhere she may have had less trouble conceiving of a \$25,000 gift to this group when she considered her loyalty to the group and how beneficial the gift would be. As it was, she did give a bigger gift to the special project than

she had ever given before, and might be willing to think of even larger gifts in the future.

Sometimes knowledge of a person's giving tells you not to ask for a large gift. For example, a donor to an arts organization gives \$5,000. He works for the government and makes around \$55,000. His wife has just opened a chiropractic practice and is not making very much money now. He is giving almost 10% of his income to this arts group. What is the likelihood that he can afford another \$2,500 or \$5,000 for another group? It seems slim, and an organization asking him for a first-time gift would do better to start with \$100 to \$500.

To get information about where a donor gives and how much requires networking with other people in fundraising and development. People share information about donors with others they trust to hold the information in confidence and not use it indiscreetly. They also share information with people who share with them. If you really want to know about other groups' donors, you have to be prepared to share some information of your own.

By serving on Boards, talking to other development staff, helping people think through fundraising campaigns and so on, you will quickly learn who are the biggest donors in your areas of interest. Then you will need to match that donor with a contact from your group and ask them for a big gift. ■

Advertisement

"The section on developing the program budget is worth the price of the book. The narrative and the graphics explain clearly the process for preparing this most frequently used type of budget."

—Diana Tolpegin, *NonProfit Times*,
February, 1991

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by Michael E. Burns

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Editorial

The Effect of the Gulf War on Fundraising

It would be difficult to go to press without saying anything about the Gulf War and its effect on fundraising. As of this writing, the war is just over a month old; by the time this magazine reaches your desk, the war will be just over two months old. By then it could be over (best case scenario) or it could be a major ground war with dozens of body bags returning daily (worst case scenario); Saddam Hussein could decide that dragging his entire country into oblivion is not a holy war, or the United States could decide to use napalm or nuclear weapons (another worst case scenario); President Bush could look up "peace" in the dictionary and discover that carpet bombing is not included in the definition (major miracle—too much to hope for) or . . . or . . . or.

In other words, for the next few months, the major effect of the war on fundraising is the uncertainty about what will happen. At this point many groups are delaying major mail appeals and special events, not wanting to take the chance that a major development in the war will coincide with the arrival of their appeal or with their event. These delays can only continue for so long, however.

What is a grassroots organization to do? If you are a peace or disarmament group, you have your work cut out for you. However, if your work has nothing to do with peace and disarmament, you still need to hold firm during this crisis. Here are three suggestions.

1) Acknowledge the war

If you wish, you can have political discussions about it, but what is more important is to simply let everyone say how they feel. Regardless of one's position on the rightness or wrongness of this war or its strategies and tactics, there is no doubt that it is frightening and it makes other work seem less important, at least temporarily. Find out who among your group has family or friends in the Gulf, and know that these people are particularly fragile right now. Don't try to pretend the war has no effect on your work and your life.

2) Keep on doing your work

If your work was important before the war, it is

important now. When possible, tie the war into your work. Examples I have seen recently: a repertory theatre has the Chair of the Board come onto the stage before their play starts and say simply, "This play is dedicated to all the people in the armed services, in the hopes that they return safely and soon." It is an apolitical message, not likely to offend anyone, but acknowledges there is a war on. A homeless shelter reminds donors in a mail appeal, "Don't forget the war at home." It goes on to describe the fight homeless people engage in daily just to eat and sleep and keep from freezing to death. Several anti-racism advocacy groups have focused their appeals and newsletters on the disproportionate numbers of people of color in the Gulf, by way of pointing out (again) what few training and career opportunities there are for people of color in the United States. ACT-UP (AIDS Coalition to Unleash Power) has made "Fight AIDS, not Arabs" their new slogan and is heavily involved in anti-war efforts.

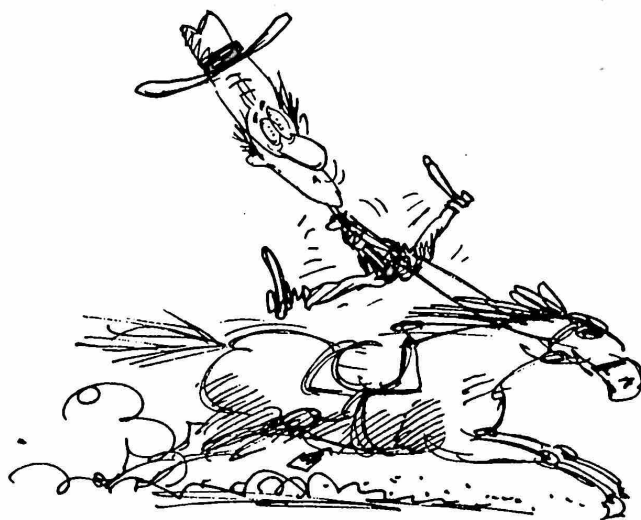
The mission of your organization and your political views will determine how, when and how much you want your organization associated with peace efforts, but it is important to let your donors know that you are not insensitive to what is happening in the Gulf.

3) Work for peace

Whether you write letters or demonstrate or give money or pray or send cookies to service people, do something to help end the war. The obscene amounts of money that this and all wars and conflicts the world over are using cannot help but nauseate all but the most cold hearted when they consider all the ways this money could be used.

The real effect on fundraising of this war will probably not be felt for a while, but it will be in even more massive federal cutbacks, in increased need for social services, particularly as service people return and need counseling and help adjusting back to civilian life.

Your job is to keep your donors loyal to your work, and to stay clear that your work is important and needed. Put that message out far and wide, and you will be prepared for the real funding crisis that will be coming by the end of this year. ■



Holding On in Hard Times

by Kim Klein

Those of us who work for progressive grassroots causes are used to feeling that our organizations barely get by, forever raising not enough money, paying low salaries and offering less-than-ideal working conditions. In fact, organizations that don't match that description yet claim to be part of the left are slightly suspect. Perhaps coping with this status quo inured us to the point that we could not foresee the funding crisis that many progressive nonprofits are now facing. Right now, many left groups are doing worse than barely getting by—they can no longer maintain an almost balanced budget, and they can no longer pay even low salaries.

What is this crisis? How did it happen? What, if anything, can be done about it? The first thing to understand about the current economic crisis is that it is not particular to the left. All not-for-profits of all sizes and political descriptions are facing the frightening fact that they spend more time raising less money. From the United Way to arts organizations to universities and hospitals, panic is in ascendancy. As with any development that affects the entire population, those on the margins are even more affected. So small, grassroots, community-based organizations of all types are in bigger trouble than their more established counterparts.

Government Abdication

To understand the origin of this crisis, one has to go back to former President Reagan's plan for the private sector (foundations, corporations and individuals) to

take over funding programs previously sustained by various government agencies. By lowering the tax rates, upping the amount of pre-tax profits corporations could give away from 5% to 10%, and through numerous public relations campaigns aimed at encouraging giving and volunteering, Reagan's policies sought to increase private-sector giving sufficiently to take up the slack left by federal cutbacks (which, in turn, trickled down to become state and local cutbacks).

Private-sector giving has increased dramatically. Every year since 1982, record-breaking increases have shown private-sector giving rising between 8% and 11%. Most of this increase comes from individuals, who are the source of 90% of the money given away in the United States. (Foundations and corporations, contrary to popular perception, only give away 5% each of private-sector giving.)

For Reagan's plan to have worked, however, private-sector giving would have had to increase by 40% each year starting in 1983. Consequently, despite ordinary people's best efforts, for nearly ten years giving by the private sector has barely made a dent in the gaping hole left by the government's abdication of its responsibility to fund social programs.

Organizations that were previously funded by government agencies now compete for private dollars. This competition is compounded by the thousands of organizations created or expanded to meet the social problems that have grown over the past decade, including the AIDS epidemic, homelessness, hunger, drug abuse, and

unemployment. The number of organizations registered as 501(c)(3)—nonprofit, tax-exempt—has grown from around 400,000 in 1984 to over 1,000,000 in 1989.

In 1989, total private-sector giving just to 501(c)(3)s was \$114 billion. In addition to this huge amount is all the giving to political candidates, elections, groups that lobby and are registered as 501(c)(4), and the thousands of organizations not registered with the federal government at all. Almost half of this money went to religious institutions, a proportion unchanged since record keeping of charitable giving began. This amount of money seems phenomenal to most people, but it does not even equal the total budget for the Department of Health and Human Services. The reality is that until the government takes seriously its role in providing housing, health care and quality education, a funding crisis will only worsen.

How to Survive

What can be done in the meantime? Since there is little change in sight with the Bush administration, groups on the left must try to survive and continue to do our work. The following suggestions are offered as ways to buy time and stay alive. Just as individual recycling will not stop environmental degradation, so these suggestions are not to be seen as moving the burden of responsibility to us. At the same time, recycling does help reduce the impact of waste on the environment, and these suggestions will ease the funding crunch many of us face.

1) Everyone committed to social justice should give away 5% to 10% of his or her income, regardless of how low that income is. The average American now gives 2.1% of disposable income per year. By simply doubling that figure, we would make significant progress in funding a lot of groups. Studies of giving by income bracket show that families with incomes of \$5,000 give away an average of \$238, or almost 5% of their gross income. With that model, "I can't afford to" becomes a pale excuse. Like a flat tax, giving away a flat 5% is more expensive for poorer people. People with higher incomes and no dependents should consider giving away 10% to 20%, and people in income brackets over \$50,000 should experiment with 25% to 50% giving.

2) Left organizations must plan to become permanent fixtures. We resist becoming institutions, and for some good reasons. At the same time, it is clear that our work will be needed well into the next century and we need to think in those terms. Five-year plans, capital campaigns, endowments, and other symbols of permanence need to become part of our operating strategies.

3) Left organizations must follow the old adage, "Don't work harder, work smarter," with "Don't fundraise harder, fundraise smarter." Stop sending more and more mail appeals; stop doing more and more special events. Every time you plan a fundraising strategy, think

about the audience and the point of the strategy. For example, if you finally persuade yourself to ask someone directly for a large gift, ask them for enough to make it worthwhile. If you are asking for \$100, why not \$200? Do you have evidence the person doesn't have \$200? If \$1,000, why not \$1,500 or \$2,500? A special event with a ticket price of \$15 can be raised to \$17 without excluding anybody. Plan your work and work your plan. Don't fundraise as if you are in a crisis—fundraise as if this economy were a permanent condition.

4) Get more people involved in fundraising. The more people you have working on more strategies, with good planning, the more money you will have. Too few of us know how to raise money. People think fundraising is mysterious and that only certain personalities are suited to it or that special knowledge is required to do it. In fact, fundraising consists of one simple element: today someone has to ask someone for money. Fundraising techniques can be learned in the course of three or four days, and enough can be learned in one day to keep most groups busy for months.

5) Stop looking to foundations for help. Foundations have less than \$70 billion in total assets, less than individuals give away in one year! Their total giving is tiny, and very little of it is directed at radical work. The primary function of foundations is to preserve the status quo, and the few progressive foundations that exist don't have enough money to rescue all the groups that need their help.

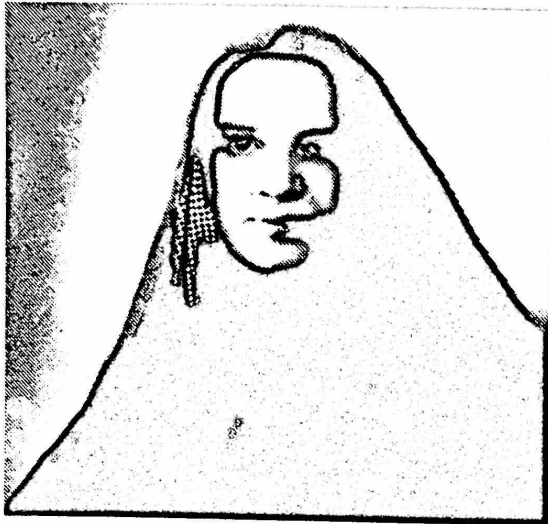
For the time being, the left will not have enough money to do the work that needs to be done. But while we advocate for higher taxes, an end to the Gulf War, and more social spending, we can raise a lot more money through well-planned fundraising efforts. ■

Let Them Eat Cake

Genevieve McLaughlin retired from Independence (Missouri) Blue Cross last year with an unusual request. Seeing "a chance to help someone else with a substantial amount of money," Ms. McLaughlin asked the company to donate the \$1,200 it would spend on her farewell luncheon to charity, according to the *Wall Street Journal*.

Without a policy guideline, however, Independence Blue Cross proceeded with the luncheon. Ms. McLaughlin said she had no intention of attending.

Correction: Last issue's announcements contained an incorrect zip code for RESIST, a foundation serving activist organizations. Their correct address is One Summer St., Somerville, MA 02143.



Mother Cabrini

Francesca Cabrini was born July 15, 1850 in Sant' Angelo, a small village in Italy. She was the youngest of 13 children, and her family were peasant farmers. She became a nun at the age of 22.

Mother Cabrini was a missionary who founded her own order, the Sacred Heart of Jesus, establishing hundreds of hospitals, orphanages and schools in more than a dozen countries. She recruited 4,000 women to join her order and staff her vast network of charities. She became a naturalized citizen of the United States, and she died in Chicago in 1917. Twenty-two years after her death, she was beatified (declared a saint), becoming the first American saint. (Mother Anna Seton was the first American-born woman to be made a saint some years later.)

Mother Cabrini's work in the United States is what we will focus on here, and represents the bulk of her work. She was sent to New York City in 1889 to do missionary work. At that time, Italian immigrants were among the most despised and oppressed of the ethnic immigrants on the East Coast. They were stereotyped as filthy, cheaters, drunkards and so on. Many of these same stereotypes would later be applied to Irish immigrants.

The Italian immigrants were often poor and they did not speak English. Sometimes they were not allowed in public schools and sometimes they chose not to attend public schools. Poverty, combined with large families, early death of parents and inability of parents to support their children, created a large number of Italian orphans. Mother Cabrini felt called to establish orphanages and, later, schools for these and other Italian children.

When one ponders how this tiny woman, frail

INSPIRATIONS IN FUNDRAISING

Many people wrote praising the articles on the history of women and philanthropy (Vol. 9, Nos. 4 and 5) and asking for more information. Although historical writing is not the focus of the Journal, we were pleased that readers found the articles interesting and inspiring. It gave us an idea of doing an occasional column on famous or not-so-famous people and their fundraising efforts. We hope you enjoy this new feature.

for most of her life, built this empire, often facing the disapproval of her superiors in the church and the mockery of the people in the cities she chose to serve, one has to wonder where she got not only the strength but also the money. Here are two stories of her fundraising prowess.

Mother Cabrini had her share of major donors. She routinely asked the bishops and church officials

*If the storekeepers did not
give the nuns money, they
asked for something else.*

to contribute from their personal allowances in addition to whatever the church gave her, and she cultivated a network of wealthy Italians in the United States to help her. One of these wealthy people was an American named Mary Reid who was married to an exiled Italian, the Count Palma di Cesnola. He was the director of the Metropolitan Museum of Art. How Mother Cabrini met her is unclear, but she asked the Contessa to get her a house for her orphanage, and the Contessa complied, putting up the bulk of the money and raising the rest from her friends. She furnished the house and gave Mother Cabrini another \$5,000 to run it.

The problem was that the house was at 43 East 59th St., a very fashionable part of New York City. The Archbishop disapproved of putting an orphanage there, saying it that it would only inflame the

simmering prejudice against Italians. He felt Mother Cabrini should put her orphanage in the "Little Italy" section of the city and not cause trouble. Mother Cabrini knew nothing about New York, and felt that since the Contessa had already acquired and furnished this house, there was no point in moving. She was also reluctant to let bigotry determine the location of her orphanage.

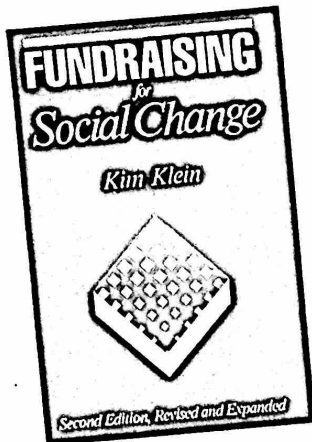
She persuaded the Contessa to see the Archbishop with her, because without his approval the orphanage could not be opened. Since the Contessa was a major donor, Cabrini had her do the talking. The Contessa disputed the Archbishop's conclusions about the neighborhood, saying her friends would welcome an orphanage, as would she, even though she was only Italian by marriage. The Archbishop then shifted his disagreement, focusing on the lack of funds. "\$5,000 is only enough for one year of expenses," he said. Mother Cabrini was shocked; it seemed rude to disparage the Contessa's generosity of providing a fully furnished house and money to operate for a year, but Mrs. Cesnola was not put off at all. She replied, "Your Excellency, remember that in our prayers we only ask for our daily bread, not

bread for one year." Hoisted with his own petard, the Archbishop consented to opening the orphanage.

The Contessa and her daughters, Gabriella and Luisa, continued to serve as the fundraising committee for some time. They attempted to hold a lottery, but the Archbishop forbade it, so they did all of the fundraising from personal friends and from their own money. Soon their efforts were not enough. Four hundred orphans filled the house in four months, and the \$5,000 was soon used up. Mother Cabrini then taught her nuns, who spoke only Italian, to beg in Little Italy. They would go store by store and ask for money. If the storekeepers did not give them money (which was the result most of the time), the nuns would ask for something else, such as onions or pumpkins or meat. Before long, weighed down with the gifts, they would ask for a ride in a carriage back to their Upper East Side location.

The knowledge of fundraising Mother Cabrini gained while running this orphanage served her well over the next 30 years of establishing schools, hospitals and orphanages. She knew that if she asked enough people, she would get the money she needed. ■

Second Edition—
Updated and Expanded



Fundraising for Social Change

BY KIM KLEIN

Now in its second printing, *Fundraising for Social Change* contains the nuts and bolts strategies that all nonprofits need to raise money successfully from individuals.

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Profile of a Rookie Major Donor

works in a nearby city as a research chemist. His earnings from his job are his sole source of income, about \$50,000 a year. He has no particular philanthropic goals and normally gives away about 1% of his annual income to organizations that have personal meaning to him. He has

People trust their friends and often give to causes friends recommend.

This month's major donor calls himself a "rookie" because it takes a very special personal connection for him to consider giving more than a basic membership to an organization, and he's only done so once or twice.

Single, in his mid-40s, our rookie lives in a small town and

been a steady (though not major) supporter of several conservation and wildlife organizations, including national and international groups (Audubon, Wilderness Society, Nature Conservancy) as well as regional and local groups working to protect the environment.

He chooses organizations to support based on the recommenda-

tions of friends coupled with his ability to see the organization's work in his own world: Audubon protects several properties near his house as study sites and the Nature Conservancy has several nearby preserves which he occasionally visits. "I benefit by being able to visit places that these groups make possible," he said.

Another organization that has touched his life is the American Friends Service Committee, to which he donates \$100 a year out of gratitude for the draft counseling they provided him during the Vietnam War and so that others can have similar advice and support. They have never asked him to increase his gift and have never sent him a personal appeal.

Only one organization has received gifts over \$100 from this donor, giving him his rookie status. A local playhouse, whose theatrical work he has enjoyed and where he



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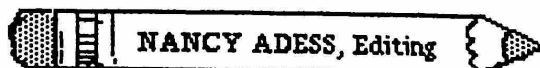
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has taken various workshops, enlisted his help on the fundraising committee for a capital campaign. Feeling a beneficiary of the theater's role in his town for many years, he reasoned, "Here was a chance to do something back and be a little more involved. The need was great and the organization brings so many good productions to the town. The theatrical productions I'd attended for so many years wouldn't otherwise have been available to our small community." "Blundering into" his first fundraising committee meeting with no preparation beyond an initial rather casual invitation to attend, our rookie was surprised to learn that he would be expected to ask others for donations. "I thought I could put stamps on envelopes when I volunteered. I didn't realize I'd have to go ask people. I did ask about two dozen people either for new gifts or to fulfill pledges, but I mainly gave a big

gift myself (\$500) two years in a row to feel that I had done my part on the committee and for the campaign."

Would he give this large a gift again to the playhouse? "No, I've gone back to the basic membership. The theater's been renovated and the need for that kind of money has passed. However, I did make a big purchase at an auction they held last year. Knowing that half the proceeds went to the theater made it easier for me to spend \$750 on a piece of art."

What is the key to getting to this kind of donor to give more major gifts? "Don't call me unless you're a friend," he says. "If you call me and I don't know you, you're immediately off my list. Send me something in the mail and there's a fifty percent chance I'll read it. Otherwise, a friend approaching me for a major donation to something I know and care about probably has a good

chance of getting a bigger-than-usual gift."

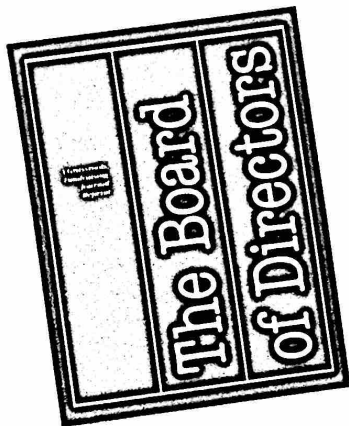
This person's giving profile is not uncommon. It demonstrates that people trust their friends and often will give to causes that friends recommend if they touch a personal interest. Beyond that, this "rookie" could equally be called an "untapped" major donor. He may be likely to give larger gifts to a number of organizations, but hasn't been asked. Groups that he has supported consistently for several years are missing opportunities both to upgrade his gift and to approach him regarding estate planning (making them a beneficiary in his will).

Grassroots groups should examine their membership lists for members who have loyally supported the organization for several years; those members may be happy to increase that support with a major gift, if only someone asked. ■

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Book Review

Organizing for Social Change

Kimberly A. Bobo, Jacquelyn Kendall, and Stephen Max
304 pp. 1991.

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800/537-9359

Reviewed by Joan Flanagan

Every fundraiser knows it is not enough to just raise money. If your organization does not have real leaders, issues people care about, strategies that work, and a legitimate base in the community, money can pay salaries, but it will not buy change. Serious social change requires a permanent, powerful organization led by people not afraid to win. In other words, it needs good organizing as well as good fundraising.

Organizing for Social Change

tells you how to build an organization that people want to join. As the organization wins more victories, more citizens want to get involved and give money; with more people and more money, the organization can win more victories. You get the recipes for the spiral of success.

This book was written as a training manual for the Midwest Academy, an eighteen-year-old training center for organizers and leaders of the twenty-nine state-wide Citizen Action organizations

New Resource Available

Capital and Communities: A Community Guide to Financial Institutions

How and Where to Find Money for Community Development in the Wake of the S&L Debacle

As a result of the failure of hundreds of savings and loans and the increased scrutiny of the banking industry that has followed in their wake, capital—the very lifeblood of communities—has become harder to find than ever before. This means hard times for communities in search of financing for affordable housing or business development projects in their neighborhoods.

Capital and Communities: A Community Guide to Financial Institutions is designed to help communities negotiate the bewildering maze of financial institutions.

Produced by the Community Information Exchange, a national community development information service, *Capital and Communities* is about finding money for community housing, business and consumer needs in difficult times. It will help communities discover new resources and answer commonly asked questions such as: Which financial institution is most likely to finance a housing development project in our community? What are the best sources of capital for organizations looking to start up

a small business? How do various financial institutions compare to one another? What are their special strengths and weaknesses?

Capital and Communities looks first at the demand for capital, in a chapter entitled "Assessing Community Capital Needs." This chapter explains in detailed terms how to assess a community's needs for consumer, business and housing (both single-family and multi-family) capital. It examines and defines the various forms of equity and debt capital most commonly required by housing and business development groups and explores the numerous sources of data on capital in communities (including the recently strengthened Community Reinvestment Act and Home Mortgage Disclosure Act). It also illustrates how a community might go about making the existing financial institutions in their neighborhood more responsive to community needs.

Chapter II examines the suppliers of capital: financial institutions. It profiles 15 different financial institutions, both conventional and alternative, from venture capital

funds to small business investment companies, from credit unions to microenterprise loan funds. The profiles provide communities with valuable information about the kinds of capital each financial institution provides and how best to approach them for money.

Chapter III, "Matching Capital Needs to Sources," combines the information in Chapters I and II to help readers match their capital needs with the financial institutions most likely to meet those needs. Easy-to-use charts are broken into four sections (Consumer, Business, Single-Family Housing, Multi-Family Housing), providing a handy reference that can be used to compare financial institutions and their ability to provide capital.

Capital and Communities: A Community Guide to Financial Institutions contains over 100 pages of valuable advice and information and is available for \$25 from: *Community Information Exchange*, 1029 Vermont Avenue N.W., Suite 710, Washington, D.C. 20005 (202) 628-2981.

as well as thousands of student, labor, religious, and senior citizen organizations. The Academy's curriculum was originally developed by founder Heather Booth, and refined by Director Karen Thomas and other trainers such as George Buntin of the Baltimore NAACP. Thousands of alumni have tested the Academy's principles; they have proved what works, and what does not work, in organizing today.

Fundraising Principles

The Midwest Academy teaches that organizing is based on three principles:

- 1) People win real improvements in their lives.
- 2) They get a sense of their own power.
- 3) They change the relationships of power.

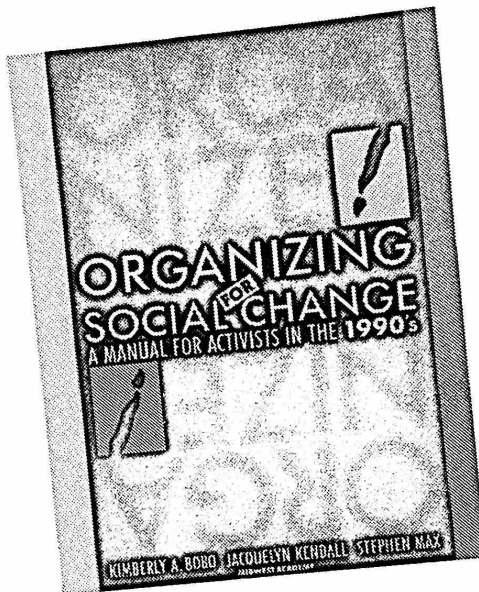
These same principles are the basis of grassroots fundraising. Volunteers and staff who ask for money get a sense of their own power. A financially self-sufficient organization can change the relationships of power.

The authors devote one chapter to grassroots fundraising, reviewing the do's and don'ts and sharing several success stories. Examples range from local groups, such as the Buffalo Women's Action for Nuclear Disarmament (WAND) flower sale, "Mums for Moms," that nets \$5,000, to statewide organizations, such as the Connecticut Citizen Action Group's ad book that nets \$20,000. My favorite sample for low-income communities is the Baltimore NAACP's baby contest, "Human Dolls on Parade for Freedom," that nets \$35,000 from 25¢ "votes" for the most beautiful babies.

In addition to the fundraising chapter, fundraisers will benefit from tested advice on running meetings, getting publicity, handling financial and legal matters, mastering technology, and time management. The book includes numerous

examples of strategy charts, turn-out sheets, and time-lines to make your organization more effective and your fundraisers more accountable.

All three of the authors share decades of experience in the trenches for social change. Steve Max is an organizer, economist, and the smartest and funniest public speaker I know. Imagine a mix of Ralph



Nader and Jay Leno, and you'll know why his chapter on public speaking is worth the cover price alone!

Kim Bobo has worked globally with Bread for the World and locally with tenants of Chicago's toughest public housing projects. Her contributions to the chapters on organizing your office, your paper, and your time will liberate the most frenzied fundraiser. Her thoughts on "organizing for the long haul" will remind you why you choose to commit your life for justice.

In 1969, freshness dates on food were concealed in codes, which allowed unscrupulous grocers, especially in ghetto stores, to sell unsafe food to unsuspecting customers. Jackie Kendall was one of the volunteer activists persistent enough to hound the food manufac-

turers into releasing the translation of the codes. Her consumer group eventually sold 20,000 copies of the publication that revealed the dating codes and used the earned income to launch one of the consumer groups that won open dating on food products in 1973.

Jackie is now the Director of the Midwest Academy. Her evolution from concerned parent to consumer activist to full-time organizer to trainer/mentor makes her advice especially useful. Because she has done it herself, she can share the lessons that work in a way that new people will read, remember, and apply.

The only shortcoming with this book is it is too short. Unfortunately, in the effort to cover the basics of many skills, some topics are covered too superficially for beginners. However, the book does include a lengthy resource list of print and audio-visual materials for readers who want more information on topics introduced in the book.

The book is available by phone or mail order from Seven Locks Press. However, I would be remiss (and Kim Klein will think I have not been reading the *Journal*) if I fail to ask for your donation above the cover price. If you would like a copy autographed by the authors, send \$100 to: The Midwest Academy, 225 W. Ohio, Suite 250, Chicago, IL 60610. You will get a terrific autographed book, and your donation will support the Academy's efforts to train tomorrow's organizers. ■

Joan Flanagan is an associate trainer at the Midwest Academy and author of the classic The Grass Roots Fundraising Book (Chicago: Contemporary Books). Her new book Successful Fundraising. A Complete Guide for Volunteers and Professionals (Chicago: Contemporary Books) will be in your bookstore in May.

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